ASX RELEASE

Scheme booklet registered by ASIC

Melbourne, Australia, 12 June 2020: Sienna Cancer Diagnostics (ASX: SDX) ("Sienna" or "the Company") is pleased to announce that the Australian Securities and Investments Commission (**ASIC**) has today registered the explanatory statement (**Scheme Booklet**) in relation to the proposed acquisition of all the shares in Sienna by BARD1 Life Sciences Limited (**BARD1**) by way of a scheme of arrangement (**Scheme**), as announced on 8 April 2020.

Today's announcement follows the 10 June 2020 announcement that the Federal Court of Australia had made orders approving the dispatch of the Scheme Booklet to Sienna shareholders and convening a meeting of Sienna shareholders to consider and vote on the Scheme (**Scheme Meeting**). The Directors maintain their recommendation that Sienna Shareholders should **vote in favour** of the Scheme in the absence of a superior proposal.

Scheme Booklet

A copy of the Scheme Booklet, including the Independent Expert's Report and the notice of the Scheme Meeting, is attached to this announcement and will be dispatched to Sienna shareholders on 12 June 2020.

Sienna shareholders who have elected to receive communications electronically will receive an email with links to where they can download the Scheme Booklet and lodge their proxies for the Scheme Meeting online. Sienna shareholders who have not made such an election will be mailed a printed copy of the Scheme Booklet and proxy forms for the Scheme Meeting.

Scheme Meeting

The Scheme requires approval of Sienna's shareholders and will be considered at the Scheme Meeting. In response to the global COVID-19 pandemic and government restrictions on physical gatherings, the Scheme Meeting will be held as a virtual meeting at **11:00 am (Melbourne time) on Wednesday, 15 July 2020**. There will be no physical meeting where Sienna shareholders and proxies can attend in person.

Further information

The Scheme Booklet explains the effect of the Scheme between Sienna and the Sienna shareholders and is an important document. **You should read this Scheme Booklet in its entirety before making a decision as to how to vote at the Scheme Meeting**. If you are in doubt as to what you should do, you should consult your legal, investment or other professional adviser.

If, after reading the Scheme Booklet, you have any questions of a general nature, or require further information, then you may refer to Sienna's website at http://www.siennadiagnostics.com.au/, email info@siennadiagnostics.com.au, or call Sienna on 03 8288 2141 (within Australia) or +61 3 8288 2141 (outside Australia).

Indicative key dates

The Scheme Booklet details in full the important dates for the Scheme, however, a summary of the indicative key dates is provided below:

Event	Date and time
Date and time for determining eligibility to vote at Scheme Meeting	7.00pm on 13 July 2020
Latest date and time for lodgement of Proxy Forms or powers of attorney for Scheme Meeting	13 July 2020
Scheme Meeting to vote on the Scheme (to be held virtually)	15 July 2020
Second Court Date for approval of the Scheme	17 July 2020
Effective Date – Court Order lodged with ASIC and announced to ASX	21 July 2020
Sienna Shares cease trading on ASX at close of trading	21 July 2020
Scheme Record Date for determining participants in the Scheme and entitlements to Scheme Consideration	23 July 2020
Implementation Date – Scheme Shares transferred to BARD1 and Scheme Consideration provided to Scheme Participants	28 July 2020

Dates may change

The timetable above is indicative only and certain dates and times are subject to receipt of all necessary approvals from Sienna shareholders, the Court and other Regulatory Authorities. Sienna, in consultation with BARD1, may vary any or all of these dates and times, subject to Court approval where required.

Any changes to the above timetable will be published on Sienna's website at http://www.siennadiagnostics.com.au/, and announced to ASX, https://www.asx.com.au/. The actual timetable will depend on factors outside the control of Sienna and implementation of the Scheme is subject to the satisfaction, or if applicable, waiver, of the Scheme Conditions (see Section 9.9 of the Scheme Booklet).

All references to time are to Australian Eastern Standard Time unless otherwise stated.

ENDS.

For Further Information, please contact:
Carl Stubbings, CEO & Managing Director
Sienna Cancer Diagnostics Ltd
cstubbings@siennadiagnostics.com.au
+61 3 8288 2141

The release of this announcement was authorised by Tony Di Pietro, Company Secretary.

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

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

The Company recently announced the signing of an exclusive worldwide licence agreement with the University of Adelaide to develop and commercialise a unique cancer probe, SubB2M, which binds to a unique sugar molecule only present in human cancers and can detect its presence in the serum of cancer patients. SubB2M has the potential to detect cancer in a range of testing modalities such as liquid biopsies, immunoassays, circulating tumor cell assays and PET imaging.

Sienna Cancer Diagnostics Limited

ACN 099 803 460

SCHEME BOOKLET

For the recommended Scheme of Arrangement between

Sienna Cancer Diagnostics Limited ACN 099 803 460

and its shareholders

in relation to the proposed acquisition by **BARD1 Life Sciences Limited** of all the issued shares in Sienna Cancer Diagnostics Limited

Each Director recommends you **VOTE IN FAVOUR** of the Scheme in the absence of a Superior Proposal.

The Independent Expert has concluded that the Scheme is in the best interest of Sienna Shareholders.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

IF YOU HAVE ANY QUESTIONS IN RELATION TO THE SCHEME BOOKLET OR THE SCHEME MEETING PLEASE CONTACT YOUR LEGAL, INVESTMENT OR OTHER PROFESSIONAL ADVISER

K&L GATES

Legal Adviser

IMPORTANT NOTICES

The Scheme Booklet

This Scheme Booklet sets out details of the Scheme and constitutes the Explanatory Statement for the Scheme for the purposes of section 412(1) of the Corporations Act. It explains the effect of the Scheme between Sienna Cancer Diagnostics Limited ACN 099 803 460 (**Sienna** or **Company**) and the Sienna Shareholders to be considered at the Scheme Meeting.

You should read this Scheme Booklet in its entirety before making a decision as to how to vote on the resolution to be considered at the Scheme Meeting. If you are in doubt as to what you should do, you should consult your legal, investment or other professional adviser.

ASIC and ASX

A copy of this Scheme Booklet has been examined and registered by ASIC for the purposes of section 412(6) of the Corporations Act. ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, then it will be produced to the Court at the time of the Court hearing to approve the Scheme. Neither ASIC nor any of its officers take any responsibility for the contents of this Scheme Booklet.

A copy of this document has been lodged with ASX. Neither ASX nor any of its officers take any responsibility for the contents of this document.

Federal Court Notice

IMPORTANT NOTICE ASSOCIATED WITH COURT ORDER UNDER SECTION 411(1) OF THE CORPORATIONS ACT 2001

The fact that under section 411(1) of the Corporations Act the Court has ordered that a meeting be convened and has approved the explanatory statement required to accompany the notices of the meeting does not mean that the Court:

(a) has formed any view as to the merits of the proposed scheme or as to how members/creditors should vote (on this matter members/creditors must reach their own decision); or

(b) has prepared, or is responsible for, the content of the explanatory statement.

Notices of Scheme Meeting

The Notice of Scheme Meeting is included in this Scheme Booklet as Annexure F.

In response to the global COVID-19 pandemic and government restrictions on physical gatherings, the Scheme Meeting will be held as a virtual meeting at 11:00 am (Melbourne time) on Wednesday, 15 July 2020. There will be no physical meeting where Sienna Shareholders and proxies can attend in person. A virtual Scheme Meeting has been authorised by the Court at the First Court Hearing.

Notice of Second Court Hearing

On the Second Court Date, the Federal Court of Australia will consider whether to approve the Scheme following the votes at the Scheme Meeting. Any Sienna Shareholder may attend the hearing held on the Second Court Date, expected to be held on 17 July 2020. It is possible that, because of restrictions imposed in response to the COVID-19 pandemic, that hearing will be conducted by remote access technology, including "Microsoft Teams" or telephone conferencing. A Sienna Shareholder seeking to view the hearing should review the Federal Court list (available at https://www.fedcourt.gov.au/court-calendar/daily-court-lists/vic) for details of the hearing and how to view it. The Court's list is usually available by 4.30pm the day before the hearing. Any Sienna Shareholder who wishes to oppose approval of the Scheme at the hearing on the Second Court Date may do so by filing with the Court and serving on Sienna a notice of appearance in the prescribed form together with any affidavit that the Sienna Shareholder proposes to rely on.

Investment decisions

The information contained in this Scheme Booklet does not constitute financial product advice. This Scheme Booklet does not take into account the investment objectives, financial situation or particular needs of individual Sienna Shareholders or any other person. Independent financial and taxation advice should be sought before making any decision in relation to the Scheme.

Responsibility statement

The Company Information has been prepared by Sienna and its directors and is the responsibility of Sienna. The directors, officers and advisers of BARD1 Life Sciences Limited ACN 009 070 384 (**BARD1**) and BARD1 do not assume any responsibility for the accuracy or completeness of the Sienna Information.

The BARD1 Information has been provided by BARD1 and its directors and is the responsibility of BARD1. Sienna and its directors, officers and advisers do not assume any responsibility for the accuracy or completeness of the BARD1 Information.

KPMG Corporate Finance has prepared the Independent Expert's Report in Annexure B and is responsible for that report only. None of Sienna or BARD1 nor any of their respective affiliates, Subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report.

Forward looking statements

Certain statements in this Scheme Booklet relate to the future. Forward-looking statements can be identified by the use of forward looking words such as "may", "should", "expect", "anticipate", "estimate", "scheduled" or "continue," their negative equivalent, or comparable terminology. Such statements involve known and

unknown risks, uncertainties, assumptions and other important factors that may cause the actual results, performance or achievements of Sienna to be materially different from the results, performance or achievements expressed or implied by such statements. The operation and financial performance of Sienna is subject to various risks and which may be beyond the control of Sienna or BARD1. As a result, the actual results of Sienna's operations and earnings following implementation of the Scheme and the actual advantages of the Scheme may differ from those that are anticipated or may not be achieved.

Any forward looking statements in this Scheme Booklet are made, and reflect views held, only as at the date of this Scheme Booklet. Sienna and BARD1 make no representation and give no assurance or guarantee that the occurrence of the events or the achievement of results expressed or implied in such statements will actually occur. You are cautioned not to rely on any forward-looking statement.

Privacy and personal information

Sienna will need to collect personal information to implement the Scheme. The personal information may include the names, contact details and details of shareholdings of Sienna's Shareholders, plus contact details of individuals appointed by Sienna Shareholders to act as proxies, corporate representatives or attorneys at the Scheme Meeting. The primary purpose of the collection of personal information is to assist Sienna in the conduct of the Scheme Meeting and to enable the Scheme to be implemented. The collection of certain personal information is required or authorised by the Corporations Act.

Sienna Shareholders, and other individuals in respect of whom personal information is collected, have certain rights to access the personal information collected about them and can contact the Sienna Share Registry on 1300 554 474 if they wish to exercise those rights.

Personal information may be disclosed to the share registrars of Sienna or BARD1, print and mail service providers, authorised securities brokers, Related Bodies Corporate of Sienna and to BARD1, and Sienna and BARD1's advisers to the extent necessary to effect the Scheme. If the information outlined above is not collected, Sienna may be hindered in, or prevented from, conducting the Scheme Meeting, or implementing the Scheme effectively or at all. Sienna Shareholders who appoint a named person to act as their proxy, corporate representative or attorney at the Scheme Meeting should ensure that they inform that person of the matters outlined above.

Notice to Sienna Shareholders in jurisdictions other than Australia, New Zealand, United Kingdom and United States

This Scheme Booklet has been prepared in compliance with the disclosure requirements of Australia which may be different from those in other jurisdictions. This Scheme Booklet and the Scheme do not in any way constitute an offer of securities or a solicitation of an offer to purchase securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or solicitation.

Based on the information available to Sienna as at the date of this Scheme Booklet, Sienna Shareholders whose addresses are shown in the Sienna Share Register on the Record Date as being in the following jurisdictions outside of Australia will be entitled to have New BARD1 Shares issued to them pursuant to the Scheme subject to the qualifications, if any, set out below in respect of that jurisdiction:

- New Zealand;
- United States;
- United Kingdom; and
- any other person or jurisdiction in respect of which Sienna reasonably regards, after consulting with BARD1, that the laws of that place permit the offer and issue of New BARD1 Shares to that Sienna Shareholder and, is not unduly onerous, expensive or impracticable for BARD1 to do so.

Sienna Shareholders who are Ineligible Foreign Shareholders will not be issued New BARD1 Shares. Instead, the New BARD1 Shares to which Ineligible Foreign Shareholders would otherwise be entitled to under the Scheme will be issued to the Sale Agent and sold through the Share Sale Facility, with the Share Sale Facility Proceeds being remitted to those Sienna Shareholders. Refer to Section 9.4 for further details on the Share Sale Facility.

Notice to Sienna Shareholders in the United States

The New BARD1 Shares have not been and are not expected to be registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States. BARD1 intends to rely on Section 3(a)(10) of the US Securities Act in connection with the consummation of the Scheme and the issuance of New BARD1 Shares. Section 3(a)(10) contains an exemption from the general requirement for securities issued in exchange for other securities where the terms and conditions of the issuance and exchange have been approved by a court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of the issuance at which all persons to whom the securities will be issued have the right to appear.

Sienna and BARD1 will rely on approval of the Scheme by the Court for purposes of qualifying for the Section 3(a)(10) exemption. This Scheme Booklet has not been filed with or reviewed by the SEC or any United States state securities authority and none of them has passed upon or endorsed the merits of the Scheme or the accuracy, adequacy or completeness of this Scheme Booklet. Any representation to the contrary is a criminal offence.

References to time and currency

Unless otherwise stated, a reference to time in this Scheme Booklet is a reference to Australian Eastern Standard Time. References to ($ or A$) dollars in this Scheme Booklet are to Australian dollars, unless otherwise stated.

Rounding

Certain financial figures in this Scheme Booklet have been rounded as applicable, unless otherwise stated. Such figures should be considered as approximate figures. Any discrepancies in any table between totals and sums of amounts listed therein or to previously published financial figures are due to rounding.

Defined terms and interpretation

Capitalised terms used in this Scheme Booklet are defined either in the Glossary in Section 11 or in the body of this Scheme Booklet.

Unless otherwise stated or where the context otherwise requires, all data contained in this Scheme Booklet, including in charts, graphs and tables, are based on information available as at the Last Practicable Date.

Websites

Any references in this Scheme Booklet to any website are for information purposes only and no information contained on any website forms part of this Scheme Booklet.

Tax

A general guide to the taxation implications of the Scheme is set out in Annexure A. This guide is expressed in general terms only and Sienna Shareholders should consult their tax adviser as to the applicable tax consequences of the Scheme.

If you have any questions

If after reading this Scheme Booklet in its entirety you do not fully understand it, you should consult an accountant, solicitor or other professional adviser for assistance.

This document is very important and should be read in its entirety.

Date

This Scheme Booklet is dated 10 June 2020.

TABLE OF CONTENTS

LETTER FROM THE SIENNA CHAIRMAN

Dear Shareholder,

On behalf of the Sienna Board, I am pleased to provide you with this Scheme Booklet that contains important information for your consideration about the proposed acquisition of Sienna by BARD1 Life Sciences Limited (**BARD1**, **ASX:BD1**).

THE SCHEME

On 8 April 2020, Sienna announced that it had entered into a Merger Implementation Agreement with BARD1. It is proposed that BARD1 will acquire 100% of the issued Sienna Shares by way of a Scheme of Arrangement, subject to approval by Sienna Shareholders and the Court; and the satisfaction of certain other conditions (**Scheme**).

In consideration for their Sienna Shares, Sienna Shareholders are to receive 13 New BARD1 Shares for every 5 Sienna Shares held on the Scheme Record Date. The Scheme Consideration values the equity of Sienna at approximately $28.8 million[1].

INDEPENDENT EXPERT

Sienna appointed KPMG Corporate Finance as the Independent Expert to prepare the Independent Expert's Report, including an opinion as to whether the Scheme is in the best interest of Sienna Shareholders. The Independent Expert, KPMG Corporate Finance, has concluded that the Scheme is in the best interest of all shareholders in the absence of a Superior Proposal.

A full copy of the Independent Expert's Report is included as Annexure B to this Scheme Booklet.

SIENNA BOARD'S RECOMMENDATION

Your Directors have considered the advantages and disadvantages of the Scheme. Each Director recommends that Sienna Shareholders vote in favour of the Scheme in the absence of a Superior Proposal. Each Director who holds Sienna Shares intends to vote in favour of the Scheme in the absence of a Superior Proposal.

The key reasons why the Board believes the Scheme to be in the best interest of all shareholders include:

- **Attractive premium for Sienna Shareholders**: The Scheme represents an attractive premium for Sienna Shareholders on the underlying value of the business. BARD1's offer for Sienna represents a 119% premium to the 1-month volume weighted average price (**VWAP**) and a premium of 68% to the 3-month VWAP prior to the announcement of the Scheme[2].

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[1] As at the Last Practicable Date.

[2] As of 6 April 2020.

- **Complementary diagnostic business / expanded diagnostics portfolio**: Sienna and BARD1 are both medical technology companies operating in the same diagnostics industry. The merger of BARD1 and Sienna is expected to create a complementary business with an expanded portfolio of in-market and pipeline cancer diagnostic products enabling early-stage testing for a range of cancers including ovarian, breast, lung, bladder and pancreatic cancers.

- **Multiple technology platforms:** The Scheme is a compelling opportunity to develop world-leading new cancer diagnostic products for screening, diagnosis, prognosis, treatment selection and monitoring through the combination of Sienna's SIEN-NET purification technology with BARD1's proprietary tumour marker technology.

- **Superior offer:** The Offer, compared to other available alternatives, represents in the Sienna Board's view the most superior offer in terms of value and degree of certainty.

- **Impact on Sienna's share price**: If the Offer is not approved and, in the absence of a Superior Proposal, the price of Sienna shares may fall below the implicit value of the offer price.

The Board notes that the appropriateness of New BARD1 Shares for Sienna Shareholders will depend on the characteristics and risk profile of individual Sienna Shareholders, as well as the matters set out in the Scheme Booklet (including, without limitation, the Risk Factors set out in Section 8 of this Scheme Booklet). It is important that you carefully read the Risk Factors as there are risks involved in an investment in BARD1 which differ from the risks associated with your current investment in Sienna.

SCHEME MEETING

Your vote is important as the resolution at the Scheme Meeting requires a certain level of Sienna Shareholder support to be approved. I encourage you to read this Scheme Booklet carefully as it contains information that will assist in both your decision for voting, but also information on how to vote.

I also encourage you to vote at the Scheme Meeting held at 11:00 am on Wednesday, 15 July 2020 either by personally participating in the virtual Scheme Meeting or by appointing a proxy, an attorney or, in the case of a Sienna Shareholder or proxy who is a corporation, a corporate representative to participate in the Scheme Meeting and vote on your behalf. Sections 3.7 and 3.8 of this Scheme Booklet contains further information regarding the virtual Scheme Meeting and your vote.

If you require further information after reading this Scheme Booklet in its entirety, please call Sienna on +61 3 8288 2141 (within Australia) or +61 3 8288 2141 (outside Australia), send an email to info@siennadiagnostics.com.au or visit Sienna's website at http://www.siennadiagnostics.com.au/.

On behalf of the Sienna Board, I thank you for your ongoing support and I look forward to your participation at the relevant Scheme Meeting.

Yours faithfully,

Dr Geoffrey Cumming
Chairman

IMPORTANT DATES

Event	Date and time
Date and time for determining eligibility to vote at Scheme Meeting	7.00pm on 13 July 2020
Latest date and time for lodgement of Proxy Forms or powers of attorney for Scheme Meeting	13 July 2020
Scheme Meeting to vote on the Scheme to be held virtually	15 July 2020
Second Court Date for approval of the Scheme	17 July 2020
Effective Date – Court Order lodged with ASIC and announced to ASX	21 July 2020
Sienna Shares cease trading on ASX at close of trading	21 July 2020
Scheme Record Date for determining participants in the Scheme and entitlements to Scheme Consideration	23 July 2020
Implementation Date – Scheme Shares transferred to BARD1 and Scheme Consideration provided to Scheme Participants	28 July 2020

Dates may change

The timetable above is indicative only and certain dates and times are subject to receipt of all necessary approvals from Sienna Shareholders, the Court and other Regulatory Authorities. Sienna, in consultation with BARD1, may vary any or all of these dates and times, subject to Court approval where required.

Any changes to the above timetable will be published on Sienna's website at www.siennadiagnostics.com.au and announced to ASX, www.asx.com.au. The actual timetable will depend on factors outside the control of Sienna and implementation of the Scheme is subject to the satisfaction or, if applicable, waiver of the Scheme Conditions (see Section 9.9).

All references to time are to Australian Eastern Standard Time unless otherwise stated.

1. SCHEME HIGHLIGHTS

1.1 Summary of reasons to vote in favour of or against the Scheme

Reasons to vote in favour of the Scheme

1	The **Sienna Directors unanimously recommend** that the Sienna Shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the same qualification **intend on voting** all Sienna Shares held or controlled by or for them **in favour of the Scheme**.
2	The Independent Expert has concluded that **the Scheme is in the best interest of Sienna Shareholders**, in the absence of a Superior Proposal. A copy of the Independent Expert's Report is set out in Annexure B of this Scheme Booklet.
3	No Superior Proposal has been received by Sienna as at the date of this Scheme Booklet.
4	The Scheme represents an attractive premium for Sienna Shareholders on the underlying value of the business. BARD1's offer for Sienna represents a 119% premium to the 1-month VWAP and a premium of 68% to the 3-month VWAP, respectively, prior to the announcement of the Scheme.[3]
5	The merger of BARD1 and Sienna is expected to create a well-resourced, leading Australian-based cancer diagnostics company with a global focus. It will include a high-calibre Board, experienced leadership team and deep portfolio of innovative cancer diagnostic technologies and products. The companies' programs are complementary enabling the development of diagnostics for early detection of a range of cancers including ovarian, breast, lung, bladder and pancreatic cancers. The combined companies (**Merged Group**) will progress commercial development that could generate significant new product and licensing revenues in the following four key programs: 1. **hTERT** - a test used to assist in the diagnosis of bladder cancer. hTERT is "in market" and generating revenues, 2. **BARD1 biomarkers** – blood tests in development for the early detection of ovarian, breast and lung cancers, 3. **SIEN-NET** - a Molecular Net technology, that is expected to enable the Merged Group to access the rapidly growing segment of medical diagnostics known as liquid biopsy, and 4. **Unique Cancer markers** – the Merged Group is expected to continue to identify and commercially develop a range of cancer biomarkers that could be complementary to the above development platforms.
6	If the Scheme proceeds, the Merged Group is expected to have a well-capitalised platform to consolidate the Australian cancer diagnostics sector with pro-forma merged cash of approximately $13.7 million[4].
7	The merger is expected to provide a strengthened and expanded leadership team with expected improved career opportunities for employees of both businesses and the ability to attract and retain leading cancer diagnostic experts.

[3] As of 6 April 2020 and based on the BARD1 Share price of 2.3 cents.

[4] As at 31 March 2020, excluding the costs of the Scheme.

8	The merger is expected to provide synergies from operational efficiencies, shared expertise, staff and administration, equipment, and a consolidated Melbourne-based office and laboratory facility.
9	If the Scheme does not proceed and no Superior Proposal emerges, Sienna may experience funding challenges and the Sienna Shares may trade at a significantly lower price.
10	No brokerage charges or stamp duty will be payable on the transfer of your Sienna Shares if the Scheme proceeds.

Reasons why you may choose to vote against the Scheme

1	You may disagree with the Sienna Directors' recommendation or the conclusion of the Independent Expert.
2	You may consider that there is the potential for a Superior Proposal to be made in the foreseeable future.
3	The tax consequences of the Scheme may not be suitable for you considering your individual circumstances.
4	You may wish to maintain an interest in a publicly listed investment with Sienna's specific characteristics.
5	The Scheme may be subject to conditions that you consider unacceptable.

See Section 4 for further details of the above summaries of the reasons to vote in favour of or against the Scheme.

1.2 Independent Expert's conclusion

KPMG Corporate Finance has been appointed as the Independent Expert by the Sienna Board to prepare the Independent Expert's Report, including an opinion as to whether the Scheme is in the best interest of Sienna Shareholders.

The Independent Expert has concluded that the Scheme Consideration is in the best interest of the Sienna Shareholders in the absence of a Superior Proposal. A copy of the Independent Expert's Report can be found in Annexure B.

1.3 Scheme Conditions

The obligations of Sienna and BARD1 to complete the Scheme are subject to the Scheme Conditions which are discussed in further detail in Section 9.9. The Scheme Conditions are contained in clause 3 of the Scheme, as set out in Annexure E to this Scheme Booklet. For the Scheme to be implemented, all of the Scheme Conditions must be either satisfied or waived in accordance with the Scheme and the Merger Implementation Agreement (as applicable).

As at the date of this Scheme Booklet, Sienna and BARD1 are not aware of any circumstances which would cause the Scheme Conditions not to be satisfied or waived. An update as to the status of the Scheme Conditions will be provided at the Scheme Meeting.

1.4 Scheme Consideration

If the Scheme is approved and implemented, Scheme Participants will be entitled to receive 13 New BARD1 Shares for every 5 Sienna Share held on the Scheme Record Date.

Based on:

(a) BARD1's closing share price on 6 April 2020, the Scheme Consideration represents an implied value of 6.0 cents per Sienna Share;

(b) BARD1's closing share price on the Last Practicable Date of $0.028, the Scheme Consideration represents an implied value of $0.073 per Sienna Share;

(c) The Scheme Consideration represents a 119% premium to Sienna's 1-month VWAP prior to the announcement of the Scheme of $0.027[5]; and

(d) BARD1's 1-month VWAP to the Last Practicable Date of $0.028, the Scheme Consideration represents an implied value of $0.073 per Sienna Share.

Sienna Shareholders who are Ineligible Foreign Shareholders will not be issued New BARD1 Shares. Instead, the New BARD1 Shares to which Ineligible Foreign Shareholders would otherwise be entitled to under the Scheme will be issued to the Sale Agent and sold through the Share Sale Facility, with the Share Sale Facility Proceeds being remitted to those Sienna Shareholders.

Fractional entitlements will be rounded up or down to the nearest whole number (rounded up if the fractional entitlement is equal to or greater than one half, and rounded down if the fractional entitlement is less than one half), but only after applying the Scheme Participant's entitlement (prior to rounding) to its entire holding of Scheme Shares.

The total Scheme Consideration is valued at $28.8 million (based on BARD1's closing share price on the Last Practicable Date).

1.5 Scheme Meeting

In response to the global COVID-19 pandemic and government restrictions on physical gatherings, the Scheme Meeting will be held as a virtual meeting at 11:00 am (Melbourne time) on Wednesday, 15 July 2020. **There will be no physical meeting where Sienna Shareholders and proxies can attend in person**. The Notice of Scheme Meeting convening the Scheme Meeting is included in Annexure F of this Scheme Booklet.

For the Scheme to proceed, votes in favour of the Scheme must be received from both:

(a) a majority in number (more than 50%) of Sienna Shareholders present and voting at the Scheme Meeting (whether personally or by proxy, attorney, or in the case of a Sienna Shareholder or proxy who is a corporation, by corporate representative) (**Headcount Test**); and

(b) at least 75% of the total number of Sienna Shares voted at the Scheme Meeting by Sienna Shareholders (personally or by proxy, attorney, or in the case of a Sienna Shareholder or proxy who is a corporation, by corporate representative).

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[5] As of 6 April 2020.

The passing of the resolution approving the Scheme is a condition of the Scheme becoming Effective and being implemented. If the necessary majorities of Sienna Shareholders vote in favour of the Scheme at the Scheme Meeting and all other Scheme Conditions have been either satisfied or waived (if applicable), the Court will be asked to approve the Scheme.

The Court has the power to approve the Scheme even if the Headcount Test has not been satisfied. The Court may, for example, approve the Scheme if it finds that the vote was unfairly influenced by activities such as share splitting.

Each person who is registered on the Sienna Share Register as a Sienna Shareholder as at 7.00pm on 13 July 2020, is entitled to be present and vote at the virtual Scheme Meeting, either personally or by proxy, attorney, or in the case of a Sienna Shareholder or proxy who is a corporation, by corporate representative. Registered transfers or transmission applications that are registered after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

1.6 Warranties and releases provided by Sienna Shareholders

On the Implementation Date, each Scheme Participant is deemed to have warranted to BARD1 that:

(a) all their Scheme Shares (including any rights and entitlements attaching to those Shares) which are transferred to BARD1 under the Scheme will, on the date of the transfer of them to BARD1, be fully paid and free from all encumbrances and interests of third parties of any kind (whether legal or otherwise) and restrictions on transfer of any kind (whether legal or otherwise);

(b) all the Scheme Shares which are transferred to BARD1 under the Scheme will be fully paid on the date on which they are transferred;

(c) they have full power and capacity to sell and to transfer their Scheme Shares together with any rights and entitlements attaching to such shares; and

(d) they have no existing right to be issued any Sienna Shares, Sienna Options, performance rights, convertible notes or any other Sienna security other than a Scheme Participant who already holds Sienna Options.

Each Scheme Participant immediately upon the provision of the Scheme Consideration to the Scheme Participant in the manner contemplated by the Scheme, releases and discharges Sienna and each director, officer, secretary and employee of Sienna (Related Persons) from any claim that any Scheme Participant has or may have in their sole capacity as a member or, if applicable, in their sole capacity as a person who has subscribed for Sienna Shares, against Sienna or any Related Person, as at the date the Scheme becomes Effective and at the Implementation Date.

1.7 Exclusivity, competing proposals, break fee arrangements and cost contribution

(a) Exclusivity and competing proposals

Until the Scheme is approved by the Court, other parties may make unsolicited proposals to acquire Sienna. If during the Exclusivity Period under the Merger Implementation Agreement Sienna is approached in relation to an actual or potential Competing Proposal, it must notify BARD1 of the approach.

If a Competing Proposal is a Superior Proposal, BARD1 will be given 5 Business Days to provide Sienna a matching offer. If BARD1 makes a matching offer, then BARD1 and Sienna must use their best endeavours to agree to give effect to the matching offer.

Further details regarding BARD1's exclusivity rights under the Merger Implementation Agreement are set out in Section 4.5(a) of this Scheme Booklet.

(b) Break Fee

Sienna will be liable to pay a Break Fee of $250,000 to BARD1 if the Scheme does not proceed as a result of a Competing Proposal being recommended by the Sienna Board or where a Sienna Director withdraws or adversely modifies their recommendation or voting intention as outlined in Section 4.1 with respect to the Scheme other than if the Independent Expert changes its recommendation for any reason (other than because of a Competing Proposal).

BARD1 agrees to pay Sienna a Break Fee of $250,000 if Sienna is entitled to terminate the Merger Implementation Agreement where there is an unremedied material breach of certain provisions of the Merger Implementation Agreement by BARD1 and Sienna terminates the Merger Implementation Agreement.

(c) Cost contribution

On signing of the Merger Implementation Agreement, BARD1 made available $75,000 to Sienna to be drawn down as a contribution towards 50% of any reasonable and properly incurred costs by Sienna in undertaking its obligations under the Merger Implementation Agreement.

On termination of the Merger Implementation Agreement in accordance with its terms, Sienna must transfer any amount of the $75,000 not used to BARD1.

1.8 Carefully read and consider this Scheme Booklet

The Scheme Booklet is designed to provide Sienna Shareholders with information to consider before voting on whether the Scheme should proceed at the Scheme Meeting scheduled for 15 July 2020.

This is an important document. You should read the information in this Scheme Booklet in its entirety before making a decision on how to vote at the relevant Scheme Meeting. If you are in doubt as to what you should do, you should consult your legal, investment or other professional adviser. There is a "**Questions and Answers**" summary included in Section 2, to help answer any questions you may have. If you have any other questions, please call the Sienna Shareholder Information Line on on +61 3 8288 2141 (within Australia) or +61 3 8288 2141 (outside Australia).

2. QUESTIONS AND ANSWERS

This Section answers some basic questions that you may have about the Scheme. The information in this Section is a summary only which you should read in conjunction with the entire Scheme Booklet (including the recommendation of the Sienna Directors and the key reasons for those recommendations as set out in Section 4) before deciding how to vote on the Scheme.

Questions	Answers
Questions about the Scheme	
What is the Scheme?	On 8 April 2020, Sienna announced a proposal under which BARD1 agreed to acquire all of the shares of Sienna by way of a Scheme of Arrangement. BARD1 will provide the Scheme Consideration to the Scheme Participants. The Scheme is between Sienna and the Sienna Shareholders in relation to the Sienna Shares and requires approval by both the Sienna Shareholders and the Court. The Scheme is subject to a number of Scheme Conditions which are summarised in Section 9.9. If the Scheme is approved and implemented: • all Sienna Shares you own will be transferred to BARD1; • Sienna will become a Subsidiary of BARD1; • you will become a BARD1 Shareholder; and • Sienna will be delisted from ASX.
What is this Scheme Booklet for?	The Scheme will only proceed if it is approved by the necessary majorities of Sienna Shareholders at the Scheme Meeting, which is scheduled to occur on 15 July 2020. This Scheme Booklet is designed to provide Sienna Shareholders with information to consider before they vote at the Scheme Meeting on whether the Scheme should proceed. You should read this Scheme Booklet in its entirety before making a decision as to how to vote on the resolution to be considered at the Scheme Meeting.
What are the benefits of the Scheme?	The Sienna Board believes that the Scheme is the best opportunity to realise value currently available for Sienna Shareholders, in the absence of a Superior Proposal.

Questions	Answers

	In forming that view, the Sienna Board believes that the advantages of the Scheme to Sienna Shareholders include the following:
	
	• the Scheme Consideration represents an attractive premium to recent trading prices of Sienna shares and the issue price of Sienna's recent capital raising;
	
	• the Scheme consideration is approximately $28.8 million[6] (in New BARD1 Shares);
	
	• the ability for Sienna Shareholders to share in the following expected benefits in combining the two businesses:
	
	  ○ Sienna and BARD1 have complementary businesses and development programs in cancer diagnostics. Combining the companies builds a deep and valuable development pipeline of cancer diagnostic tests in areas of unmet medical need, including but not limited to pancreatic, ovarian, breast, lung and bladder cancer;
	
	  ○ the Scheme is expected to create synergies from operational efficiencies, shared expertise, staff and administration, equipment and a consolidated Melbourne based office and laboratory facility. To this end the Scheme is expected result in significant savings by eliminating duplicated resources;
	
	  ○ Sienna Shareholders will receive shares in a larger ASX-listed company with a stronger balance sheet (through the implementation of the Scheme) which should have enhanced liquidity in its shares and a greater ability to pursue additional strategic growth opportunities;
	
	  ○ the Scheme lowers the risk and potential dilutive effect to Shareholders associated with the funding of any available growth strategy; and

[6] Based on BARD1's closing share price on 4 June 2020 (being the Last Practicable Date) of 2.8 cents.

Questions	Answers
	○ if the Scheme is not approved, the Sienna Share price may fall below the value of the Scheme Consideration. Further information regarding the advantages and reasons to vote in favour of the Scheme is set out in Sections 4.2 and 4.3.
What are the disadvantages of voting in favour of the Scheme?	The reasons why you may choose to vote against the Scheme may include: • you may disagree with the Sienna Directors' recommendation or the conclusion of the Independent Expert; • you may consider that there is the potential for a Superior Proposal to be made in the foreseeable future; • the tax consequences of the Scheme (which are outlined further in Annexure A) may not be suitable for you considering your individual circumstances; • you may wish to maintain an interest in a publicly listed investment with Sienna's specific characteristics; and • the Scheme may be subject to conditions that you consider unacceptable. Further information regarding the disadvantages and reasons to vote against the Scheme is set out in Section 4.4.
What are the risks of the Scheme?	The risks to the Scheme proceeding include: • the Scheme will not go ahead unless Shareholders vote in favour of the Scheme in the majorities described in Section 3.4; • the Scheme will not go ahead unless the Court approves; • the Scheme will not go ahead unless the Scheme Conditions are satisfied or waived - see Section 9.9 for a summary of the Scheme Conditions. **Sienna Shareholders should consider these risks as well as the risks outlined in Section 8 carefully before deciding how to vote on the Scheme.**

Questions	Answers
What will I receive if the Scheme is implemented?	If the Scheme is implemented, for each Sienna Share you hold on the Scheme Record Date you will be entitled to receive the Scheme Consideration (that is 13 New BARD1 Shares for every 5 Sienna Shares held). Sienna Shareholders who are Ineligible Foreign Shareholders will not be issued New BARD1 Shares. Instead, the New BARD1 Shares to which Ineligible Foreign Shareholders would otherwise be entitled to under the Scheme will be issued to the Sale Agent and sold through the Share Sale Facility, with the Share Sale Facility Proceeds being remitted to those Sienna Shareholders. Further details of the Scheme Consideration is set out in Sections 1 and 9.3.
What do the Sienna Directors recommend?	The Sienna Board unanimously recommends that all Sienna Shareholders vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal.
How do the Sienna Directors intend to vote in respect of their own Sienna Shares?	In the absence of a Superior Proposal, each Sienna Director who holds Sienna Shares, or on whose behalf Sienna Shares are held, intends to vote in favour of the Scheme at the Scheme Meeting.
What is the opinion of the Independent Expert?	The Independent Expert has considered the Scheme and has concluded that the Scheme Consideration is in the best interest of Sienna Shareholders in the absence of a Superior Proposal. The Independent Expert's Report is set out in full in Annexure B.
What happens if a Competing Proposal emerges?	Until the Scheme is approved by the Court, other parties may make unsolicited proposals to acquire Sienna. If during the Exclusivity Period under the Merger Implementation Agreement Sienna is approached in relation to an actual or potential Competing Proposal, it must notify BARD1 of the approach. If a Competing Proposal is a Superior Proposal, BARD1 will be given 5 Business Days to provide Sienna a matching offer. If BARD1 makes a matching offer, then BARD1 and Sienna must use their best endeavours to agree to give effect to the matching offer. Further details regarding BARD1's exclusivity rights under the Merger Implementation Agreement are set out in Section 4.5(a).

Questions	Answers
How will the Scheme be implemented?	The Scheme will be implemented by way of a Scheme of Arrangement between Sienna and Sienna Shareholders, pursuant to which BARD1 will acquire all of the Scheme Shares and provide the Scheme Consideration to those Sienna Shareholders who are Scheme Participants. Further details on how the Scheme will be implemented are set out in Sections 1 and 8.
When will the Scheme become Effective?	Subject to satisfaction or waiver of any outstanding Scheme Conditions and the approval of the Court, it is expected that the Scheme will become Effective on 21 July 2020. Further details about the timetable are set out under the heading "**Important Dates**" at the front of this Scheme Booklet.

What happens if the Scheme does not proceed?	If the Scheme is not approved by the requisite majorities at the Scheme Meeting (or is approved at the Scheme Meeting but is not approved by the Court or the Scheme Conditions are not satisfied or waived), then the Scheme **will not be implemented.** In this situation: • the price of Sienna Shares may fall beneath the value of the Scheme Consideration, in the absence of a Competing Proposal; • material transaction costs and expenses incurred by Sienna as part of implementing the Scheme estimated at approximately $321,000 (taking into consideration the cost contribution up to the amount of $75,000 to be paid by BARD1 in accordance with the Merger Implementation Agreement) will be indirectly borne by Sienna Shareholders for no purpose; • the benefits of the Scheme will not be realised, and the disadvantages of the Scheme will not arise; • Sienna Shareholders will not receive the Scheme Consideration and will retain their interests in Sienna Shares and continue to collectively control Sienna; • Sienna will remain an independent company and focus on its current business and strategic plans; • Sienna will continue to operate under the existing corporate structure with its current Directors and management in place; and • the rights of Sienna Shareholders will remain unchanged. Further details are set out in Sections 4.3 and 9.6. If the Scheme does not proceed as a result of a Competing Proposal being recommended by the Sienna Board or where the Sienna Board withdraws or adversely modifies its recommendation or voting intention as outlined in Section 4.1 with respect to the Scheme other than if the Independent Expert changes its recommendation for any reason (other than because of a Competing Proposal), the Company will be liable to pay a Break Fee of $250,000 to BARD1, in addition to the above consequences.

Questions	Answers
What will be the effect of the Scheme on Sienna Shareholders?	If the Scheme is implemented: • Sienna Shareholders will transfer all of their Sienna Shares to BARD1; • in consideration for the transfer of their Sienna Shares, each Sienna Shareholder will receive the Scheme Consideration; • Sienna will become a Subsidiary of BARD1; and • Sienna Shares will cease to be quoted on ASX and Sienna will be delisted. Further details are set out in Sections 9.1 and 9.2.
What happens if the Scheme is not approved by the requisite majorities?	The Scheme will not proceed.
Questions about BARD1	
Who is the Bidder?	BARD1 is an Australian medical technology company focused on developing and commercialising non-invasive diagnostic tests for early detection of cancer that is listed on the ASX (ASX:BD1). BARD1 owns a proprietary biomarker technology platform with potential diagnostic applications across multiple cancers, including ovarian, breast and lung cancers. Further details about BARD1 is set out in Section 6.2.
Who will be the directors of BARD1 following the implementation of the Scheme?	Dr Geoffrey Cumming – Non-executive Chairman Dr Irmgard Irminger-Finger – Executive Director Mr Max Johnston – Non-executive Director Mr Philip Powell – Non-executive Director Ms Helen Fisher – Non-executive Director Prof. Allan Cripps – Non-executive Director

Questions	Answers
What are the intentions of the BARD1 Board in relation to the business and assets of Sienna?	Subject to BARD1 conducting an operational review of Sienna post-Implementation and as otherwise set out in this Scheme Booklet, it is the current intention of BARD1 that: • the business of Sienna will continue in the same manner as at the date of this Scheme Booklet; • there will be no major changes to the Sienna business; and • there will be no redeployment of the fixed assets of Sienna. Further details about BARD1's intentions concerning Sienna and its business are set out in Section 6.10.
What are the intentions of the BARD1 Board in relation to the employees of Sienna?	Subject to BARD1 conducting an operational review of Sienna post-Implementation and as otherwise set out in this Scheme Booklet, BARD1 intends to continue the employment of current Sienna employees. The senior management team of the Merged Group is expected to consist of the following members: Chief Executive Officer – Dr Leearne Hinch Chief Scientific Officer – Dr Irmgard Irminger-Finger Chief Financial Officer and Company Secretary – Mr Tony Di Pietro Chief Operating Officer – Mr Carl Stubbings Further details about BARD1's intentions concerning Sienna and its business are set out in Section 6.10.

Questions	Answers
Will there be changes to the strategy of BARD1 following the implementation of the Scheme?	Subject to BARD1 conducting an operational review of Sienna post-Implementation and as otherwise set out in this Scheme Booklet, BARD1's strategy is to create a leading cancer diagnostics company with an experienced leadership team, multiple technology platforms and a strong pipeline of lifesaving cancer diagnostic products. Key strategic initiatives for the Merged Group to enable sustainable business growth and achievement of corporate objectives are to increase hTERT revenues globally, accelerate development of the BARD1 autoantibody pipeline, build an exosome-based liquid biopsy pipeline incorporating EXONET and to partner SIEN-NET for non-core programs. Further details about BARD1's strategy for the Merged Group is set out in Section 6.10.
Questions about your entitlement	
Who is entitled to receive the Scheme Consideration?	Only Scheme Participants, being persons registered as holders of Sienna Shares on the Scheme Record Date (currently 7.00 pm on 23 July 2020), will be entitled to receive the Scheme Consideration.
What if I am an Ineligible Foreign Shareholder	BARD1 will not issue New BARD1 Shares to Ineligible Shareholders, being Sienna Shareholders who have an address outside Australia, New Zealand, United States or the United Kingdom, unless Sienna is satisfied acting reasonably (after consulting with BARD1), that the laws of that place permit the offer and issue of the New BARD1 Shares to that Sienna Shareholder and it is not unduly onerous, expensive or impracticable for BARD1 to do so. New BARD1 Shares that cannot be issued to Ineligible Foreign Shareholders will be issued to the Sale Agent and sold under the Share Sale Facility. The Share Sale Facility Proceeds will be distributed to the relevant Ineligible Foreign Shareholders. See Section 9.4 of this Scheme Booklet for further information.
Why has the exchange ratio of 13 New BARD1 Shares for every 5 Sienna Shares held been selected?	The ratio has been selected by Sienna and BARD1 having regard to: • the recent share trading price of the BARD1 shares and the Sienna Shares on the ASX up until the announcement of the Scheme;

Questions	Answers
	• inherent value of the assets and potential of each of BARD1 and Sienna; and • the benefits (including expected synergies) of combining the two businesses.
Are there any differences between my Sienna Shares and the New BARD1 Shares I will receive?	Yes, there are certain important differences between the rights attaching to the New BARD1 Shares and the Sienna Shares. Section 6.18 includes a summary of the rights and liabilities attaching to the New BARD1 Shares.
Will I be required to pay broker fees or stamp duty?	No, you will not incur any broker fees or stamp duty in respect of the implementation of the Scheme. However, if you are an Ineligible Foreign Shareholder, brokerage fees will be deducted from the sale proceeds of the New BARD1 Shares sold through the Share Sale Facility by the Sale Agent. See Section 9.3 for further details.
When will I receive my Scheme Consideration?	On the Implementation Date, BARD1 will issue the Scheme Consideration (being the New BARD1 Shares) to the Scheme Participants. BARD1 will ensure that the New BARD1 Shares issued: • rank equally with all BARD1 Shares then on issue; • be duly and validly issued in accordance with applicable laws and the BARD1 Constitution; and • be issued fully paid and free from all encumbrances and interests of third parties. In the case of joint holders of Scheme Shares, the Scheme Consideration will be issued and registered in the names of the joint holders. Statements detailing your holding of the New BARD1 Shares are expected to be despatched within 2 Business Days after the Implementation Date. The Implementation Date is currently expected to be 28 July 2020. See Sections 1.4 and 9.3 for further details.
What is the Share Sale Facility?	Following the Implementation Date, the Sale Agent will sell under the Share Sale Facility the New

Questions	Answers
	BARD1 Shares that would have otherwise been issued to Ineligible Foreign Shareholders. Interest will not be paid on any Share Sale Facility Proceeds. There is no guarantee that there will be a liquid market for the New BARD1 Shares. Prices for BARD1 Shares may rise and fall during the sale period and will depend on many factors, including the demand for and supply of BARD1 Shares. Please see Section 9.4 of this Scheme Booklet for more information.
Can I sell my Sienna Shares now?	If the Scheme becomes Effective, Sienna Shares will cease trading on ASX at the close of trading on the Effective Date, currently expected to be 21 July 2020. Accordingly, you can sell your Sienna Shares on market at any time before the close of trading on the Effective Date. If the Scheme becomes Effective, no transfers of Sienna Shares will be registered after the Scheme Record Date, expected to be 23 July 2020, other than to BARD1 on the Implementation Date. See Section 9.13 for further details.
What are the tax implications of the Scheme?	The general taxation implications of the Scheme for Sienna Shareholders who are residents in Australia are set out in Annexure A. Sienna also intends to apply to the Australian Taxation Office for a tax ruling in relation to the ability of Sienna Shareholders who are Australian tax residents to apply for "rollover relief" in respect of the receipt of the Scheme Consideration. An update to the ASX market is anticipated to be provided by Sienna prior to the Scheme Meeting on the progress of the Sienna tax ruling application. This Scheme Booklet does not contain a discussion of the taxation consequences of the Scheme for Sienna Shareholders outside Australia, including those resident in New Zealand. It is recommended that you consult with your financial, legal, taxation or other professional adviser prior to making a decision on how to vote on the Scheme. Your decision should be based on your own investment objectives, financial situation, taxation position and particular needs.
What is the Proxy Form enclosed with this Scheme Booklet?	If you wish to vote at the Scheme Meeting but will be unable to participate at the virtual Scheme Meeting, you should complete and return the enclosed Proxy

Questions	Answers
	Form. You do not need to complete the Proxy Form if you intend to vote personally or by attorney, or in the case of a Sienna Shareholder, by corporate representative at the virtual Scheme Meeting. For further details regarding proxy voting and submitting the Proxy Form for the Scheme Meeting, see Section 3 and the Notice of Meeting in Annexure F.
Questions about conditions to be satisfied to allow the Scheme to proceed	
What are the key conditions to be satisfied before the Scheme can proceed?	There are a number of outstanding Scheme Conditions set out in the Merger Implementation Agreement that will need to be satisfied or waived before the Scheme can be completed. These conditions include: • Sienna Shareholders approving the Scheme at the Scheme Meeting; • no Material Adverse Change occurring between 8 April 2020 and 8:00 am on the Second Court Date; • no Sienna Prescribed Occurrence occurring between 8 April 2020 and 8:00 am on the Second Court Date; • each of the Sienna Warranties and the BARD1 Warranties is true and correct in all material respects on the date those representations and warranties are given; and • the Court approving the Scheme. These are not the only conditions. The conditions that must be satisfied or waived are discussed in Section 9.9 and set out in full in the Merger Implementation Agreement which is reproduced in Annexure C.
What other information is available?	This Scheme Booklet provides detailed information in relation to the Scheme that all Sienna Shareholders should read. If you have any questions or require further information, please call Sienna on +61 3 8288 2141 (within Australia) or +61 3 8288 2141 (outside Australia).
Questions about the Scheme Meeting and voting	
When and where will the Scheme Meeting be held?	The Scheme Meeting will be held at 11:00 am on 15 July 2020.

Questions	Answers
	In response to the global COVID-19 pandemic and government restrictions on physical gatherings, the Scheme Meeting will be held as a virtual meeting. Sienna Shareholders wishing to vote, or their attorneys or in the case of a Sienna Shareholder or proxy which is a corporation, corporate representatives, can participate in the virtual Scheme Meeting by logging in online at https://agmlive.link/SDX20. Note, if you have appointed a proxy and subsequently wish to attend the meeting yourself, the proxy will retain your vote and you will be unable to vote yourself unless you have notified the registrar of the revocation of your proxy appointment before the commencement of the meeting. There will be no physical meeting where Sienna Shareholders and proxies can attend in person.
What will the Sienna Shareholders be asked to vote on at the Scheme Meeting?	At the Scheme Meeting, Sienna Shareholders will be asked to vote on whether to approve the Scheme by voting on the Scheme Resolution. The Scheme Resolution is set out in the Notice of the Scheme Meeting attached in Annexure F.
Who is entitled to vote at the Scheme Meeting?	Sienna Shareholders on the Sienna Register at 7.00 pm (AEST) on 13 July 2020 will be entitled to vote at the Scheme Meeting. Further details about voting rights and procedures are set out in Section 3 and in the Notice of Meeting in Annexure F.
What approvals are required at the Scheme Meeting?	For the Scheme to be approved, votes in favour of the Scheme must be received from both: • a majority in number (more than 50%) of Sienna Shareholders present and voting (whether personally or by proxy, attorney, or in the case of a Sienna Shareholder or proxy who is a corporation, by corporate representative) at the Scheme Meeting; and • at least 75% of the total number of Sienna Shares voted at the Scheme Meeting (whether personally or by proxy, attorney, or in the case of a Sienna Shareholder or proxy who is a corporation, by corporate representative).
Is voting compulsory?	No, voting is not compulsory. However, your vote is important. If you cannot attend the Scheme Meeting, you should complete and return the Proxy Form enclosed with the Scheme Booklet. For further

Questions	Answers
	details regarding proxy voting and submitting the Proxy Form for the Scheme Meeting, see Section 3.
Will I be bound by the Scheme even if I vote against the Scheme?	If the Scheme becomes Effective, it will bind all Sienna Shareholders, including those who voted against it and those who did not vote at all.
How can I vote if I cannot participate in the virtual Scheme Meeting?	If you would like to vote but cannot participate in the virtual Scheme Meeting, you can vote by: • submitting your proxy online at www.linkmarketservices.com.au and following the instructions in the enclosed Proxy Form. You will require the information on your Proxy Form to lodge your Proxy Form through the website; • by mailing a completed Proxy Form to the Sienna Share Registry at Sienna Cancer Diagnostics Limited C/- Link Market Services Limited Locked Bag A14, Sydney South NSW 1235; • appointing an attorney to participate in the virtual Scheme Meeting and vote on your behalf; or • appointing a corporate representative if that option is applicable to you. For details on how to vote please refer to Sections 3.7 and 3.8 of this Scheme Booklet and the Virtual Scheme Meeting Online Guide contained in Annexure G of this Scheme Booklet.
When will the results of the Scheme Meeting be known?	The results of the Scheme Meeting are expected to be available shortly after the conclusion of the meeting and will be announced to ASX (www.asx.com.au) once available. Even if the Scheme is approved by the requisite majority at the Scheme Meeting, the Scheme is still subject to the approval of the Court (as well as other Scheme Conditions).

3. WHAT TO DO AND HOW TO VOTE

3.1 Carefully read and consider this Scheme Booklet

This is an important document. You should read the information in this Scheme Booklet in its entirety before making a decision on how to vote at the Scheme Meeting. If you are in doubt as to what you should do, you should consult your legal, investment or other professional adviser.

3.2 Consider the reasons to vote in favour of the Scheme, the disadvantages of voting in favour of the Scheme and the risks of the Scheme

Refer to Section 4.2 for a discussion of the reasons to vote in favour of the Scheme, Section 4.4 for a discussion of the disadvantages of voting in favour of the Scheme and Section 4.3 for a discussion of the consequences if this Scheme does not proceed.

3.3 Consider the recommendation of the Sienna Directors' and the opinion of the Independent Expert

The Sienna Board unanimously recommends that, in the absence of a Superior Proposal, you vote in favour of the Scheme at the Scheme Meeting. Each Sienna Director who holds Sienna Shares, or on whose behalf Sienna Shares are held, intends to vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal.

The Independent Expert has concluded that the Scheme Consideration is in the best interest of Sienna Shareholders in the absence of a Superior Proposal.

3.4 Scheme Meeting

In response to the global COVID-19 pandemic and government restrictions on physical gatherings, the Scheme Meeting will be held as a virtual meeting at 11:00 am (Melbourne time) on Wednesday, 15 July 2020.

There will be no physical meeting where Sienna Shareholders and proxies can attend in person. A virtual Scheme Meeting has been authorised by the Court at the First Court Hearing.

You can participate in the virtual Scheme Meeting by logging in online at https://agmlive.link/SDX20. Please refer to Sections 3.7 and 3.8 below for further details on how to participate in the Scheme Meeting.

The Notice convening the Scheme Meeting is contained in Annexure F. A personalised Proxy Form is also enclosed with this Scheme Booklet.

For the Scheme to proceed, votes in favour of the Scheme must be received from both:

(a) a majority in number (more than 50%) of Sienna Shareholders present and voting at the Scheme Meeting (whether personally or by proxy, attorney, or in the case of a Sienna Shareholder or proxy who is a corporation, by corporate representative) (**Headcount Test**); and

(b) at least 75% of the total number of Sienna Shares voted at the Scheme Meeting by Sienna Shareholders (personally or by proxy, attorney, or in the case of a Sienna Shareholder or proxy who is a corporation, by corporate representative).

The Court has a statutory discretion to disregard the Headcount Test for the purpose of the Scheme Meeting.

The passing of the resolution approving the Scheme is a condition of the Scheme becoming Effective and being implemented.

3.5 Vote on the Scheme in person or by proxy

Your Directors urge all Sienna Shareholders to vote on the Scheme at the Scheme Meeting. The Scheme affects your Shareholding and your vote at the Scheme Meeting is important in determining whether the Scheme proceeds. Voting entitlements and how to vote instructions follow in Sections 3.6, 3.7 and 3.8 below.

3.6 Voting entitlements

(a) Scheme Meeting

Each person who is registered on the Sienna Register as a Sienna Shareholder as at 7pm (AEST) on 13 July 2020, is entitled to attend and vote at the Scheme Meeting, either by personally participating in the virtual Scheme Meeting or by appointing a proxy, an attorney or, in the case of a Sienna Shareholder or proxy who is a corporation, a corporate representative to participate in the Scheme Meeting and vote on your behalf.

Registered transfers or transmission applications that are registered after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

Voting at the Scheme Meeting will be by poll.

The Notice convening the Scheme Meeting is contained in Annexure F. A Proxy Form for the Scheme Meeting is also enclosed with this Scheme Booklet.

(b) Jointly held Sienna Shares

If more than one Sienna Shareholder votes in respect of jointly held Sienna Shares, only the vote of the Sienna Shareholder whose name appears first in the Sienna Register will be counted whether the vote is given personally, by attorney or proxy.

3.7 Voting at the Scheme Meeting

(a) Voting in person

Sienna Shareholders wishing to vote, or their attorneys or in the case of a Sienna Shareholder or proxy which is a corporation, corporate representatives, can participate in the virtual Scheme Meeting by logging in online at https://agmlive.link/SDX20.

Sienna Shareholders, their attorneys or in the case of Sienna Shareholders or proxies which are corporations, corporate representatives, who plan to participate in the virtual Scheme Meeting should log in online 15 minutes prior to the time designated for the commencement of the Scheme Meeting, if possible, to register and to obtain a voting card.

(b) Voting by proxy

Sienna Shareholders wishing to appoint a proxy to vote on their behalf at the Scheme Meeting must either complete and sign or validly authenticate the personalised Proxy Form which accompanies this Scheme Booklet or lodge their proxy online. A person appointed as a proxy may be an individual or a body corporate.

Proxies participating in the virtual Scheme Meeting will receive an email from the Share Registry prior to the Scheme Meeting containing details of their proxy number which they will need to use for the online registration process. Proxies are asked to log in online 15 minutes prior to the time designated for the commencement of the Scheme Meeting, if possible, to register and to obtain a voting card.

Completed Proxy Forms must be delivered to the Share Registry by 11:00 am (Melbourne time) on 13 July 2020 in any of the following ways:

(i) **By mail** in the enclosed reply-paid envelope (or the self-addressed envelope, for Shareholders whose registered address is outside Australia) mailed to the Share Registry at Sienna Cancer Diagnostics Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235.

(ii) **By fax** to the Share Registry on +61 2 9287 0309.

(iii) **Online** if you wish to appoint your proxy online, you should do so by visiting www.linkmarketservices.com.au and following the instructions in the enclosed Proxy Form. Online appointments of proxies must be done by 11:00 am (Melbourne time) on Monday, 13 July 2020.

(iv) **By hand** to Link Market Services Limited1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000.

Note, if you have appointed a proxy and subsequently wish to attend the meeting yourself, the proxy will retain your vote and you will be unable to vote yourself unless you have notified the registrar of the revocation of your proxy appointment before the commencement of the meeting.

(c) Undirected proxies

If a Sienna Shareholder nominates the chairman of the Scheme Meeting as that Sienna Shareholder's proxy, the person acting as chairman of the Scheme Meeting must act as proxy under the appointment in respect of any or all items of business to be considered at the Scheme Meeting.

If a proxy appointment is signed or validly authenticated by that Sienna Shareholder but does not name the proxy or proxies in whose favour it is given, the chairman of the Scheme Meeting will act as proxy in respect of any or all items of business to be considered at the Scheme Meeting.

Proxy appointments in favour of the Chairman of the Scheme Meeting, the company secretary or any Sienna Director which do not contain a direction as to how to vote will be voted in favour of the Scheme resolution at the Scheme Meeting (in the absence of a Superior Proposal from another party prior to the date of the Scheme Meeting).

The Chairman intends to vote undirected proxies of which he is appointed as proxy in favour of the resolution to approve the Scheme (in the absence of a Superior Proposal from another party prior to the date of the Scheme Meeting).

(d) Voting by attorney

If a Sienna Shareholder executes, or proposes to execute any document, or do any act, by or through an attorney which is relevant to that Sienna Shareholder's shareholding in Sienna, that Sienna Shareholder must deliver the instrument appointing the attorney to the Share Registry for notation.

Sienna Shareholders wishing to vote by attorney at the Scheme Meeting must, if they have not already presented an appropriate power of attorney to Sienna for notation, deliver to the Share Registry (at the address, email or facsimile number provided in Section 3.7(b) of this Scheme Booklet) the original instrument appointing the attorney or a certified copy of it by 11:00 am (Melbourne time) on Monday, 13 July 2020.

Any power of attorney granted by a Sienna Shareholder will, as between Sienna and that Sienna Shareholder, continue in force and may be acted on, unless express notice in writing of its revocation or the death of the relevant Sienna Shareholder is lodged with Sienna.

(e) Voting by corporate representative

To vote at the Scheme Meeting, a Sienna Shareholder or proxy which is a corporation may appoint an individual to act as its representative.

To vote by corporate representative at the Scheme Meeting, a Sienna Shareholder or proxy which is a corporation should obtain a Certificate of Appointment of Corporate Representative from the Share Registry, complete and sign the form in accordance with the instructions on it. The completed appointment form should be lodged with the Share Registry (at the address, email or facsimile number provided in Section 3.7(b) of this Scheme Booklet) by 11:00 am (Melbourne time) on Monday, 13 July 2020.

The appointment of a representative may set out restrictions on the representative's powers.

The original form of appointment of a representative, a certified copy of the appointment, or a certificate of the body corporate evidencing the appointment of a representative is prima facie evidence of a representative having been appointed.

The chairman of the meeting may permit a person claiming to be a representative to exercise the body's powers even if they have not produced a certificate or other satisfactory evidence of their appointment.

3.8 Guide to participating in the virtual Scheme Meeting

In order to watch and participate in the virtual Scheme Meeting, please follow the steps outlined in the Virtual Scheme Meeting Online Guide contained in Annexure G of this Scheme Booklet.

A summary of the virtual Scheme Meeting process as set out in Annexure G is as follows:

(a) **Step 1:** Open your web browser and go to https://agmlive.link/SDX20 and select the relevant meeting.

(b) **Step 2:** Login to the portal using your full name, email address, and company name (if applicable). Please read and accept the terms and conditions before clicking on the blue ‘Register and Watch Scheme Meeting’ button. Once you have logged in you will see the presentation slides that will be addressed during the Scheme Meeting on the right.

(c) **Navigating:** At the bottom of the webpage under the webcast and presentation there will be three boxes with the following titles:

(i) **Get a voting card:** To register to vote - click on the ‘Get a voting card’ box at the top of the webpage or below the videos and follow the prompts.

(ii) **Ask a question:** Sienna Shareholders will only be able to ask a question after you have registered to vote. If you would like to ask a question, click on the 'Ask a Question' box either at the top or bottom of the webpage and follow the prompts.

(iii) **Downloads:** You will be able to download the Notice of Meeting or the Scheme Booklet by following the prompts.

3.9 If you have any further queries

Please refer to the notice of Scheme Meeting in Annexure F to this Scheme Booklet for further information on voting procedures and details of the resolutions to be voted on at the Scheme Meeting.

The results of the Scheme Meeting will be available online during the Scheme Meeting and will be announced to ASX shortly after the conclusion of the Scheme Meeting.

If you have any questions in relation to the Scheme, the Scheme Booklet or the Scheme Meeting after reading this Scheme Booklet, please contact your legal, investment or other professional adviser or contact Sienna on +61 3 8288 2141 (within Australia) or +61 3 8288 2141 (outside Australia).

If you would like more information about Sienna, you can visit the Sienna website at siennadiagnostics.com.au.

If you would like more information about BARD1, you can visit the BARD1 website at www.bard1.com.

4. ASSESSMENT OF THE SCHEME AND THE REASONS IT IS BEING PROPOSED

4.1 Sienna Board's recommendation

The Sienna Board unanimously recommends that, in the absence of a Superior Proposal, you vote in favour of the Scheme at the Scheme Meeting.

Each Sienna Director who holds Sienna Shares, or on whose behalf Sienna Shares are held, intends to vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal.

In making this recommendation, the Sienna Board have, among other things, considered:

(a) the reasons Sienna Shareholders should vote in favour of the Scheme as set out in Section 4.2;

(b) the consequences if the Scheme does not proceed as set out in Section 4.3; and

(c) the disadvantages of voting for the Scheme as set out in Section 4.4;

The Sienna Board may change its recommendation if a Superior Proposal is made. In certain circumstances, a change in recommendation will trigger a Break Fee – see Section 4.5(b) below.

4.2 Why Sienna Shareholders should vote in favour of the Scheme

The Sienna Board believes Sienna Shareholders should vote in favour of the Scheme at the Scheme Meeting for the following reasons:

(a) **Complementary diagnostic businesses / expanded portfolio**: Sienna and BARD1 are both medical technology companies operating in the same diagnostics industry. The merger of BARD1 and Sienna is expected to create a well-capitalised, leading Australian-based cancer diagnostics company with a high-calibre Board, experienced leadership team and a deep portfolio of innovative cancer diagnostic technologies and products. The companies' programs are complementary enabling the development of diagnostic tests for early detection of a range of cancers including ovarian, breast, lung, bladder and pancreatic cancers. The Merged Group is expected to progress the commercial development that could generate significant new product and licensing revenues in the following four key programs:

(i) **hTERT** - a test used to assist in the diagnosis of bladder cancer. hTERT is "in market" and generating revenues;

(ii) **BARD1 biomarkers** – blood tests in development for the early detection of ovarian, breast and lung cancers, and potential biomarkers for prognosis and monitoring of treatment response;

(iii) **SIEN-NET** - a Molecular Net technology, that will enable the Merged Group to access the rapidly growing segment of medical diagnostics known as liquid biopsy;

(iv) **Unique Cancer markers** – the Merged Group is expected to continue to identify and commercially develop a range of cancer biomarkers that could be complementary with the above development platforms.

(b) **Well-capitalised platform:** If the Scheme proceeds, the Merged Group is expected to have a well-capitalised platform to consolidate the Australian cancer diagnostics sector with pro-forma merged cash of approximately $13.7 million[7].

(c) **Strong leadership team:** The merger is expected to provide an experienced Board and expanded leadership team with expected improved career opportunities for employees of both businesses and the ability to attract and retain leading cancer diagnostic experts.

(d) **Cost efficiency:** The merger is expected to provide synergies from operational efficiencies, shared expertise, staff and administration, equipment, and a consolidated Melbourne-based office and laboratory facility. There is also expected to be reduced legal, accounting, adviser, consultant and compliance costs (including annual ASX listing fees).

(e) **Attractive premium for Sienna Shareholders**: The Scheme Consideration represents a significant premium to Sienna's recent share trading history up until the announcement of the Scheme and the share issue price for its recent capital raising. Based on:

(i) BARD1's closing share price on 6 April 2020, the Scheme Consideration represents an implied value of 6.0 cents per Sienna Share;

(ii) BARD1's closing share price on the Last Practicable Date of $0.028, the Scheme Consideration represents an implied value of $0.073 per Sienna Share; and

(iii) The Scheme Consideration represents a 119% premium to Sienna's 1-month VWAP prior to the announcement of the Scheme of $0.027[8].

[7] As at 31 December 2019, excluding the costs of the Scheme.

[8] As of 6 April 2020 and based on the BARD1 Share price of $0.023.

(f) **Greater scale and financial strength:** On implementation of the Scheme, Sienna Shareholders will receive shares in a larger ASX-listed company with a stronger balance sheet and enhanced share trading liquidity. Additionally, with increased scale, resources and market capitalisation, the Merged Group is expected to have a greater ability to pursue strategic growth opportunities.

(g) **Best interest of Sienna Shareholders**: The Independent Expert regards the Scheme to be fair to Sienna Shareholders. The Independent Expert has assessed the value of the equity of Sienna to lie in the range of $21.3 million to $24.3 million, which equates to an assessed value per Sienna Share of between $0.054 and $0.062. The Independent Expert implies a value of the New BARD1 Shares to be received by Sienna Shareholders as part of the Scheme Consideration, to be in the range of $0.021 to $0.024 per share. Please refer to Annexure B of this Scheme Booklet which contains the Independent Expert Report and further details of the Independent Expert's assessment.

(h) **No brokerage charges or stamp duty**: Sienna Shareholders will not incur any brokerage charges or stamp duty on the transfer of your Sienna Shares under the Scheme. However, if you are an Ineligible Foreign Shareholder, brokerage fees will be deducted from the Share Sale Facility Proceeds.

4.3 If the Scheme does not proceed

If the Scheme is not implemented:

(a) while the Sienna Directors are unable to predict the price at which Sienna Shares will trade in the future, the price of Sienna Shares may fall beneath the value of the Scheme Consideration in the absence of a Superior Proposal;

(b) material transaction costs and expenses relating to the Scheme will be incurred by Sienna for no purpose (estimated at $321,000);

(c) the benefits of the Scheme will not be realised;

(d) Sienna Shareholders will retain their interests in Sienna Shares and continue to collectively control Sienna;

(e) Sienna will remain an independent company listed on the ASX;

(f) Sienna will continue to operate under the existing corporate structure including ongoing high costs involved in operating a listed public company;

(g) the rights of Sienna Shareholders will remain unchanged;

(h) the share price may fall below the Offer Price. The 3 month volume-weighted average price as at the date of the offer was $0.036;

(i) trading in Sienna Shares could remain relatively illiquid;

(j) to enable growth, additional funding via debt and a discounted equity raising will be required which is unlikely to be achieved without the risk of dilution or impact to current Sienna Shareholders;

(k) depending on the reasons the Scheme does not proceed, Sienna or BARD1 may also be liable to pay a Break Fee to the other. Details of the Break Fee and the circumstances in which it may become payable are set out in Section 4.5(b); and

(l) Sienna Shareholders may not, in the near term, realise a price for their Sienna Shares which is equivalent to or greater than the implied value of the Scheme Consideration.

4.4 Disadvantages of voting in favour of the Scheme

Disadvantages of the Scheme to Sienna Shareholders include:

(a) You may believe that the Scheme is not in the best interests of Shareholders or you may consider that the Scheme Consideration is too low.

(b) You may wish to maintain a direct interest in Sienna as a listed company. If the Scheme is implemented you will no longer be able to participate in any value offered by a direct investment in Sienna.

(c) You may consider that there is the potential for a Superior Proposal to be made to Sienna. No proposal superior to the Scheme has emerged as at the date of this Scheme Booklet.

(d) The tax consequences or implications (if any) of transferring your Sienna Shares may not be suitable to your financial position. The general tax implications for Sienna Shareholders are described in Annexure A to this Scheme Booklet but you should obtain advice about your personal circumstances.

(e) The value of the Scheme Consideration is not certain and will depend on the price at which New BARD1 Shares trade on the ASX after the Implementation Date. There is a risk that the New BARD1 Shares may trade at a price which is lower than the Scheme Consideration after the Implementation Date.

4.5 Other relevant considerations

(a) Exclusivity

Sienna has agreed to the following exclusivity arrangements with BARD1 for the Exclusivity Period:

(i) Sienna must not, and must ensure that its Representatives and related bodies corporate do not, do any of the following:

(A) solicit, invite, initiate, facilitate or encourage any Competing Proposal, or any enquiries, negotiations or discussions with a third party in relation to (or that could reasonably be expected to lead to) a Competing Proposal or any proposal that could lead to a party abandoning or not proceeding with the Proposed Transaction (whether directly or indirectly) or communicate any intention to do any of these things;

(B) without BARD1's prior written consent, enter into or participate in any negotiations or discussions with any third party in relation to a possible Competing Proposal; or

(C) without BARD1's prior written consent, make available to any third party or permit any third party to receive (in the course of a due diligence investigation or otherwise) any non-public information relating to Sienna or its business or operations, for the purpose of formulating, developing or finalising, or assisting in formulating, developing or finalising of a Competing Proposal.

(ii) Sienna must notify BARD1 of any approach or attempt to initiate discussions or negotiations regarding a Competing Proposal and must promptly notify BARD1 of the Competing Proposal and the identity of the proposed acquirer or bidder and the material terms of the Competing Proposal.

(iii) The exclusivity provisions do not apply to the extent that they restrict Sienna and its Representatives from taking or refusing to take any action with respect to a bona fide Competing Proposal (which was not solicited or invited by Sienna or its Representatives and was not otherwise brought about as a result of any breach of the exclusivity provisions) provided that the Sienna Board, acting in good faith (after consulting with their legal and financial advisers), have determined, that:

(A) the Competing Proposal is a Superior Proposal, or has reasonable prospects of becoming a Superior Proposal; and

(B) failing to respond or taking or refusing to take that action in respect of that Competing Proposal would be reasonably likely to involve a breach of the fiduciary or statutory duties or obligations owed by any of the Sienna Board.

(iv) Subject to Sienna complying with its disclosure obligations at law, Sienna agrees not to accept or recommend a Competing Proposal to its shareholders unless it has notified BARD1 of the terms of the Competing Proposal and has given BARD1 at least 5 days after such notification to provide a matching or Superior Proposal (whether by way of scheme of arrangement or otherwise) to the relevant Competing Proposal.

(b) Break Fee

A Break Fee of $250,000 will be payable by Sienna to BARD1 if:

(i) before the Sunset Date, Sienna accepts or enters into or offers to accept or enter into any agreement, arrangement or understanding regarding a Competing Proposal;

(ii) any member of the Sienna Board recommends a Competing Proposal and either party terminates the Merger Implementation Agreement; or

(iii) any member of the Sienna Board withdraws or adversely modifies their recommendation that Sienna Shareholders vote in favour of the Scheme other than if the Independent Expert changes its recommendation for any reason (with the exception of a change resulting from a Competing Proposal), or makes a public statement indicating that they no longer support the Scheme in any case prior to the date of termination of the Merger Implementation Agreement.

BARD1 agrees to pay Sienna a Break Fee of $250,000 if Sienna is entitled to terminate the Merger Implementation Agreement where there is an unremedied material breach of certain provisions of the Merger Implementation Agreement by BARD1, and Sienna terminates the Merger Implementation Agreement.

5. OVERVIEW OF SIENNA

5.1 Background

Sienna is a medical technology company that develops and commercialises diagnostic tests to assist in the early and accurate diagnosis of cancer, allowing improved treatment and patient outcomes.

Sienna's first product, a test that aids in the diagnosis of bladder cancer, hTERT, has been launched and is being commercialised through a growing network of distribution partners globally.

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

More recently Sienna announced that an exclusive worldwide licence agreement had been signed with the University of Adelaide to develop and commercialise a unique cancer probe called SubB2M. The technology has the potential to be complementary to SIEN-NET™ technology. SubB2M binds to a unique sugar molecule only present in human cancers and can detect its presence in the serum of cancer patients. SubB2M has the potential to detect cancer in a range of testing modalities such as liquid biopsies, immunoassays, circulating tumor cell assays and PET imaging.

5.2 Corporate structure

Sienna Cancer Diagnostics Limited, the parent company, is a public limited liability company, domiciled in Australia and listed on the Australian Securities Exchange (ASX: SDX) on 3 August 2017.

At the date of this Scheme Booklet, Sienna had 395,132,839 shares on issue and 11,636,666 options.

Sienna Cancer Diagnostics Ltd has two 100% owned subsidiary companies:

- Melbourne Diagnostics Pty Ltd, a proprietary limited liability company, and domiciled in Australia; and
- Sienna Cancer Diagnostics Inc., an incorporated private company and domiciled in the United States.

5.3 Business overview

Sienna is a medical technology company that develops and commercialises diagnostic tests to assist in the early and accurate diagnosis of cancer.

Sienna's primary business focus is on the development and commercialisation of innovative diagnostic technologies for the early and accurate diagnosis of cancer. The Company has three commercial development programs underway namely:

1) **hTERT** - Is a test that aids in the diagnosis of bladder cancer. The test has been developed from a laboratory discovery to a commercial assay registered with the FDA, European CE Mark and a number of regulators in other countries and is currently generating revenues. There are approximately 1.5m urine cytology tests for bladder cancer performed each year in the US alone; the test has a Current Procedural Terminology (**CPT**) code from the Centres for Medicare & Medicaid Services (**CMS**) that enables a reimbursement of ~US$108 per test, Sienna's product is in a market valued at over US$160 million in the US. The US represents approximately 25% of the global in

vitro diagnostic (**IVD**) test volume, indicating there are a further ~4.5m urine cytology tests performed in the rest-of-world. hTERT therefore has a total addressable market of ~6m tests.

2) **SIEN-NET** – is a Molecular Net technology that represents a significant growth opportunity in an emerging segment of medical diagnostics known as liquid biopsy. A liquid biopsy is a test performed on a body fluid sample, usually blood, that identifies substances ("biomarkers") secreted from cancer cells. A critical technical requirement for the liquid biopsy approach to be clinically and commercially effective is an ability to rapidly purify or enrich the cancer-associated biomarkers in the patient sample. SIEN-NET™ technology is a unique and patented invention that allows rapid, specific and scalable capture of cancer biomarkers from a range of body fluids. The first commercial embodiment of SIEN-NET™ is EXO-NET™, which has been specifically designed to purify a patient sample for cancer-associated exosomes. Exosomes are tiny particles that are shed into the bloodstream from cancer cells. The global market for cancer diagnostics based on isolating and testing exosomes is expected to reach US$ 2.28 billion by 2030, according to a recent report by Grand View Research Inc. EXO-NET has the potential to become a key technology in this significant market space that is growing at a significant rate (around 18% per annum). Sienna is commercialising EXO-NET via two market channels:
   a) Research Use Application – Supported by substantive evidence of demand from researchers for an exosome capture tool, the company is finalising the production of an EXO-NET kit for sale to research organisations in Australia and the United States. The Company intends to leverage the rapid growth in the exosome research space by initiating a number of pilot research projects with appropriate collaborators to validate the utility of EXO-NET. Combined with the appointment of appropriate global distributors, the Company believes that EXO-NET will successfully penetrate the exosome research market worldwide with a particular emphasis on the United States.
   b) Commercial Use Applications – in conjunction with licensees and/or collaborators, SIEN-NET, or a customised version of the platform (such as EXO-NET) will be used to develop and commercialise new diagnostic tests and therapeutics. Collaborations have been announced with two Australian companies using this approach:
      i) Minomic International for the development of a novel liquid biopsy diagnostic test for pancreatic cancer; and
      ii) Vivazome for the development of an exosome- based therapy to treat Critical Limb Ischemia (CLI).

Both projects have the potential to deliver significant value through licensing revenues, including possible upfront and milestone payments, in areas where there is a need for urgent medical innovation.

3) **Unique Cancer Markers** – Sienna continues to identify and build a portfolio of biomarkers that can aid in the early diagnosis of cancer. These biomarkers are being selected on a complementary basis to support developments already being targeted. Sienna's recently executed licence with University of Adelaide for a molecule called SubB2M highlights this approach. SubB2M has the potential to detect cancer in a range of testing modalities such as liquid biopsies, immunoassays, circulating tumor cell assays and PET imaging. As a possible "pan" cancer marker SubB2M could be used in combination with cancer-specific other biomarkers providing the basis for a new highly sensitive and specific assay for the screening of serum and other body fluids from individuals at high risk of ovarian, breast and other cancers. Sienna is pursuing a number of commercial collaboration opportunities for this marker that could lead to future sub-licensing/commercial transactions.

5.4 Sienna's Directors and Executive Team

(a) Directors

As at the date of this Scheme Booklet, the Sienna Board is comprised of the following directors:

Name	Current position
Dr Geoffrey Cumming	Independent Non-Executive Chairman
Ms Helen Fisher	Independent Non-Executive Director
Mr Carl Stubbings	Executive Director
Mr Tony Di Pietro	Executive Director

(b) Executive Team

As at the date of this Scheme Booklet, Sienna's executive team is comprised of the following members:

Name	Current position
Mr Carl Stubbings	Managing Director and Chief Executive Officer
Mr Tony Di Pietro	Executive Director, Chief Financial Officer and Company Secretary

5.5 Sienna historical financial information

(a) Introduction

This Section 5.4 contains the historical financial information for Sienna (**Sienna Historical Financial Information**) comprising:

- the historical consolidated statements of profit or loss and other comprehensive income for the years ended 30 June 2018 and 30 June 2019 and six months ended 31 December 2019;
- the historical consolidated statements of financial position as at 30 June 2018, 30 June 2019 and 31 December 2019; and;
- the historical consolidated statements of cash flows for the years ended 30 June 2018 and 30 June 2019 and six months ended 31 December 2019.

(b) Basis of Preparation

The Sienna Historical Financial Information set out in this Section 5.4 is prepared for the purposes of this Scheme Booklet and its preparation and presentation is the responsibility of the Sienna Board.

The Sienna Historical Financial Information as at and for the years ended 30 June 2018 and 30 June 2019 has been derived from Sienna's financial statements for the respective years

which were audited by Walker Wayland in accordance with Australian Auditing Standards. Walker Wayland issued unqualified audit opinions on these financial statements.

The Sienna Historical Financial Information as at and for the six months ended 31 December 2019 has been derived from Sienna's financial statements for the respective period which were reviewed by Walker Wayland in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Walker Wayland issued an unqualified limited assurance conclusion in relation to these financial statements.

The Sienna Historical Financial Information is presented in an abbreviated form and does not contain all the disclosure, presentation, statement or comparatives that are usually provided in an annual financial report prepared in accordance with the Corporations Act. The Sienna Historical Financial Information should be read in conjunction with the full financial statements of Sienna, for the respective periods, including a description of the accounting policies contained in the financial statements and notes to those financial statements.

Full financial statements for Sienna for the years ended 30 June 2018 and 30 June 2019, and for the six months ended 31 December 2019, were lodged with ASX and are available free of charge at http://www.asx.com.au/ under ASX code 'SDX' or from Sienna's website (www.siennadiagnostics.com.au/).

The Sienna Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS, issued by the Australian Accounting Standards Board (AASB) which are consistent with International Financial Reporting Standards (IFRS).

The significant accounting policies adopted by Sienna in the preparation of the Sienna Historical Financial Information are consistent with those disclosed in Sienna's financial statements for the respective periods.

Except for the adoption of AASB 9 *Financial Instruments* ("AASB 9") and AASB 15 *Revenue from Contracts with Customers* ("AASB 15") with effect from 1 July 2018 and AASB 16 Leases ("AASB 16") with effect from 1 July 2019, the significant accounting policies adopted by Sienna in the preparation of the Historical Financial Information have been applied consistently across the Historical Period.

The impact of adopting AASB 9 is detailed in the financial statements of Sienna for the year ended 30 June 2019. As disclosed in those financial statements, the adoption of AASB 9, other than the upfront accounting of expected credit loss, 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 adoption of AASB 15 had no impact at the date of adoption. The adoption of AASB 16 is detailed in the financial statements of Sienna for the period ended 31 December 2019. The impact of adopting AASB 16 was the recognition of a Right of Use Asset ($1,914,097), a lease liability ($1,878,997) and a make good provision ($35,101) on the Statement of Financial Position at the commencement of the Howley's road lease on 1 December 2019.

(c) Sienna Historical Consolidated Profit or Loss and Other Comprehensive Income Statement

	Historical FY2018 (30 June 2018)	Historical FY2019 (30 June 2019)	Historical 1H2020 (31 December 2019)
REVENUE AND COST OF SALES FROM ORDINARY ACTIVITIES	**$**	**$**	**$**
Product revenue	527,845	531,251	300,519
Cost of sales	(58,998)	(52,303)	(25,578)
GROSS PROFIT	**468,847**	**478,948**	**274,941**
OTHER REVENUE			
Grant income	59,578	67,057	10,656
Research and Development Tax Incentive	631,691	443,605	404,955
Interest and miscellaneous income	76,113	141,772	46,665
Total other revenue	**767,382**	**652,434**	**462,276**
OPERATING EXPENDITURES			
Employee and contractor costs	(2,086,205)	(2,409,644)	(1,419,045)
Administration	(621,513)	(742,461)	(295,614)
Research and development	(247,027)	(179,594)	(141,480)
Insurance	(164,668)	(201,957)	(118,848)
Travel and meetings	(167,810)	(155,192)	(92,926)
Depreciation and amortisation	(130,559)	(132,587)	(86,333)
Other expenses from ordinary activities	(641)	(9,533)	(566)
Total operating expenditures	**(3,418,423)**	**(3,830,968)**	**(2,154,812)**
LOSS BEFORE INCOME TAX	**(2,182,194)**	**(2,699,586)**	**(1,417,595)**
Income tax expense	-	-	-
LOSS FOR THE PERIOD	**(2,182,194)**	**(2,699,586)**	**(1,417,595)**
Other comprehensive income, net of tax:			
Exchange differences on translation of foreign operation		40,751	4,172
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(2,182,194)**	**(2,658,835)**	**(1,413,423)**

(d) Management discussion and analysis of financial performance

Please refer to the commentary provided within the Directors' Reports contained within the 2018 and 2019 Annual Reports and Half-year Financial Report for the 6 months to 31 December 2019.

(e) Sienna Historical Consolidated Statement of Financial Position

	Historical FY2018 (30 June 2018)	Historical FY2019 (30 June 2019)	Historical 1H2020 (31 December 2019)
CURRENT ASSETS	**$**	**$**	**$**
Cash and cash equivalents	2,691,141	4,466,532	4,975,996
Trade and other receivables	124,008	88,733	83,820
Inventories	15,919	17,009	29,183
Other assets	172,000	197,213	110,396
TOTAL CURRENT ASSETS	**3,003,068**	**4,769,487**	**5,199,395**
NON-CURRENT ASSETS			
Property, plant and equipment	28,174	88,173	77,870
Intangibles	2,239,435	4,121,752	4,116,446
Right of Use Asset	-	-	1,903,463
TOTAL NON-CURRENT ASSETS	**2,267,609**	**4,209,925**	**6,097,779**
TOTAL ASSETS	**5,270,677**	**8,979,412**	**11,297,174**
CURRENT LIABILITIES			
Trade and other payables	314,360	206,209	175,948
Provisions	113,132	123,176	117,338
Lease Liability	-	-	131,687
TOTAL CURRENT LIABILITIES	**427,492**	**329,385**	**424,973**
NON-CURRENT LIABILITIES			
Provisions	47,658	65,510	84,767
Lease liability	-	-	1,758,270
TOTAL NON-CURRENT LIABILITIES	**47,658**	**65,510**	**1,843,037**
TOTAL LIABILITIES	**475,150**	**394,895**	**2,268,010**
NET ASSETS	**4,795,527**	**8,584,517**	**9,029,164**
EQUITY			
Issued capital	21,009,497	27,304,279	29,111,024
Equity-settled employee benefits reserve	173,017	253,788	287,966
Foreign currency translation reserve	-	40,751	44,923
Accumulated losses	(16,386,987)	(19,014,301)	(20,414,749)
TOTAL EQUITY	**4,795,527**	**8,584,517**	**9,029,164**

(f) Sienna Historical Consolidated Statement of Cash Flows

	Historical FY2018 (30 June 2018)	Historical FY2019 (30 June 2019)	Historical 1H2020 (31 December 2019)
	$	$	$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from product income	546,558	550,881	310,832
Receipts from the Research and Development Tax Incentive and grants	631,691	443,605	417,861
Interest and miscellaneous income received	125,039	208,597	49,223
Payments to suppliers and employees	(3,499,858)	(3,688,322)	(2,013,472)
Net cash used in operating activities	**(2,196,570)**	**(2,485,239)**	**(1,235,556)**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of intangibles	(81,124)	(594,773)	(56,489)
Purchase of property, plant and equipment	(14,042)	(38,936)	(5,690)
Net cash used in investing activities	**(95,166)**	**(633,709)**	**(62,179)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares	4,597,600	5,227,625	1,923,773
Payment of share issue costs	(335,122)	(331,724)	(117,028)
Net cash provided by financing activities	**4,262,478**	**4,895,901**	**1,806,745**
NET INCREASE IN CASH HELD	1,970,742	1,776,953	509,010
Cash and cash equivalent at beginning of the half-year	720,399	2,691,141	4,466,532
Effects of exchange rate changes on balance of cash held in foreign currencies	-	(1,562)	454
CASH AND CASH EQUIVALENT AT END OF FINANCIAL PERIOD	**2,691,141**	**4,466,532**	**4,975,996**

5.6 Material changes in Sienna's financial position since 31 December 2019

On 21 January 2020, Sienna announced that 51,112,715 ordinary shares had been placed with investors pursuant to a Rights Issue Offer that was announced in November 2019, raising $1,788,945 in new capital (before expenses). This capital raising was not reflected in the consolidated statement of financial position at 31 December 2019.

Sienna has implemented appropriate risk mitigation strategies as part of its response to the COVID-19 pandemic. The Company has continued to operate while following the COVID-19 control measures instigated by our state and federal governments. The Company continues to monitor the situation closely, both on a local and international level, including the status of our global partners. The global pandemic has had a significant impact on routine laboratory testing worldwide. Sienna's Directors are anticipating a reduction in hTERT product revenues until economies begin to recover when restrictions on human interactions ease.

Other than the items discussed above and disclosed in this Scheme Booklet, to the knowledge of the Sienna Directors at the date of this Scheme Booklet, the financial position of Sienna has not materially changed since 31 December 2019, being the date of the Sienna financial reports for the 6 months ended 31 December 2019 (released to the ASX on 21 February 2020).

5.7 Sienna securities on issue

(a) Sienna Shares

As at the Last Practicable Date, Sienna has a total of 395,132,839 ordinary shares on issue, held by approximately 829 Sienna Shareholders.

(b) Twenty largest quoted equity security holders

As at the Last Practicable Date, the names of the twenty largest holders of Sienna's quoted securities were:

	Ordinary shares	
Shareholder	**Number held**	**% of issued shares**
THE TRUST COMPANY (AUSTRALIA) LIMITED	40,000,000	10.12
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	34,057,849	8.62
MOGGS CREEK PTY LTD	19,150,000	4.85
TRAOJ PTY LTD	13,879,998	3.51
GERON CORPORATION	13,842,625	3.50
DAVID NEATE	12,752,969	3.23
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	11,056,515	2.80
BNP PARIBAS NOMINEES PTY LTD	8,809,947	2.23
MR JOHN ANDREW RODGERS	7,142,857	1.81
MR BARRIE ERNEST LAWS & MRS MERRILYN FRANCES LAWS	6,000,000	1.52
IFM PTY LIMITED	5,833,333	1.48
BIOMAVEN LLC	5,197,703	1.32
INCANDESCENT LLC	5,104,453	1.29
AJAVA HOLDINGS PTY LTD	5,000,000	1.27
CELTIC CAPITAL PTY LTD	4,944,443	1.25
BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM	4,614,208	1.17
MAURTEEN PTY LTD	4,288,433	1.09
MELCRETEP NOMINEES PTY LTD	4,268,008	1.08
DR RUSSELL KAY HANCOCK	4,200,000	1.06
JENNY MACHIDA	3,854,599	0.98

(c) Sienna Options

As at the Last Practicable Date, Sienna has on issue at total of 11,636,666 unlisted options (of which 6,093,333 options have vested) in the following tranches (**Sienna Options**), which are held by 16 Sienna Optionholders:

Number of options	Exercise Price ($)	Expiry Date
1,666,666	$0.243	1 April 2022
500,000	$0.250	2 August 2021
990,000	$0.250	21 September 2021
1,200,000	$0.125	3 May 2023
1,800,000	$0.103	15 November 2023
2,500,000	$0.101	4 December 2023
1,980,000	$0.070	2 July 2024
1,000,000	$0.044	6 February 2025

Under the terms of the Merger Implementation Agreement, it is a condition precedent that all of the holders of the Sienna Options agree with Sienna in writing, subject to the Scheme becoming implemented, to cancel all of their Sienna Options in consideration for the issue of BARD1 Options on the basis described in Section 9.19. This condition precedent must be satisfied prior to date which is the first day on which the application to the Court to approve the Scheme under section 411(4)(b) of the Corporations Act is heard. Please see Section 9.19 of this Scheme Booklet for further details.

5.8 Sienna dividend policy

The Corporations Act requires that dividends may be paid to shareholders from profits or other distributable amounts generated as well as compliance with surplus net assets and

solvency conditions. Given its financial results, Sienna has not paid dividends to Sienna Shareholders in recent years, nor are such dividends proposed in the immediate future.

5.9 Recent share performance

Set out below is a summary of the trading performance of Sienna Shares on the ASX during the 3 months up to and including 4 June 2020, being the Last Practicable Date:

Sienna Share price information	Price (in cents)
Last recorded price on ASX on the Last Practicable Date	7.6 cents
Last recorded price on ASX on 7 April 2020, being the last trading day before the public announcement of the Scheme (8 April 2020)	2.7 cents
Highest closing price during the 3 months ended 4 June 2020, being the Last Practicable Date	7.6 cents
Lowest closing price during the 3 months ended 4 June 2020, being the Last Practicable Date	2.2 cents

5.10 Continuously disclosing entity

Sienna is obliged to comply with the continuous disclosure requirements of ASX and the Corporations Act. Sienna's Annual Report for the year ended 30 June 2019 was released to ASX on 19 September 2019.

A list of announcements made by Sienna from the announcement of entry into the Merger Implementation Agreement to the Last Practicable Date is set out below:

Copies of announcements made by Sienna to ASX in the 12 months prior to the date of this Scheme Booklet are available at https://www.asx.com.au/ under ASX Code 'SDX' and on Sienna's website at http://www.siennadiagnostics.com.au/.

6. OVERVIEW OF BARD1

6.1 Introduction

The following information should be read in conjunction with the full text of this Scheme Booklet. The information contained in this Section 6 has been prepared by BARD1. The information concerning the BARD1 Group and the intentions, views and opinions contained in this Section are, to the extent permitted by law, the responsibility of BARD1. Sienna and its officers and advisers do not assume any responsibility for the accuracy or completeness of this information.

6.2 Overview of BARD1

BARD1 Life Sciences Ltd is an Australian medical technology company focused on developing and commercialising non-invasive diagnostic tests for early detection of cancer. BARD1 owns a proprietary biomarker technology platform with potential diagnostic applications across multiple cancers. The product pipeline includes BARD1 autoantibody tests in development for early detection of ovarian, breast and lung cancers.

BARD1's vision is to become a leading cancer diagnostics company with a portfolio of cancer diagnostics for unmet needs in the screening, diagnosis, prognosis, treatment selection and monitoring of common cancers to deliver life-saving diagnostic solutions for patients. The Company's mission is to detect cancer early, enabling earlier treatment and improved patient outcomes to help save lives.

The Company is focused on advancing its lead *BARD1-Ovarian* test through clinical validation for screening of ovarian cancer, expanding its BARD1 biomarker technology to new applications and acquiring complementary diagnostic technologies to expand its diagnostics pipeline, build a sustainable diagnostics business and increase long-term shareholder value.

BARD1 is currently headquartered in Perth, Australia and has contract research laboratories at the University of Geneva, Switzerland.

6.3 BARD1's business

BARD1's business comprises the research, development and commercialisation of diagnostic tests for the early detection of cancer. Its current diagnostics pipeline includes cancer-associated BARD1 autoantibody tests in development for early detection of ovarian, breast and lung cancers. BARD1 aims to build on this pipeline to develop a deep portfolio of cancer diagnostics for unmet needs in the screening, diagnosis, prognosis, treatment selection and monitoring of a range of cancers to deliver lifesaving diagnostic solutions for patients and thereby increase shareholder value.

Cancer Diagnostics Market

The global cancer burden is significant with an estimated 43.8 million people living with cancer, 18.1 million new cases and 9.6 million deaths in 2018. The incidence of cancer is expected to rise to 29.4 million new cases by 2040 due to population aging and growth. The most commonly diagnosed cancers worldwide in 2018 were lung cancer, breast cancer, colorectal cancer, prostate cancer and stomach cancer. Cancer is a leading cause of premature death with the highest burdens in China, Europe and North America. The cancer burden can be reduced by improved prevention, early detection, availability of cancer screening programs and effective treatment to improve patient outcomes and reduce mortality.

BARD1's core R&D programs are focused on the development of diagnostics for early cancer detection and potential use in government cancer screening programs to help save people's lives. BARD1 has three diagnostic programs for early detection of ovarian, breast and lung cancers.

Ovarian cancer was the seventh most common cancer in women, the leading cause of gynaecological cancer death and was responsible for 5% of all female cancer deaths worldwide with 295,414 new cases and 184,799 deaths in 2018. There is currently no screening test recommended for ovarian cancer, which is often diagnosed at a late-stage after symptoms have occurred resulting in a poor 5-year survival rate of only 47%.

Breast cancer is the second most commonly diagnosed cancer and leading cause of cancer death in women worldwide with 2.1 million new cases and 626,679 deaths in 2018. For women aged 40–74 who actually participate in screening every 1–2 years, breast cancer has good 5-year survival rates of approximately 90% due to mammography screening, increased awareness and improved treatments. Mammography screening, however, also exposes women to harm through exposure to X-rays, false-positive test results and overdiagnosis of biologically benign lesions.

Lung cancer is the most commonly diagnosed cancer and leading cause of cancer death worldwide with 2.1 million new cases and 1.8 million deaths in 2018. Lung cancer has poor survival rates of 19% due to late-stage detection with either no screening program or low-dose computed tomography (LDCT) screening offered for high-risk smokers in some countries. The market potential for an accurate and reliable lung cancer screening test is large.

Early detection of cancer before it has spread (metastasised) can increase the 5-year survival rate up to 89% for ovarian cancer, 99% for breast cancer and 55% for lung cancer.

Table 1: Cancer 5-year survival rates

5-year survival	Average	Stage 1	Screening	% uptake
Ovarian	47%	89%	-	0%
Breast	90%	99%	Mammogram	>70%
Lung	19%	55%	LDCT	<3.9%

There is a clear unmet need for non-invasive, accurate and reliable diagnostic tests for early detection of cancer to improve patient outcomes, save lives and reduce healthcare costs.

The global liquid biopsy market size was expected to reach US$ 5.96 billion by 2030, according to Grand View Research, Inc. While tissue biopsies have been the standard for cancer diagnoses, their highly invasive nature, frequently associated complications and high cost have been of significant concern. Liquid biopsies, in which body fluids such as serum, plasma and urine are tested for the presence of cancer-associated biomarkers offer a less invasive approach. The key to expanding the use of liquid biopsy is to discover and develop biomarkers that are highly sensitive and specific for the cancer they are associated with. No blood tests are currently approved for early detection of ovarian, breast or lung cancers.

BARD1 autoantibody tests are targeting the large global market opportunity that exists for accurate, reliable and affordable liquid biopsy tests which are less invasive and more convenient alternatives to current tissue biopsy and imaging methods (such as ultrasound for ovarian cancer, mammography for breast cancer and low-dose computed tomography for lung cancer) that suffer cost, convenience, safety and other limitations.

Table 2: Incidence, mortality and market potential for cancer screening tests

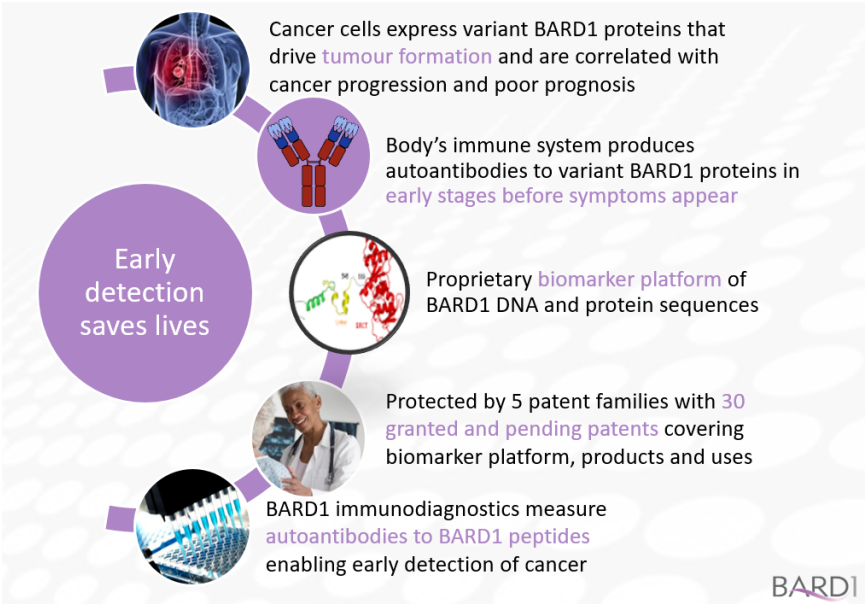
Application	Global		USA						
	Incidence	Deaths	Incidence	Deaths	Women 50-74y	Eligible smokers 55-77y	Screening period	Ave price/test	Market Potential
Ovarian Cancer	295K	185K	22.5K	14K	48.4M		Annual	$ 50	$2420M
Breast Cancer	2.1M	627K	269M	42K	48.4M		Biennial	$ 100	$2420M
Lung Cancer	2.1M	1.8M	228M	143K		6.8M	Annual	$ 255	$1734M
TOTAL									**$6574M**

Note: dollar amounts in Table 2 are in USD.

BARD1 autoantibody tests have the potential to detect cancer early, improve patient outcomes, save lives and reduce healthcare costs.

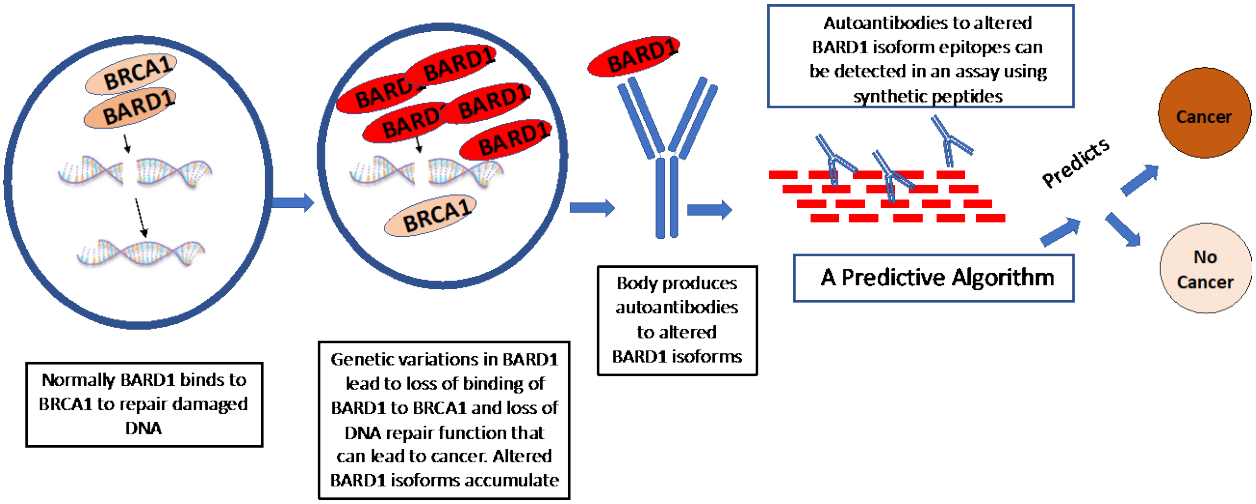
BARD1 biomarker technology and scientific rationale

BARD1's proprietary technology is a biomarker platform covering various BARD1 tumour markers, diagnostic and therapeutic methods and uses in multiple cancers. BARD1 tumour markers comprise autoantibodies and mRNA sequences to cancer-associated BARD1 isoforms that have potential utility as diagnostic biomarkers for the detection and monitoring of cancer. The technology has potential applications across breast, ovarian, lung, colorectal and other cancers.



BARD1 is a protein that normally partners with the better known protein BRCA1 to act in repair of damaged DNA that otherwise could lead to the cell becoming cancerous. A range of deletions in the BARD1 protein leads to the loss of the ability of BARD1 to bind to BRCA1 and subsequently the loss of the cell's DNA-repair mechanism. This increase in the level of the altered BARD1 proteins (BARD1 isoforms) ultimately can promote the formation and maintenance of tumour growth. The overexpressed altered isoforms of BARD1 can induce an immune response and the generation of antibodies. These "autoantibodies" appear in the early stages of many types of cancer. The autoantibodies bind to small defined sections (epitopes) on the altered BARD1 isoforms. Using panels of up to thirty small peptides (10 - 20 amino acids in length that have been synthesised in the laboratory) that represent the epitopes to which these autoantibodies bind, assays can be designed to detect the presence of autoantibodies to tumour-associated BARD1 in a patient's serum. The probability of cancer being present is then determined based on an algorithm that integrates the level and abundance of different autoantibodies to altered BARD1 isoforms present in the patient's serum compared to that of healthy people. The algorithm is developed from

LASSO (least absolute shrinkage and selection operator) modelling of results of tests on several hundred cancer and control serum samples.



Products and Pipeline

BARD1 has three autoantibody tests in development for early detection of ovarian, breast and lung cancers. BARD1 autoantibody tests measure autoantibodies to variant BARD1 proteins in the blood and use a proprietary cancer-specific algorithm to combine these levels into a cancer score that identifies the presence or absence of a specific cancer.

BARD1 autoantibodies reflect the body's early immune response to tumour formation and are present in the early stages of cancer, enabling the BARD1 tests to detect cancer earlier across all cancer stages before symptoms appear.

Table 3: BARD1 product pipeline

PRODUCT	INDICATION	PLATFORM	USE	RESEARCH	ASSAY DEVELOPMENT	CLINICAL VALIDATION	REGISTRATION
BARD1 Ovarian	Ovarian Cancer	LUMINEX (Blood)	Screening (High-risk)	→	→		
BARD1 Breast	Breast Cancer	LUMINEX (Blood)	Screening (Ave-risk)	→	→		
BARD1 Lung	Lung Cancer	LUMINEX (Blood)	Screening (High-risk)	→	→		

Several preclinical studies have been completed to evaluate the effectiveness of the use of cancer-associated BARD1 autoantibody assays and algorithms for the detection of ovarian, breast and lung cancers. These preclinical, retrospective, case-control research studies on biobanked samples from cancer patients and healthy controls demonstrated the potential of BARD1 autoantibody tests to discriminate people with cancer from those without cancer. These results gained in a research setting provided the basis for the development of commercial BARD1 autoantibody tests with high sensitivity and specificity for early detection of ovarian, breast and lung cancers. Table 4 provides a summary of the BARD1 autoantibody (AAb) test results for ovarian, breast and lung cancers.

Table 4: BARD1 autoantibody test results

Product	Study	n (cancer:normal)	Model AUC	Training AUC	Sensitivity	Specificity
BARD1 Ovarian	OC-CA125 (ave-risk)	400 (200:200)	0.98	0.95	88%	93%
	OC-R001 (high-risk)	261 (127:134)	0.99	0.97	89%	97%
BARD1 Breast	BC-001a (ave-risk)	123 (61:64)	0.94	0.86	70%	88%
	BC-001b (benign)	110 (61:49)		0.84	85%	76%
BARD1 Lung	LC-POC (ave-risk)	187 (94:93)	0.96	0.86	80%	77%

AUC is the accuracy of the test; Sensitivity is the % of people with cancer that correctly test positive; Specificity is the % people without cancer that correctly test negative.

BARD1's lead pipeline product is the BARD1-Ovarian test, currently in development for early detection of ovarian cancer. In early studies, the BARD1-Ovarian test has shown excellent results, with diagnostic accuracy of 0.95 AUC, 88% sensitivity and 93% specificity for detection of ovarian cancer in average-risk women (OC-125 Study) and even higher diagnostic accuracy of 0.97 AUC, 89% sensitivity and 97% specificity in high-risk women with a family history of breast/ovarian cancer or carrying BRCA1/2 mutations (OC-R001 Study). BARD1-Ovarian has the potential to become an alternative ovarian cancer screening test in high-risk asymptomatic women with Hereditary Breast and Ovarian Cancer (**HBOC**) syndrome. It could also have utility as a follow up test when medical imaging results are unclear in symptomatic women or as an elective screening test in average-risk asymptomatic women.

BARD1's second and highly complementary product is the BARD1-Breast test, currently in development for early detection of breast cancer. BARD1-Breast has shown diagnostic accuracy of 0.86 AUC, 70% sensitivity and 88% specificity for detection of breast cancer in average-risk women (BC-001a Study) and could accurately distinguish malignant breast cancer from benign lesions with diagnostic accuracy of 0.84 AUC, 85% sensitivity and 76% specificity (BC-001b Study). BARD1-Breast has the potential to be an alternative breast cancer screening test in average-risk asymptomatic women of all ages including women with dense breast tissue and women who return an inconclusive mammogram result.

The Company's third program is the BARD1-Lung test, currently in development for early detection of lung cancer. BARD1-Lung has shown diagnostic accuracy of up to 0.86 AUC, 80% sensitivity and 77% specificity for detection of lung cancer in a proof-of-concept study performed at the University of Geneva.

Research and Development Plans

BARD1's product development strategy is to commercialise its proprietary biomarker platform with a focus on developing cancer-associated BARD1 autoantibody tests for early detection of cancers with high unmet needs for an accurate and reliable blood test. The research priorities are to accelerate the development of its BARD1 autoantibody tests for early detection of ovarian, breast and lung cancers.

The Company's R&D activities are currently focused on completing the optimisation phase of its Assay Development project with Thermo Fisher Scientific to transfer the BARD1 autoantibody technology to the Luminex platform, building a version 2 Research Use Only (RUO) BARD1 kit[9] for use in its R&D programs, and advancing its lead *BARD1-Ovarian* test through development, optimisation and validation for early detection of ovarian cancer.

Luminex is an industry standard diagnostic platform widely used for development and commercialisation of multi-analyte diagnostic tests. Luminex instruments are used in laboratories worldwide enabling rapid transfer and evaluation by potential clinical laboratory partners to speed commercialisation of the BARD1 autoantibody tests.

Optimisation of the version 2 RUO BARD1 kit for use in its R&D programs (as described above) is underway, and will be followed by testing in ovarian cancer samples to evaluate the kit, and then optimisation of the *BARD1-Ovarian* test (peptides and algorithm) to evaluate accuracy across a range of ovarian cancer types and stages compared to positive and negative controls.

The *BARD1-Ovarian* test will then need to complete clinical validation studies for early detection of ovarian cancer in both average-risk and high-risk women with HBOC. These studies will be carried out in collaboration with leading academic groups and hospitals to

[9] RUO kit is a 22-plex Peptide Marker Panel for Detection of Human Antibodies for BARD1

validate the clinical performance of the *BARD1-Ovarian* test including diagnostic sensitivity, specificity, negative predictive value and positive predictive value.

Positive results from the planned clinical validation study for ovarian cancer would enable commercialisation of *BARD1-Ovarian* as a Laboratory Developed Test, provide important validation of the BARD1 autoantibody platform for cancer detection, and support further progression of additional BARD1 autoantibody tests for breast and lung cancers.

Clinical and Regulatory Strategy

Clinical validation studies are planned to evaluate the clinical performance (sensitivity and specificity) of the BARD1 Tests in patient populations:

BARD1-Ovarian	Screening ovarian cancer in high-risk asymptomatic women with hereditary breast or ovarian cancer
BARD1-Breast	Screening breast cancer in average-risk asymptomatic women
BARD1-Lung	Screening lung cancer in high-risk asymptomatic individuals with a smoking history

Diagnostic tests are regulated as IVD medical devices requiring pre-market review of quality, safety and performance validation data, and clearance/approval by regulatory authorities to allow marketing. The regulatory pathway for BARD1 Tests includes CE Marking (**CE-IVD**) in Europe, ARTG Listing through the TGA in Australia, and in the US, the FDA-clearance/approval. In conjunction with seeking regulatory approval from the FDA the test could be offered as Laboratory-Developed Tests through a Clinical Laboratory Improvement Amendments (**CLIA**)-certified "High Complexity" laboratory.

Commercialisation Strategy

BARD1's commercialisation strategy is to partner with CLIA certified "High Complexity" (USA) laboratories to initially launch the BARD1 autoantibody tests as Laboratory Developed Tests in the US. This is seen as the fastest route to commercialise the tests, demonstrate clinical and commercial value, and to accelerate real-world product acceptance. If successful, the Company then plans to engage leading diagnostic distributors to develop and register IVD kits with the FDA, Australian TGA and gain European CE-IVD to drive geographic expansion, clinical adoption, and market access.

Intellectual Property

BARD1 has established a strong IP position protecting its biomarker technology platform and products with claims covering various BARD1 DNA, mRNA and protein sequences, methods of diagnosis and treatment, and use in multiple cancers. The Company owns or exclusively licenses five patent families with 14 granted and 16 pending patents covering its technology, products and uses in the US, Europe, China, Japan and other countries.

The IP including granted patents, patent applications and know-how is owned by BARD1, its fully owned subsidiary BARD1AG SA or exclusively licensed from Université de Genève (**UNIGE**) and Hopitaux Universitaires de Genève (**HUG**). The granted and pending cases cover its technology, products and uses in multiple jurisdictions, and extend beyond 2034.

Patent Family 5	Title	Ownership/ (Licensee)	Granted 14	Pending 16	Expiry*
PCT/FR01/02731 (WO 02/018536)	Truncated BARD1 protein and its diagnostic and therapeutic uses	BARD1	US, JP		3/9/2021
PCT/IB2011/053635	BARD1 isoforms in lung and colorectal cancer and use thereof	UNIGE/HUG (BARD1AG SA)	US, EP, JP, JP div, CN, CN div, HK, IL, AU	US divisional, CA, BR, SG	17/8/2031
PCT/IB2011/054194	Kits for detecting breast or ovarian cancer in a body fluid sample and use thereof	BARD1	US	US divisional, EP (accepted)	23/9/2031
PCT/EP2014/073834	Lung Cancer Diagnosis	BARD1AG SA	IL	US, EP, CA, JP, CN, AU, SG, KR, HK	5/11/2034
EP14002398.7	Novel non-coding RNA, cancer target and compounds for cancer treatment	BARD1	US	US continuation	12/7/2035

*Plus any extension of term in the US due to prosecution delay

Growth Strategy

BARD1 is committed to becoming a leading Australian cancer diagnostics company, led by an experienced Board and management team with marketed cancer diagnostic products and a deep pipeline across common cancers to deliver best in class lifesaving diagnostic solutions to health care professionals and patients, while also delivering value to its shareholders.

BARD1's current growth strategies include:

a) accelerating internal product development of its existing BARD1 autoantibody tests;

b) expanding applications for its broader BARD1 biomarker technology (including mRNA and autoantibodies to cancer-associated BARD1 isoforms) to other diagnostic uses and cancer indications; and

c) expanding its cancer diagnostics portfolio through acquisition or in-licensing of complementary diagnostic assets for unmet needs in early detection of cancer.

These growth strategies are aimed at growing long-term shareholder value through expanding BARD1's product pipeline, diversifying risk, strengthening the business, accelerating commercialisation and generating revenue.

6.4 BARD'S group structure

BARD1 is a company limited by shares, incorporated and domiciled in Australia and listed on the ASX (ASX: BD1). BARD1 is the ultimate legal parent entity of the BARD1 Group and owns 100% of subsidiary BARD1AG SA, a corporation domiciled in Switzerland.

BARD1's registered office and principal place of business is located at Unit 202 / Level 2, 39 Mends Street, South Perth WA 6151, Australia.

6.5 BARD1's Board and key management

Peter Gunzburg BCom

Non-executive Chairman

Mr Gunzburg was appointed a Director on 24 September 2001. Mr Gunzburg has over 20 years' experience as a stockbroker. He holds a Commerce Degree from the University of Western Australia and has previously been a director of the Australian Stock Exchange Limited, CIBC World Markets Australia Limited and several other ASX listed companies. Mr Gunzburg has not been a director of any other listed entities over the last three years.

Dr Irmgard Irminger-Finger MSc, PhD

Executive Director and Chief Scientific Officer

Dr Irminger-Finger was appointed Executive Director and Chief Scientific Officer of BARD1 on 16 June 2016. She is responsible for the scientific leadership and management of BARD1's research programs to evaluate, develop and validate BARD1 diagnostics. Dr Irminger-Finger is an experienced chief scientist and internationally recognised expert in tumour biology. She studied molecular biology and biochemistry at the University of Zurich, obtained a master in molecular biology and biochemistry and a PhD in molecular genetics. After several years as researcher at the Harvard University, she returned to Geneva, Switzerland. Having obtained a Swiss federal career development award, she focused her research on the molecular pathways at the aging and cancer interface. From 2006-2018 she headed the Molecular Gynaecology and Obstetrics Laboratory at the Geneva University Hospitals with focus on the function of tumour suppressor genes BRCA1 and BARD1. Dr Irminger-Finger built up her reputation as expert on the BRCA1 and BARD1 genes, as author of more than 90 scientific articles, speaker at more than 200 conferences and meetings, editor of scientific journals, member of specific study groups and task forces on cancer, and inventor of several patents that paved the way towards applications in cancer diagnostics and therapy. Dr Irminger-Finger has received numerous awards and grants both for academic research and for her entrepreneurial work as founder of a successful biotech start-up. She is currently Adjunct Professor at the University of Western Australia and was previously Privat Docent at the University and University Hospital of Geneva, head of the Laboratory of Molecular Gynaecology and Obstetrics and Executive Director and founder of BARD1AG SA.

Mr Robert (Max) Johnston

Non-executive Director

Mr Johnston was appointed a Director of BARD1 on 17 June 2019. Mr Johnston held the position of President and Chief Executive Officer of Johnson & Johnson Pacific, a division of the world's largest medical, pharmaceutical and consumer healthcare company for 11 years. Prior to joining Johnson & Johnson, Mr Johnston's career also included senior roles with Diageo and Unilever in Australia, Africa and Europe. Mr Johnston has also held several prominent industry roles as a past President of ACCORD Australasia Limited, a former Vice Chairman of the Australian Food and Grocery Council and a former member of the board of the Australian Skills Management Institute. Mr Johnston has had extensive overseas experience during his career in leading businesses in both Western and Central-Eastern Europe and Africa as well as the Asia-Pacific region. Mr Johnston is currently Non-Executive Chairman of AusCann Group Holdings Ltd (ASX: AC8) and a Non-Executive Director of PolyNovo Ltd (ASX: PNV), Medical Developments International Ltd (ASX: MVP), CannPal Limited (ASX: CP1) and ProLife Foods NZ. He was a former Non-Executive Director of Enero Group Limited (ASX: EGG) and Non-Executive Chairman of Probiotec Ltd (ASX: PBP).

Mr Philip Powell BComm (Hons), ACA, FFin, MAICD

Non-executive Director

Mr Powell was appointed a Director of BARD1 on 17 June 2019. Mr Powell is a Chartered Accountant with extensive experience in investment banking, specialising in capital raisings, initial public offerings (IPOs), mergers and acquisitions and other successful corporate finance assignments across a diverse range of sectors including pharma, utilities, IT, financial services, food and agriculture. He spent 10 years in senior financial roles at OAMPS Ltd, a former ASX-listed financial services group, and 10 years in audit with Arthur Andersen & Co in Melbourne, Sydney and Los Angeles. Mr Powell is currently a Non-Executive Director of PolyNovo Ltd (ASX: PNV), Medical Developments International Ltd (ASX: MVP) and RMA Global Ltd (ASX: RMY).

Professor Allan Cripps AO, PhD, BSc (Hons), FAHSM, FASM, FAIMS, FIBMS, FCHSM

Non-executive Director

Professor Cripps was appointed a Director of BARD1 on 23 January 2020. Professor Cripps is a distinguished academic, clinical scientist and health services leader, having made significant contributions in immunology, diagnostics and health services delivery. From 2005 to 2016 he was the Pro Vice Chancellor (Health) at Griffith University and is currently a research professor at Griffith University, leading the Mucosal Immunology Research Group within the Menzies Health Institute Queensland. Professor Cripps had near 20 years' experience in the health and pharmaceutical industries before becoming a full-time academic focusing his research on mucosal immunology, respiratory tract infections, vaccine development and diagnostics. In 2015, he was awarded the Order of Australia (AO) for distinguished service to tertiary education as a senior administrator and to public health as a leading immunologist, academic and researcher in the area of mucosal immunisation. Currently, Professor Cripps is Independent Chair of the Children's Health Research Alliance Board. He was previously Non-Executive Director of Research Australia (2005 – 2012) and the Gold Coast Hospital and Health Services Board (2011 – 2017).

Dr Leearne Hinch BSc, BVMS, MBA

Chief Executive Officer

Dr Hinch was appointed Chief Executive Officer (CEO) of BARD1 on 7 November 2016 and is responsible for providing strategic leadership, advancing its cancer diagnostics pipeline and expanding its technology opportunities. Dr Hinch is a biotechnology CEO, director and consultant with extensive experience in strategic planning, operational management, fundraising, business development and commercialisation. Previously she held senior executive, management and consulting positions in ASX-listed biotechnology, multinational and private companies where she contributed to the development and commercialisation of multiple diagnostic, device, therapeutic and animal health products. She holds Bachelor of Science, Bachelor of Veterinary Medicine and Surgery, and Master of Business Administration qualifications.

Pauline Collinson

Company Secretary

Mrs Collinson was appointed Company Secretary on 7 November 2001 and has been employed by the Company for 27 years. She is also the Company Secretary of Tanami Gold NL (ASX: TAM) and Joint Company Secretary of Hong Kong listed Dragon Mining Limited (HKEX: 1712).

6.6 BARD1 historical financial information

(a) Introduction

This Section 6.6 contains the historical financial information for BARD1 (**BARD1 Historical Financial Information**) comprising:

- the historical consolidated statements of comprehensive income for the years ended 30 June 2018 and 30 June 2019 and six months ended 31 December 2019;
- the historical consolidated statements of financial position as at 30 June 2018, 30 June 2019 and 31 December 2019; and;
- the historical consolidated statements of cash flows for the years ended 30 June 2018 and 30 June 2019 and six months ended 31 December 2019.

(b) Basis of Preparation

The BARD1 Historical Financial Information set out in this Section 6.6 is prepared for the purposes of this Scheme Booklet and its preparation and presentation is the responsibility of the BARD1 Board.

The BARD1 Historical Financial Information as at and for the years ended 30 June 2018 and 30 June 2019 has been derived from BARD1's financial statements for the respective years which were audited by EY in accordance with Australian Auditing Standards. EY issued unqualified audit opinions on these financial statements.

The BARD1 Historical Financial Information as at and for the six months ended 31 December 2019 has been derived from BARD1's financial statements for the respective period which were reviewed by EY in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. EY issued an unqualified limited assurance conclusion in relation to these financial statements.

The BARD1 Historical Financial Information is presented in an abbreviated form and does not contain all the disclosure, presentation, statements and comparatives that are usually provided in an annual financial report prepared in accordance with the Corporations Act. The BARD1 Historical Financial Information should be read in conjunction with the full financial statements of BARD1, for the respective periods, including a description of the accounting policies contained in the financial statements and notes to those financial statements.

Full financial statements for BARD1 for the years ended 30 June 2018 and 30 June 2019, and for the six months ended 31 December 2019, were lodged with ASX and are available free of charge at http://www.asx.com.au/ or from BARD1's website (www.bard1.com).

The BARD1 Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in the AAS, issued by the AASB which are consistent with IFRS.

The significant accounting policies adopted by BARD1 in the preparation of the BARD1 Historical Financial Information are consistent with those disclosed in BARD1's financial statements for the respective periods.

Except for the adoption of AASB 9 *Financial Instruments* (**AASB 9**) and AASB 15 *Revenue from Contracts with Customers* (**AASB 15**) with effect from 1 July 2018 and

AASB 16 Leases (**AASB 16**) with effect from 1 July 2019, the significant accounting policies adopted by BARD1 in the preparation of the Historical Financial Information have been applied consistently across the Historical Period.

The impact of adopting AASB 9 is detailed in the financial statements of BARD1 for the year ended 30 June 2019. As disclosed in those financial statements, the adoption of AASB 9 impacted the classification of financial assets but had no measurement impact at the date of adoption. The adoption of AASB 15 and AASB 16 had no impact at the date of adoption.

(c) BARD1 historical consolidated statement of comprehensive income (FY2018, FY2019, HY2020)

Currency: A$	Historical FY2018 (30 June 2018)	Historical FY2019 (30 June 2019)	Historical 1H2020 (31 December 2019)
Revenue and other income	62,418	58,919	54,677
Research and development tax incentive	210,785	520,798	-
Gain on held for trading investments	91,483	-	-
Employee benefits expense	(768,598)	(791,549)	(564,512)
Movement in the fair value of investments classified held for trading	(127)	(32)	-
Impairment of available for sale financial assets	(28,230)	-	-
Foreign exchange gain/(loss)	(16,010)	5,282	6,490
Research and development expense	(770,842)	(576,738)	(212,210)
Patent expenses	(180,854)	(137,023)	(80,742)
Share based payments expense	(41,595)	(53,041)	(294,098)
Administration costs	(375,731)	(743,889)	(467,043)
Loss before income tax expense	**(1,817,301)**	**(1,717,273)**	**(1,557,438)**
Income tax expense	-	-	-
Loss after income tax expense	**(1,817,301)**	**(1,717,273)**	**(1,557,438)**
Foreign currency translation	(4,634)	(13,299)	(447)
Fair value loss on available for sale financial assets	(28,230)	-	-
Impairment loss re-classified to profit and loss	28,230	-	-
Other comprehensive loss for the period, net of tax	**(4,634)**	**(13,299)**	**(447)**
Total comprehensive loss attributable to the members of BARD1 Life Sciences Limited	**(1,821,935)**	**(1,730,572)**	**(1,557,885)**

(d) BARD1 consolidated historical statements of financial position (30 June 2018, 30 June 2019, 31 December 2019)

Currency: A$	Historical as at 30 June 2018	Historical as at 30 June 2019	Historical as at 31 December 2019
Cash and cash equivalents	1,445,657	7,556,661	8,698,955
Other receivables	3,465	61,278	36,387
Held for trading investments	32	-	-
Prepayments	3,983	8,595	-
Total Current Assets	**1,453,137**	**7,626,534**	**8,735,342**
Total Assets	**1,453,137**	**7,626,534**	**8,735,342**
Trade and other payables	238,212	427,709	469,538
Provisions	62,394	35,488	56,462
Current Liabilities	**300,606**	**463,197**	**526,000**

Provisions	22,044	28,658	31,673
Total Non-current Liabilities	**22,044**	**28,658**	**31,673**
Total Liabilities	**322,650**	**491,855**	**557,673**
Net Assets	**1,130,487**	**7,134,679**	**8,177,669**
Issued Capital	9,298,385	16,980,108	19,286,885
Distribution reserve	(309,421)	(309,421)	(309,421)
Share based payment reserve	41,595	94,636	388,734
Foreign exchange translation reserve	(42,719)	(56,018)	(56,465)
Accumulated losses	(7,857,353)	(9,574,626)	(11,132,064)
Total Equity	**1,130,487**	**7,134,679**	**8,177,669**

(e) BARD1 consolidated historical statement of cash flows (FY2018, FY2019, HY2020)

Currency: A$	Historical FY2018 (30 June 2018)	Historical FY2019 (30 June 2019)	Historical 1H2020 (31 December 2019)
Interest received	7,210	8,731	45,677
Other receipts from customers	55,208	50,188	9,000
Payments to suppliers and employees	(2,238,470)	(2,150,436)	(1,219,160)
Research and development tax incentive	210,785	520,798	-
Net cash flows used in operating activities	**(1,965,267)**	**(1,570,719)**	**(1,164,483)**
Net cash received on sale of held for trading assets	107,983	-	-
Net cash flows used in investing activities	**107,983**	**-**	**-**
Proceeds from issue of shares	2,813,326	8,285,747	2,306,777
Share issue costs	(160,436)	(604,024)	-
Net cash flows used in financing activities	**2,652,890**	**7,681,723**	**2,306,777**
Net increase in cash and cash equivalents	**795,606**	**6,111,004**	**1,142,294**
Cash and cash equivalents at beginning of period	650,051	1,445,657	7,556,661
Cash and cash equivalent at end of period	**1,445,657**	**7,556,661**	**8,698,955**

6.7 Material changes to BARD1's financial position since 31 December 2019

To the knowledge of the BARD1 Directors at the date of this Scheme Booklet, other than:

(a) the accumulation of losses in the ordinary course of trading; and

(b) as disclosed in this Scheme Booklet or as otherwise disclosed to the ASX by BARD1;

the financial position of BARD1 has not materially changed since 31 December 2019, being the date of the BARD1 financial reports for the 6 months ended 31 December 2019 (released to the ASX on 25 February 2020).

6.8 Full-year results FY19

On request, a copy of BARD1's annual report for FY19 will be provided to Sienna Shareholders. Alternatively, a copy of BARD1's annual report for FY19 can be found on the ASX announcements platform under the ASX ticker code "BD1" or on the BARD1 website https://www.bard1.com/investors/reports/.

6.9 BARD1's rationale for the Proposed Transaction

The proposed acquisition of Sienna and merger into BARD1 will create a well-capitalised, leading Australian-based cancer diagnostics company with a global presence, high-caliber Board, experienced management team and innovative cancer diagnostics portfolio.

BARD1 believes for the reasons set out below that the merger of these complementary businesses presents an attractive opportunity for Sienna and BARD1 shareholders with an experienced leadership team, expanded technology and product portfolio, synergies and economies of scale that position the Merged Group to generate sustainable growth, revenues and shareholder value.

- **Complementary diagnostic businesses:** Sienna and BARD1 are both medical technology companies with complementary businesses and development programs in cancer diagnostics that face similar product development, regulatory, commercial and financial risks. Both companies have similar business models focused on developing innovative diagnostics for unmet needs in cancer that can be commercialised through Sienna's existing specialist distribution channels and clinical laboratory networks. Sienna and BARD1 also have similar growth strategies of acquiring or in-licensing complementary technologies to expand their pipelines to increase market opportunities, diversify risk and increase shareholder value. Combining BARD1 and Sienna will create an Australian medical diagnostics company focused on cancer diagnostics with experienced leadership, an existing marketed product, deep pipeline and early revenues. BARD1 believes that the Merged Group will be well positioned to grow and consolidate the attractive but fragmented cancer diagnostics market in Australia.

- **High-calibre Board:** The Merged Group is expected to benefit from a combined Board with the healthcare leadership, corporate strategy, diagnostics development and commercial experience to guide the Merged Group towards its vision of becoming a leading Australian-based cancer diagnostics company.

- **Strong executive team:** Integration of BARD1's and Sienna's executives is expected to create a team combining deep leadership, technical and commercial experience in the diagnostics industry. The team should be equipped to drive the Merged Group's development and commercialisation programs while growing revenues and enhancing shareholder value. Supported by its finance, R&D, quality, regulatory and business development personnel, the Merged Group should be better resourced to efficiently and effectively execute its strategic and operational initiatives.

- **Multiple technology platforms:** BARD1 believes the combined BARD1 biomarker technology, hTERT biomarker technology and SIEN-NET purification technology will create a growth engine to develop in-house and partnered diagnostic and therapeutic products with the potential to generate sustainable product and licensing revenues.

- **Expanded diagnostics portfolio:** The Merged Group should have a broader cancer diagnostics portfolio combining the marketed hTERT test for diagnosis of bladder cancer, with the development-stage BARD1 autoantibody tests for early detection of ovarian, breast and lung cancers, and the research-stage EXO-NET exosome-based liquid biopsy pipeline. The Merged Group diagnostics portfolio would include marketed and development-stage products for multiple cancer indications, expanding the product portfolio and increasing market opportunities and future revenue potential for the Merged Group.

- **Expanded development and commercial capabilities:** The Merged Group proposes to operate from its new Melbourne headquarters that will include administration, laboratory and manufacturing facilities. Utilising the Merged Group's expanded technical and product development capabilities is expected to enable acceleration of the diagnostics

pipeline through research, assay development, clinical validation, and commercialisation utilising Sienna's established distribution channels used for the hTERT.

- **Synergies:** The Merged Group is expected to generate operational efficiencies from improved resource utilisation, shared expertise, staff, equipment, and a consolidated Melbourne-based office and laboratory facility, new to both businesses. There are also expected to be reduced legal, accounting, adviser, consultant and compliance costs.

- **Greater scale and financial strength:** The Merged Group is expected to have a stronger balance sheet with pro forma cash of approximately $13.7 million as of 31 March 2020[10]. Shareholders of the Merged Group should benefit from owning shares in a company with increased scale, market capitalisation and liquidity with improved access to capital markets and the ability to further enhance and build the combined portfolio of both businesses and fund new growth opportunities.

6.10 BARD1's intentions if the Scheme is implemented

(a) Business continuity and general operations

BARD1's intent for the Merged Group is to create a leading cancer diagnostics company with an experienced leadership team, multiple technology platforms and a strong pipeline of lifesaving cancer diagnostic products.

The Merged Group intends to focus its R&D efforts on leveraging its combined BARD1 biomarker, SIEN-NET purification and hTERT biomarker technology platforms to develop world-leading new cancer diagnostic products for the screening, diagnosis, prognosis, treatment selection and monitoring of target cancers. BARD1 believes that combining these platforms could be a 'game changer' in cancer diagnostics.

Key strategic initiatives for the Merged Group to enable sustainable business growth and achievement of corporate objectives to increase revenue streams, expand the diagnostics pipeline, secure partners and increase shareholder value include those set out below.

(i) Increase hTERT revenues globally

BARD1 intends to support and enhance the programs that have been recently implemented by Sienna to increase hTERT unit sales and revenues in the US, Europe and Asia. These include key programs in the US to implement a flexible market-based pricing structure, reimbursement initiatives, expanding the regulatory claims and additional post-marketing clinical studies and increase market penetration. Programs outside the US include advancing product registration and launch in new licensed territories, expansion into the major European (Germany, Italy, Spain and France) and Asian marketplaces with high-profile regional distributors and/or finding new AI-based product innovations and/or indications for hTERT (see Section 6.9).

The above programs combined with the recent establishment of Sienna's clinical advisory board (AB) are expected to increase market access, build profile, drive clinical adoption and speed market acceptance of hTERT in key marketplaces.

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[10] Does not include costs of the merger.

(ii) Accelerate development of the BARD1 autoantibody pipeline towards commercialisation

As outlined in section 6.3, BARD1 intends to prioritise the development of its lead *BARD1-Ovarian* test for early detection of ovarian cancer in high-risk women with HBOC. Successful commercialisation of the *BARD1-Ovarian* test is expected to validate the clinical utility and commercial potential of the BARD1 autoantibody technology and its further application to breast, lung and other cancers.

(iii) Build an exosome-based liquid biopsy pipeline incorporating EXONET for core programs

A core focus for SIEN-NET is the development and commercialisation of exosome-based liquid biopsies for cancer.

BARD1 intends to continue to advance the development of the EXO-NET manufacturing process, launch a RUO EXONET product for purification of exosomes for research purposes, and accelerate the development and validation of Sienna's core exosome-based diagnostics pipeline.

Commercialising a research product for the exosome isolation technology should embed the technology into the discovery, research and subsequent product development phases for multiple exosome-based diagnostics and therapeutics and provide an early revenue stream for the Merged Group.

The Merged Group proposes to accelerate the in-house development, clinical validation and registration of its lead exosome-based liquid biopsy product and launch in key US and European markets. Importantly, BARD1 believes that the launch of the Merged Group's first exosome-based diagnostic should validate the path-to-market for the SIEN-NET technology, build additional revenues streams and potentially be a value-adding milestone for the Merged Group.

(iv) Partnering of the SIEN-NET technology for non-core programs

There is interest from large biopharmaceutical companies in exosome purification technologies to enable the development of exosome-based diagnostics (liquid biopsies) for therapeutic selection and monitoring, exosome-based therapeutics for cancer, inflammatory disease, regenerative medicine and other conditions, and engineered exosomes for delivering therapeutic payloads.

BARD1 intends to position the Merged Group as a development partner for biopharmaceutical companies developing exosome-based diagnostics (Dx), companion diagnostics (CDx) and therapeutics (Tx). The Merged Group intends to secure biopharmaceutical partners to develop non-core exosome-based diagnostic and therapeutic programs aimed at delivering substantial product and licensing revenues from the SIEN-NET platform. Out-licensing of the SIEN-NET technology for non-core Dx, CDx and Tx programs has the potential to deliver substantial licensing revenues, build credibility and be a value-adding milestone for the Merged Group.

Sienna has already executed important initial collaborations for SIEN-NET including the Minomic International collaboration for a novel liquid biopsy diagnostic test for pancreatic cancer and the Vivazome collaboration for an exosome-based therapeutic for Critical Limb Ischemia. BARD1 believes that achievement of key milestones for these collaborations have the potential to

validate the SIEN-NET technology including the scale-up and cost-effectiveness of the EXONET manufacturing.

(v) Strategic acquisition or in-licensing of additional complementary diagnostic assets

BARD1 intends to leverage the increased scale, cash balance and market capitalisation of the Merged Group to continue to further enhance and build the combined portfolio of both businesses including to source diagnostic technologies and novel biomarkers that complement the Merged Group's existing technologies and development programs to create a sustainable business and innovative pipeline of life-saving diagnostic solutions.

An example of this strategy is evidenced by the recent announcement of an exclusive worldwide licence to develop and commercialise a unique cancer probe called SubB2M. The technology has the potential to be complementary to both SIEN-NET™ and the BARD1 biomarker technologies. SubB2M could be used to detect cancer in a range of testing modalities such as liquid biopsies, immunoassays, circulating tumor cell assays and PET imaging.

The Merged Group plans to prioritise the acquisition and/or in-licensing of opportunities for novel exosome-based cancer biomarkers and/or diagnostics suitable for development of liquid biopsies using EXO-NET for early diagnosis, prognosis, therapeutic selection and monitoring of cancer.

(b) Employment of employees

The senior management team of the Merged Group is expected to consist of the following members:

- Chief Executive Officer – Dr Leearne Hinch;
- Chief Scientific Officer – Dr Irmgard Irminger-Finger;
- Chief Financial Officer and Company Secretary – Mr Tony Di Pietro; and
- Chief Operating Officer – Mr Carl Stubbings.

It is expected that integration of BARD1's and Sienna's executives will create a team combining deep leadership, technical and commercial experience in the diagnostics industry. The team should be equipped to drive the Merged Group's development and commercialisation programs while growing revenues and enhancing shareholder value. Supported by its finance, R&D, quality, regulatory and business development personnel, BARD1 expects that the Merged Group will efficiently and effectively execute its strategic and operational initiatives.

The Merged Group is expected to have broader career opportunities for its combined employees, as well as the ability to attract, recruit and retain future employees and consultants with critical skills, capabilities and experience to support the Merged Group's research, product development and business development initiatives to advance, expand and commercialise its existing product portfolio and create a sustainable diagnostics business.

(c) Major changes to the business and fixed assets of Sienna

Other than noted in this Section 6.10 and subject to an operational review after Implementation, no major changes are proposed to the business and fixed assets of Sienna.

(d) Sienna to be delisted/removal from the ASX

If the Scheme becomes effective and is implemented so that it becomes a wholly-owned subsidiary of BARD1, BARD1 will cause Sienna to apply to the ASX for removal of Sienna from the official list of ASX with effect from or shortly after the Implementation Date.

(e) Board of directors of the Merged Group

The Board of Directors of the Merged Group are proposed to be:

- Dr Geoffrey Cumming – Non-executive Chairman;
- Dr Irmgard Irminger-Finger – Executive Director
- Mr Max Johnston – Non-executive Director;
- Mr Philip Powell – Non-executive Director;
- Ms Helen Fisher – Non-executive Director; and
- Prof. Allan Cripps – Non-executive Director.

(f) Corporate head office

It is expected that the Merged Group's corporate head office will be located in Melbourne, Victoria. The head office will include administration, laboratory and manufacturing facilities to enable the Merged Group to undertake its planned research, product development and manufacturing activities for its expanded diagnostics portfolio. BARD1 has already initiated a technology transfer program to enable its research activities to be transferred from its contract laboratory in Geneva for product development in Melbourne.

6.11 BARD1's capital structure

(a) The capital structure of BARD1 at the date of this Scheme Booklet comprises the following securities:

Number	Securities
1,367,185,026	Fully paid ordinary shares
217,003,236	Performance shares[11]
17,000,000	BARD1 Options[12]

[11] Each performance share will convert into one BARD1 Share subject upon the achievement of certain performance milestones. The performance milestones and conditions attaching to the performance shares are disclosed in BARD1's 2019 Annual Report which can be accessed at www.bard1.com/investors/reports/. The performance shares expire on 17 June 2021.

[12] Comprising 2,000,000 adviser options and the following CEO options issued to Dr Leearne Hinch as part of her remuneration package:

- 10,000,000 CEO options exercisable at $0.035 each expiring on 4 October 2023; and
- 5,000,000 CEO options exercisable at $0.062 each expiring on 20 November 2023.

(b) The capital structure of BARD1 immediately following Implementation of the Scheme is expected to comprise of the following securities:

Number	Securities
2,394,530,407	Fully paid ordinary shares
217,003,236	Performance shares
54,795,332	BARD1 Options[13]

On the Implementation Date, approximately 1,027,345,381 New BARD1 Shares will be issued to Scheme Participants.

6.12 BARD1's employee share plans and incentive plans

(a) Short Term Incentive Plan

BARD1 does not operate a Short-Term Incentive Plan, but its Chief Executive Officer, Dr Leearne Hinch, has short term incentives as part of her remuneration package. Please see Section 6.11 for more details.

(b) Incentive Option Plan

The objective of the BARD1's incentive option plan (**IOP**) is to attract, motivate and retain key participating BARD1 employees by maximising their contributions to BARD1 and to enable them to share in the future growth in the value of BARD1.

Under the IOP, certain key employees of BARD1 may be issued unlisted options each year. Generally, the unlisted options may be exercised into BARD1 Shares on satisfaction of vesting or exercise conditions (as determined by the BARD1 Board) or lapse after 4 years from the issue date.

6.13 Recent share price history

Bard1 share price information	Price (in cents)
Last recorded price on ASX on 4 June 2020, being the Last Practicable Date	2.8 cents
Last recorded price on ASX on 7 April 2020, being the last trading day before the public announcement of the Scheme (8 April 2020)	2.4 cents
Highest closing price during the 3 months ended on the Last Practicable Date	3.1 cents
Lowest closing price, during the 3 months ended on the Last Practicable Date	1.9 cents

[13] Comprising of 2,000,000 adviser options, 10,000,000 BARD1 Options issued to the BARD1 CEO which are exercisable at $0.035 and expire on 4 October 2023 and a further 5,000,000 BARD1 Options issued to the BARD1 CEO which are exercisable at $0.062 and expire on 20 November 2023. The BARD1 Options total also includes 37,795,332 BARD1 Options proposed to be issued to Carl Stubbings and to Sienna Optionholders, assuming that they all agree to the cancellation of their existing or proposed Sienna Options and, in the case of Carl Stubbings, acceptance of an offer of employment from BARD1.

6.14 Substantial shareholders

The list of substantial shareholders below reflects the latest substantial holders notices as at the Last Practicable Date:

Name	Units	Percentage
Dr Irmgard Irminger-Finger	123,600,000	9.04
Merchant Funds Management	155,266,958	11.36
Jeffrey Gerard Emmanuel	105,179,166	7.69
Moggs Creek Pty Ltd <Moggs Creek Super Fund A/C>	81,000,000	5.92

6.15 BARD1 dividend policy

BARD1 does not have a dividend policy in place and has not declared or paid any dividend to its shareholders since becoming listed on ASX. In addition, BARD1 does not intend to declare or pay any dividends in the immediate foreseeable future but BARD1 Directors will reassess future dividends based on several factors including current and future results from operations, financial conditions, general business conditions, and legal restrictions.

6.16 Publicly available information

BARD1 is a disclosing entity for the purposes of the Corporations Act and as such it is subject to regular reporting and disclosure obligations. As a company listed on ASX, BARD1 is also subject to the Listing Rules which require continuous disclosure (with some exceptions) of any information which a reasonable person would expect to have a material effect on the price or value of BARD1 Shares. In addition, BARD1 is required to maintain periodic disclosure (including yearly and half-yearly financial statements) with ASIC in accordance with the Corporations Act and the ASX in accordance with the Listing Rules.

The information disclosed to the ASX is available from the ASX's website (www.asx.com.au) as well as BARD1's website (www.bard1.com). Copies of the documents lodged with ASIC by BARD1 may be obtained from or inspected at any ASIC office.

6.17 Interests of BARD1's Directors

(a) Interests in BARD1 Shares

Director	Description	Number of Shares
Dr Irmgard Irminger-Finger	Ordinary Fully Paid Shares	123,600,000
Dr Irmgard Irminger-Finger	Performance Shares	108,252,420
Peter Gunzburg	Ordinary Fully Paid Shares	39,382,206
Robert Johnston	Ordinary Fully Paid Shares	5,700,000
Philip Powell	Ordinary Fully Paid Shares	5,000,000
Allan Cripps	-	-

(b) Interests in Sienna Shares

Director	Description	Number of Shares
Robert Johnston	Ordinary Fully Paid Shares	1,950,000
Philip Powell	Ordinary Fully Paid Shares	353,194

6.18 BARD1 interest and dealings in Sienna Shares

As at the date of this Scheme Booklet, BARD1 has no voting power or relevant interest in any Sienna Shares.

Except for:

- the Scheme Consideration to be provided under the Scheme; and
- BARD1 Options to be issued to the relevant holders as consideration for the cancellation of Sienna Options,

during the period of four months before the date of this Scheme Booklet, neither BARD1 nor any Associate of BARD1:

- has provided, or agreed to provide, consideration for any Sienna Shares under a purchase or an agreement; or
- has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an Associate, to:
    - vote in favour of the Scheme; or
    - dispose of Sienna Shares.

BARD1 has not acquired or disposed of a relevant interest in any Sienna Shares in the four month period ending on the date immediately before the date of this Scheme Booklet.

6.19 Performance Shares

As at the date of this Scheme Booklet, BARD1 has 217,003,236 Performance Shares on issue.

Each Performance Share will convert into one BARD1 Share on the announcement by BARD1 to the ASX of the following prior to the Expiry Date:

- the clinical trial of the blood test developed by BARD1AG S.A. for the detection of lung cancer (**BBLC Test**) has been completed;
- the clinical trial involved at least 2,000 participants, and returned a detection rate greater than 80%, and false positive results of less than 20%; and
- the results of the clinical trial provide statistically significant evidence that the BBLC Test provides an outcome equal or superior to the current "gold standard" CT Scan, which has a detection rate of less than 80%, and returns false positive results of more than 20%.

(together, the **Milestone**)

Performance Shares expire on 9 June 2021 (**Expiry Date**), being 5 years from the date of their issue. Performance Shares were released from escrow on 20 June 2018.

If the Milestone is met by 5.00pm on the Expiry Date BARD1 will, as soon as reasonably practical and in any event no later than 90 days after the Expiry Date, convert the total number of Performance Shares on issue into one BARD1 Share per Performance Share.

Performance Shares have no right to receive dividends. Performance Shares are not transferrable and do not provide the holder with a right to vote at general meetings of BARD1, subject to the Corporations Act or any right to participate in capital raisings offered to BARD1 Shareholders.

The Performance Shares are unquoted. No application for quotation of the Performance Shares will be made by BARD1. All Performance Shares on issue are unvested as at the date of this Scheme Booklet.

6.20 Rights and Liabilities attaching to New BARD1 Shares

The rights and liabilities attaching to BARD1 Shares that will be issued to participants in the Scheme as Scheme Consideration will be the same as those attaching to existing BARD1 Shares and will rank equally in all respects with all issued fully paid ordinary shares of BARD1 from the date of their issue. These rights and liabilities are detailed in the BARD1 constitution, and are subject to the Corporations Act and the Listing Rules.

The table below summarises some of the key rules in the BARD1 constitution in relation to the rights and liabilities currently attaching to BARD1 Shares. This summary does not purport to be exhaustive and must be read subject to the full text of the BARD1 constitution. A copy of BARD1's constitution is available on BARD1's website: https://clients3.weblink.com.au/pdf/BD1/02173089.pdf.

Sienna Shareholders should obtain their own independent advice in relation to their rights and liabilities as potential holders of BARD1 Shares in specific circumstances.

Item	Description
Issue of further BARD1 Shares	BARD1's Board may from time to time issue any shares in the capital of BARD1.
Variation of class rights	The rights attaching to BARD1 Shares may, unless their terms of issue state otherwise, only be varied, converted or cancelled by a special resolution of BARD1 and: ▪ a special resolution of the members holding BARD1 Shares of that class; or ▪ the written consent of the holders who are entitled to at least 75% of the votes that may be cast in that class.
BARD1 Share transfers	A BARD1 Shareholder may transfer all or any of the BARD1 Shares held by them to a third party, including on the ASX, subject to customary requirements. Generally, the BARD1 board must register a transfer of BARD1 shares, unless the instrument of transfer is not in registerable form or the refusal to register the transfer is permitted under the Listing Rules, Corporations Act or ASX Operating Rules.
Meetings of members	Each holder of BARD1 Shares is entitled to receive notice of and to attend and vote at all meetings of members of BARD1. BARD1 Shareholders are also entitled to call a general meeting in accordance with the Corporations Act.
Voting	Each BARD1 Share confers the right to vote at general meetings. Each BARD1 Shareholder is entitled to be present and vote at meetings in person, by proxy, attorney or representative. On a show of hands, each BARD1 Shareholder has one vote. On a poll, each BARD1 Shareholder has one vote for each fully paid ordinary share held by the shareholder and a fraction of a vote proportional to the amount paid on each partly-paid ordinary share (excluding amounts credited and amounts paid in advance of a call).

Item	Description
Dividends	BARD1 Shareholders are entitled to receive dividends declared in respect of BARD1 Shares they hold and a fraction of the dividend proportional to the amount paid on each partly-paid ordinary share (excluding amounts credited). The BARD1 board may declare dividends payable from the profits of BARD1 as and when it sees fit.
Rights on winding up	Each BARD1 Share confers on its holder the right to participate equally in the distribution of the assets of BARD1 on a winding up, subject to any restrictions or amounts unpaid attached to the share (including amounts credited). If BARD1 is wound up, the liquidator may, with the sanction of a special resolution, divide among the members all or any of BARD1's assets and for that purpose, determine how it will carry out the division between the members. The liquidator may settle any problem concerning the distribution of assets in any way, including vesting assets in a trustee on trust for the benefit of the members entitled.
Sale of non-marketable parcels	Subject to the Listing Rules, Corporations Act and ASX Operating Rules, BARD1's constitution confers the power on BARD1 to dispose of small parcels of BARD1 Shares (being parcels of BARD1 Shares, the number of which in aggregate constitutes less than a marketable parcel of shares under the Listing Rules). BARD1 must not sell a small parcel of BARD1 Shares unless it has given at least 42 days' written notice to the BARD1 Shareholder of its intention to sell those BARD1 Shares. The shareholder may ask BARD1 in writing to not sell or dispose their BARD1 Shares, in which case BARD1 will not sell all or some of the small parcel. If BARD1 does sell the BARD1 Shares, the proceeds of the sale are remitted to the BARD1 shareholder (less the expenses of the sale or disposal and amounts due and unpaid in respect of those BARD1 Shares).

7. FINANCIAL INFORMATION

7.1 Introduction

This Section 7 sets out financial information assuming that the Scheme is implemented. The consolidated pro forma historical financial information set out in this Section 7.2 has been prepared to illustrate the pro forma historical statement of financial position as at 31 December 2019 (**Pro Forma Historical Financial Information**).

The BARD1 Historical Financial Information, Sienna Historical Financial Information and the Pro Forma Historical Financial Information is collectively referred to in this Scheme Booklet as the "**Financial Information**".

All amounts set out in Section 7.2 are presented in Australian dollars.

This Section 7.2 should be read by Sienna Shareholders in conjunction with:

(i) the funding of the Scheme Consideration in Section; and

(ii) the risks summarised in Section 8; and

(iii) Section 6.6, which includes the BARD1 summary of historical financial information.

7.2 Scheme Pro Forma Historical Financial Information

(a) Basis of preparation

The Sienna Board is responsible for the presentation and preparation of the Pro Forma Historical Financial Information.

The Pro Forma Historical Financial Information has been derived from the historical consolidated statement of financial position of BARD1 and the historical consolidated statement of financial position of Sienna as at 31 December 2019 adjusted for the effects of the Transaction (Pro Forma Adjustments) as if the Pro Forma Adjustments had occurred at 31 December 2019.

The historical consolidated statement of financial position of BARD1 and historical consolidated statement of financial position of Sienna as at 31 December 2019 has been derived from the half year financial statements of BARD1 and the half year financial statements of Sienna for the six months ended 31 December 2019 respectively.

The half year financial statements of BARD1 for the six months ended 31 December 2019 have been reviewed by EY. EY issued an unqualified limited assurance conclusion in relation to these financial statements.

The half year financial statements of Sienna for the six months ended 31 December 2019 have been reviewed by Walker Wayland Walker. Wayland issued an unqualified limited assurance conclusion in relation to these financial statements.

The Pro Forma Historical Financial Information is provided for illustrative purposes only and is prepared on the assumption that the Pro Forma Adjustments occurred on 31 December 2019. Due to its nature, the Pro Forma Historical Financial Information does not represent BARD1's or the Merged Group's actual or prospective financial position.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement principles contained in AAS, other than that it includes adjustments, which have been prepared in a manner consistent with AAS that reflect the impact of the Pro Forma Adjustments as if they occurred as at 31 December 2019.

The Pro Forma Historical Financial Information is presented in an abbreviated form and does not contain all of the presentation, comparative information and disclosures that are usually provided in an annual financial report prepared in accordance with the Corporations Act.

The Pro Forma Historical Financial Information presented in this Section 7.2 should be read in conjunction with the risk factors set out in Section 8 and other information contained in this Scheme Booklet. The Pro Forma Historical Financial Information does not reflect all of the transactions that have occurred since 31 December 2019.

(b) **Preliminary purchase price accounting**

On implementation of the Scheme, BARD1 will gain control over Sienna and therefore in accordance with AASB 3 *Business Combinations*, BARD1 will be required to recognise the assets and liabilities of Sienna at fair value on the date of acquisition.

AASB 3 *Business Combinations* allows an acquirer a period of 12 months from the date of acquisition to finalise the identification and valuation process of all assets and liabilities. On this basis, BARD1 will not complete this purchase price accounting process until after implementation of the Scheme. This includes assessing the potential purchase price accounting implications of the exchange of existing Sienna Options with BARD1 Options, as further discussed in Section 5.7(c).

For the purpose of the Scheme Pro Forma Historical Financial Information in this Scheme Booklet, BARD1 has assumed the carrying value of assets and liabilities reported by Sienna in the consolidated statement of financial position as at 31 December 2019 to be equal to fair value.

As the purchase price accounting process has not been completed, additional finite life intangible assets and associated amortisation expense may arise. As a result, goodwill and other intangible assets which may be recognised as part of the purchase price allocation process have been combined for inclusion in the Pro Forma Historical Statement of Financial Position.

(c) **Assumptions regarding capital structure**

The Merged Group Pro Forma Historical Financial Information has been prepared on the basis that BARD1 will own 100% of Sienna following implementation of the Scheme. The merger ratio for each Sienna Share is 2.6 new BARD1 Shares. The table below shows the calculation of the number of new BARD1 Shares to be issued and the value of the purchase consideration:

Projected Sienna Shares on issue immediately prior to implementation of the Scheme	**395,132,839**
Exchange ratio	2.6
New BARD1 shares to be issued	1,027,345,381
BARD1 share price (note 1)	$0.023
Scheme Consideration	**$23,628,944**

Note 1: for the purposes of presenting the Merged Group Pro Forma Historical Financial Information, a BARD1 Share price of $0.023 has been used being the closing BARD1 Share price on 27 April 2020.

(d) **Pro Forma Consolidated Historical statement of Financial Position**

Currency: A$	BARD1 Historical as at 31 December 2019	Sienna Historical as at 31 December 2019	Notes	Pro forma Adjustments	Merged Group Pro forma Historical as at 31 December 2019
Cash and cash equivalents	8,698,955	4,975,996		-	**13,674,951**
Receivables	36,387	83,820		-	**120,207**
Inventories	-	29,183		-	**29,183**
Other assets (incl. prepayments)	-	110,396		-	**110,396**
Total Current Assets	**8,735,342**	**5,199,395**		-	**13,934,737**
Property, plant and equipment	-	77,870		-	**77,870**
Intangibles and goodwill	-	4,116,446	(i)	14,920,780	**19,037,226**
Right of use asset	-	1,903,463		-	**1,903,463**
Total Non-current Assets	**-**	**6,097,779**		**14,920,780**	**21,018,559**
Total Assets	**8,735,342**	**11,297,174**		**14,920,780**	**34,953,296**
Trade and other payables	469,538	175,948	(i)	1,471,000	**2,116,486**
Provisions	56,462	117,338		-	**173,800**
Lease liability	-	131,687		-	**131,687**
Total Current Liabilities	**526,000**	**424,973**		1,471,000	**2,421,973**
Provisions	31,673	84,767		-	**116,440**
Lease liability	-	1,758,270		-	**1,758,270**
Total Non-current Liabilities	**31,673**	**1,843,037**		**-**	**1,874,710**
Total Liabilities	**557,673**	**2,268,010**		**1,471,000**	**4,296,683**
Net Assets	**8,177,669**	**9,029,164**		**13,449,780**	**30,656,613**
Issued Capital	19,286,885	29,111,024	(ii)	(5,482,080)	**42,915,829**
Distribution reserve	(309,421)	-		-	**(309,421)**
Share based payment reserve	388,734	287,966	(iii)	(287,966)	**388,734**
Foreign exchange translation reserve	(56,465)	44,923	(iv)	(44,923)	**(56,465)**
Accumulated losses	(11,132,064)	(20,414,749)	(i), (v)	19,264,749	**(12,282,064)**
Total Equity	**8,177,669**	**9,029,164**		**13,449,780**	**30,656,613**

The following pro forma adjustments have been made for the purposes of illustrating the Merged Group Pro Forma Historical Consolidated Statement of Financial Position as if the Scheme had occurred on 31 December 2019:

(i) Transaction costs of $1,471,000 have been included as an increase in trade and other payables and accounted for as follows:

(A) $1,150,000 of transaction costs expected to be incurred by BARD1 will be expensed and are therefore reflected in retained profits.

(B) $321,000 of transaction costs expected to be incurred by Sienna will be a pre-acquisition expense and will reduce Sienna's net assets, and are therefore reflected as an increase in goodwill upon acquisition.

(ii) Elimination of Sienna contributed equity of $29,111,024, offset by an increase to contributed equity for the Scheme Consideration of $23,628,944. The calculation of the Scheme Consideration has not assessed the impact of the

exchange of existing Sienna Options with BARD1 Options as discussed in section 7.2(b).

Scheme Consideration has been calculated based on a BARD1 Share price of $0.023 and a merger ratio of 2.6 New BARD1 Shares per Sienna Share, such that BARD1 will issue 1,027,345,381 New BARD1 Shares for a Scheme Consideration of $23,628,944.

(iii) Elimination of Sienna share based payments reserves of $287,966.

(iv) Elimination of the foreign exchange translation reserves of $44,923 as at 31 December 2019.

(v) Elimination of the $20,414,749 in retained losses of Sienna as at 31 December 2019, together with a decrease in retained profits of $1,150,000 in relation to BARD1 transaction costs expensed.

(e) **Forecast financial information**

Each of the BARD1 Board and Sienna Board has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information in relation to the Merged Group. Each of the BARD1 Board and Sienna Board has concluded that such forecast financial information has the potential to be misleading and a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable to be of value to either set of shareholders.

(f) **Items not reflected in the Pro forma Historical Financial Information**

The Pro Forma Historical Financial Information has not been adjusted to reflect trading of either BARD1 or Sienna since 31 December 2019.

(g) **Subsequent events**

The BARD1 Board and the Sienna Board are not aware of any significant changes in the state of affairs of the Merged Group or events subsequent to 31 December 2019 that would have a material impact on the Financial Information other than that detailed in section 6.7 for BARD1 and section 5.5 for Sienna.

8. RISKS

The Sienna Board considers that it is appropriate for Sienna Shareholders, in considering the Scheme, to be aware that there are a number of risk factors, general and specific to Sienna's business, which could materially adversely affect the future operating and financial performance of Sienna and the value of Sienna Shares.

This section identifies some, but not all, of the major risks associated with your current investment in Sienna and general investment risks. You should read the whole of this Scheme Booklet in order to fully appreciate such matters and the manner in which Sienna currently operates before any decision is made on how to vote at the Scheme Meeting.

If the Scheme is implemented, you will receive the Scheme Consideration and will no longer be a Sienna Shareholder. However, you will have an indirect interest in Sienna (as a holder of the New BARD1 Shares) and will therefore remain exposed to some of the risks set out below.

If the Scheme does not proceed, you will continue to hold your Sienna Shares and will continue to be exposed to risks associated with that investment.

8.1 Risks associated with Sienna's business

(a) **Sufficiency of funding**

Sienna has limited financial resources and will need to raise additional funds from time to time to finance the complete development and commercialisation of its products and its other longer-term objectives. Sienna's ability to raise additional funds will be subject to, among other things, factors beyond the control of Sienna and the Sienna Directors, including cyclical factors affecting the economy and share markets generally. The Sienna Directors can give no assurance that future funds can be raised by Sienna on favourable terms, if at all.

(b) **Competition**

The Company operates in the competitive diagnostics industry. There are companies within the industry with significantly greater financial, technical, human, research and development, and marketing resources than the Company. The Company's competitors may develop products in advance of Sienna’s and/or produce products that are more effective than those developed by the Company. If this was to occur, the Company’s current and future products may become obsolete or uncompetitive, resulting in adverse effects on cash flows and profitability.

(c) **Key personnel**

The Company currently employs a number of key management and scientific personnel. Sienna will also require the services of additional staff to further develop the Company’s products and implement marketing strategy. The Company’s future success depends on retaining and attracting suitably qualified personnel. There is no guarantee they will stay with Sienna.

(d) **Intellectual property risk**

The Company has four granted patents covering both the hTERT product and SIEN-NET™. There is no guarantee that any further patent applications will be granted or that the Company's owned and licensed patent rights comprise all the rights that the Company should have acquired to be entitled to freely use and commercialise its products.

(e) **Infringement of third party intellectual property**

If a third party accuses the Company of infringing its intellectual property rights, or if a third party commences litigation against the Company for the infringement of patent or other intellectual property rights, Sienna may incur significant costs in defending such action, whether or not it ultimately prevails. Typically, patent litigation in the healthcare industry is expensive. Costs that the Company may incur in defending third party infringement actions would also include diversion of management's and technical personnel's time. In addition, parties making claims against Sienna may be able to obtain injunctive or other equitable relief that could prevent the Company from further developing discoveries or commercialising its products. In the event of a successful claim of infringement against the Company, it may be required to pay damages and obtain one or more licences from the prevailing third party. If it is not able to obtain these licences at a reasonable cost, if at all, it could encounter delays in product introductions and loss of substantial resources while it attempts to develop alternative products. Defence of any lawsuit or failure to obtain any of these licences could prevent the Company or its partners from commercialising available products and could cause it to incur substantial expenditure.

(f) **Regulatory risks**

The Company, its services and products (including IVD tests) are subject to various laws and regulations including but not limited to product compliance / registration, accounting standards and tax laws. Changes in these laws and regulations (including interpretation and enforcement) could adversely affect the Company's financial performance. Sienna is not currently aware of any specific material changes in relevant regulations or policy which are likely to materially adversely affect Sienna or its business.

(g) **Manufacturing/Production Risks**

Production of a diagnostic antibody for Sienna's hTERT product is a low risk undertaking for an experienced and capable manufacturer. Nonetheless, there is some risk that batches manufactured for sale do not pass acceptance testing or are rejected for quality control reasons, leading to an inability to supply product to the market.

(h) **Dependence on Service Providers**

The Company operates a significant amount of its key activities through a series of contractual relationships with licensees, independent contractors and suppliers. All of the Company's contracts carry a risk that the third parties do not adequately or fully comply with its or their respective contractual rights and obligations. Such failure could lead to termination and/or significant damage to the Company's product development efforts.

Additionally, the global impact of the COVID-19 pandemic including the developing advice and responses from health and regulatory authorities and the potential need to take measures to limit the transmission of COVID-19 may adversely impact the Company's ability to depend on third party service providers and Sienna's operations (including the development of IVD tests).

(i) **Currency Risk**

While the Company's financial reports are prepared in Australian dollars, a proportion of revenues and expenditures are earned and incurred in overseas

jurisdictions. These revenues and expenditures are subject to the risk of fluctuations in foreign exchange markets.

(j) **Changes in Australian Government Research and Development Incentives**

The Company has received cash flows, and anticipates the future receipts, from refundable tax credits of the federal government's R & D Tax Incentive scheme. There is no guarantee that the Australian Federal Government will not change its Research and Development Tax Incentive program. If the program ceases or a material adverse change is made to the refundable component of the program, a significant funding gap would result, jeopardising the achievement of the Company's product development and commercialisation objectives.

(k) **Healthcare Insurers and Reimbursement**

In both domestic and foreign markets, sales of products are likely to depend in part upon the availability and amounts of reimbursement from third party healthcare payer organisations, including government agencies, private healthcare insurers, self-insured employee plans and other healthcare payers such as health maintenance organisations. In most major markets, there is considerable pressure to reduce the cost of healthcare. No assurance can be given that reimbursement will continue to be provided by such payors at all, or without substantial delay, or that reimbursement amounts will be sufficient to enable the Company to sell products developed on a profitable basis.

(l) **Management of financial growth**

The ability of Sienna to achieve adequate financial performance is dependent on a number of factors, not all of which are within the control of Sienna.

In the future, Sienna may require additional capital, whether by equity or debt, to explore and/or develop further business opportunities. There can be no assurance that Sienna will be able to raise such capital on favourable terms, if at all.

The inability to raise additional capital, if required, may have a detrimental impact on Sienna's financial performance and the ability of Sienna to expand its business.

(m) **Unforeseen expenses**

Sienna may be subject to significant unforeseen expenses or actions. This may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events.

8.2 General risks associated with Sienna

Most of the general risks discussed below are outside the control of Sienna and the Sienna Board and cannot be mitigated.

(a) **Impact of COVID-19**

The global impact of the COVID-19 pandemic, and the advice and responses from health and regulatory authorities, is continuously developing. The global economic outlook is facing uncertainty due to the COVID-19 pandemic which has had and may continue to have a significant impact on capital markets and share prices. Sienna's Directors are closely monitoring the situation and considering the impact on the Company's business from both a financial and operational perspective.

To date, COVID-19 has affected equity markets, governmental action, regulatory policy, quarantining, self-isolations and travel restrictions. These impacts are creating risks for Sienna's business and operations in the short to medium term. There will also likely be an impact on Sienna's sales and distribution during this time. The Company has in place business continuity plans and procedures developed to manage the keys risks, such as COVID-19, that may cause a disruption to Sienna's business and operations.

(b) **Market for Shares**

No assurance can be given that an active market will exist in the future for Sienna Shares or that Sienna Shares will trade at or above the Scheme Consideration for the Sienna Shares.

(c) **Stock market volatility**

The market price of Sienna Shares may rise or fall depending upon a range of factors beyond Sienna's control and which are unrelated to Sienna's operational performance. The price of Sienna's Shares listed on ASX may also be affected by a range of factors including Sienna's financial performance and by changes in the business environment.

Sienna Shares carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX.

There are a number of national and international market factors that may affect the price of Sienna Shares, including movements on international stock markets, economic conditions and general economic outlook, interest rates and exchange rates, inflation rates, commodity supply and demand, government taxation and royalties, legislation, monetary and other policy changes and general investors' perceptions. Neither Sienna nor the Sienna Directors have control over these factors.

(d) **General economic conditions**

The general economic climate may affect the financial performance of Sienna. These factors include the general level of international and domestic economic activity, inflation and interest rates. These factors are beyond the control of Sienna and the Sienna Directors and their impact cannot be predicted.

(e) **Changes in laws and government policy**

Changes in laws and government policies (including changes to Sienna's industry), both domestically and internationally, may adversely affect the financial performance of the current and proposed operations of Sienna.

(f) **Insurance risks**

Although Sienna maintains insurance, no assurance can be given that adequate insurance will continue to be available to Sienna in the future on commercially acceptable terms.

(g) **Government actions and other events**

The impact of actions by domestic and international governments may affect Sienna's activities, including in relation to its infrastructure, compliance with environmental regulations, export, taxation and royalties.

Events may occur within or outside Australia that could impact on the world economy, the financial services market, Sienna's operations and the price of Sienna Shares. These events include war, acts of terrorism, civil disturbance, political intervention, pandemics and natural disasters. Sienna has only a limited ability to insure against some of these risks.

8.3 Specific risks relating to BARD1

Sections 8.3, 8.4 and 8.5 set out some of the key risks relating to BARD1, the Scheme and the creation of the Merged Group.

You should carefully read this Scheme Booklet in its entirety and specifically consider the risks in Sections 8.3, 8.4 and 8.5. These risks relating to BARD1, the Scheme and the creation of the Merged Group are different from, and in addition to, those risks set out in Sections 8.1 and 8.2 that apply to your current investment in Sienna Shares. These risks may, individually or in combination, have a material adverse effect on the Merged Group's (post implementation of the Scheme) future financial performance, financial position, cash flows and/or your ability to dispose of the New BARD1 Shares if you wish to do so and, consequently, on the value of your New BARD1 Shares.

The risks set out in Sections 8.3, 8.4 and 8.5 are not an exhaustive list of the risks relating to the BARD1, the Scheme and the creation of the Merged Group as many of these risks are outside the control of BARD1 and Sienna and either cannot be mitigated or can only be partially mitigated.

You should carefully consider these risks in light of your personal circumstances and seek professional advice from their accountant, tax adviser, stockbroker, lawyer or other professional adviser before voting at the Scheme Meeting.

(a) Product development risk

BARD1 has a number of cancer diagnostic products in the early stages of development, and other products at research stage. There are many risks inherent in the development of diagnostic products, including that projects can be delayed or fail to meet outcomes or demonstrate any benefit, or research may cease to be viable for a range of scientific, regulatory and commercial reasons.

BARD1's diagnostic pipeline products will require substantial further development and validation, including technology transfer to a commercial instrument platform/s and future clinical studies (which are ongoing and carry the risk of technology transfer failure, clinical validation failure and other adverse outcomes for BARD1). Regulatory review or approval may be required to conduct clinical studies in some jurisdictions, and there is no assurance that any regulatory or review body will allow BARD1 to undertake such studies or that approvals to conduct such studies will be granted in a timely manner. Any delays in securing relevant approvals from regulatory or review bodies may result in substantial delays and/or increases in costs.

If BARD1's diagnostic products are not ultimately proven to be effective for diagnostic purposes, BARD1's business and resulting value may be materially harmed. Until the development and validation studies are completed, there is no certainty that the products will reach development milestones or be effective for diagnostic purposes. There is no certainty that there will be a positive or definitive outcome from BARD1's current and/or future technology transfer, development and validation studies. This risk is particularly prevalent when dealing with multiple centres around the world.

(b) **Government and regulatory factors**

The diagnostic industry is regulated in Australia, the United States, Europe and other countries in which BARD1 may conduct business operations or seek to commercialise its products. BARD1 has not yet formally engaged with the TGA (Australia), FDA (USA), Notified Bodies (Europe) and other regulatory authorities to establish the optimal regulatory pathway/s and clinical study plans for its diagnostic products in key jurisdictions. While BARD1 is not aware of any reason why its cancer diagnostic products would not be able to advance to clinical validation stage, BARD1 cannot guarantee that this will occur in a timely manner or at all. Additionally, BARD1 may fail to gain marketing or regulatory approval in Australia, the US, EU, or other jurisdictions for its cancer diagnostics products that are in development. Furthermore, any future marketing of regulatory approval for any laboratory development test or IVD product would not guarantee that BARD1 would be successful in selling its products or in delivering substantial revenues.

BARD1 will be subject to the laws and regulations of Australia and each country in which it operates. Any amendment to existing legislation or regulations in countries where BARD1 operates may adversely affect BARD1's business operations. Any actual or alleged breach of such legislation or regulation could result in BARD1 being subject to remedial actions, such as product recalls, or penalties, or litigation, which may be more stringent than those in Australia. Additionally, following commercialisation of any BARD1 products (which may not occur), BARD1 will be subject to the laws and regulations concerning the post market surveillance of medical device products in the market.

Changes in government legislation and policy in those jurisdictions in which BARD1 operates, in particular changes in taxation, workplace health and safety, chain of responsibility, intellectual property, customs, tariffs, franchising and competition laws, may affect the future earnings, asset values and the relative attractiveness of investing in BARD1 Shares. Further, BARD1 operates in foreign jurisdictions where business may be affected by changes implemented by foreign governments.

(c) **Commercialisation risk**

In order to maximise the potential for commercial returns from any product derived from the BARD1 Intellectual Property it is likely that BARD1 will need to form marketing and/or product development alliances with other companies and there is no assurance that suitable partnerships will be secured. BARD1 will rely on its ability and that of its partners to develop and commercialise its products in order to create future revenue. Any products developed by BARD1 will require extensive clinical testing, regulatory approval and significant marketing efforts before they can be sold and generate revenue. BARD1's efforts to generate revenue may not succeed for a number of reasons including issues or delays in the development, testing, regulatory approval, marketing or reimbursement of these products or services.

A failure to successfully develop and commercialise BARD1's products could lead to a loss of opportunities and adversely impact on BARD1's operating results and financial position. In those countries where BARD1 seeks to commercialise its products through distributors or other third parties, BARD1 will rely heavily on the ability of its partners to effectively market and sell its products and services. Additionally, should BARD1 elect to commercialise its products directly in any countries, it would be required to invest significant time and resources to build direct sales, distribution and marketing capabilities, and it would be required to ensure compliance with all legal and regulatory requirements for sales, marketing and distribution. Further, even if BARD1 does not achieve commercialisation of any of its products and services, it may not be able to sustain its efforts or otherwise achieve

commercialisation to a degree which would support the ongoing viability of its operations.

(d) **Intellectual property protection**

The value of BARD1 is strongly linked to its intellectual property. Maintaining this value is therefore dependent on BARD1's ability to protect its intellectual property. There is no guarantee that BARD1's patent rights comprise all of the rights that BARD1 needs to be entitled to freely use and commercialise its products. If third party patents or patent applications contain claims infringed by BARD1's technology and these claims are valid, BARD1 may be unable to obtain licences to these patents at a reasonable cost, if at all, and may also be unable to develop or obtain alternative technology. If such licences cannot be obtained at a reasonable cost, the business could be significantly impacted. Further, the enforceability of the patents owned by BARD1 may be challenged and BARD1's patents could be partially or wholly invalidated following challenged by third parties.

Each jurisdiction has its own patent laws and particular requirements that need to be met for the grant of a patent. There may be changes to patent law or its interpretation by the courts in a particular jurisdiction from time to time, which may have an impact on patents in the relevant country.

A decision of the High Court of Australia (D'Arcy v Myriad Genetics [2015] HCA 35) has held that claims to isolated nucleic acids (in particular a nucleic acid coding for a BRCA1 protein with one or more specified variations indicative of susceptibility to breast or ovarian cancer) are not patentable subject matter, and it is unclear whether the decision will only impact nucleic acids (which are considered to essentially relate to genetic information), or will also apply to isolated nucleic acids that are functional in nature (for example, inhibitory RNA, ribozymes etc). A more recent decision of the Australian Patent Office considers that inhibitory RNA is not simply genetic information and is therefore patentable subject matter.

The United States is an important jurisdiction. Recent decisions of the United States Supreme Court have increased the threshold for what constitutes patentable subject matter in the United States. In these decisions, broadly drafted claims to diagnostic methods were held to be directed to unpatentable subject matter. These decisions led to the United States Patent and Trademarks Office (USPTO) issuing specific guidance to patent examiners for examining claims directed to diagnostic methods. The guidelines indicate that where a claim is directed to monitoring an increase or a decrease in the level of a marker as a diagnostic indication, without any further or additional features, that such a claim is unlikely to be directed to patentable subject matter. Examples of "something more" that transform a claim from an unpatentable "law of nature" to a patentable diagnostic method include the use of unconventional technologies. We note the United States courts are under no obligation to follow such guidance by the USPTO and the patentability of diagnostic method claims and the ultimate scope and validity of granted claims in this area will be uncertain for some time.

There is no guarantee that BARD1 will be able to maintain and successfully exploit the patents within its patent portfolio.

BARD1 also relies on protecting trade secrets, and the protective measures employed may not always be sufficient. Any failure in the measures implemented to protect intellectual property may result in an erosion of any potential competitive position.

(e) **Infringement of third party intellectual property**

If a third party accuses BARD1 of infringing its intellectual property rights or if a third party commences litigation against BARD1 for the infringement of patent or other intellectual property rights, BARD1 may incur significant costs in defending such action, whether or not it ultimately prevails. Typically, patent litigation in the pharmaceutical and biotechnology industry is expensive. Costs that BARD1 incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time. In addition, parties making claims against BARD1 may be able to obtain injunctive or other equitable relief that could prevent BARD1 from further developing or commercialising its products. In the event of a successful claim of infringement against BARD1, it may be required to pay damages and obtain one or more licences from the prevailing third party. If it is not able to obtain these licences at a reasonable cost, if at all, it could encounter delays in product development and commercialisation, and loss of substantial resources while it attempts to develop alternative products. Defence of any lawsuit or failure to obtain any of these licences could prevent BARD1 or its partners from commercialising products and could cause it to incur substantial expenditure.

(f) **Future capital needs and additional funding**

The future capital requirements of BARD1 will depend on many factors, including its research and development activities. BARD1 will require additional financial resources to continue funding its research and development activities, business plan and short-term objectives as detailed in this document. Additional expenditure related changes to operational requirements, market conditions and business opportunities may mean further funding is required by BARD1 at an earlier stage than is currently anticipated. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms acceptable to BARD1 or BARD1 Shareholders. BARD1 may in the future raise additional funds through public or private financing.

If additional funds are raised through the issue of equity securities, the percentage ownership of the current BARD1 Shareholders may be reduced and such securities may, subject to requisite BARD1 Shareholder approval, have rights, preferences or privileges senior to those of the holders of BARD1's securities then on issue.

If adequate funds are not available to satisfy either short or long-term capital requirements, BARD1 may be required to limit its operations significantly.

(g) **Reliance on key personnel**

BARD1 currently employs or engages as consultants, a number of key management and scientific personnel and seeks to engage further personnel. The failure to recruit new personnel, or the loss of any existing personnel could materially and adversely affect BARD1 and may impede the achievement of its research, product development and commercialisation objectives. There can be no assurance that BARD1 will be able to attract, retain and motivate appropriately qualified and experienced additional staff and this may adversely affect BARD1's prospects for success.

(h) **Competition**

BARD1 operates in the life sciences and diagnostic industries that are highly competitive, and include companies that have substantially greater financial, technical, research and development, and marketing resources than BARD1. There are companies that compete with BARD1's efforts to develop, validate and commercialise diagnostic products and other product candidates. BARD1's

competitors may discover, develop, validate and commercialise products in advance of BARD1, and/or products that are more effective, more economical or materially superior to those developed by BARD1. Consequently, BARD1's current or future technologies and products may become obsolete or uncompetitive, resulting in adverse effects on BARD1's revenues, margins and ultimately its profitability.

(i) **Special reputational risks**

Any BARD1 products that are successfully commercialised will be marketed in an industry where a product failure could have serious consequences. Any product failure, product recall or product liability claim is likely to disrupt BARD1's business operations and may cause reputational harm by leading medical professionals and other consumers to doubt product accuracy, safety or quality, adversely impacting BARD1's financial performance. Additionally, any negative news or controversies about the diagnostics industry, cancer diagnostic products or BARD1 may impact BARD1's reputation and or the market acceptance of its products.

(j) **Product liability**

The testing, marketing and future sale of BARD1's products whether directly or through future licensees involves a risk of product liability claims or litigation being brought against BARD1, including if any products fail to effectively diagnose cancer in accordance with its product claims. If this occurs, BARD1 may have to expend significant financial resources to defend the proceedings. Further, if the action against BARD1 is successful this may result in the removal of regulatory approval for the relevant products and/or monetary damages being awarded against BARD1. BARD1 will seek to limit its liability for such claims in its agreements with future licensees and customers and may also be entitled to be indemnified by its licensees in various circumstances. However, limitations of liability are not necessarily effective at law and indemnification may not always be available. BARD1 intends to maintain product liability insurance in respect of its products, however, if BARD1 is unable to obtain sufficient product liability insurance at an acceptable cost then BARD1's liability could exceed BARD1's insurance coverage.

(k) **Ukrainian gold projects matters**

As has been previously announced by BARD1, on 10 July 2007, BARD1's group disposed of its Ukrainian gold mining assets for US$5,000,000. US$3,000,000 of this amount remains outstanding and will only be received after the purchaser meets a regulatory milestone relating to the advancement of the Saulyak Gold Project; being the grant of a mining licence. BARD1 has been advised by its Ukrainian advisers that the mining licence has been granted, but this has not been acknowledged by the purchaser. BARD1 will keep the market informed of any relevant information it receives but stresses that it is yet to confirm whether BARD1 has a present right to be paid the US$3 million and makes no statement of whether such a right will exist, or whether in any event BARD1 would receive those funds. No investment decision should be made on the basis of these matters.

In addition, as BARD1 has previously announced, it has guaranteed the payment of a royalty by Saulyak Limited Liability Company based on gold output from the Saulyak Gold Project which was disposed of by BARD1 on 10 July 2007 (as described above). The royalty is up to 2% net smelter royalty per ounce of gold produced from the Saulyak Gold Project payable only in respect of ounces of gold produced over 750,000 ounces in total. Gold production from the Saulyak Gold Project has not commenced. At the time of the sale of the project by BARD1, total reserves identified at the project were not in excess of 750,000 ounces.

(l) **Foreign exchange risks**

BARD1's financial reports are prepared in AUD. However, BARD1 is exposed to expenditure in foreign exchange rates, particularly the CHF and USD. BARD1 does not currently hedge against movements in foreign exchange rates. Any adverse movements in currencies against the AUD could adversely impact BARD1's financial performance and position.

(m) **ASX listing**

ASX imposes various listing obligations on BARD1 which must be complied with on an ongoing basis. While BARD1 must comply with its listing obligations there can be no assurance that the requirements necessary to maintain the listing of BARD1 Shares will continue to be met or will remain unchanged.

(n) **No direct rights against Sienna**

Sienna Shareholders are currently direct holders of Sienna Shares, and accordingly may enforce their rights as Sienna Shareholders directly against Sienna. Scheme Participants will be issued New BARD1 Shares, and will therefore have an indirect holding in Sienna through BARD1. BARD1 Shareholders may only enforce their rights against BARD1 and not against any other member of BARD1 (which will include Sienna on the implementation of the Scheme).

(o) Historic Eurogold Limited litigation

Eurogold Limited, a former name of BARD1, is named in an appeal application before the High Commercial Court of the Republic of Serbia. The appeal, by the Republic of Serbia, is currently stayed (but not struck out) and relates to a claim by the then State Union of Serbia and Montenegro which was dismissed by the Commercial Court in Belgrade on 4 October 2005. The origins of the claim were a contamination incident which occurred in Romania in January 2000 that allegedly involved Arul S.A., a Romanian joint stock corporation in which BARD1 (then named Esmeralda Limited) held shares. BARD1's Board considers that in light of the period of time which has elapsed since the original claim was filed, the favourable decision in the court at first instance and the similarities between Australian law and Serbian law with respect to the liability of shareholders for the acts or omissions of the company in which those shares are held, the risk of any liability, actual or contingent, of BARD1 arising from the appeal application generally, or in Serbia in particular arising from the 2000 contamination incident are remote.

8.4 General risks relating to BARD1

(a) **Price of BARD1 Shares**

There are general risks associated with investments in equity capital such as BARD1 Shares. The trading price of BARD1 Shares may fluctuate with movements in equity capital markets in Australia and internationally. There is no assurance that the price of BARD1 Shares will increase in the future, even if BARD1 achieves key technical or commercial milestones or any future financial forecasts. The price at which BARD1 Shares are quoted on the ASX may increase or decrease due to a number of factors, some of which may not relate directly or indirectly to BARD1's performance or prospects.

Generally applicable factors which may affect the market price of BARD1 Shares include:

(i) fluctuations in the domestic and international markets for listed stocks;

(ii) general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices or changes to government;

(iii) fiscal, monetary or regulatory policies, legislation or regulation;

(iv) inclusion in or removal from market indices;

(v) the nature of the markets in which BARD1 operates;

(vi) variations in sector performance, which can lead to investors exiting one sector to prefer another; and

(vii) initiatives by other sector participants which may lead to investors switching from one stock to another.

Deterioration of general economic conditions may also affect BARD1's business operations, and the consequent returns from an investment in BARD1 Shares.

In the future, the sale of large parcels of BARD1 Shares may cause a decline in the price at which BARD1 Shares trade on ASX.

(b) **Liquidity**

BARD1 Shares will only be listed on the ASX and will not be listed for trading on any other financial markets, other than Chi-X. There can be no guarantee that an active market in BARD1 Shares will continue. If an active market for the BARD1 Shares is not sustained, it may be difficult for investors to sell their BARD1 Shares at the time or for the price they seek. Further, the market price for BARD1 Shares may fall or be made more volatile because of relatively low volume of trading in BARD1 Shares. When trading volume is low, significant price movements can be caused by the trading in a relatively small number of shares. Sales of a substantial number of BARD1 Shares following Implementation or the perception or expectation that such sales may occur, could cause the market price of BARD1 Shares to decline. BARD1 may also offer additional shares in order to raise capital or to (part) fund future acquisitions, which may adversely affect the market price for the shares.

(c) **Access to capital**

BARD1 may rely on access to debt and equity financing. The ability to secure financing on acceptable terms may be materially adversely affected by volatility in financial markets, either globally or impacting a particular geographic region, industry or economic sector, or by a downgrade in its credit rating. For these (or other) reasons, financing may be unavailable or the cost of financing may be significantly increased. Such inability to obtain, or such increase to the costs of obtaining, financing could materially adversely affect the BARD1's operations or financial performance.

(d) **Ability to service or refinance debt**

BARD1 may become unable to service or refinance any future debt, or obtain new debt, on acceptable terms or at all, depending on future performance and cash flows of BARD1 which are affected by various factors, some of which may be outside BARD1's control, such as interest and exchange rates, general economic conditions and global financial markets. If any of these scenarios materialise in an adverse way, BARD1 may be unable to raise financing on acceptable terms to repay maturing indebtedness. This could adversely affect the longer term prospects and financial performance of BARD1's business.

(e) **Tax law and application**

The application of and change in, relevant tax laws (including income tax, goods and services tax (or equivalent), rules relating to deductible liabilities and stamp duty), or changes in the way those tax laws are interpreted, will or may impact the tax liabilities of BARD1 or the tax treatment of a BARD1 Shareholder's investment. An interpretation or application of tax laws or regulations by a relevant tax authority that is contrary to BARD1's view of those laws may increase the amount of tax paid or payable by BARD1.

Both the level and basis of tax may change. Any changes to the current rate of company income tax (in Australia or other countries in which BARD1 operates) and / or any changes in tax rules and tax arrangements (again in Australia or other countries in which BARD1 operates) may increase the amount of tax paid or payable by BARD1, may also impact BARD1 Shareholder returns and could also have an adverse impact on the level of dividend franking / conduit foreign income and BARD1 Shareholder returns. In addition, an investment in BARD1 Shares involves tax considerations which may differ for each BARD1 Shareholder. Each BARD1 Shareholder is encouraged to seek professional tax advice in connection with any investment in BARD1.

BARD1 has received research and development (R&D) tax incentives for expenditure that has been incurred in the past. Under the R&D incentive framework, both the Australian Taxation Office and AusIndustry are entitled to audit the expenditure incurred on R&D activities to ensure that it has been incurred in accordance with requirements of Division 355 of the Income Tax Assessment Act 1997 (Division 355). To this extent, there is a risk that the some or all of the R&D tax incentives received to date could be required to be repaid (together with interest and penalties) if audits of the claims are conducted and the relevant regulatory authority forms the view that the requirements of Division 355 have not been met in full or in part.

Additionally, there is no guarantee of the continuation of the R&D incentive program. If the program ceases or if there is a material adverse change made, BARD1 may lose a significant sources of funds which may inhibit the Company’s product development and commercialisation objectives.

(f) **Force majeure events**

Events may occur within or outside Australia that could impact on global, Australian or other local economies relevant to BARD1's financial performance, the operations of BARD1 and the price of BARD1 Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the demand for BARD1's services and its ability to conduct business. BARD1 has only a limited ability to insure against some of these risks.

(g) **Accounting standards**

AAS are adopted by the AASB and are not within the control of BARD1 or its directors. The AASB may, from time to time, introduce new or refined AAS, which may affect the future measurement and recognition of key statement of profit or loss and statement of financial position items. There is also a risk that interpretation of existing AAS, including those relating to the measurement and recognition of key statement of profit or loss or statement of financial position items may differ. Any changes to the AAS or to the interpretation of those standards may have an adverse effect on the reported financial performance and position of BARD1.

(h) **Shareholder dilution**

In the future, BARD1 may elect to issue further BARD1 Shares in connection with fundraisings, including to raise proceeds for acquisitions. While BARD1 will be subject to the constraints of the Listing Rules regarding the percentage of its capital it is able to issue within a 12 month period (other than where exceptions apply), there is no assurance that BARD1 Shareholders will be able to participate in such fundraisings and they may be diluted as a result of such fundraisings.

(i) **Economic conditions**

The performance of BARD1 will be affected by domestic and global economic conditions. Adverse changes in macroeconomic conditions, including global and country-by-country economic growth, the costs and general availability of credit, the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), general consumption, consumer spending and sentiment, employment levels, industrial disruption, and other conditions, are outside the control of BARD1 and may result in material adverse impacts on BARD1's business and operating results.

(j) **COVID-19**

The current global COVID-19 pandemic may impact existing product revenues for hTERT other than early-stage research projects or development programs. Many clinical laboratories have shifted focus to COVID-19 testing rather than elective Dx tests. However, at this stage, BARD1 Directors do not believe that COVID-19 is likely to have any material impact on BARD1's development pipeline, although it could cause delays or interruption to future prospective clinical studies if another similar outbreak coincided with a future study.

8.5 Risks specific to the Scheme and creation of the Merged Group

(a) **Competing Proposal**

There is a risk that Sienna receives, and recommends, a Competing Proposal before the Second Court Date. If this were to occur, the Merger Implementation Agreement would likely be terminated and the Scheme would not likely proceed.

As at the date of this Scheme Booklet, Sienna has not received a Competing Proposal and the Sienna Board continues to unanimously recommend the Scheme in the absence of a Superior Proposal.

(b) **Synergy risk**

There is a risk that the expected synergies may not be realised to their full extent or not realised at all. Further, the expected synergies may be realised over a longer period of time, or involve greater costs to achieve, than anticipated.

The ability to realise the expected synergies will be dependent on, among other things, Sienna and BARD1 being integrated efficiently, effectively and in a timely manner without disruption to the respective businesses. Any failure to achieve the expected synergies could impact the financial performance and position of the Merged Group.

(c) **Integration risk**

There is a risk that unexpected issues and complications may arise during the process of integrating BARD1 and Sienna. The Merged Group may face risks such

as unanticipated liabilities and costs, operational disruption and possible loss of key employees, clients or market share if integration is not achieved in an efficient and effective manner.

Integration risk factors include:

- difficulty in consolidating corporate and administrative infrastructures and removing duplicative operations;
- difficulty in aligning and executing the strategy of the Merged Group;
- difficulty in integrating information systems;
- difficulty in merging the culture and management styles of the two organisations;
- greater than anticipated loss of clients or client opportunities due to conflicts or other factors;
- unexpected losses of key employees;
- unanticipated market conditions; and
- changes in regulations, or regulatory conditions imposed in connection with the Scheme, impacting the ability of the Merged Group to use its scale and presence to achieve anticipated benefits.

Integration planning is expected to mitigate the risk of these issues occurring. Nonetheless, a risk remains that difficulties may arise in integrating the two businesses.

(d) **Potential variation in the value of New BARD1 Shares**

BARD1 has offered 13 BARD1 Shares per 5 Sienna Share under the terms of the Scheme. As this share ratio is fixed, the number of New BARD1 Shares to be received by Sienna Shareholders in the context of the Scheme will remain unchanged even if the market value of New BARD1 Shares differs relative to the pre-Implementation market values of BARD1 Shares and Sienna Shares.

No adjustment will be made to the ratio due to fluctuations in the market price of BARD1 Shares or Sienna Shares. Any such fluctuations may adversely affect the market value of BARD1 Shares (including the market value of the New BARD1 Shares).

(e) **Employees**

Many of Sienna's and BARD1's key personnel are highly qualified and highly experienced with in-depth industry and client knowledge. Any loss of key personnel may have a material adverse impact on the respective financial performance of the Merged Group. Employee retention may be particularly challenging during the Scheme process and integration of BARD1 and Sienna, as employees may experience change fatigue or uncertainty about their future roles.

Since the respective businesses are heavily dependent on professional staff, which represents a significant proportion of the cost base, this may have an adverse impact upon revenue and/or profitability. Furthermore, the Merged Group may have to incur significant costs in identifying and hiring replacements for departing employees and may lose significant expertise relating to the business. Accordingly, the Merged

Group's ability to realise the anticipated benefits of the Scheme may be adversely affected.

Implementation of the Scheme may result in the termination of management positions or employment contracts of certain employees of BARD1 or Sienna, which may result in significant redundancy or termination payments. Certain key executives and other employees of BARD1 or Sienna may terminate their management positions or their employment contracts on their own initiative as a result of or following the Scheme. If members of the Merged Group's senior management depart, the Merged Group may not be able to find effective replacements in a timely manner, or at all, and its business may be disrupted.

(f) **Scheme Conditions**

Implementation of the Scheme is subject to a number of Scheme Conditions, outlined in Section 9.9 including that no court or Regulatory Authority takes any action to restrain or prohibit the Scheme. Certain Scheme Conditions are beyond the control of Sienna and BARD1. There can be no guarantee that the Scheme Conditions will be satisfied or waived (as applicable) in a timely manner or at all. Any failure or delay to satisfy the Scheme Conditions could prevent or delay implementation of the Scheme, which could reduce or delay the benefits that are anticipated to arise from the Scheme, increase the costs associated with the Scheme and impede the successful integration of BARD1 and Sienna.

(g) **Reputation**

Industry reputation is a key asset of Sienna and BARD1. Maintenance of the reputation and value associated with the Merged Group, and the development and commercialisation of cancer diagnostic businesses within it, will be critical to the Merged Group's businesses and their strategy for the future.

It is possible that, if the Scheme is implemented, the strategies described in this Scheme Booklet may not be achieved, or key employees may leave, resulting in the erosion of the reputation or value associated with the Merged Group and its businesses, which in turn could have an adverse effect on the performance and operations of the Merged Group. Other events, including a material non-compliance with regulations or a breach of or failure in information and technology systems, could have a material adverse impact on the Merged Group's reputation or the value of its businesses and increase expenditure due to additional security costs and/or potential claims for compensatory damages.

(h) **Litigation**

In connection with the Scheme, BARD1 and / or Sienna could face new claims and litigation, in particular brought by existing or former business partners, competitors and / or regulators of BARD1 or Sienna, or by investors in connection with the Scheme.

(i) **Due Diligence**

The negotiations between Sienna and BARD1 were conducted on the basis of the information that was publicly available to each party and on voluntary limited disclosure by each party to the other. While Sienna and BARD1 consider the due diligence investigations to have been adequate and consistent with market practice for a transaction of this type, the investigations were undertaken within a limited timeframe and both parties have not been able to verify the accuracy, reliability or completeness of all of the information provided to them against independent data. In addition, consistent with market practice in Australia, the warranties provided by

Sienna and BARD1 in the Merger Implementation Agreement are more limited than what a seller in a privately negotiated share acquisition agreement would normally provide.

As a result, following Implementation of the Scheme, unknown liabilities of Sienna or BARD1 may arise, or expected types of liabilities may be greater than anticipated, and this may impact negatively on profitability, results of operations, financial position, market value and share price of the Merged Group, which the relevant party might otherwise have discovered if it had conducted a complete due diligence review and obtained extensive warranties from the other party.

(j) **After-market**

If a large number of shareholders in the Merged Group do not intend to continue to hold their BARD1 Shares (including, for Sienna Shareholders, those New BARD1 Shares received as Scheme Consideration) after Implementation and instead choose to sell, there is a risk that the trading price of BARD1 Shares will be adversely impacted by such selling.

(k) **Climate risk**

Natural events caused or affected by changing climate can have an impact on BARD1's business. Conditions may influence the supply of and demand for diagnostics products and services provided by BARD1, resulting in varied revenue levels. Climate change may have financial implications to BARD1 and could potentially cause direct damage to assets and indirect impacts caused by supply chain or product distribution disruption.

It is also possible that climate change may result in an increased cancer risk which would result in greater demand for diagnostic products. However, at this stage, it is not possible to quantify that potential increased demand (if any).

9. IMPLEMENTATION OF THE SCHEME

9.1 Overall effect of the Scheme

The Scheme is to be implemented through the Scheme of Arrangement outlined in this Scheme Booklet between Sienna and Sienna Shareholders. BARD1 will acquire all of the issued Shares in Sienna and Sienna will become a wholly-owned Subsidiary of BARD1.

If the Scheme becomes Effective, on the Implementation Date all the Scheme Shares will be transferred to BARD1, and Sienna will enter the name and address of BARD1 in the Sienna Register as the holder of all the Scheme Shares. Each Scheme Participant, being a person who is registered as a Sienna Shareholder on the Scheme Record Date, will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares.

The Scheme Consideration will be provided to Scheme Participants in accordance with the provisions of the Scheme.

9.2 People who are affected by the Scheme

If the Scheme becomes Effective, Scheme Participants will have all of their Scheme Shares transferred to BARD1 without the need for any further act by any Scheme Participant in return for the Scheme Consideration for each Scheme Share that they hold.

9.3 Scheme Consideration

If the Scheme becomes Effective, Scheme Participants will receive Scheme Consideration of 13 New BARD1 Shares for every 5 Sienna Shares held as at the Scheme Record Date.

The Scheme Consideration will be issued on the Implementation Date which is currently expected to be 28 July 2020.

Sienna Shareholders who are Ineligible Foreign Shareholders will not be issued New BARD1 Shares. Instead, the New BARD1 Shares to which the Ineligible Foreign Shareholders would otherwise be entitled to under the Scheme will be issued to the Sale Agent and sold through the Share Sale Facility, after which, the Share Sale Facility Proceeds will be remitted to those Sienna Shareholders.

A holding statement detailing the issue of the New BARD1 Shares is expected to be despatched to Scheme Participants within 2 Business Days after the Implementation Date.

Scheme Participants may be unable to trade until they receive the holding statement confirming the number of New BARD1 Shares held. It is the responsibility of each Scheme Participant to confirm their holding before trading in their securities. New BARD1 Shareholders who sell their securities before they receive their holding statements do so at their own risk. Sienna and BARD1 disclaim all liability (to the maximum extent permitted by law) to persons who trade the New BARD1 Shares before receiving their holding statements.

9.4 Share Sale Facility

BARD1 will issue the New BARD1 Shares that cannot be issued to an Ineligible Foreign Shareholder to the Sale Agent and such shares will be sold for the benefit of that relevant person.

Sienna will, as soon as practicable, distribute to each Ineligible Foreign Shareholder their respective proportion of the Share Sale Facility Proceeds by (at its discretion):

» sending the Share Sale Facility Proceeds to the Ineligible Foreign Shareholder's registered address by cheque in Australian dollars; or

» depositing via an electronic funds transfer, the Share Sale Facility Proceeds into an account with any Australian ADI (as defined in the Corporations Act) notified to Sienna by an appropriate authority from the Ineligible Foreign Shareholder.

Brokerage fees, other costs, taxes and charges will be deducted from the Share Sale Facility Proceeds.

Completion of the sale of New BARD1 Shares through the Share Sale Facility and the distribution of the Share Sale Facility is expected to occur as soon as reasonably practicable after the Implementation Date but in any case no later than 15 business days after the Implementation Date.

Interest will not be paid on any Share Sale Facility Proceeds.

The Share Sale Facility Proceeds will be paid in Australian dollars.

The Sale Agent will sell the New BARD1 Shares at such a price and on such other terms as the Sale Agent determines in good faith (and at the risk of Ineligible Foreign Shareholders) having due regard for the desire to achieve the best price reasonably available at the time of sale.

There is no guarantee that there will be a liquid market for the New BARD1 Shares. Prices for the New BARD1 Shares may rise and fall during the sale period and will depend on many factors, including the demand for and supply of the New BARD1 Shares.

Sienna, BARD1 and the Sale Agent give no assurance as to the price that will be achieved for the sale of the New BARD1 Shares described above. The actual price achieved may be more or less than the market value of the BARD1 Shares as at the Last Practicable Date.

The payment of the Share Sale Facility Proceeds from the sale of New BARD1 Shares will be in full satisfaction of the rights of Ineligible Foreign Shareholders.

Under the Scheme, each Ineligible Foreign Shareholder appoints Sienna as its agent to receive any financial services guide or other notice which may be required to be issued to them by the Sale Agent.

9.5 Steps in implementing the Scheme

(a) **Merger Implementation Agreement**: Sienna and BARD1 executed the Merger Implementation Agreement under which Sienna agreed to propose the Scheme. A copy of the Merger Implementation Agreement (as amended) is reproduced in Annexure C.

(b) **Execution of Deed Poll:** BARD1 has executed the Deed Poll in favour of Sienna Shareholders. Pursuant to the Deed Poll, BARD1 covenants in favour of Scheme Participants to perform its obligations under the Scheme including, among other things, providing each Scheme Participant with their Scheme Consideration. A copy of the Deed Poll is reproduced in Annexure D.

(c) **Court approval of the Scheme:** If the Scheme is approved by the requisite majorities of Sienna Shareholders at the Scheme Meeting, Sienna will apply to the Court for an order approving the Scheme. Each Sienna Shareholder has the right to appear at Court at the hearing of the application by Sienna for orders approving the Scheme. See the 'Important Notices' section of this Scheme Booklet for further information. The Court has discretion as to whether to grant the orders approving the

Scheme, even if the Scheme is approved by the requisite majorities of Sienna Shareholders.

(d) **Court Orders and Effective Date:** If the Court Order approving the Scheme is obtained, on or before 5.00 pm on the first Business Day following approval of the Scheme by the Court in accordance with section 411(4)(b) of the Corporations Act, Sienna will lodge with ASIC an office copy of the Court Order. The date the office copy of the Court Order is lodged with ASIC will be the Effective Date.

(e) **Suspension of trading of Sienna Shares:** If the Court approves the Scheme, then Sienna will notify ASX of that approval on the day it is received. It is expected that suspension of trading in Sienna Shares on ASX will occur from the close of trading on the Effective Date.

(f) **Scheme Record Date:** The Scheme Participants will be entitled to receive the Scheme Consideration in respect of the Scheme Shares they hold as at the Scheme Record Date (which is expected to be 7pm (AEST) on 23 July 2020).

(g) **Issuance of Scheme Consideration:** On the Implementation Date, BARD1 must issue the New BARD1 Shares to the Scheme Participants in accordance with the terms and conditions of the Scheme. On or before the date that is 2 Business Days after the Implementation Date, BARD1 must send, or procure the sending of, a certificate or holding statement reflecting the issue of the New BARD1 Shares to each Scheme Participant.

(h) **Transfer of Scheme Shares:** If the Scheme becomes Effective, then on the Implementation Date, in consideration for and subject to BARD1 providing the Scheme Consideration, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares, will be transferred to BARD1 without the need for any further act by any Scheme Participant, by Sienna effecting a valid transfer or transfers of the Scheme Shares to BARD1 under section 1074D of the Corporations Act or, if this procedure is not available for any reason, by:

(i) Sienna delivering to BARD1 duly completed and executed share transfer forms (which may be a master transfer of all or part of the Scheme Shares) to transfer all of the Scheme Shares to BARD1;

(ii) BARD1 executing and delivering the share transfer forms to Sienna; and

(iii) as soon as practicable after the execution and delivery of the share transfer forms by BARD1, Sienna entering the name and address of BARD1 in the Sienna Register as the holder of all of the Scheme Shares.

(i) **Delisting of Sienna:** Following the implementation of the Scheme, it is expected that Sienna will apply for the termination of the official quotation of Sienna Shares on ASX and for Sienna to be removed from the official list of ASX.

On completion of the steps above, BARD1 will hold all of the Sienna Shares. In the event that the Merger Implementation Agreement is terminated, the Scheme will not become Effective.

9.6 If the Scheme does not proceed

If the Scheme does not proceed, Sienna will not become a wholly-owned subsidiary of BARD1 and Scheme Participants will not receive the Scheme Consideration, will continue to retain their interest in Sienna Shares and continue to collectively control Sienna. In this case, the advantages of the Scheme described in Section 4.2 will not be realised. See Section 4.3 for further details of the consequences of the Scheme not proceeding.

9.7 Effect of Scheme

If the Scheme becomes Effective, it will constitute a binding arrangement between Sienna and each Scheme Participant and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of Sienna.

9.8 Enforcement of Deed Poll

Sienna undertakes in favour of each Scheme Participant to enforce the Deed Poll against BARD1 on behalf of and as agent and attorney for the Scheme Participants.

9.9 Scheme Conditions

The Scheme is conditional on and will be of no force and effect until the following conditions have been satisfied or waived:

(a) **Merger Implementation Agreement Conditions**: All of the conditions set out in Schedule 1 of the Merger Implementation Agreement (other than the condition that the Court approve the Scheme **pursuant** to section 411(4)(b) of the Corporations Act by the Sunset Date) have been satisfied or waived in accordance with the terms of the Merger Implementation Agreement prior to 8:00 am on 17 July 2020;

(b) **No termination**: As at 8:00 am on 17 July 2020, the Merger Implementation Agreement and Deed Poll have not been terminated in accordance with their terms;

(c) **Court Approval**: The Court has approved the Scheme for the purposes of section 411(4)(b) of the Corporations Act with or without modification;

(d) **Additional Conditions**: Such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to the Scheme as are acceptable to BARD1 and Sienna have been satisfied; and

(e) **Court orders effective**: Pursuant to section 411(10) of the Corporations Act, the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable section 411(6) of the Corporations Act) in relation to the Scheme must be lodged with ASIC to become Effective.

9.10 Status of Scheme Conditions

As at the Last Practicable Date, Sienna and BARD1 are not aware of any circumstances that would cause the outstanding Scheme Conditions not to be satisfied or waived.

As at the Last Practicable Date, the following Scheme Conditions set out in Schedule 1 of the Merger Implementation Agreement have already been satisfied or waived:

(a) **Condition 1 - Orders convening Scheme Meeting:** On 10 June 2020, the Court ordered that Sienna convene the Scheme Meeting at 11:00 am on 15 July 2020 for the purpose of the Sienna Shareholders voting on the Scheme.

(b) **Condition 12 – FIRB:** On 12 May 2020, BARD1 and Sienna agreed to irrevocably waive the FIRB condition.

9.11 Termination

As outlined in clause 16 of the Merger Implementation Agreement, the Merger Implementation Agreement may be terminated in circumstances including (but not limited to) the following events:

(a) the Merger Implementation Agreement may be terminated by either party by notice to the other at any time prior to 8.00 am on the Second Court Date upon the following:

(i) if the conditions set out in the Merger Implementation Agreement have not been fulfilled and the Scheme is not Effective by the Sunset Date; or

(ii) if the Scheme Participants fail to approve the Scheme;

(iii) if the Court does not approve the Scheme; or

(iv) it is agreed in writing by the parties;

(b) the Merger Implementation Agreement may be terminated by BARD1 at any time before 8 am on the Second Court Date by written notice to Sienna if:

(i) Sienna is in material breach of the Merger Implementation Agreement including any of the warranties given by Sienna in the Merger Implementation Agreement and Sienna does not remedy that default in 2 Business Days from the time notice is received (or any shorter period ending at 5.00 pm on the date before the Second Court Date);

(ii) an insolvency event occurs in relation to Sienna; or

(iii) a Competing Proposal is announced and is recommended by the Sienna Board;

(c) subject to the provisions regarding the Break Fee (described in Section 4.5(b) of this Scheme Booklet), by Sienna at any time before 8 am on the Second Court Date by written notice to BARD1 if:

(i) BARD1 is in material breach of the Merger Implementation Agreement including any of the warranties given by BARD1 in the Merger Implementation Agreement and BARD1 does not remedy that default in 2 Business Days from the time notice is received (or any shorter period ending at 5.00 pm on the date before the Second Court Date);

(ii) an insolvency event occurs in relation to BARD1; or

(iii) the Sienna Board publicly recommends to the Sienna Shareholders any Competing Proposal.

Full details of the termination events are detailed in the Merger Implementation Agreement contained in Annexure C.

9.12 Sunset Date

The Scheme will lapse and be of no further force or effect if the Scheme has not become Effective on or before the Sunset Date or such later date as the Court approves with the consent of BARD1 and Sienna.

9.13 Establishing Scheme Participants

(a) **Dealings prior to the Scheme Record Date**

For the purpose of establishing the persons who are Scheme Participants, dealings in Sienna Shares will be recognised by Sienna provided that:

(i) in the case of CHESS dealings, the transferee is registered in the Sienna Register as the holder of the Sienna Shares by the Scheme Record Date; and

(ii) in all other cases, registrable transmission applications or transfers in registrable form, or valid requests in respect of other alterations, in relation to those dealings are received on or before the Scheme Record Date at the place where the Sienna Register is kept,

and Sienna will not accept for registration, nor recognise for any purpose, any transfer or transmission application in respect of Sienna Shares received after the Scheme Record Date, other than a transfer to BARD1 in accordance with the Scheme or its successors in title.

(b) **Dealings after the Scheme Record Date**

For the purpose of determining entitlements to the Scheme Consideration, the Sienna Register will be determinative.

As and from the Scheme Record Date, each entry on the Sienna Register relating to Sienna Shares (other than an entry in respect of BARD1) will cease to have any effect other than as evidence of an entitlement to Scheme Consideration.

From the Scheme Record Date, all certificates and holding statements for Scheme Shares held by Scheme Participants existing on the Scheme Record Date will cease to have effect as documents of title.

9.14 Suspension and termination of trading in Sienna Shares

Sienna will apply to ASX for suspension of the Sienna Shares from official quotation on ASX with effect from the Business Day following the Effective Date. Following the Implementation Date, ASX will be then requested to remove Sienna from the official list of ASX.

9.15 Covenants and releases by Scheme Participants

Under the Scheme, each Scheme Participant without the need for any further act, irrevocably appoints Sienna and each Sienna Director as its agent and attorney for the purpose of:

(a) executing any document or doing any other act necessary to give effect to the terms of the Scheme including, without limitation, the execution of the share transfer(s) to be delivered under the Scheme and the giving of the Scheme Participants consent to Sienna and BARD1 doing all things necessary, incidental or expedient to the implementation and performance of the Scheme; and

(b) enforcing the Deed Poll against BARD1.

Each Scheme Participant immediately upon the provision of the Scheme Consideration to the Scheme Participant in the manner contemplated by the Scheme, releases and discharges Sienna and each director, officer, secretary and employee of Sienna (Related Persons) from any claim that any Scheme Participant has or may have in their sole capacity as a member or, if applicable, in their sole capacity as a person who has subscribed for Sienna Shares, against Sienna or any Related Person, as at the date the Scheme becomes Effective and at the Implementation Date.

9.16 Warranties by Scheme Participants

The Scheme provides that on the Implementation Date, each Scheme Participant is deemed to have warranted to BARD1 that:

(a) all their Scheme Shares (including any rights and entitlements attaching to those Shares) which are transferred to BARD1 under the Scheme will, on the date of the transfer of them to BARD1, be fully paid and free from all encumbrances and interests of third parties of any kind (whether legal or otherwise), and restrictions on transfer of any kind (whether legal or otherwise);

(b) all the Scheme Shares which are transferred to BARD1 under the Scheme will be fully paid on the date on which they are transferred;

(c) they have full power and capacity to sell and to transfer their Scheme Shares together with any rights and entitlements attaching to such shares; and

(d) it has no existing right to be issued any Sienna Shares, Sienna Options, performance rights, convertible notes or any other Sienna security other than a Scheme Participant who already holds Sienna Options.

9.17 Security attaches to Scheme Consideration

Subject to the relevant underlying security agreement providing otherwise, if a Scheme Shareholder has granted a security interest over any of its Scheme Shares which is not released on implementation of the Scheme, the relevant security interest will attach to the New BARD1 Shares received by that Scheme Participant.

9.18 Status of Scheme Shares

On the Scheme becoming Effective and until Sienna registers or procures the registration of BARD1 as the holder of all the Scheme Shares in the Sienna Register:

(a) BARD1 will be beneficially entitled to the Scheme Shares transferred to it under the Scheme;

(c) each Scheme Participant:

(i) is deemed to have irrevocably appointed BARD1 as attorney and agent (and directed BARD1 in such capacity) to appoint an officer or agent nominated by BARD1 as their sole proxy and, where applicable, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any shareholders' resolutions, whether in person, by proxy or by corporate representative; and

(ii) must take all other actions in the capacity of a registered holder of Scheme Shares as BARD1 reasonably directs.

9.19 Sienna Options

Sienna and BARD1 have entered into agreements with each Sienna Optionholder to cancel their respective Sienna Options in consideration for the issue of BARD1 Options at the offer ratio of 13 BARD1 Options for every 5 Sienna Options (and corresponding reduction in exercise price) and otherwise on comparable terms to the existing Sienna Options. These agreements are conditional on implementation of the Scheme.

There may be tax implications for the Sienna Optionholders of the cancellation of their Sienna Options. Sienna Optionholders should obtain their own tax advice in relation to this arrangement

In November 2019, Sienna agreed and announced the proposed issue to Carl Stubbings of 2,900,000 Sienna Options in connection with his new employment agreement with Sienna. However, those Sienna Options have not been issued as they were subject to Sienna Shareholder approval in accordance with the Listing Rules which has not yet been obtained. Accordingly, in consideration for Sienna and Carl Stubbings agreeing to abandon the proposed issue of those Sienna Options to Carl Stubbings, BARD1 intends to issue Carl Stubbings BARD1 Options under the IOP as though he held 2,900,000 Sienna Options, adjusted for the offer ratio as described in the preceding paragraph. The issue of such options is conditional on implementation of the Scheme and Carl Stubbings entering into a new employment agreement with BARD1 as its Chief Operating Officer.

In total, 37,795,332 BARD1 Options will be issued to Sienna Optionholders and Carl Stubbings under the above agreements on implementation of the Scheme.

10. ADDITIONAL INFORMATION

10.1 Relevant Interests in Sienna held by Sienna Directors

As at the Last Practicable Date, the Sienna Directors held the following Relevant Interests in Sienna securities.

Name	Sienna Shares	Sienna Options*
Dr Geoffrey Cumming	1,335,693	600,000
Ms Helen Fisher	Nil	400,000
Mr Carl Stubbings	223,380	400,000**
Mr Tony Di Pietro	Nil	2,800,000

** The options detailed in this table are subject to the Option Deed between each relevant option holder and BARD1 under which on implementation of the Scheme, the Sienna options would be exchanged for new BARD1 options on like terms (having regard to the exchange ratio implicit in the Scheme Consideration).*

*** On 25 November 2019, the Company announced the proposed issue of 2,900,000 options to Mr Carl Stubbings. These options are subject to Shareholder approval. Further detail relating to the proposed issue of options to Mr Carl Stubbings is contained in Sections 9.19 and 10.5 of this Scheme Booklet.*

10.2 Relevant Interests in BARD1 held by Sienna Directors

As at the date of this Scheme Booklet, none of the Sienna Directors hold any interests in any BARD1 securities.

No Sienna Director acquired or disposed of a Relevant Interest in any securities in BARD1 in the 4-month period ending on the date immediately prior to the date of this Scheme Booklet.

10.3 Relevant Interests of Sienna in BARD1

As at the date of this Scheme Booklet, Sienna has no interests in BARD1 securities.

10.4 Payments or other benefits to Sienna Directors, secretaries or executive officers

No payment or other benefit is proposed to be made or given to any Director, secretary or executive officer of Sienna or of any Related Body Corporate as compensation for loss of, or as consideration for or in connection with his or her retirement from, office as a Director, secretary or executive officer of Sienna or of a Related Body Corporate, as the case may be, as a result of the Scheme.

10.5 Agreements or arrangements with Sienna Directors

It is proposed that Carl Stubbings (proposed Chief Operating Officer of the Merged Group) and Tony Di Pietro (proposed Chief Financial Officer and Company Secretary of the Merged Group) will enter into new employment agreements with BARD1 effective as soon as practicable after the implementation of the Scheme.

Additionally, both Carl Stubbings and Tony Di Pietro are Sienna Optionholders and will have their Sienna Options cancelled and issued BARD1 Options in accordance with the agreements referred to in Section 9.19.

Sienna provides directors fees and remuneration to the Sienna Directors as disclosed in its 2019 Annual Report. In addition, Sienna has agreed to pay Helen Fisher compensation based on customary hourly rates for additional work undertaken outside her director's duties in assisting with the preparation of documents in connection with the Scheme. As at the date of this Scheme Booklet, such additional remuneration is not expected to exceed the range of $25,000 - $30,000 and is not conditional on the outcome of the Scheme.

Other than as noted in this Section, there are no agreements or arrangements made or proposed to be made between Sienna and any Sienna Director and any other person in connection with or conditional on, the outcome of the Scheme.

10.6 Sienna Directors' interests in BARD1 contracts

Except as set out in this Section 10.6 or elsewhere in this Scheme Booklet, there is no agreement or arrangement made between any Sienna Director and BARD1 in connection with or conditional on, the outcome of the Scheme.

10.7 Effect of Scheme on creditors

Sienna has paid and is paying all its creditors within normal terms of trade. It is solvent and is trading in an ordinary commercial manner. The Scheme will not adversely affect the interests of Sienna's creditors.

10.8 No unacceptable circumstances

The Sienna Board does not consider that the Scheme involves any circumstances in relation to the affairs of Sienna that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

10.9 Regulatory relief

On 14 May 2020, ASX granted the Company a waiver from ASX Listing Rule 6.23.4 to the extent necessary to permit the Company, without shareholder approval, to cancel the Sienna Options without obtaining shareholder approval. The ASX waiver was granted on condition that the Scheme becomes Effective and that full details of the proposed amendments to the terms of the Sienna Options are set out to ASX's satisfaction in the Scheme Booklet. See Section 9.19 for further details.

10.10 Other material information

Except as set out in this Scheme Booklet, there is no information material to the making of a decision in relation to the Scheme, being information that is within the knowledge of any Sienna Director or director of any Related Bodies Corporate of Sienna, at the time of lodging this Scheme Booklet with ASIC for registration, which has not previously been disclosed to Sienna Shareholders.

10.11 Consents

(a) Interests of advisers

Other than as set out in this Section 10.11 or elsewhere in this Scheme Booklet, no person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this

Scheme Booklet holds, or held at any time during the last two years before the date of this Scheme Booklet, any interest in:

(i) the formation or promotion of Sienna; or

(ii) any property acquired or proposed to be acquired by Sienna in connection with its formation or promotion or in connection with the Scheme.

Other than as set out in this Section 10.11 or elsewhere in this Scheme Booklet, no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to any of these persons for services rendered by them in connection with the preparation of this Scheme Booklet or in connection with the formation or promotion of Sienna or in connection with the Scheme.

(b) Sienna's advisers and fees

The following persons are named in this Scheme Booklet as performing a function in a professional or advisory capacity in connection with the Scheme and with the preparation of this Scheme Booklet on behalf of Sienna:

(i) **K&L Gates** - legal adviser and will be entitled to receive professional fees charged in accordance with their normal basis of charging.

(ii) **KPMG Corporate Finance** - an Independent Expert who will provide an Independent Expert's Report, the fee for which is $70,000 plus GST.

(c) Total aggregate fees

The total aggregate fees where the Scheme is implemented, are expected to be approximately $1,471,000 comprising of:

(i) $1,150,000 of transaction costs incurred by BARD1; and

(ii) $321,000 of transaction costs incurred by Sienna.

The total aggregate fees incurred by Sienna if the Scheme is not implemented for any reason, would be approximately $321,000. This amount does not include the Break Fee which may be payable in certain circumstances as outlined in Section 4.5 of this Scheme Booklet nor the cost reimbursement of $75,000 which has already been paid by BARD1 to Sienna.

(d) **Consents and disclaimers**

(i) The following parties have given, and have not withdrawn before the time of registration of this Scheme Booklet by ASIC, their consent to be named in this Scheme Booklet in the form and context in which they are named:

(A) K&L Gates as legal advisor to Sienna;

(B) KPMG Corporate Finance as the Independent Expert and to the inclusion of the Independent Expert's Report set out in Annexure B; and

(C) Link Market Services Limited as Sienna's Share Registry.

(ii) Each person named in Section 10.11(d):

(A) has not authorised or caused the issue of this Scheme Booklet;

(B) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than as specified in Section 10.11(d); and

(C) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in Section 10.11(d).

(iii) BARD1 has given, and has not withdrawn before the time of registration of this Scheme Booklet by ASIC, its consent to be named in this Scheme Booklet in the form and context in which it is named, on the basis set out in the Responsibility Statement of the Section entitled “Important Notices”.

10.12 Supplementary information

If Sienna becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration with ASIC:

(a) a material statement in this Scheme Booklet is false or misleading;

(b) a material omission from this Scheme Booklet;

(c) a significant change affecting a matter in this Scheme Booklet; or

(d) a significant new matter has arisen and it would have been required to be included in this Scheme Booklet if known about at the date of lodgement with ASIC,

depending on the nature and timing of the changed circumstances, and subject to obtaining any relevant approvals, Sienna may circulate and publish a supplementary document in the manner it considers appropriate, which may include:

(e) making an announcement to ASX;

(f) placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;

(g) posting the supplementary document to Sienna Shareholders at their registered address as shown in the Sienna Register; or

(h) posting a statement online on Sienna's website at www.siennadiagnostics.com.au.

BARD1 has separately agreed under the Merger Implementation Agreement to take all steps reasonably necessary to ensure that the BARD1 Information is promptly updated or supplemented with any information that arises after the Scheme Booklet has been despatched that is necessary to ensure that the Scheme Booklet does not contain any material statement that is false or misleading in a material respect including because of any material omission from that statement.

11. GLOSSARY OF TERMS

A$** or **$ means the lawful currency for the time being of the Commonwealth of Australia;

AAS means the Australian Accounting Standards;

AASB means the Australian Accounting Standards Board;

AEST means Australian Eastern Standard Time;

Adviser means any person who is engaged to provide professional advice of any type (including legal, accounting, consulting or financial advice) to Sienna or BARD1 (as applicable);

ASIC means the Australian Securities and Investments Commission;

Associate has the meaning given in section 9 of the Corporations Act;

ASX means ASX Limited ACN 008 624 691 and where the context requires, the Australian Securities Exchange financial market operated by it;

Bidder means BARD1;

BARD1 means BARD1 Life Sciences Limited ACN 009 070 384;

BARD1 Board means the board of directors of BARD1;

BARD1 Constitution means the Constitution of BARD1;

BARD1 Historical Financial Information has the meaning given to that term in Section 6.6;

BARD1 Group means BARD1 and its Subsidiaries (including BARD1AG SA);

BARD1 Information means the responses to the questions set out under “Questions about BARD1” in Section 2 (Questions and answers), Section 6 (Overview of BARD1), Section 7.2 (Scheme Pro Forma Financial Information) to the extent it relates directly to BARD1, Section 8.3 (Specific risks relating to BARD1), Section 8.4 (General risks relating to BARD1), Section 8.5 (Risks specific to the Scheme and Merged Group), Section 9.19 (Sienna Options) to the extent it relates to the issue of BARD1 Options to Sienna Optionholders and Carl Stubbings, Section 10.5 to the extent it relates to Carl Stubbings' and Tony Di Pietro's new employment agreements with BARD1 and Section 10.11(c)(i) (transaction costs incurred by BARD1);

BARD1 Options means an option to acquire a BARD1 Share;

BARD1 Shareholder means a holder of at least one BARD1 Share;

BARD1 Shares means fully paid ordinary shares in the issued share capital of BARD1;

BARD1 Warranties means the warranties provided by BARD1 in clause 11 and Schedule 5 of the Merger Implementation Agreement (attached as Annexure C);

BBLC Test has the meaning given to that term in section 6.19 of this Scheme Booklet;

Break Fee means $250,000, as described in Section 4.5(b);

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Melbourne, Victoria;

CEO means Chief Executive Officer;

CHESS means the Clearing House Electronic Subregister System for the electronic transfer of securities, operated by ASX Settlement and Transfer Corporation Pty Limited ACN 008 504 532;

CLIA means Clinical Laboratory Improvement Amendments;

Competing Proposal has the meaning provided to that term in the Merger Implementation Agreement (attached as Annexure C);

Corporations Act means the *Corporations Act 2001* (Cth);

Court means the Federal Court of Australia;

Court Order means an order made by the Court pursuant to section 411(4)(b) of the Corporations Act approving the Scheme;

Deed Poll means the deed poll made by the Bidder in favour of Scheme Participants, a copy of which is reproduced in Annexure D (except for its annexures);

Effective or **Effect** means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme;

Effective Date means the date on which the Scheme becomes Effective;

Exclusivity Period means the period from the date of the Merger Implementation Agreement being 8 April 2020 to the earlier of:

(a) the termination of the Merger Implementation Agreement;

(b) the Effective Date; and

(c) the Sunset Date;

Expiry Date means 5:00 pm on 8 August 2020;

Explanatory Statement means the explanatory statement for the purposes of section 412 of the Corporations Act, constituted by this Scheme Booklet;

FDA means the United States Food and Drug Administration;

HBOC means hereditary breast and ovarian cancer syndrome;

HUG means Hopitaux Universitaires de Genève;

IFRS means the International Financial Reporting Standards;

Implementation Date means the date which is three Business Days after the Scheme Record Date or such other date as ordered by the Court or agreed between Sienna and BARD1;

Independent Expert means KPMG Financial Advisory Services (Australia) Pty Ltd, of which KPMG Corporate Finance is a division, ABN 43 007 363 215 (AFSL 246901);

Independent Expert's Report means the independent expert's report prepared by the Independent Expert, a copy of which is reproduced in Annexure B;

Ineligible Foreign Shareholder means a Sienna Shareholder whose address, as shown in the Sienna Share Register (as at the Record Date), is in a place outside Australia, New Zealand, the United Kingdom or the United States, unless Sienna reasonably regards, after consulting with BARD1, that the laws of that place permit the offer and issue of New BARD1 Shares to that Sienna Shareholder and it is not unduly onerous, expensive or impracticable for BARD1 to issue such New BARD1 Shares;

IP means intellectual property;

IVD means *in vitro* diagnostic;

Last Practicable Date means 4 June 2020, being the last practicable date prior to the date of this Scheme Booklet;

Listing Rules means the official listing rules of ASX;

Material Adverse Change has the meaning provided to "Material Adverse Change" in the Merger Implementation Agreement (attached as Annexure C);

Merged Group means the combination of BARD1 and Sienna following the implementation of the Scheme;

Merger Implementation Agreement means the Merger Implementation Agreement dated 8 April 2020 (as amended by the Amendment and Restatement Deed dated 12 May 2020) between BARD1 and Sienna, a copy of which is reproduced in Annexure C (except for its annexures);

Milestone has the meaning given to that term in section 6.19 of this Scheme Booklet;

New BARD1 Shares means the BARD1 Shares to be issued under the Scheme as Scheme Consideration;

Notice or **Notice of Meeting** or **Notice of Scheme Meeting** means the notice of general meeting, a copy of which is contained in Annexure F;

Offer the offer made under the Scheme;

Option Deeds means the deeds entered into by each Sienna option holder with BARD1 for the exchange of Sienna options for BARD1 options with effect from the Implementation Date;

Performance Share means an unquoted performance share issued by BARD1;

Performance Shareholder means a holder of a Performance Share;

Proxy Form means the proxy form for the Scheme Meeting enclosed with this Scheme Booklet;

R&D means research and development;

Regulatory Authority means:

(a) ASIC, ASX, and the Australian Competition and Consumer Commission;

(b) a government or governmental, semi-governmental or judicial entity or authority;

(c) a Minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and

(d) any regulatory (including self-regulatory) organisation established under statute;

Related Body Corporate or **Related Bodies Corporate** has the meaning given to those terms in section 50 of the Corporations Act;

Relevant Interest has the meaning given to that term in sections 608 and 609 of the Corporations Act;

Representatives means, in respect of a person, that person's directors, officers, employees, contractors and Advisers (including a director, officer or employee of that Adviser);

RUO means research use only;

Sale Agent means the person appointed by Sienna to sell the New BARD1 Shares that are attributable to Ineligible Foreign Shareholders as part of their Scheme Consideration under the terms of the Scheme;

Scheme and **Scheme of Arrangement** means the scheme of arrangement to be established pursuant to the Merger Implementation Agreement under Part 5.1 of the Corporations Act between Sienna and the Sienna Shareholders in respect of all of the Sienna Shares, a copy of which scheme of arrangement is set out in Annexure E, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act;

Scheme Booklet means this scheme booklet dated 10 June 2020, including the Annexures to it and the Proxy Form for the Scheme Meeting;

Scheme Conditions means the conditions set out in clause 3 of the Scheme;

Scheme Consideration means the consideration to be provided to Scheme Participants for the transfer to BARD1 of their Scheme Shares (namely 13 BARD1 Shares as consideration under the Scheme for the exchange of 5 Scheme Shares), as set out in clause 4.2 of the Merger Implementation Agreement and as described in Sections 1.4, 2 and 9.3 of this Scheme Booklet;

Scheme Meeting means the meeting of Sienna Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting;

Scheme Participant means each person registered in the Sienna Register as the holder of Scheme Shares as at the Scheme Record Date;

Scheme Record Date means 7.00 pm on the date which is 2 Business Days after the Effective Date, or such other Business Day agreed by the Bidder and Sienna;

Scheme Shares means all of the Sienna Shares on issue on the Scheme Record Date;

Second Court Date means the first day of hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing;

Share Sale Facility means the facility to be established by Sienna and managed by the Sale Agent under which the New BARD1 Shares which otherwise would be received by Ineligible Foreign Shareholders will be sold in accordance with the Scheme and the agreement to be entered into between Sienna and the Sale Agent in relation to the Share Sale Facility;

Share Sale Facility Proceeds means the net cash proceeds from the sale of the New BARD1 Shares sold through the Share Sale Facility, after deducting brokerage and other costs of sale and any taxes which may be required to be withheld under applicable laws;

Sienna or the **Company** means Sienna Cancer Diagnostics Limited ACN 099 803 460;

Sienna Board or **Sienna Directors** means the board of directors of Sienna;

Sienna Information means the information in this Scheme Booklet other than the BARD1 Information and the Independent Expert's Report;

Sienna Option means an option to acquire a Sienna Share and as detailed in Section 5.7(c) of this Scheme Booklet;

Sienna Optionholder means a holder of a Sienna Option;

Sienna Prescribed Occurrence has the meaning provided to "Target Prescribed Occurrence" in the Merger Implementation Agreement (attached as Annexure C);

Sienna Register means the register of members of Sienna maintained in accordance with the Corporations Act;

Sienna Share means a fully paid ordinary share in the capital of Sienna;

Sienna Share Registry means Link Market Services Limited;

Sienna Shareholder means each person registered as a holder of at least one Sienna Shares in the Sienna Register;

Sienna Warranties means the warranties provided by Sienna in clause 10 of the Merger Implementation Agreement (attached as Annexure C);

Subsidiary has the meaning given to that term in section 46 of the Corporations Act;

Sunset Date means the later of:

(a) 5:00 pm on 8 August 2020; and

(b) in relation to Condition 12 (FIRB) set out in the Merger Implementation Agreement, if that Condition is not satisfied or waived on or before the time specified in paragraph (a) immediately above, 22 October 2020,

or in each case, such other date and time agreed between the BARD1 and Sienna;

Superior Proposal means means a Competing Proposal in respect of Sienna which the Sienna Board, acting in good faith (after consulting with their legal and financial advisers), determines is:

(a) reasonably capable of being completed; and

(b) more favourable to Sienna Shareholders than the Scheme, taking into account the terms and conditions of the Competing Proposal;

US Securities Act means the Securities Act of 1933 of the United States of America;

TGA means the Therapeutic Goods Administration; and

UNIGE means Université de Genève.

Annexure A – Taxation Implications of the Scheme

The following is a general summary of the Australian income tax and Goods and Services Tax ("GST") consequences for Sienna Shareholders upon the implementation of the Scheme.

The summary is based upon the law in effect at the date of this Scheme Booklet. It is not intended to be an authoritative or complete statement of the income tax laws applicable to the particular circumstances of every Sienna Shareholder.

The information provided below is not applicable to all Sienna Shareholders.

This tax summary applies to Australian tax resident and non-resident shareholders who, as at the Scheme Record Date, hold their shares on capital account. This summary will not apply to Sienna Shareholders who:

- hold their Sienna Shares as trading stock or on revenue account;
- may be subject to special tax rules, such as banks, insurance companies, tax exempt organisations, dealers in securities;
- change their tax residency while holding Sienna Shares;
- have a functional currency for Australian tax purposes other than an Australian functional currency; or
- are subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997 in relation to gains and losses on their Sienna Shares.

Sienna is in the process of obtaining a class ruling and is engaging with the ATO to obtain the Commissioner of Taxation's views on specific Australian income tax implications for certain Sienna Shareholders of their disposal of Sienna Shares under the Scheme (**the Class Ruling**). In particular, the Class Ruling is being sought to confirm that CGT roll-over relief will be available to Sienna Shareholders who are residents of Australia for tax purposes and receive new BARD1 Shares in exchange for their Sienna Shares under the Scheme. The Scheme is not conditional on the receipt of the Class Ruling.

The Class Ruling has not been issued by the ATO as at the date of this Scheme Booklet. Although it is expected that the view of the Commissioner of Taxation will be consistent with this summary, it is important that Sienna Shareholders be aware that the Commissioner of Taxation may reach an alternative view. As such, this summary should be considered in light of that possibility and read together with the Class Ruling once it is available.

Australian tax resident Sienna Shareholders

Disposal of Sienna Shares

The disposal of Sienna Shares by a Sienna Shareholder will trigger Capital Gains Tax (**CGT**) Event A1.

The CGT Event should occur when the change of ownership of the Sienna Shares occurs, which, under the Scheme, will occur on the Implementation Date.

Broadly, a Sienna Shareholder will:

- make a ‘capital gain’ if the capital proceeds from the disposal of their Sienna Shares exceed the cost base of their Sienna Shares (subject to CGT scrip for scrip roll-over relief, discussed below); or

- make a ‘capital loss’ if the capital proceeds from the disposal of their Sienna Shares are less than the reduced cost base of their Sienna Shares.

Subject to the CGT roll-over relief (discussed below), a Sienna Shareholder who makes a capital gain on the disposal of their Sienna shares will be required to include in their assessable income any ‘net capital gain’ after the application of capital losses (if any) and the CGT discount (if available, see below).

A capital loss realised on the disposal of the Sienna Shares may be used to offset other capital gains derived by a Sienna Shareholder in the income year in which the capital loss is realised, or may be carried forward to offset capital gains derived by the shareholder in future income years. Specific capital loss recoupment rules apply to companies to deny their ability to utilise capital losses in future years in some circumstances. Sienna Shareholders should obtain their own tax advice in relation to the operation of these rules.

Capital proceeds

The ‘capital proceeds’ of the CGT Event for the disposal of Sienna Shares will be equal to the Scheme Consideration received by each Sienna Shareholder in respect of the disposal of their Sienna Shares on the Implementation Date.

In working out the amount that should be included in the capital proceeds for the CGT Event, the market value of the new BARD1 Shares should be determined at the Implementation Date.

Cost base

The cost base of a Sienna Share will generally be the cost of acquiring the share plus incidental costs associated with both the acquisition and disposal of the share.

The reduced cost base of a Sienna Share will generally be the cost of acquiring the share plus incidental costs incurred in respect of both the acquisition and disposal of the share.

CGT discount concession

A Sienna Shareholder who has beneficially owned their Sienna Shares for more than 12 months prior to the Implementation Date and who is an individual, a trust or a complying superannuation fund may be entitled to reduce their capital gain by a discount percentage.

For Sienna Shareholders that are individuals or trusts, the discount percentage is 50%. For Sienna Shareholders that are complying superannuation funds, the discount percentage is 33.33%.

The CGT discount concession:

- does not apply to companies;

- is only applied after available capital losses have been applied to reduce any capital gain.

The rules described above relating to discount capital gains and trusts are complex. Trustees should seek their own advice as to how the discount capital gains provisions apply to them and their beneficiaries, having regard to their own particular circumstances.

CGT scrip for scrip roll-over relief

It is expected that the availability of CGT scrip for scrip roll-over relief for Sienna Shareholders will be addressed in the Class Ruling requested by Sienna. Sienna Shareholders should refer to the Class Ruling once published. The commentary below is subject to the Commissioner's determination in respect of these matters.

An Australian resident Sienna Shareholder who disposes of their Sienna Shares in exchange for new BARD1 Shares, and who would otherwise make a capital gain in respect of the disposal of their Sienna Shares, may choose to obtain CGT scrip for scrip roll-over relief under subdivision 124-M of the ITAA 1997 (**scrip for scrip roll-over relief**). Roll-over is not available if a Sienna Shareholder realises a capital loss on the disposal of their Sienna Shares.

If, and to the extent that, scrip for scrip roll-over relief is available and chosen by a Sienna Shareholder, the capital gain that would otherwise arise will be disregarded.

BARD1 will not make a choice under section 124-795(4) of the ITAA 1997 to deny Sienna Shareholders obtaining scrip for scrip roll-over relief.

If scrip for scrip roll-over relief is available, and a Sienna Shareholder elects to apply roll-over relief, then:

- a capital gain that the Sienna Shareholder makes from the disposal of their Sienna Shares under the Scheme should be disregarded and deferred until a subsequent taxable event occurs in respect of the new BARD1 Shares; and

- for the purpose of determining the CGT cost base and reduced cost base of the new BARD1 Shares, the sum of the CGT cost base, and reduced cost base, respectively, of the Sienna Shareholder's Sienna Shares will be reasonably apportioned between the new BARD1 Shares issued to the Sienna Shareholder.

In these circumstances, the Sienna Shareholder should be taken to have acquired the new BARD1 Shares under the Scheme:

- for general CGT purposes, on the Implementation Date; and

- for the purposes of applying the CGT discount to any future dealings in the new BARD1 Shares, on the date they originally acquired their relevant Sienna Shares.

If the Sienna Shareholder wishes to apply for CGT roll-over relief, they must do so by the day they lodge an income tax return for the income year in which the Implementation Date occurs. This choice can be evidenced by excluding the disregarded capital gain from assessable income in the Sienna Shareholder's income tax return. There is no need to lodge a separate notice with the ATO.

Where scrip for scrip roll-over is not chosen or available

Where a Sienna Shareholder is not eligible for, or does not choose, CGT roll-over relief:

- any capital gain or capital loss made by the Sienna Shareholder from the disposal of their Sienna Shares will be taken into account in calculating the shareholder’s ‘net capital gain’ (see above) for the income year in which the Implementation Date occurs; and

- the first element of the cost base and reduced cost base of each new BARD1 Share that the Sienna Shareholder receives should be equal to the market value of the Sienna Shares disposed of on the date the new BARD1 Shares are issued.

Non-Australian tax resident Sienna Shareholders

On the basis that less than 50% of the market value of Sienna's assets is attributable to direct or indirect interests in 'taxable Australian real property' (as defined in the income tax legislation), a Sienna Shareholder who:

- is a foreign resident, or the trustee of a foreign trust for CGT purposes; and
- has not used their Sienna Shares at any time in carrying on a business through a permanent establishment in Australia,

should generally be able to disregard any Australian capital gain or loss otherwise arising as a result of the disposal of the Sienna Shares.

A non-resident individual Sienna Shareholder who has previously been an Australian tax resident and chose to disregard a capital gain or loss in respect of their Sienna Shares from CGT Event A1 on ceasing to be an Australian tax resident may be subject to Australian CGT consequences on disposal of their Sienna Shares.

Sienna Shareholders who are non-Australian tax residents should seek their own independent tax advice as to the tax implications of the Scheme, including tax implications in their country of residence.

Foreign Resident Capital Gains Withholding

On the basis that less than 50% of the market value of Sienna's assets is, and will be on the Implementation Date, attributable to direct and indirect interests in 'taxable Australian real property' (as defined in the income tax legislation), the foreign resident capital gains withholding regime should not apply to BARD1's acquisition of Sienna Shares from a Sienna Shareholder, and accordingly, BARD1 should not be required to withhold any amount from the Scheme Consideration on account of the withholding.

GST

There should be no GST payable in respect of the sale of Sienna Shares under the Scheme. Where a Sienna Shareholder is not registered or required to be registered for GST, the sale will be outside the scope of the GST. Otherwise, the sale of the Sienna Shares will be an input taxed financial supply. Where this is the case, Sienna Shareholders should obtain independent advice in relation to whether there is an ability to claim any input tax credits for the costs (such as legal or professional fees) associated with the disposal of the Sienna Shares.

Stamp Duty

No stamp duty should be payable by Sienna Shareholders on the disposal of Sienna Shares, or the acquisition of new BARD1 Shares, under the Scheme. Any stamp duty payable in connection with the transfer of the Sienna Shares to BARD1, or the issue of New BARD1 Shares to Scheme Participants, must be paid by BARD1.

Annexure B – Independent Expert's Report

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The Directors
Sienna Cancer Diagnostics Limited
1 Dalmore Drive
Scoresby VIC 3179

10 June 2020

Dear Directors

Independent Expert Report and Financial Services Guide

Part One – Independent Expert Report

1 Introduction

On 8 April 2020, Sienna Cancer Diagnostics Limited (Sienna) announced that it had entered into a Merger Implementation Agreement (MIA) with BARD1 Life Sciences Limited (BARD1 or Bidder) which will result in BARD1 acquiring 100% of the issued shares of Sienna (Proposed Transaction).

The Proposed Transaction will be implemented by way of a scheme of arrangement (Scheme) under which the holders of Sienna shares (Sienna Shareholders) will receive 13 shares in BARD1 for every 5 Sienna shares held on the Scheme Record Date (Scheme Consideration).

Implementation of the Scheme requires the approval of Sienna Shareholders and is subject to the satisfaction of a number of conditions precedent, including an independent expert determining that the Scheme is in the best interests of Sienna Shareholders and receipt of approvals, consents or relief from regulatory authorities. Further details of the Scheme and the conditions precedent are outlined in Section 5 of this report and described in Section [3.7] of the Scheme Booklet.

Sienna is an Australian public company listed on the ASX (ASX: SDX), with global operations based in Melbourne, Victoria. Sienna is creating a portfolio of unique and clinically useful tests for the pathology diagnostics market in the area of cancer healthcare. As at 7 April 2020, being the last trading day prior to the announcement of the Proposed Transaction, Sienna had a market capitalisation of approximately $8.69 million.

BARD1 is an Australian public company listed on the ASX (ASX: BD1) which focuses on developing and commercialising non-invasive diagnostic tests for early detection of cancer. As at 7 April 2020, being the last trading day prior to the announcement of the Proposed Transaction, BARD1 had a market capitalisation of approximately $32.8 million.

The board of Sienna (Board) has requested KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Corporate Finance is a division) (KPMG Corporate Finance) to prepare an independent expert report for the benefit of Sienna Shareholders setting out whether, in our opinion, the Scheme is in the best interests of Sienna Shareholders (IER).

This IER sets out KPMG Corporate Finance's opinion on the Scheme and should be considered in conjunction with and not independently of the information set out in the Scheme Booklet. The specific resolutions to be put to Sienna Shareholders are set out in the Notice of Meeting included in the Scheme Booklet, to which this IER is attached.

Further information regarding KPMG Corporate Finance as it relates to the preparation of this IER is set out in Appendix 1.

KPMG Corporate Finance's Financial Services Guide is contained in Part Two.

2 Requirements for our report

Section 412(1) of the Corporations Act 2001 (Cth) (Act) requires that an explanatory statement issued in relation to a proposed scheme of arrangement under Section 411 of the Act, include information that is material to the making of a decision by a member as to whether or not to agree with the relevant proposal.

In this regard, although an independent expert report is not explicitly required to be provided under Schedule 8 of the Corporations Regulations 2001 (Cth), the Board has requested KPMG Corporate Finance to prepare an independent expert report to satisfy the requirements of Section 412(1).

In undertaking our work, we have referred to guidance provided by ASIC in its Regulatory Guides, in particular Regulatory Guide 111 'Content of expert reports' (RG 111) which outlines the principles and matters which it expects a person preparing an independent expert report to consider when providing an opinion on whether a transaction is "fair and reasonable", and therefore "in the best interests" of scheme participants.

Further details of the relevant technical requirements and the basis of assessment in forming our opinion are set out in Section 6 of this report.

3 Opinion

In our opinion, the Scheme is in the best interests of Sienna Shareholders, in the absence of a superior proposal.

In arriving at this opinion, we have assessed whether the Scheme is:

- fair, by assessing the implied value of the Scheme Consideration based on our assessed value of a Sienna share on a controlling interest basis and the merger ratio. This approach is in accordance with the guidance set out in RG 111, and
- reasonable, by assessing the implications of the Scheme for Sienna Shareholders, the alternatives to the Scheme which are available to Sienna Shareholders, and the consequences for Sienna Shareholders of not approving the Scheme.

Our assessment has concluded that the Scheme is fair and reasonable. As such, in accordance with RG 111, we have concluded that the Scheme is in the best interests of Sienna Shareholders.

Sienna is one of a very limited number of Australian biotechnology companies within the diagnostics sector that has a commercialised product generating sales revenue in the market today. The company has succeeded in establishing a presence in the important US market and has been actively pursuing other markets through a network of distributors and product marketing campaigns. Its ongoing research program has also created a pipeline of additional products nearing the commercialisation phase.

However, since listing on the ASX on 2 August 2017 at a price of $0.20 per share, Sienna's shares have steadily declined to a low of $0.02 per share in March 2020. A number of factors contributed to this decline, including the sell-down by some large shareholders shortly after the initial listing, the bankruptcy filing of Sienna's largest customer in 2017 and the slower than anticipated growth as the company moved into its revenue generating phase. But Sienna's share price performance is also a reflection of the challenges facing many small biotechnology companies, where success is dependent on a narrow technology window, with the potential for the support of the investment markets to waiver the longer it takes for this success to emerge.

For that reason, Sienna has pursued an acquisition strategy, engaging with various medical technology companies in an effort to enhance its technology portfolio and drive future revenue growth. Combining the Sienna business with BARD1 (to form the Merged Group) is expected to deliver a deeper pipeline of products, giving the business more opportunities to develop successful technologies, as well as improving operational efficiency and providing a strong capital base to fund ongoing R&D activities.

The all scrip consideration of the Scheme means Sienna Shareholders will be able to continue to benefit from the development of the Merged Group and therefore the critical issue we have assessed is whether the merger ratio that drives the Scheme Consideration appropriately reflects the value of Sienna. Whilst acknowledging valuing early stage biotechnology companies requires significant judgement given the uncertainties of the research and commercialisation processes, a premium of our assessed value of the Scheme Consideration on a per share basis, to the one month volume weighted average price (VWAP) of 134% and a premium to the 12 month VWAP of 57%, clearly represents a good opportunity for Sienna Shareholders to participate in a transaction that will address a number of the issues that have contributed to Sienna's recent subdued market performance.

Our analysis is set out in further detail below.

3.1 The Scheme is fair to Sienna Shareholders

Our assessed value of a Sienna share and the merger ratio imply a value of the Scheme Consideration which is supported by the traded price of a BARD1 share. Therefore, we consider the Scheme to be fair to Sienna Shareholders

We have assessed the value of the equity of Sienna to lie in the range of $21.3 million to $24.3 million, which equates to an assessed value per Sienna share of between $0.054 and $0.062.

Our assessed value range represents the value of a 100% interest in Sienna and includes a premium for control. As the valuation includes a control premium, it exceeds the price at which we expect Sienna shares would trade on the ASX in the absence of the Proposed Transaction.

We have assessed the value of Sienna's equity by determining the value of Sienna's operating business and adding a value for those assets currently not contributing to the forecast cash flows of the operating business. The forecast cash flows of Sienna's operating business reflect its two current products, hTERT and SIEN-NET™, based on forecast estimates of the relevant addressable markets and target market shares. Sienna does not hold any net borrowings or non-trading liabilities.

We have assessed the value of the Scheme Consideration by assessing the implied value of a BARD1 share on the basis of the merger ratio and our assessed value of a Sienna share, and comparing that to the recent traded prices of BARD1 shares on the ASX. This is appropriate because BARD1 is obtaining control of Sienna, and Sienna Shareholders are receiving consideration in the form of a minority interest share in the Merged Group. Neither the theoretical value of the Merged Group as a stand-alone entity nor considerations of control premia are relevant to minority interest shareholders in the Merged Group in the short term, except in the event of an offer for the Merged Group itself.

In applying this approach, we have assessed the implied value of a BARD1 share to be received by Sienna Shareholders as part of the Scheme Consideration, to be in the range $0.021 to $0.024. As the trading range of BARD1 shares post announcement of the Proposed Transaction is at the higher end and above that range, we consider the Proposed Transaction to be fair.

Our analysis of the fairness of the Proposed Transaction is detailed further below.

Value of Sienna

We have assessed the value of the equity in Sienna to be in the range of $21.3 million to $24.3 million, which equates to a value of $0.054 and $0.062 per Sienna share. The value of Sienna has been assessed by determining the value of Sienna's operating business and adding a value for those assets currently not contributing to the forecast cash flows of the operating business. Our valuation is set out in full in Section 10 of this report and summarised below.

Table 1: Valuation of Sienna

$ million unless otherwise stated	Section reference	Valuation range Low	High
Value of Sienna operating business	10.3	21.00	24.00
Other assets/(liabilities) (net)	10.4	0.33	0.33
Sienna enterprise value (control basis)		**21.33**	**24.33**
Adjusted net debt	10.5	0.00	0.00
Value of Sienna equity (control basis)		**21.33**	**24.33**
Number of shares outstanding (million)		395.13	395.13
Value per Sienna share on a control stand-alone basis ($)		**0.054**	**0.062**

Source: KPMG Corporate Finance analysis. Table may not sum due to rounding

Our assessed value range represents the value of a 100% interest in Sienna and includes a premium for control. The valuation exceeds the price at which we expect Sienna shares would trade on the ASX in the absence of the Proposed Transaction. In assessing a control value in accordance with RG 111, we have only considered those synergies and benefits that would be available to more than one potential purchaser (or a pool of potential purchasers) of Sienna. Accordingly, our valuation of Sienna has been determined without regard to the specific bidder, and any special benefits have been considered separately.

Our valuation range of $0.054 to $0.062 per share reflects a premium over the closing price of Sienna shares immediately prior to the announcement of the Proposed Transaction of between 145% and 180%. This premium in part reflects a valuation of 100% of Sienna inclusive of a control premium, rather than a valuation of a portfolio interest in the company as traded on ASX. However, in our opinion, it is also, in part, likely to be a consequence of:

- current negative market sentiment as a result of Sienna's delayed progress to achieve sufficient and sustainable revenues from its hTERT product
- uncertainties around the timing and the potential success of the commercialisation of the SIEN-NET™ product and revenue growth for hTERT
- the pricing signal given by the incomplete uptake of the rights issue in January 2020 amongst institutional and sophisticated investors
- the impact of the market's assessment of the effects of COVID19 on the broader economy and the potential for subsequent impact on the business performance of Sienna.

Value of the Scheme Consideration

The Scheme Consideration to be received by Sienna Shareholders comprises new ordinary shares in the Merged Group. Accordingly, RG 111 requires the value of the scrip consideration to be assessed on a minority interest basis. Based on our valuation of a Sienna share and the merger ratio, we have assessed the implied value of a BARD1 share to be received by Sienna Shareholders as part of the Scheme Consideration (on a minority basis) to be in the range of $0.021 to $0.024.

It is common practice in these circumstances to utilise the post announcement market price as a basis for estimating the value of an offer with a scrip component, as this is the price at which shareholders can monetise the Scheme Consideration. Neither the theoretical value of the Merged Group as a stand-alone entity nor considerations of control premia are relevant to portfolio shareholders in the Merged Group in the short term, except in the event of an offer for the Merged Group itself.

Whilst assessing the fundamental value of BARD1 would be beneficial in assessing the merger ratio, we have not had access to the internal records or management of BARD1 and the information contained in the explanatory statement is insufficient to enable a fundamental valuation of the company to be performed on a reasonable basis. However, the liquidity analysis, as set out in Section 8.8 of this report, indicates that trading in BARD1 shares has

been sufficient for the share to be considered liquid. Therefore we consider the trading price of BARD1 shares to provide a strong indicator of the value of a minority interest in the company.

Under the Proposed Transaction, Sienna Shareholders will receive 13 new BARD1 ordinary shares for every 5 Sienna shares held on the Scheme Record Date.

We have assessed the value of a share in Sienna to lie in the range of $0.054 to $0.062, which, based on the terms of the Proposed Transaction, implies a value of a BARD1 share to be received by Sienna Shareholders as part of the Scheme Consideration, to be in the range of $0.021 to $0.024 per share, as set out in the table below.

Table 2: Assessment of the Scheme Consideration

$ unless otherwise stated	Valuation range	
	Low	High
Value per Sienna share on a control stand-alone basis	0.054	0.062
Number of Sienna shares in merger ratio	5.00	5.00
Value of 5 Sienna shares	**0.270**	**0.308**
Number of BARD1 shares in merger ratio	13.00	13.00
Implied value of BARD1 share based on merger ratio	**0.021**	**0.024**

Source: KPMG Corporate Finance analysis

Assessment of fairness

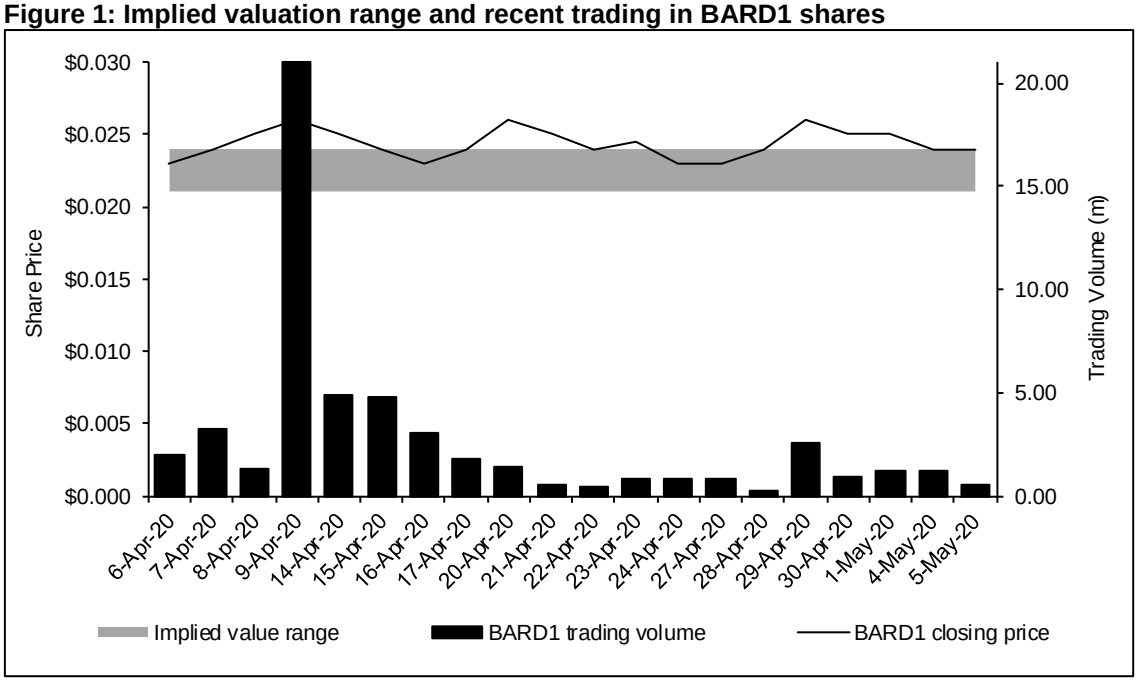
To assess the fairness of the Scheme, we have compared the implied value of a BARD1 share based on our valuation of Sienna and the merger ratio, against the recent traded prices of a BARD1 share on the ASX. In making this assessment, we have considered the following:

- the trading price of BARD1 shares reflects the value of portfolio interests as required by RG111
- BARD1 is a publicly listed company and is required to comply with ASX Listing Rules in relation to continuous disclosure, including in particular the release of price sensitive information
- BARD1 is currently not followed by any broking houses, which may lessen the ability of shareholders to make informed decisions regarding the prospects of the company and industry more generally and prices at which BARD1 shares should trade
- there has been sufficient time and information available, including the information contained in the announcement of the Proposed Transaction released to the market on 8 April 2020, for the market to assess the Scheme and its implications for BARD1 should the Scheme be implemented. Therefore, trading in BARD1 shares subsequent to 8 April 2020 should reflect the market's assessment of the Scheme, albeit the market may also take into account the implementation and integration risks associated with the Scheme, including the required approvals and the type, timing and quantum of any positive and/or negative cost savings and synergies that may be realised

- whilst trading in BARD1 shares is not deep in the context of the number of shares on issue and its market capitalisation, its shares were traded on the ASX on each of the available trading days over the 12 months prior to the announcement date of the Proposed Transaction and also in the subsequent period and average daily trading volumes have been sufficient for portfolio shareholders who wanted to realise their investment, to do so.

A summary of the trading activity in BARD1 shares from 8 April 2020 to 5 May 2020 and the implied value of a BARD1 share based on our assessed value of a Sienna share and the merger ratio, is set out in the chart below.

Figure 1: Implied valuation range and recent trading in BARD1 shares



Source: KPMG Corporate Finance analysis

As the figure above indicates, the recent trading performance of BARD1 shares is at the upper end or above the value range of a BARD1 share implied by our assessment of the control value of Sienna and the merger ratio. On that basis, we have assessed the Scheme to be fair to Sienna Shareholders.

Cross-check of fairness assessment

As a cross-check of the implied value range approach set out above, we have also considered the position of a Sienna Shareholder pre and post the Proposed Transaction. This cross-check is set out in full in Section 11 of this report, with the key considerations being:

- the position of a Sienna Shareholder pre-merger has been determined on the basis of our assessment of the value of Sienna (as detailed in Section 10), on a control and stand-alone basis

- the position of a Sienna Shareholder post-merger has been determined on the basis of the hypothetical value of the Merged Group on a minority basis, including an estimate of the value of synergies that can be realised in the short-term by the Merged Group.

On the basis of the above cross-check assessment, we concluded that the position of a Sienna Shareholder post-merger equates to a value of approximately $0.276 for every five Sienna shares, which is within our assessed value range of the position of a Sienna Shareholder pre-merger of $0.270 to $0.308. As such, the cross-check confirmed our assessment that the Scheme is fair to Sienna Shareholders.

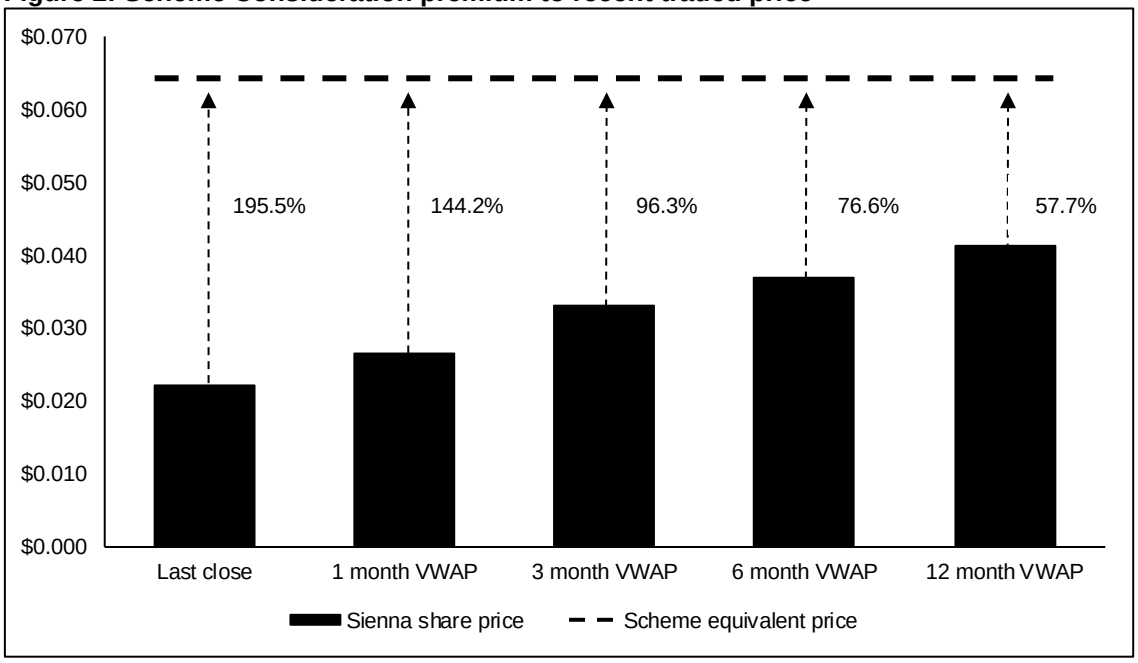
3.2 *The Scheme is reasonable to Sienna Shareholders*

In accordance with RG 111, an offer is reasonable if it is fair. As we consider the Scheme to be fair, this would imply that the Scheme is also reasonable. However, irrespective of the statutory obligation to conclude the Scheme is reasonable, we have also considered a range of other factors Sienna Shareholders may wish to take into account in considering whether to approve the Scheme.

The Scheme Consideration represents a strong premium to the trading price of Sienna shares prior to the announcement of the Scheme

The Scheme Consideration represents a strong premium to the VWAP of a Sienna share on the last trading day prior (195.5%), one month prior (144.2%) and three months prior (96.3%) to 7 April 2020, being the day prior to the announcement of the Proposed Transaction.

Figure 2: Scheme Consideration premium to recent traded price



Source: KPMG Corporate Finance analysis

In assessing the premium implied by the Scheme Consideration, we note:

- the premium to traded prices over the past 12 months is increasing, reflecting the downward trend of Sienna's share price and the current negative investor sentiment
- it is commonly accepted that acquirers of 100% of a business should pay a premium over the value implied by the trading price of a share to reflect their ability to obtain control over the target's strategy and operations, as well as extract synergies from integration. Observations from transaction evidence indicate that takeover premia concentrate around a range between 25% and 40%[1] for completed takeovers, depending on the individual circumstances of the specific transaction. In transactions where it was estimated that the combined entity would be able to achieve significant synergies, the takeover premia were typically at the upper end or in excess of this range
- the implied premia previously noted are above the range usually observed in completed takeovers due to a combination of factors, including amongst other things:
    - the substantial synergy opportunities in merging with BARD1 in terms of a broader product suite, a strengthened leadership team and the removal of duplicated overhead costs (approximately $0.5 million per annum)
    - there is special value that may be unique to the acquirer given Sienna's complementary technologies, existing laboratory and back-office structure, as well as its relationships with international distributors which offers long term benefits to the Merged Group's' development and growth.

Post announcement of the Scheme, Sienna shares have traded at a level supported by the existence of the Scheme (between $0.047 and $0.057 compared to the implied value of the Scheme Consideration of $0.065[2]). The small discount in the traded price to the Scheme Consideration reflects, in our view, the market's assessment of the potential for either the Scheme not to be approved by Sienna Shareholders or for it to fail to complete. The trading level, in our opinion, does not indicate that the market considers an alternative offer is likely to be forthcoming.

By receiving shares in BARD1, Sienna Shareholders will participate in the potential longer term benefits from any future development of the business

Sienna is well-positioned to benefit from the ongoing distribution of its hTERT product and the development of its SIEN-NET™ platform. Further, BARD1's product suite is complementary to Sienna's, offering the chance for the Merged Business to become a leading participant in the cancer diagnostics industry.

[1] KPMG Corporate Finance analysis based on Mergerstat data for Australian transactions completed between 2001 and 2018, comparing the closing price of the target company one day prior to the takeover announcement to the final offer price.
[2] Based on the VWAP of the traded price of a BARD1 share post the announcement of the Proposed Transaction of $0.025.

Lead by a high-calibre Board and experienced leadership team, the Merged Group is expected to be able to more efficiently leverage reserved cash and R&D expenditure over a wider range of products and deliver higher shareholder value.

By receiving new shares in BARD1, Sienna Shareholders will retain an interest in the Sienna business and participate in the potential longer term benefits from the future development of the Merged Group.

The Merged Group has an opportunity to achieve significant product and cost synergies over and above those likely to be available to other potential acquirers

As Sienna advanced the acquisition element of its strategy after listing, the benefits of a potential association with BARD1 were identified as early as 2018. Certain characteristics of each company suggest that an acquisition would be highly complementary. These include:

- the products under development by BARD1 can be adapted to be delivered on the platform being developed by Sienna
- the products under development by BARD1 are earlier in their development phase than those of Sienna, which has allowed BARD1's operating model to be based on a contracted research capability. With BARD1 now looking to build out its in-house research capability to continue the development of its products, Sienna has an established in-house research capability that can quickly be applied in BARD1's ongoing development process
- combining the product pipelines of Sienna and BARD1 would offer the Merged Group alternatives if development is ceased on any given product, giving the Merged Group what Sienna management refer to as "more shots on goal" than either Sienna or BARD1 would have as a stand-alone companies
- both Sienna and BARD1 are relatively small Australian based listed companies and therefore carry a significant amount of duplicated administration cost, particularly given BARD1's stated intention to relocate its operations to Melbourne, the site of Sienna's head office and laboratory facilities.

As a result of these characteristics, the combination of the Sienna and BARD1 businesses offers a level of potential revenue and cost synergies which are unlikely to be available to other potential acquirers.

Implementation of the Scheme will result in Sienna Shareholders holding shares in a larger business, which should result in increased liquidity

In the event Sienna Shareholders approve the Scheme, Sienna Shareholders will hold a 42.9% interest in the Merged Group.

The Merged Group will have approximately $13.7 million of pro forma cash, $1.8 million of pro forma income and $0.8 million of pro forma R&D expenditure in FY19 (compared to Sienna's stand-alone cash of $4.5 million, income of $1.2 million, and R&D expenditure of $0.2 million in FY19) and the combined balance sheet position will offer a more robust platform to pursue growth opportunities.

Post implementation of the Scheme, BARD1 will have a total of 2,394,530,414 shares outstanding and a likely market capitalisation in excess of $50 million. This increased business scale and shareholder base should provide more liquidity in the investment held by Sienna Shareholders post implementation of the Scheme, as compared to the low liquidity currently experienced in the trading of Sienna shares, as set out in Section 7.8 of this report.

No alternative proposal has been presented to the market and the likelihood of an alternative proposal emerging at this time is considered low

By announcing the Scheme, Sienna signalled to the market that it was 'in play', but given the timetable outlined for the Scheme, only for a limited period. At the date of this report, no other party has signalled an interest in Sienna.

In our view, the existence of a break fee payable under certain circumstances if an alternative proposal is recommended by the Board, is not of a sufficient quantum to dampen the interest of another interested party. As a result, if Sienna Shareholders do not approve the Scheme, they are unlikely to benefit from an alternative control transaction in the near term.

3.3 Other considerations

In forming our opinion, we have also considered a number of other factors, as detailed below, which we do not consider impacts our assessment of the reasonableness of the Scheme, but we consider it necessary for Sienna Shareholders to be aware of.

The current business initiatives being pursued by Sienna and BARD1 are not without risk

As demonstrated by the underlying share price performance of Sienna since its listing in 2017, the process of identifying, developing and commercialising diagnostic products is uncertain from a timing, cost and profitability perspective. Whilst the Board considers the Proposed Transaction places the Merged Group in a more favourable position to achieve the desired product success than if Sienna and BARD1 continued to operate on a stand-alone basis, there continues to be significant risk associated with the Merged Group.

Further, the expected synergy benefits and business improvements are uncertain and subject to risks as to the timing and quantum of the benefits realised.

The Board have indicated they will vote to approve the Scheme

The Board has unanimously recommended that Sienna Shareholders vote in favour of the Scheme in the absence of a superior offer and in the event the Independent Expert concludes the Scheme is in the best interests of Sienna Shareholders. The Board has also indicated they will vote the Sienna shares they hold or control in favour of the Scheme.

There will be tax consequences for Sienna Shareholders if the Scheme is approved

If the Scheme is implemented, Sienna Shareholders will be treated as having disposed of their Sienna shares, which will trigger a taxation event for Sienna Shareholders and result in either a capital gain or capital loss arising.

Sienna has lodged a Class Ruling with the Australian Taxation Office (ATO) to confirm Sienna Shareholders will be entitled to scrip rollover relief, which defers the capital gain if Sienna's shareholder chooses to obtain the relief. Annexure A of the Scheme Booklet sets out further details of the tax consequences of the Scheme for Sienna Shareholders, which will differ depending on each Sienna Shareholders' individual circumstances.

Sienna Shareholders should consider their individual circumstances and where necessary, seek the advice of their own professional adviser in assessing the taxation implications of the Scheme.

One-off transaction costs

Sienna has estimated total one-off transaction costs in relation to the Scheme to be approximately $0.25 million on a pre-tax basis, all of which have been paid or committed, prior to the Scheme Meeting.

One-off transaction costs associated with the Scheme primarily relate to legal and expert fees, as well as other costs associated with the Scheme.

The Scheme is subject to the satisfaction of a number of conditions

There are a number of conditions which if not satisfied will result in the Scheme not being implemented. As it is possible that all conditions may not be satisfied or waived prior to the meeting for Sienna Shareholders to approve the Scheme, the Scheme may not be implemented even if Sienna Shareholders vote to approve it where a condition cannot ultimately be satisfied and is not otherwise waived.

If the Scheme is not implemented, Sienna Shareholders would continue to hold their existing shareholding in Sienna.

COVID-19 pandemic

The timing of the Scheme corresponds with a period of unprecedented social and community disruption, as governments around the world seek to counter the global COVID-19 pandemic. The continued global spread of COVID-19 has led to concerns regarding the sustainability of global economic activity and sparked major sell offs in global equity markets resulting in significant market volatility over a compressed timeframe and the accelerated progression to a bear market.

Whilst the prevailing market conditions may influence certain economic parameters, we expect the impact on value to be consistent across both parties involved in the Scheme. Consequently, the current market conditions do not impact on our overall conclusion in relation to the fairness of the Proposed Transaction.

3.4 Consequences if the Scheme is not approved

In the event that the Scheme is not approved or any conditions precedent prevent the Scheme from being implemented, Sienna will continue to operate in its current form and remain listed on the ASX. As a consequence:

- Sienna will continue to execute on its strategy as set out in Section 7.2 of this report. Additional funding would not be required in the short-term, however as Sienna continues the development of SIEN-NET, further funding would likely be required in the future
- Sienna Shareholders will not receive the Scheme Consideration and the implications of the Scheme, as summarised above, will not occur, other than with respect to the one-off transaction costs incurred, or committed to, prior to the Scheme Meeting. Sienna is not liable to pay a break fee if the Scheme fails to be approved by Sienna Shareholders
- Sienna Shareholders will continue to be exposed to the benefits and risks associated with an investment in Sienna, and
- Sienna's share price will likely fall. The current share price of Sienna reflects the terms of the Scheme and therefore includes expectation of a control premium. As such, in the absence of the Scheme, an alternative proposal or speculation concerning an alternative proposal, the Sienna share price is likely to fall to levels consistent with trading prices prior to the announcement of the Scheme.

4 Other matters

In forming our opinion, we have considered the interests of Sienna Shareholders as a whole. This advice therefore does not consider the financial situation, objectives or needs of individual shareholders. It is not practical or possible to assess the implications of the Proposed Transaction on individual shareholders as their financial circumstances are not known. The decision of Sienna Shareholders as to whether or not to approve the Proposed Transaction is a matter for individuals based on, amongst other things, their risk profile, liquidity preference, investment strategy and tax position. Individual shareholders should therefore consider the appropriateness of our opinion to their specific circumstances before acting on it. As an individual's decision to vote for or against the proposed resolutions may be influenced by his or her particular circumstances, we recommend that individual shareholders including residents of foreign jurisdictions seek their own independent professional advice.

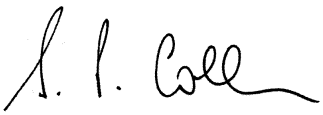
Our report has also been prepared in accordance with the relevant provisions of the Act and other applicable Australian regulatory requirements. This report has been prepared solely for the purpose of assisting Sienna Shareholders in considering the Proposed Transaction. We do not assume any responsibility or liability to any other party as a result of reliance on this report for any other purpose.

All currency amounts in this report are denominated in Australian dollars ($) unless otherwise stated.

Neither the whole nor any part of this report or its attachments or any reference thereto may be included in or attached to any document, other than the Scheme Booklet to be sent to Sienna Shareholders in relation to the Proposed Transaction, without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears. KPMG Corporate Finance consents to the inclusion of this report in the form and context in which it appears in the Scheme Booklet.

The above opinion should be considered in conjunction with and not independently of the information set out in the remainder of this report, including the appendices.

Yours faithfully



Sean Collins
Authorised Representative

Joanne Lupton
Authorised Representative

Contents

5 The Proposed Transaction

On 8 April 2020, Sienna announced that it had entered into the MIA with BARD1, which will result in BARD1 acquiring 100% of the issued shares of Sienna. The Proposed Transaction is proposed to be implemented by way of a scheme of arrangement and will result in Sienna Shares being delisted from the ASX.

5.1 Terms of the Scheme

Under the terms of the Scheme, Sienna Shareholders will receive the Scheme Consideration, which comprises 13 shares in BARD1 for every 5 shares held in Sienna on the Scheme Record Date.

A condition of the Scheme is that Sienna obtain written agreement of each person holding options in Sienna, to cancel those options and be issued with a reasonably equivalent value of options in BARD1. Where such written agreement is not forthcoming, BARD1 intends to initiate after the implementation date, the compulsory acquisition of all Sienna options under Part 6A.2 (Div 2) of the Corporations Act.

5.2 Conditions of the Scheme

The Scheme will not proceed unless each of the conditions precedent set out in the MIA is satisfied or waived (if applicable). The notable conditions precedent include:

- Regulatory approvals: receipt of approvals, consents or relief from regulatory authorities or relevant government agency is received, including the Foreign Investment Review Board
- Shareholder approval: Sienna Shareholders approve the Scheme at the Scheme Meeting by the requisite majorities
- Court approval: the Court approves the Scheme in accordance with section 411(4)(b) of the Act
- No restraints: no Court, ASX or government agency issues or takes steps to issue a restraining order, preliminary or permanent injunction or other material legal restraint or prohibition preventing the Scheme or requiring material change to the terms of the Scheme
- No material changes: no Material Adverse Change, such as a reduction in net assets by 20% or an adverse effect on the status of any licence, permits or authorisations from any government agency, has occurred
- No prescribed event: no Target Prescribed Event (which includes changes to share capital, declaration of dividends, disposal of business or property, amongst other things), has occurred
- Representations and warranties: the representations and warranties given by Sienna are true and correct in all material respects as at the date those representations and warranties are given.

As at the date of this report, Sienna is not aware of any reason why the conditions precedent will not be satisfied.

5.3 Transaction costs

Sienna management has estimated total one-off transaction costs in relation to the Scheme to be approximately $0.3 million on a pre-tax basis, of which approximately $0.2 million will have been paid, or committed, prior to the Scheme Meeting.

One-off transaction costs associated with the Scheme primarily relate to legal fees, expert fees, and other costs associated with the Scheme.

5.4 Reimbursement of costs

On signing of the MIA, BARD1 made available $75,000 to Sienna, to be drawn down as reimbursement of 50% of any reasonable and properly incurred costs by Sienna in undertaking its obligations under the MIA.

Further, if there is a material non remedied breach of the MIA by BARD1, a break fee of $250,000 would be payable by BARD1 to Sienna. The fee represents compensation for expected advisory costs, costs of management and directors' time, out-of-pocket expenses and reasonable opportunity costs incurred by Sienna in pursuing the Scheme.

Should the Scheme not proceed due to Sienna accepting an alternative proposal, the Board or a director of Sienna recommending an alternative proposal or a director of Sienna withdrawing or adversely modifying their recommendation or voting intention, a break fee of $250,000 would be payable by Sienna to BARD1. The break fee represents compensation for expected advisory costs, costs of management and directors' time, out-of-pocket expenses and reasonable opportunity costs incurred by BARD1 in pursuing the Scheme.

Other than the $75,000 cost reimbursement, no fee is payable if the Scheme is completed.

5.5 Other terms

The MIA also contains customary exclusivity provisions, including no shop, no talk and no diligence restrictions, a notification obligation and a matching right. The no talk and no due diligence restrictions are subject to Sienna Directors' fiduciary obligations.

6 Scope of the report

6.1 Purpose

The Board has requested KPMG Corporate Finance to prepare a report in accordance with Section 412 of the Act and the guidance provided by ASIC.

Section 412(1) of the Act requires that an explanatory statement issued in relation to a proposed scheme of arrangement under Section 411 of the Act include information that is material to the making of a decision by a creditor or member as to whether or not to agree with the relevant proposal.

Part 3 of Schedule 8 of the Corporations Regulations specifies that the information to be lodged with ASIC must include a report prepared by an expert:

- if the other party to a reconstruction in a scheme of arrangement holds at least 30% of the company, or
- where the parties to the reconstruction have common directors.

The report prepared by the expert must state whether, in the expert's opinion, the proposed scheme of arrangement is in the best interests of the members of the body as a whole and set out the expert's reason(s) for forming that opinion.

Even where an independent expert's report is not strictly required by the law (as is the situation with respect to the Scheme), it is not uncommon for directors to commission one to ensure they are providing the information that is material to the making of a decision by a creditor or member.

This IER is to be included in the Scheme Booklet to be sent to Sienna Shareholders and has been prepared for the purpose of assisting Sienna Shareholders in their consideration of the Proposed Transaction and their approval of the Scheme.

6.2 Basis of assessment

Regulatory Guide (RG) 111 "Content of expert reports", issued by ASIC, indicates the principles and matters which it expects a person preparing an independent expert report to consider. RG 111 distinguishes between the analysis required for control transactions and other transactions.

RG 111.18 states that where a scheme of arrangement is used as an alternative to a takeover bid, the form of analysis undertaken by the expert to determine whether the scheme is 'in the best interests of the members of the company' should be substantially the same as for a takeover bid. That form of analysis considers whether the transaction is "fair and reasonable" and, as such, incorporates issues as to value. In particular:

- 'fair and reasonable' is not regarded as a compound phrase
- an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities subject to the offer
- an offer is 'reasonable' if it is 'fair', and

- an offer might also be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons for shareholders to accept the offer in the absence of any higher bid before the close of the offer.

RG 111 provides that an offer is fair if the value of the consideration is equal to or greater than the value of the shares subject to the offer. It is a requirement of RG 111 that the comparison be made assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash and without regard to the percentage holding of the bidder or its associates in the target prior to the bid. That is, RG 111 requires the value of the target to be assessed as if the bidder was acquiring 100% of the issued equity (i.e. on a controlling interest basis). In addition to the points noted above, RG 111 notes that the weight of judicial authority is that an expert should not reflect 'special value' that might accrue to the acquirer.

Accordingly, when assessing the full underlying value of Sienna, we have considered those synergies and benefits which would be available to more than one potential purchaser (or a pool of potential purchasers) of Sienna. As such, we have not included the value of special benefits that may be unique to BARD1. Accordingly, our valuation of Sienna has been determined without regard to the specific bidder, and any special benefits have been considered separately.

Reasonableness involves an analysis of other factors that shareholders might consider prior to accepting an offer, such as:

- the bidder's pre-existing shareholding in the target
- other significant shareholdings in the target
- the liquidity and volatility of the market in the target's shares
- any special value of the target to the bidder
- the likely market price of the target's shares in the absence of the offer
- the likelihood of an alternative offer being made, and
- any other advantages, disadvantages and risks associated with accepting the offer.

RG 111.20 states that if an expert would conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the scheme is 'in the best interests' of the members of the company. Further, RG 111.21 states that if an expert would conclude that the proposal was 'not fair but reasonable' it is still open to the expert to also conclude that the scheme is 'in the best interests of the members of the company'.

In forming our opinion, we have considered the interests of Sienna Shareholders as a whole. As an individual shareholder's decision to vote for or against the proposed resolutions may be influenced by their particular circumstances, we recommend they each consult their own financial advisor.

6.3 Limitations and reliance on information

In preparing this report and arriving at our opinion, we have considered the information detailed in Appendix 2 of this report. In forming our opinion, we have relied upon the truth, accuracy and completeness of any information provided or made available to us without independently verifying it. Nothing in this report should be taken to imply that KPMG Corporate Finance has in any way carried out an audit of the books of account or other records of Sienna or BARD1 for the purposes of this report.

Further, we note that an important part of the information base used in forming our opinion is comprised of the opinions and judgements of management. In addition, we have also had discussions with Sienna's management in relation to the nature of the Company's business operations, its specific risks and opportunities, its historical results and its prospects for the foreseeable future. This type of information has been evaluated through analysis, enquiry and review to the extent practical. However, such information is often not capable of external verification or validation.

Sienna has been responsible for ensuring that information provided by it or its representatives is not false or misleading or incomplete. Complete information is deemed to be information which at the time of completing this report should have been made available to KPMG Corporate Finance and would have reasonably been expected to have been made available to KPMG Corporate Finance to enable us to form our opinion.

We have no reason to believe that any material facts have been withheld from us but do not warrant that our inquiries have revealed all of the matters which an audit or extensive examination might disclose. The statements and opinions included in this report are given in good faith, and in the belief that such statements and opinions are not false or misleading.

The information provided to KPMG Corporate Finance included forecasts/projections and other statements and assumptions about future matters (forward-looking financial information) prepared by the management of Sienna. Whilst KPMG Corporate Finance has relied upon this forward-looking financial information in preparing this report, Sienna remains responsible for all aspects of this forward-looking financial information. The forecasts and projections as supplied to us are based upon assumptions about events and circumstances which have not yet transpired. We have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to any forward-looking financial information, however we have made sufficient enquiries to satisfy ourselves that such information has been prepared on a reasonable basis.

Notwithstanding the above, KPMG Corporate Finance cannot provide any assurance that the forward-looking financial information will be representative of the results which will actually be achieved during the forecast period. Any variations in the forward looking financial information may affect our valuation and opinion.

The opinion of KPMG Corporate Finance is based on prevailing market, economic and other conditions at the date of this report. Conditions can change over relatively short periods of time. Any subsequent changes in these conditions could impact upon our opinion. We note that we

have not undertaken to update our report for events or circumstances arising after the date of this report other than those of a material nature which would impact upon our opinion.

6.4 Disclosure of information

In preparing this report, KPMG Corporate Finance has had access to all financial information considered necessary in order to provide the required opinion. Sienna has requested KPMG Corporate Finance limit the disclosure of some commercially sensitive information. This request has been made on the basis of the commercially sensitive and confidential nature of the operational and financial information of Sienna's business. As such the information in this report has been limited to the type of information that is regularly placed into the public domain by Sienna.

7 Profile of Sienna

7.1 Background

Sienna is a publicly listed Australian medical technology company focused on the identification, development and commercialisation of in-vitro diagnostic (IVD) technologies for the global pathology market. The company has operations in Australia and the United States (US), as well as distributors for its products in the US, Europe, Asia and Latin America. Sienna has a primary listing on the Australian Securities Exchange (ASX), with the code SDX and a market capitalisation of $8.69 million on 7 April 2020[3].

Sienna was founded in Sydney in 2002. The company is now headquartered in Melbourne with its head office and laboratories located within the Small Technologies Cluster (STC) business park on the outskirts of Melbourne, where a number of biotechnology and other high technology businesses have their research and development (R&D), commercialisation and manufacturing operations. As at the date of this report, Sienna has two subsidiary companies as summarised in the table below.

Table 3: Controlled entities of Sienna

Controlled entities	Country of incorporation	Percentage owned (%)[1]
Melbourne Diagnostics Pty Ltd	Australia	100.0%
Sienna Cancer Diagnostics Inc.[2]	United States	100.0%

Source: Sienna financial statements for 1H20 and KPMG Corporate Finance analysis
Notes:
1. *Percentage of voting power in proportion to ownership.*
2. *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.*

Sienna specialises in the development and commercialisation of products that address clinical needs for the evaluation of the presence of cancer in samples, as well as the diagnosis and the monitoring of cancer diseases. In addition to in-house R&D, Sienna has expanded the company's portfolio via the acquisition of complementary technologies to grow its commercialisation pipeline. Recent key events in Sienna's corporate history include:

- in FY17, Sienna's first commercialised product, called 'Anti-hTERT Antibody (SCD-A7™)', was taken from research through to development and manufacturing. After product registration, it is now sold through a network of distribution partners
- in August 2018, the company raised $5.2 million via a share placement and rights issue offer, to accelerate its technology and expansion strategy
- in April 2019, Sienna acquired the SIEN-NET™ technology from Sevident Inc. to further expand the company's product portfolio. Sienna issued 21,665,764 new ordinary shares to the shareholders of Sevident Inc., as part consideration for the acquisition of the SIEN-NET™ technology, equating to a value of $1,879,953

[3] The last trading day on the ASX prior to the announcement of the Proposed Transaction.

- in December 2019, Sienna undertook a share placement to institutional investors, and a rights issue offer to existing shareholders, raising a total of $1.8 million after directly related expenses. The funds raised from these initiatives will primarily be used to accelerate the commercialisation of SIEN-NET™ and fund co-development expenditures for:
  - the development of a pancreatic cancer test with Minomic International Ltd
  - the development of an exosome based therapeutic for the treatment of Critical Limb Ischemia with VivaZome Pty Ltd
- in January 2020, the company announced that a further $1.8 million of new capital (before expenses) was raised through the placement of the balance of shares available under the rights issue offer shortfall, after the issuance of shares to existing shareholders
- in April 2020, the company announced its exclusive worldwide licence agreement with the University of Adelaide to develop and commercialise a unique cancer probe, SubB2M.

7.2 Strategy

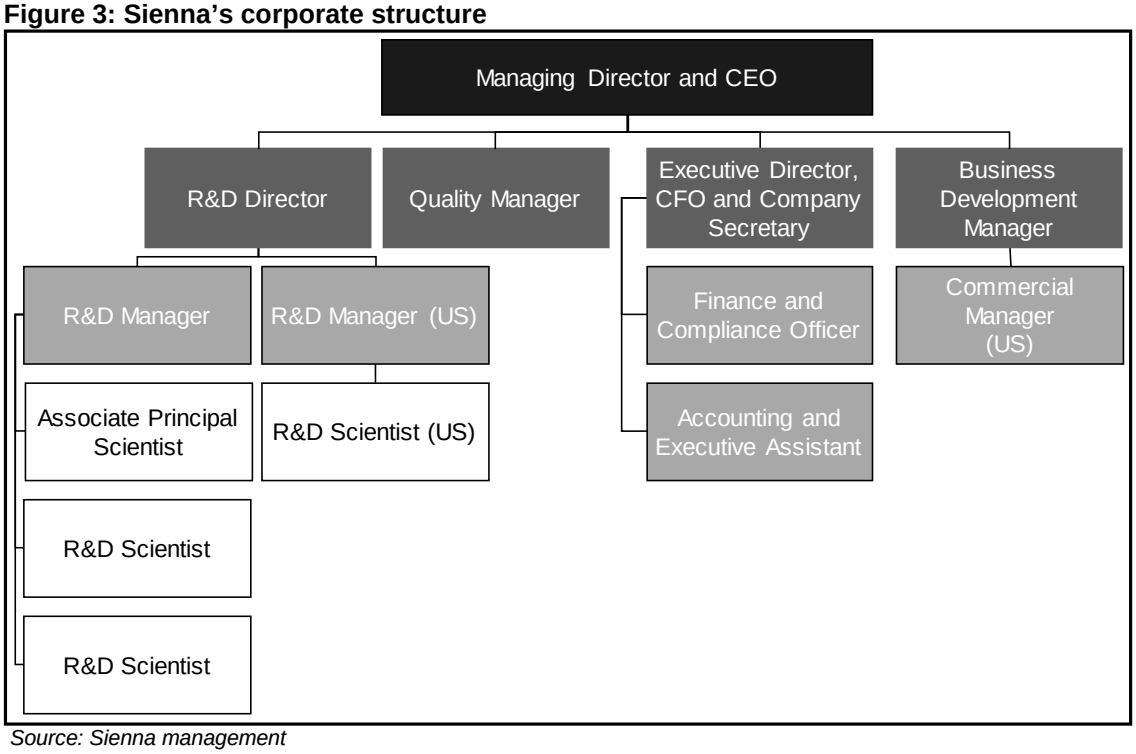
Sienna's strategic objective is to develop and commercialise diagnostic tests to assist in the early and accurate diagnosis of cancer, enabling improved treatment and patient outcomes.

Sienna continues to identify and analyse potential in-license or acquisition targets using specific criteria to evaluate technologies that may add further value and opportunities for its revenue and portfolio growth. Specifically, Sienna is focused on cancer-related IVD format tests performed in pathology laboratories and partners with research institutes, universities, and existing medical technology companies operating in that sector. Current partners of Sienna include the University of Adelaide, Griffith University, Minomic International Ltd, and VivaZome Pty Ltd.

7.3 Business operations

Sienna has offices in Australia and the US and a current staff of 14 employees. The core of the team within Sienna is the in-house R&D team which consists of five R&D staff based in Australia and two based in the US. The current organisational structure of Sienna is shown in the figure below.

Figure 3: Sienna's corporate structure



Source: Sienna management

Sienna's technology portfolio currently consists of two products, the diagnostic marker hTERT and the custom capture technology SIEN-NET™.

hTERT

Sienna's first commercialised product, 'Anti-hTERT Antibody', is an antibody-based IVD test that detects the biomarker 'hTERT'.[4] Telomerase is well recognised as a biomarker used by 85% of cancers to enable immortal cell replication, and hTERT is a component of the telomerase enzyme complex which acts to extend and maintain telomeres in cells, thereby plays a fundamental role in cell proliferation and cellular aging.

Sienna's test utilises the fact that telomerase is upregulated[5] in most epithelial cancer cells. The antibody developed and commercialised by Sienna is used by pathology laboratories to identify the presence of hTERT, with its first application adopted in an adjunct test to urine cytology to assist bladder cancer diagnosis.

SCD-A7™ is the name of the clone that is used to grow the monoclonal antibody against hTERT. SCD-A7™ is registered with the Food and Drug Administration (FDA) in the US with

[4] Human Telomerase Reverse Transcriptase

[5] Upregulation is the process of increasing the response to a stimulus, specifically, the increase in a cellular response to a molecular stimulus as a result of an increase in the number of receptors on the surface of target cells.

existing reimbursement in that market, and it is registered with the Therapeutic Goods Administration (TGA) in Australia. It has CE marked IVD registration in Europe, and exclusive distribution partners assigned in the US, Denmark, Sweden, Switzerland, the United Kingdom (UK), Singapore, South Korea, Mainland China, Brazil, and most recently Finland and New Zealand. As at the date of this report, registration with regulatory bodies in South Korea, China and Brazil are still pending.

On 1 July 2019, the first US patent covering Sienna's in-vitro diagnostic (IVD) test for hTERT was granted. Sienna is currently researching the opportunity to use its hTERT test to assist in the detection of other cancer types.

SIEN-NET™

On 2 April 2019, Sienna made the first transaction in its technology expansion strategy by acquiring a sample preparation technology from San-Francisco-based Sevident Inc. The SIEN-NET™ technology is a sample preparation platform which is developed to enhance 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 such as cells, protein, whole virus and other molecules from samples, and it is adaptable for single or multi-target evaluation of any molecules and cell types. The compatible samples of SIEN-NET™ include but are not limited to blood, serum, saliva, urine and faeces. The customisable characteristic of SIEN-NET™ allows diagnostic tests for those biomarkers to be performed with greater accuracy and speed.

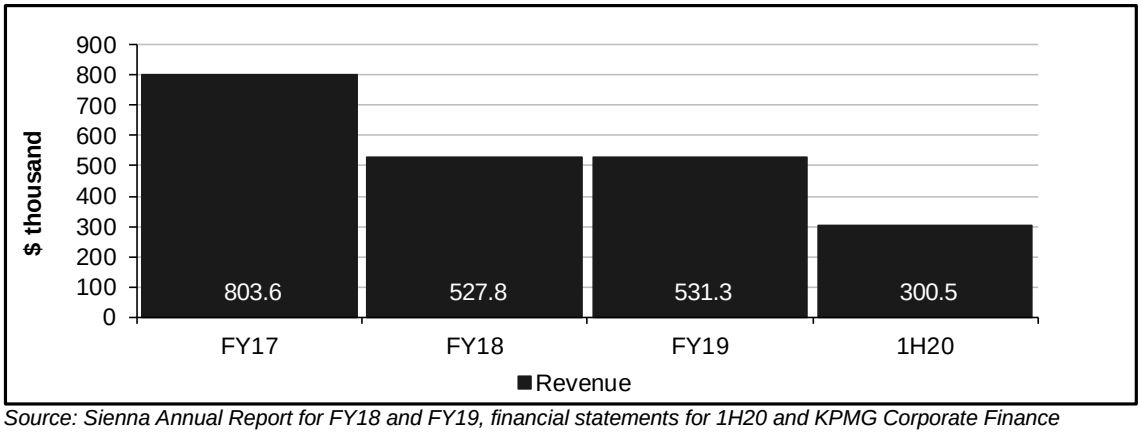
Upon capturing the biomarker targets, SIEN-NET™ can be used in a wide variety of downstream clinical, R&D, and industrial applications. The technology platform has been adopted in the development of diagnostic prototypes and solutions in oncology and infectious diseases. It has recently been adopted in the development of a new suite of tools for analysing cell-free DNA for non-invasive cancer screening via liquid biopsy.

The first commercial embodiment of SIEN-NET™ is EXO-NET™, which has been specifically designed to capture and enrich a patient sample for cancer-associated exosomes. Exosomes are tiny particles that are shed into the bloodstream from cells. Sienna is expecting to further develop the SIEN-NET™ technology with a view to expand the company's presence in the market for liquid biopsy and exosome capture applications. Sienna has recently advanced the commercial manufacturing of EXO-NET™ with initial batches of the product expected to be available in May 2020. This product is anticipated to support the company's collaborations with Minomic and VivaZome.

SIEN-NET™ has registered patents in the US, Australia, Canada and China, and exclusive distribution partners have yet to be assigned. As at the date of this report, patent applications in Europe are still pending.

Sienna's historical revenue performance from FY17 to 1H20 is summarised in the figure below and discussed in the subsequent section. All of Sienna's revenue was derived from sales of hTERT.

Figure 4: Revenue of Sienna



Source: Sienna Annual Report for FY18 and FY19, financial statements for 1H20 and KPMG Corporate Finance analysis

As Sienna continues to identify and build a portfolio of IVD technologies, the company selects biomarkers that can aid in the early diagnosis of cancer on a complementary basis to support developments already being targeted. In April 2020, Sienna executed a licence with the University of Adelaide for a molecule called SubB2M, which is a protein that binds to a unique sugar molecule only present in human cancers and has the potential to detect the presence of cancer by using liquid biopsies, immunoassays, circulating tumour cell assays and PET[6] imaging. University of Adelaide and Griffith University researchers have engineered this unique protein that binds specifically to a sugar molecule only present in cancer cells and Sienna has obtained exclusive worldwide licence to commercialise this technology.

A summary of the industry in which Sienna operates is set out in Appendix 3.

[6] Positron emission tomography

7.4 Financial summary

Financial performance

The financial performance of Sienna for FY17, FY18, FY19 and 1H20 is summarised in the table below.

Table 4: Financial performance of Sienna

Period $ thousand unless otherwise stated	FY17 Audited	FY18 Audited	FY19 Audited	1H20 Reviewed
Revenue				
Product revenue	803.6	527.8	531.3	300.5
Cost of goods sold	(45.2)	(59.0)	(52.3)	(25.6)
Gross profit	**758.4**	**468.8**	**478.9**	**274.9**
Research and development tax incentive	637.5	631.7	443.6	405.0
Grant, interest and other income	15.8	135.7	208.8	57.3
Total other income	**653.4**	**767.4**	**652.4**	**462.3**
Employee and contractor costs	(1,497.8)	(2,086.2)	(2,409.6)	(1,419.0)
Administration	(336.6)	(621.5)	(742.5)	(295.6)
Research and development	(519.9)	(247.0)	(179.6)	(141.5)
Insurance	(46.6)	(164.7)	(202.0)	(118.8)
Travel and meetings	(72.3)	(167.8)	(155.2)	(92.9)
Depreciation and amortisation	(78.5)	(130.6)	(132.6)	(86.3)
Other operating expenses	(210.9)	(0.6)	(9.5)	(0.6)
Total operating expenditures[1]	**(2,762.7)**	**(3,418.4)**	**(3,831.0)**	**(2,154.8)**
Capitalisation of development expenditure	655.6	-	-	-
Loss before income tax	**(695.3)**	**(2,182.2)**	**(2,699.6)**	**(1,417.6)**
Income tax expense	-	-	-	-
Loss for the period	**(695.3)**	**(2,182.2)**	**(2,699.6)**	**(1,417.6)**
Other comprehensive income, net of tax	-	-	40.8	4.2
Total comprehensive loss of the period	**(695.3)**	**(2,182.2)**	**(2,658.8)**	**(1,413.4)**
Statistics				
Weighted average number of ordinary shares ('000s)[2]	*153,406*	*178,310*	*255,676*	*295,778*
Basic earnings per share (cents per share)	*(0.45)*	*(1.22)*	*(1.06)*	*(0.48)*
Revenue growth[3]	*na*	*(34.3%)*	*0.6%*	*9.3%*
Cost of goods sold as percentage of sales (%)	*5.6%*	*11.2%*	*9.8%*	*8.5%*
Gross profit growth[3]	*na*	*(38.2%)*	*2.2%*	*10.2%*
Gross profit margin	*94.4%*	*88.8%*	*90.2%*	*91.5%*

Source: Sienna Annual Report for FY18 and FY19, financial statements for 1H20 and KPMG Corporate Finance analysis

Notes:

1. *Sienna adopted AASB 16 from 1 July 2019 using the modified retrospective method, therefore no adjustments were made to comparative balances.*
2. *Weighted average number of ordinary shares used in calculating basic earnings per share (EPS).*
3. *1H20 revenue growth and gross profit growth are calculated based on 1H19 results.*

In relation to the historical revenue and gross profit performance of Sienna, we note:

- product revenue generated by Sienna from FY17 to 1H20 was in relation to sales of hTERT. The acquisition of SIEN-NET™ was executed on 2 April 2019, however no sales of the product have been realised since the acquisition date
- costs of goods sold incurred historically have decreased as a percentage of sales, resulting in an upward trend in the gross margin from FY18 to 1H20
- in FY19, the company received $443.6 thousand ($631.7 thousand in FY18) from the refundable Research and Development Tax Incentive. The reduced refund was the result of a shift of some employees' time from R&D to commercial activities. In 1H20, Sienna received $405.0 thousand from the Research and Development Tax Incentive claim for FY19
- grant, interest and other income is primarily comprised of the Export Market Development Grant (EMDG) and interest income. In FY19, Sienna received $67.1 thousand ($59.6 thousand in FY18) from the EMDG and $141.8 thousand ($70.8 thousand in FY18) 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. In 1H20, grant income of $10.7 thousand was received via an Innovation Connections Grant, whilst the EMDG grant application for FY19 has been submitted and is still to be assessed by AusTrade. During the same period, interest income contributed $46.7 thousand as cash balances and interest rates declined over the six months to 31 December 2019.

The largest component of Sienna's operating expenses is employee and contractor costs. In FY18, employee and contractor costs increased by 39.3% from FY17, reflecting the first full year of employment costs for its R&D Manager and US-based Commercial Manager. In FY19, these expenses incurred by Sienna increased by c. 15.5% from FY18 with the major contributing factors being the engagement of a Research Technician, and the employment of a full time R&D staff in the US for the acquired SIEN-NET™ platform technology in April 2019. In 1H20, Sienna employed an additional US-based employee to support the continued development of the SIEN-NET™ technology and appointed a new CEO and Managing Director.

The second largest component of Sienna's operating expenses is administration expenses. In FY18, administration expenses increased by 84.6%, from $336.6 thousand to $621.5 thousand, as a result of the company's ASX listing, incurring ASX listing fees, share register transaction fees, as well as investor and public relations consultancy fees. In FY19, these costs increased by 19.5% due to the due diligence and legal fees incurred in the acquisition of the SIEN-NET™ technology and the establishment of a new US subsidiary. The increase in legal fees was partially offset by a decrease in ASX listing fees compared to the initial ASX listing fees of $107.2 thousand incurred in FY18.

In relation to other operational expenditures incurred by Sienna, we note:

- following the registration of the Company's IVD with regulatory bodies in the US, Europe and Australia in FY17, external research and development expenditure reduced by 52.5% in FY18 as the company's focus shifted to the expansion of the utility of the IVD
- the process of amortising capitalised development expenditure for hTERT commenced in December 2016, when the product was first available for sale to customers. FY18 was the first full year of amortisation expense, resulting in an uplift of 66.3% in depreciation and amortisation expense
- two of Sienna's leased properties are sub-let with no contractual commitments in Australia and the US and are therefore classified as short term leases for the purposes of AASB16. The relevant lease payments are reflected in the statement of financial performance as operating expenses
- as at 30 June 2019, Sienna had an estimated carried forward tax loss of $2.3 million ($1.7 million in FY18).

Financial position

The financial positions of Sienna as at 30 June 2017, 30 June 2018, 30 June 2019 and 31 December 2019 are summarised in the table below.

Table 5: Financial position of Sienna

As at $ thousand unless otherwise stated	30 Jun 2017 Audited	30 Jun 2018 Audited	30 Jun 2019 Audited	31 Dec 2019 Reviewed
Cash and cash equivalents	720.4	2,691.1	4,466.5	4,976.0
Trade and other receivables	128.2	124.0	88.7	83.8
Inventories	-	15.9	17.0	29.2
Other current assets	224.1	172.0	197.2	110.4
Current assets	**1,072.7**	**3,003.1**	**4,769.5**	**5,199.4**
Right of use assets[1]	-	-	-	1,903.5
Intangible assets	2,266.4	2,239.4	4,121.8	4,116.4
Property, plant and equipment	36.6	28.2	88.2	77.9
Non-current assets	**2,303.0**	**2,267.6**	**4,209.9**	**6,097.8**
Total assets	**3,375.7**	**5,270.7**	**8,979.4**	**11,297.2**
Trade and other payables	622.6	314.4	206.2	175.9
Provisions	84.8	113.1	123.2	117.3
Lease liability	-	-	-	131.7
Current liabilities	**707.4**	**427.5**	**329.4**	**425.0**
Provisions	24.2	47.7	65.5	84.8
Lease liability	-	-	-	1,758.3
Total non-current liabilities	24.2	47.7	65.5	1,843.0
Total liabilities	**731.6**	**475.2**	**394.9**	**2,268.0**
Net assets	**2,644.1**	**4,795.5**	**8,584.5**	**9,029.2**
Total equity	**2,644.1**	**4,795.5**	**8,584.5**	**9,029.2**
Statistics				
Shares on issue at period end ('000)[2]	*157,274*	*180,262*	*289,055*	*344,020*
Net asset value per share (cents per share)[3]	*1.68*	*2.66*	*2.97*	*2.62*
Intangible assets to total assets (%)[4]	*67.1%*	*42.5%*	*45.9%*	*43.8%*

Source: Sienna Annual Report for FY18 and FY19, financial statements for 1H20 and KPMG Corporate Finance analysis

Notes:

1. *Sienna adopted AASB 16 from 1 July 2019 using the modified retrospective method, therefore no adjustments were made to comparative balances.*
2. *Sienna ordinary shares are as at period end.*
3. *Net asset value (NAV) per share is calculated as net asset value divided by the number of Sienna Shares as at period end. NAV excludes right of use assets, lease liabilities and make good provision.*
4. *Intangible assets to total assets is calculated as intangible assets divided by total assets less right of use assets.*

In relation to the financial position of Sienna as at 31 December 2019, we note:

- cash and cash equivalents of Sienna have increased from the balance at 30 June 2019 mainly due to capital raise undertaken in December 2019. The proceeds from capital raises are usually invested in term deposits until required and as at 31 December 2019, the company had four term deposits maturing between January 2020 to June 2020

- trade and other receivables is net of a doubtful debt of US$155.4 thousand, which was first recognised in FY17 when US company Botswick Laboratories Inc., a significant debtor of Sienna at the time, entered Chapter 11 bankruptcy protection. Given the recoverability of this amount has been unclear, the full amount owed was recognised as a doubtful debt and the provision for doubtful debts remained in place as at 31 December 2019
- due to the adoption of AASB 16 Leases from 1 July 2019, Sienna has recognised a 'right of use asset' on the balance sheet of $1.9 million, as well as the corresponding lease liability. As at 31 December 2019, Sienna has three leased properties, one of which is a property located in Notting Hill, Victoria, which the company leased in 1H20 for a five-year contract period, with the option to extend. The impact of AASB 16 includes the recognition of a right of use asset of $1.9 million, a lease liability of $1.9 million and a make good provision of $35.1 thousand. The other two leased properties in Australia and the US are sub-let with no contractual commitments and are therefore classified as short term leases for the purposes of AASB16. The relevant lease payments are reflected in the statement of financial performance as operating expenses
- Sienna has substantial intangible assets as a result of capitalised development expenditure in relation to hTERT, patents, trademarks and intellectual property representing the SIEN-NET™ technology acquired in April 2019. The breakdown of Sienna's intangible assets as at 30 June 2017, 30 June 2018, 30 June 2019 and 31 December 2019 is set out in the table below.

Table 6: Intellectual property of Sienna

As at $ thousand unless otherwise stated	30 Jun 2017 Audited	30 Jun 2018 Audited	30 Jun 2019 Audited	31 Dec 2019 Reviewed
Capitalised development expenditure SCD-A7™				
Employee and contractor costs	1,239.7	1,239.7	1,239.7	1,239.7
External development expenses	835.3	835.3	835.3	835.3
Other capitalised expenses	151.7	151.7	151.7	151.7
Accumulated amortisation	(58.6)	(166.7)	(277.7)	(333.4)
Sub-total	**2,168.0**	**2,059.9**	**1,948.9**	**1,893.2**
Intellectual property				
Purchased intellectual property - at cost	-	-	1,880.0	1,877.9
Patents - at cost	98.4	174.8	285.6	329.1
Accumulated amortisation	-	-	-	(4.1)
Sub-total	**98.4**	**174.8**	**2,165.5**	**2,202.9**
Trademarks	-	4.7	7.3	20.3
Total intangible assets	**2,266.4**	**2,239.4**	**4,121.8**	**4,116.4**

Source: Sienna Annual Report for FY18 and FY19, financial statements for 1H20 and KPMG Corporate Finance analysis
Note: Purchased intellectual property relates to the SIEN-NET™ technology acquired in April 2019, which is in development stage and therefore the process of amortisation has not commenced.

- NAV per share increased from 1.68 cents at 30 June 2017 to 2.66 cents at 30 June 2019, predominantly as a result of an increase in term deposits maturing in the short term, as well as an increase in intangible assets underpinned by the SIEN-NET™ technology acquired in FY19. NAV per share decreased from 2.97 cents at 30 June 2019 to 2.62 cents at 31

December 2019 primarily due to a reduction in cash as a result of the R&D initiatives undertaken by Sienna and its investments in new projects during the six months to 31 December 2019

- the number of shares on issue increased from 30 June 2019 to 31 December 2019 as a result of two capital raising initiatives undertaken by the company. Both capital raisings priced the new shares at 3.50 cents per share. In December 2019, a total of 47,348,164 new ordinary shares were issued via a share placement to institutional investors and a further 7,616,789 via a rights issue offer to existing shareholders. The capital structure of Sienna is discussed more fully in Section 7.7 of this report
- Sienna does not have any interest-bearing debt as at the date of this report and over the period from FY17 to 1H20
- as at 31 December 2019, Sienna has a contingent liability in the form of milestone payments to Sevident Inc. shareholders, who are entitled to receive up to a value of US$1.5 million in scrip or cash upon the realisation of future revenue milestones associated with SIEN-NET™. However, the probability of the requirement to make these payments cannot be assessed given further development of the technology is required before commercialisation is possible. If no revenues are generated, or the revenue milestones are not met, there is no obligation to make these payments.

Statement of cash flows

The cash flow statements for Sienna for the periods FY17 to 1H20 are summarised in the table below.

Table 7: Cash flow statement of Sienna

Period	FY17	FY18	FY19	1H20
$ thousand unless otherwise stated	Audited	Audited	Audited	Reviewed
Receipts from operating activities	646.9	649.2	687.4	310.8
Receipts from the Research and Development Tax Incentive	637.5	631.7	443.6	417.9
Interest and grant income received	15.1	125.0	208.6	49.2
Payments to suppliers and employees	(2,092.3)	(3,602.5)	(3,824.8)	(2,013.5)
Operating cash flows	**(792.8)**	**(2,196.6)**	**(2,485.2)**	**(1,235.6)**
Purchase of intangible assets	(56.7)	(81.1)	(594.8)	(56.5)
Purchase of property, plant and equipment	(13.2)	(14.0)	(38.9)	(5.7)
Payment for capitalised development costs	(653.9)	-	-	-
Investing cash flows	**(723.8)**	**(95.2)**	**(633.7)**	**(62.2)**
Proceeds from issue of ordinary shares	1,231.4	4,597.6	5,227.6	1,923.8
Payment of share issue costs	(73.3)	(335.1)	(331.7)	(117.0)
Financing cash flows	**1,158.1**	**4,262.5**	**4,895.9**	**1,806.7**
Net cash generated/(used)	**(358.5)**	**1,970.7**	**1,777.0**	**509.0**
Net foreign exchange difference	(1.7)	-	(1.6)	0.5
Cash and cash equivalents - opening balance	***1,080.7***	***720.4***	***2,691.1***	***4,466.5***
Cash and cash equivalents - closing balance	***720.4***	***2,691.1***	***4,466.5***	***4,976.0***

Source: Sienna Annual Report for FY18 and FY19, financial statements for 1H20 and KPMG Corporate Finance analysis

Sienna was listed on the ASX on 2 August 2017, receiving $4.6 million from the issue of new ordinary shares via a prospectus. Subsequently in FY19, Sienna finalised a capital raise and received $5.2 million (before expenses), comprising a $1.6 million placement as well as a $3.6 million rights issue offer to existing shareholders via the issue of new ordinary shares. The funds raised and received in FY19 were used to accelerate the company's portfolio expansion strategy via the acquisition of the SIEN-NET™ technology, and provide additional capital.

Based on the cashflow forecasts provided by management, incorporating the receipt of funds from the capital raising initiatives undertaken in the period FY18 to FY19, the Board expected the business to be sufficiently funded to execute its current strategies for at least the next twelve months from 30 June 2019.

During the six months to 31 December 2019, Sienna raised additional capital from investors and further undertook two capital raising initiatives, a share placement and a rights issue offer to existing shareholders. A total of approximately $1.8 million (after directly related expenses) was raised before the end of 1H20. In January 2020, the company announced that a further $1.8 million of new capital (before expenses) was raised through the placement of the balance of shares available under the rights issue offer, after the issuance of shares to existing shareholders.

7.5 Strategy and outlook

Key risks

The key risks to Sienna's business include the following:

- ***cashflow risks***: resulting from the lack of cash inflow, given the business is in its early development stage, imposing an impact on funds available for the execution of management's strategies. Furthermore, the company may not be able to source suppliers at the estimated expenditure, whilst R&D and other expenditures remain high until a product is successfully developed, registered and commercialised. The process is often subject to delays and uncertainty regarding product uptake and market competition. As such, for Sienna to continue operating as a going concern company, a considerable cash balance has to be maintained and capital raisings may often be required
- ***regulatory risks***: the requirements imposed by regulatory bodies on the registration of medical devices and tests are complex and vary by region. Successful precedent with one regulatory body is not determinate of the decision reached by a different regulatory authority. Furthermore, the registration process is lengthy in certain jurisdictions and there is no guarantee that existing regulatory approval or registration will not be revoked in the future
- ***intellectual property***: there is no guarantee that the company's patent applications will be granted and that the company's owned and licensed patent rights comprise all the rights Sienna requires to freely use and commercialise its products. Further, potential legal challenge to any patent with the Sienna intellectual property portfolio could adversely impact its development and commercialisation activities

- ***key personnel***: Sienna currently employs, or engages as consultants, several key members of its management and R&D team. The potential loss of any of these key members may adversely affect the company and hinder the achievement of its research, product development and commercialisation objectives.

Growth initiatives

Sienna's R&D team, comprised of seven personnel, continues to identify opportunities to further develop Sienna's existing products and potential acquisition targets.

Although Sienna's hTERT test has significant growth potential globally, revenue growth and broader adoption over the period FY18 to FY19 have underperformed management's expectations. The following measures are currently being implemented by management to improve the growth of revenue generated from hTERT and seed revenue from SIEN-NET™.

hTERT

- implement a market-based pricing strategy with the help of Sienna's distributors to improve adoption and sales of the hTERT test
- engage with key pathology laboratories via roadshows, and participate in conference presentations and new scientific publications for marketing within the bladder cancer diagnostic community in Australia and the US
- recruit and appoint exclusive distributors in key European markets such as Germany, France, Italy and Spain, as well as South Africa, New Zealand and India to expand the hTERT franchise through market share growth and geographical expansion
- review its US regulatory position to better differentiate Sienna's hTERT test from competitors and potentially secure higher reimbursement for SCD-A7™ by obtaining its own unique reimbursement code
- promote awareness of the product via the expansion of clinical studies and publications to improve the uptake of medical diagnostic test.

SIEN-NET™

- commercialise EXO-NET™, designed to capture and purify exosomes in human samples, in a kit for sale to research organisations in Australia and the US for research use applications. The appointment of distributors for EXO-NET™'s uptake in the global exosome research market
- develop and commercialise new diagnostic tests and therapeutics with a customised version of the SIEN-NET™ platform for further commercial use applications. Announced collaborations include:
  - the development of a pancreatic cancer test with Australia-based Minomic International Ltd (Minomic)
  - the development of an exosome based therapeutic for the treatment of Critical Limb Ischemia with Australia-based VivaZome Pty Ltd (VivaZome)

- engage potential collaborators seeking to utilise SIEN-NET™ or EXO-NET™ in the joint development of novel diagnostic tests and therapies. The company is in advanced discussions, and under confidentiality arrangements, with a number of potential partners.

In addition to development plans for Sienna's existing products, management has new development projects in the pipeline including but not limited to the following:

- a novel cancer diagnostic assay to develop and commercialise a unique cancer probe, SubB2M, which is a blood test based on detection of a cancer-specific lectin using modified bacterial toxin. As a potential marker for the examination of diverse tumour types, it could be used in combination with other biomarkers providing the basis for new highly sensitive and specific assay for the screening of serum and other body fluids from individuals at high risk of ovarian, breast and other cancers
- three other novel cancer diagnostic assays with a number of partners, including Minomic
- a number of other potential projects with various research institutes currently under review.

Outlook

Sienna has not publicly released specific earnings forecasts for FY20 or beyond. Further, KPMG Corporate Finance is not aware of any brokers who follow and/or issue reports on Sienna.

7.6 Board of directors and senior management

Sienna's current Board is comprised of two Independent Non-Executive Directors, one Managing Director and an Executive Director. Details of Sienna's Board and senior management team are summarised in the table below.

Table 8: Sienna directors and senior management

Board members and senior management	
Geoffrey Cumming (Independent Non-Executive Chairman)	Carl Stubbings (Managing Director and Chief Executive Officer)
Helen Fisher (Independent Non-Executive Director)	Tony Di Pietro (Executive Director, Chief Financial Officer and Company Secretary)

Source: *Sienna Financial Statement for 1H20*

7.7 Capital structure and ownership

Issued capital

As at 28 April 2020, Sienna had the following securities on issue:

- 395,132,839 fully paid ordinary shares, and
- 11,966,666 unlisted share options.

In relation to the unlisted share options, we note:

- 330,000 unlisted share options, with an exercise price of $0.22 per option, will expire on 13 May 2020
- 500,000 unlisted share options, with an exercise price of $0.250 per option, will expire on 2 August 2021,
- 990,000 unlisted share options, with an exercise price of $0.250 per option, will expire on 21 September 2021,
- 1,666,666 unlisted share options, with an exercise price of $0.243 per option, will expire on 1 April 2022,
- 1,200,000 unlisted share options, with an exercise price of $0.125 per option, will expire on 3 May 2023,
- 1,800,000 unlisted share options, with an exercise price of $0.103 per option, will expire on 15 November 2023,
- 2,500,000 unlisted share options, with an exercise price of $0.101 per option, will expire on 4 December 2023,
- 1,980,000 unlisted share options, with an exercise price of $0.07 per option, will expire on 2 July 2024, and
- 1,000,000 unlisted share options, with an exercise price of $0.044 per option, will expire on 6 February 2025.

A condition of the Scheme is that Sienna must use all reasonable endeavours to obtain the agreement of each option holder to have all their options cancelled in consideration for the issue of a reasonably equivalent value of options in BARD1. On implementation of the Scheme, any remaining Sienna options on issue will be compulsorily acquired under Part 6A.2 (Div.2) of the Act.

Substantial shareholders

The substantial shareholders of Sienna as at 28 April 2020 are set out in the table below.

Table 9: Substantial shareholders

Holders of Ordinary Fully Paid Shares	Number of Units held	Percentage of issued capital
MERCHANT FUNDS MANAGEMENT PTY LTD	63,476,191	16.06%
JEFFREY GERARD EMMANUEL	33,571,428	8.49%
MR DAVID WILLIAMS	20,450,000	7.07%
MR DAVID NEATE	18,852,970	6.52%

Source: Sienna management

Shareholder distribution

The profile of Sienna's shareholder base as at 28 April 2020 is set out in the table below.

Table 10: Number of ordinary shares on issue and distribution of holdings

Range	Number of Holders	% of Holders	Number of Units	% of Units
100,001 and Over	275	32.86%	376,673,432	95.33%
10,001 to 50,000	406	48.51%	17,232,084	4.36%
5,001 to 10,000	124	14.81%	1,153,452	0.29%
1,001 to 5,000	19	2.27%	71,722	0.02%
1 to 1,000	13	1.55%	2,149	0.00%
Total	**837**	**100.00%**	**395,132,839**	**100.00%**

Source: Sienna management

As at 28 April 2020, approximately 95.3% of Sienna's shares were held by 32.9% of shareholders, and approximately 17.5% of Sienna's shareholders (by number of shareholders) held less than 0.3% of the total shares on issue.

Interests held internally

Sienna's Directors and Management hold interests in the company in the form of ordinary shares and unlisted share options. As at 28 April 2020, the Directors and Management of Sienna held the securities (either directly or indirectly) set out in the table below.

Table 11: Directors' and Management Shareholders' relevant interests in Sienna

Name	Position	Number of Ordinary Shares	Number of Options
Geoffrey Cumming	Non-executive Chairman	1,335,693	600,000
Helen Fisher	Non-executive Director	-	400,000
Carl Stubbings	CEO	223,280	400,000
Tony Di Pietro	CFO	-	2,800,000

Source: Sienna management

7.8 Share price performance

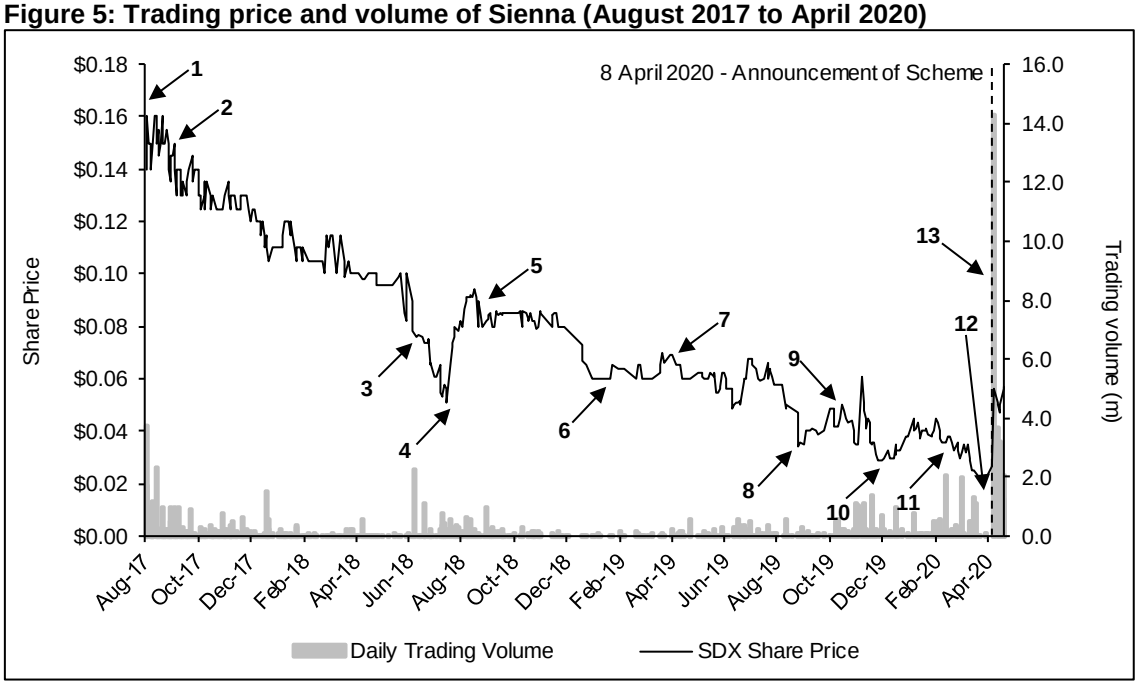
In assessing Sienna's share price performance, we have:

- analysed share price and trading volume since its listing on the ASX on 3 August 2017,
- compared the share price performance of Sienna to the S&P/ASX 200 Pharmaceuticals Biotechnology & Life Sciences (Industry Group) Index and the S&P/ASX Small Ordinaries Index, the most relevant indexes to Sienna, and
- analysed the trading liquidity of Sienna's Shares.

Share price and trading volume

Sienna's share price and trading volume since its listing on the ASX on 3 August 2017 is illustrated in the figure below.

Figure 5: Trading price and volume of Sienna (August 2017 to April 2020)



Source: S&P Capital IQ; KPMG Corporate Finance analysis

Since listing, Sienna's share price reached an intraday high of $0.191 on 3 August 2017 and a low of $0.020 on 16 March 2020. Key events which influenced the trading price and volume of Sienna's share over the period include:

1 On 3 August 2017, Sienna officially listed on the ASX at an issue price of $0.200 per share. Trading opened at $0.191 per share and closed at $0.133 per share.

2 On 31 August 2017, Sienna released its Appendix 4E and 2017 Financial Report, which highlighted a 25% increase in sales. Following those announcements, Sienna's share price increased by around 11% in the following week.

3 On 7 June 2018, Sienna announced that Johns Hopkins Hospital published a study result using Sienna's IVD test. Following the announcement, the company's daily trading volume increased by over 4,000%, although its share price declined by 14%.

4 On 18 July 2018, Sienna requested a trading halt pending an announcement with its last traded price being $0.049. On 20 July 2018, the company announced that it had finalised terms for a $5.2 million capital raise, comprising a $1.6 million placement to an institutional investor (Merchant Opportunities Fund) and Mr. David Williams, and a $3.6 million rights issue open to existing shareholders (at a price of $0.060 per share). When trading resumed

on 20 July 2018, the company's share price increased by 27% to $0.062 (from an opening price of $0.057).

5 On 24 August 2018, Sienna reported its 2018 financial results, which showed a decrease in product revenue and gross profit. Its share price dropped by 6% on the announcement date, and a further 6% on the following trading day.

6 On 22 January 2019, Sienna announced that the company appointed Mirax Corporation as an exclusive distributor for Korea to further its global expansion. Sienna's share price increased by 8% on 23 January 2019.

7 On 2 April 2019, Sienna made an announcement that it acquired a US-based company's ground-breaking "NETs" molecular capture platform, which enabled Sienna to expand into the rapidly growing liquid biopsy and exosome space. Its share price increased by 5% on the day.

8 On 23 August 2019, Sienna released its FY19 results, which reported a decrease in profitability compared to FY18. Its share price declined by approximately 27% in the following week.

9 On 16 October 2019, Sienna announced the appointment of Mr. Carl Stubbings, who had been a non-executive director of Sienna since 2011, as its new CEO after Mr. Matthew Hoskin stepped down. The company's share price increased by 11% on the day, closing at $0.050. Its daily trading volume increased by 190%.

10 On 26 November 2019, Sienna requested a trading halt (last traded price of $0.031) pending an announcement on 28 November 2019 and on 28 November 2019, Sienna further requested a suspension from official quotation. Sienna made an announcement on 29 November 2019 that it had raised approximately $4.2 million, before costs, via a share placement and rights issue at $0.035 per share. The company's share traded at an opening price of $0.035, before closing at a price of $0.029 on the day.

11 On 21 February 2020, Sienna announced its 1H20 results. Its loss before tax had increased by more than 55% compared to the same period in FY19. Its share price declined by more than 8% on the following trading day.

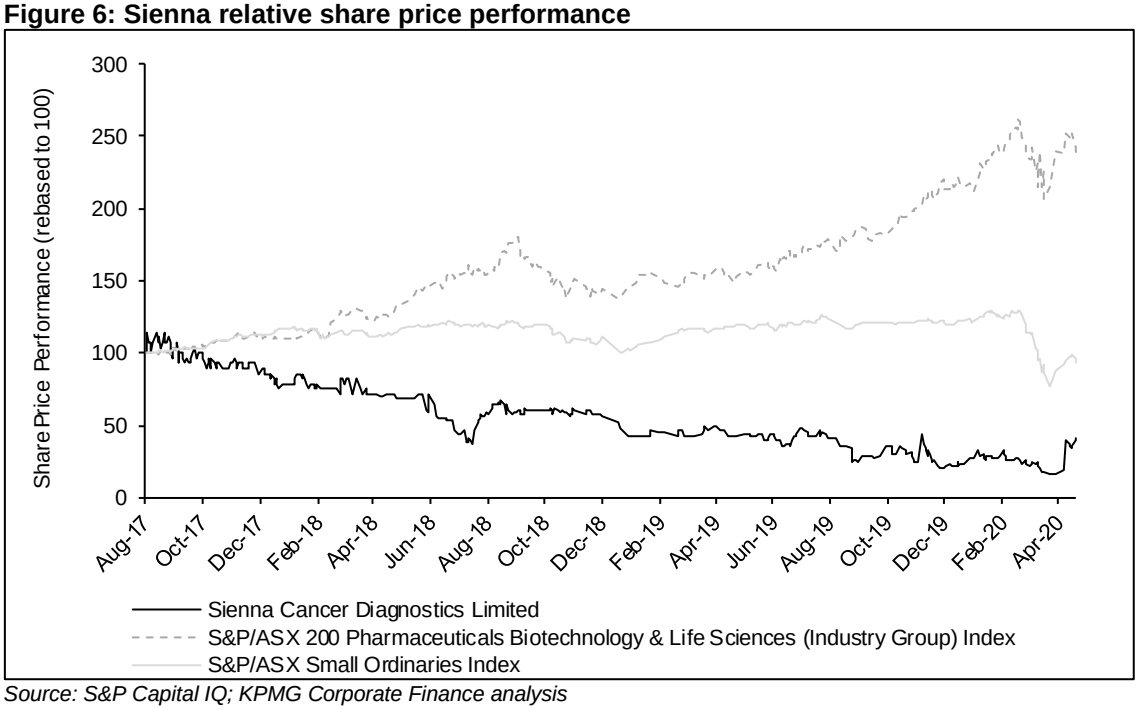
12 On 16 March 2020, Sienna's share price reached its trading low of $0.020, reflecting continued negative market sentiment following the company's recent performance.

13 On 8 April 2020, Sienna and BARD1 announced the Proposed Transaction, whereby BARD1 will acquire all of Sienna's ordinary shares. The last trading price prior to the announcement of the Scheme was $0.022. Following the announcement, Sienna's share price increased by 155% (reaching a high of $0.060) in the subsequent days, and its daily trading volume increased by more than 64,000%.

Relative share price performance

The trading performance of Sienna Shares over the period August 2017 to April 2020 relative to the S&P/ASX 200 Pharmaceuticals Biotechnology & Life Sciences (Industry Group) Index and the S&P/ASX Small Ordinaries Index is illustrated in the figure below.

Figure 6: Sienna relative share price performance



Source: S&P Capital IQ; KPMG Corporate Finance analysis

In relation to the figure above, we note that:

- the biotechnology sector (S&P/ASX 200 Pharmaceuticals Biotechnology & Life Sciences (Industry Group) Index) has consistently outperformed the small cap market (S&P/ASX Small Ordinaries Index) since February 2018, reflecting the strong investor sentiment for the biotechnology sector.
- Sienna's share price has underperformed both indexes since September 2017.

As stated in the previous section, Sienna's share price performance has been driven by the company's ongoing financial performance, capital position, and specific events. The company's share price over the past three years has been in a consistent downward trend as a result of its disappointing earnings results. This trend is opposite to the upward trend observed in the S&P/ASX 200 Pharmaceuticals Biotechnology & Life Sciences (Industry Group) Index over the same period.

Liquidity and volume weighted average price

The trading liquidity and VWAP of Sienna Shares for various periods ending 7 April 2020 is summarised in the table below.

Table 12: Liquidity and VWAP

Period	Price (low) $	Price (high) $	Price VWAP $	Cumulative value $m	Cumulative volume m	% of issued capital
1 day	n/a	n/a	n/a	n/a	n/a	n/a
1 week	n/a	n/a	n/a	n/a	n/a	n/a
1 month	0.02	0.04	0.03	0.1	4.2	1.1
3 months	0.02	0.05	0.03	0.4	13.4	3.4
6 months	0.02	0.07	0.04	1.0	27.6	8.2
12 months	0.02	0.08	0.04	1.5	36.1	11.2

Source: S&P Capital IQ; KPMG Corporate Finance analysis

During the 12 month period to 7 April 2020, 11.2% of Sienna's issued shares were traded. We consider this level of trading is insufficient to indicate Sienna Shares are liquid.

7.9 Dividends

Sienna has paid no dividends in the last three financial years.

8 Profile of BARD1

8.1 Background

BARD1 is a publicly listed Australian life sciences company focused on the identification, development and commercialisation of non-invasive diagnostic tests for early detection of cancer. The company is headquartered in Perth, Australia and has a contract research laboratory at the University of Geneva (UNIGE), Switzerland. BARD1 has a primary listing on the ASX, with the code BD1 and a market capitalisation of $32.8 million on 7 April 2020.[7]

BARD1 was established in June 2016 as a result of the acquisition of BARD1AG S.A. (BARD1AG), a Swiss public company limited by shares, by Eurogold Limited, an ASX listed company. BARD1AG pioneered a simple blood test for screening and diagnosing lung cancer, the BARD1 Lung Cancer Test (BARD1-Lung test), at early stages of disease progression. As at the date of this report, BARD1AG is the only wholly owned subsidiary company of BARD1, holding certain intellectual property licensed from UNIGE and University Hospital of Geneva (HUG).

The company's research activities are primarily undertaken under a research contract at UNIGE. BARD1's technology was originally developed by a leading research team at UNIGE and HUG. The research team was led by Dr Irmgard Irminger-Finger, an internationally renowned scientist who cloned the BARD1[8] gene and determined its biological function. Dr Irminger-Finger pioneered translational research validating BARD1 autoantibodies as an important biomarker for cancer, built an intellectual property portfolio, established collaborations worldwide and received multiple grants to advance the commercialisation of the BARD1 technology for diagnostic and therapeutic uses in cancer.

BARD1 is focused on the development and commercialisation of its BARD1-technology based diagnostic products and acquisitive growth strategy targeting complementary assets to expand its diagnostics portfolio. Recent key achievements and events in BARD1's corporate history include:

- in FY17 BARD1 initiated its new ovarian cancer diagnostic program, progressed its lung cancer diagnostic program including the evaluation of its BARD1-Lung test on a new platform, and entered a research collaboration to evaluate a potential BARD1-based cancer vaccine. Furthermore, a US patent was granted to the company for the BARD1-Lung test
- in FY18 the company advanced its ovarian cancer diagnostic program to develop the BARD1-Ovarian test with high diagnostic accuracy for detection of ovarian cancer, published its proof-of-concept (POC) study results for BARD1-Lung, progressed its cancer vaccine collaboration, and had several patents granted covering its BARD1-Lung test in Australia, Japan and Israel, as well as its BARD1-Ovarian test in the US

[7] The last trading day prior to the announcement of the Proposed Transaction.

[8] BRCA1-associated RING Domain 1

- during FY18, BARD1 completed two placements and a share purchase plan resulting in total capital raising of $2.8 million before costs. Further details of the capital raising initiatives are discussed in Sections 8.4, 8.7 and 8.8 below
- in FY19, the R&D team initiated an assay development project to build a research-use-only (RUO) BARD1 kit, further advanced an ovarian cancer program, initiated a new breast cancer program, and completed its exploratory cancer vaccine studies. The company was also granted five new patents across four patent families in the US, Europe, China and Hong Kong protecting the BARD1 technology and pipeline products
- during FY19, BARD1 completed an entitlement offer and a share placement, raising $8.3 million to fund the company's growth strategy
- in 1H20, the company raised an additional $2.5 million (before costs) from a non-renounceable entitlement offer in July 2019. New BARD1 shares were issued at $0.02 per share, with the funds to be used to enable further development of the BARD1 diagnostics pipeline including development and validation activities, progression of new R&D activities and commercial initiatives and provide ongoing working capital costs for strengthening management and R&D resources.

8.2 Strategy

BARD1's primary strategic objective is to focus on leveraging its BARD1 technology to develop diagnostic tests for early detection of cancer when it can be potentially cured. It aims to create a portfolio of unique non-invasive tests for the screening, diagnosis, prognosis, therapeutic selection and monitoring of various cancers.

The company plans to advance its products through clinical validation studies to demonstrate the clinical application of its technology, and commercialise its products through licensing its diagnostic tests to clinical laboratory, major diagnostic or biopharmaceutical partners in the US, Europe, Asia Pacific and other markets.

BARD1 continues to advance its current diagnostic programs, as well as to expand applications for its existing BARD1 biomarker technology. BARD1's existing contractors and collaborators include the UNIGE, Griffith University and Thermo Fisher Scientific (TFS). BARD1 is also seeking to expand its technology portfolio through research collaborations, in-licensing or acquisition of complementary technologies and novel products, as well as seeking commercialisation partners for its future BARD1 tests.

8.3 Business operations

BARD1 is headquartered in Perth and has a contract research laboratory in Geneva. The current core operating team of the company consists of three full-time staff, being the Chief Executive Officer, Chief Scientific Officer, and the Company Secretary. Additional R&D staff are contracted through the UNIGE and include a full-time Senior Scientist and part-time Laboratory Technician. BARD1 plans to relocate to Melbourne after FY20 and has initiated a technology transfer program to enable its research activities at its contract laboratory in Geneva to be transferred into product development in the Melbourne laboratory in December 2020.

BARD1's diagnostics pipeline currently consists of three development-stage BARD1 autoantibody tests, with several preclinical studies completed for early detection of ovarian, breast, and lung cancers. These tests are namely the BARD1-Ovarian, the BARD1-Breast tests, and the BARD1-Lung tests, respectively. Clinical validation studies are planned to evaluate the clinical performance, i.e. sensitivity and specificity, of the BARD1 tests in the intended patient populations.

The BARD1 tests are blood-based diagnostic tests, the results from which are used in a proprietary algorithm to identify the presence or absence of a specific cancer. The test names given by the company are unregistered brand names which may change as the product development is advanced into clinical development stage.

BARD1 technology

BARD1 is both a gene and a protein which plays an important role in the normal cell cycle and tumour suppression. Cancer cells however express numerous abnormal BARD1 proteins which drive cancer formation. These abnormal BARD1 proteins are essentially tumour-associated antigens which cause an immune response to induce the formation of antibodies. These antibodies are referred to as BARD1 autoantibodies in the blood and act as tumour markers that can be found in the blood of people with various cancer types and stages.

The proprietary BARD1 technology is a biomarker platform covering various BARD1 tumour markers, diagnostic assays and algorithms, which have potential applications across multiple cancers including ovarian, breast, lung, colorectal and other cancers. BARD1 also has the potential to be a therapeutic target for immunotherapies used in the prevention or treatment of cancer.

BARD1-Ovarian

The BARD1-Ovarian cancer test is BARD1's lead pipeline product. It is a non-invasive blood test in development for early detection of ovarian cancer. Ovarian cancer is the leading cause of gynaecological cancer deaths and there are currently no screening tests recommended. As it is often diagnosed at a late stage after symptoms have occurred, it has a poor 5-year survival rate of only 47%. This test could potentially be used as a screening test for early detection of ovarian cancer in high-risk genetically predisposed individuals, for risk assessment of malignancy in women with pelvic masses.

BARD1-Breast

The BARD1-Breast cancer test is in development for early detection of breast cancer, having demonstrated high specificity and sensitivity for the detection of breast cancer in average-risk women. The BARD1-Breast cancer test has the potential to be an alternative breast cancer screening test in average-risk asymptomatic women of all ages including women with dense breast tissue and women who return an inconclusive mammogram result. The test is based on the same BARD1 autoantibody test methodology as the BARD1-Ovarian cancer test, which should enable fast development and clinical testing. The BARD1-Breast test has commercial synergies with the BARD1-Ovarian test, potentially enabling the detection of both breast and ovarian cancers in high-risk women with hereditary breast and ovarian cancer syndrome.

BARD1-Lung

The BARD1-Lung cancer test is a non-invasive blood test in development for early detection of lung cancer, with its POC studies performed at UNIGE. The test could potentially be used as a screening test for early detection of lung cancer in high-risk asymptomatic individuals, as a diagnostic aid for lung cancer in people with symptoms, or to assess the risk of malignancy in people with indeterminate pulmonary nodules following a computed tomography (CT) scan. For example, individuals who have a history of smoking more than12 cigarettes per day are considered within the high-risk zone.

Assay Development Program

In FY18, BARD1 signed an Assay Development Agreement with TFS to develop a v1 RUO BARD1 autoantibody assay for performance on Luminex instrumentation. Luminex is a worldwide industry standard diagnostic technology platform used for biotechnology testing, specifically for development and commercialisation of multi-analyte diagnostic tests.

In 1H20, BARD1 extended the TFS contract into the optimisation phase to optimise an improved version v2 RUO BARD1 kit.

BARD1 Intellectual Property Portfolio

BARD1 has established an intellectual property portfolio to protect its biomarker technology platform and products with claims covering various BARD1 DNA and protein sequences, methods of diagnosis and treatment, and use in multiple cancers. The company owns or exclusively licenses five patent families with fourteen granted and sixteen pending patents covering its technology, products and uses in the US, Europe, China, Japan and other countries.

BARD1's historical financial performance from FY17 to 1H20 is discussed in the subsequent section. Given the BARD1 autoantibody tests are in development-stage, BARD1 has not generated any product revenue to date. The company's key cash inflows have been driven by R&D incentives and cash raised from capital initiatives.

8.4 Financial summary

Financial performance

The financial performance of BARD1 for FY17, FY18, FY19 and 1H20 is summarised in the table below.

Table 13: Financial performance of BARD1

Period $ thousand unless otherwise stated	FY17 Audited	FY18 Audited	FY19 Audited	1H20 Reviewed
Revenue				
Interest income	4.2	7.2	8.7	45.7
Other income	39.8	55.2	50.2	9.0
Total revenue	**44.0**	**62.4**	**58.9**	**54.7**
Research and development tax incentive	-	210.8	520.8	-
Gain on held for trading investments	-	91.5	-	-
Total other income	**44.0**	**364.7**	**579.7**	**54.7**
Research and development	(1,090.0)	(770.8)	(576.7)	(212.2)
Patent expenses	(131.2)	(180.9)	(137.0)	(80.7)
Employee benefits expense	(701.7)	(768.6)	(791.5)	(564.5)
Share based payments expense	(25.0)	(41.6)	(53.0)	(294.1)
Movement in the fair value of investments held for trading	(9.0)	(0.1)	(0.0)	-
Foreign exchange gain/(loss)	13.8	(16.0)	5.3	6.5
Impairment of available for sale financial assets	(56.5)	(28.2)	-	-
Depreciation	(8.0)	-	-	-
Provision for grant repayment	(65.4)	-	-	-
Administration costs	(575.3)	(375.7)	(743.9)	(467.0)
Total operating expenditures	**(2,648.2)**	**(2,182.0)**	**(2,297.0)**	**(1,612.1)**
Loss before income tax	**(2,604.2)**	**(1,817.3)**	**(1,717.3)**	**(1,557.4)**
Income tax expense	-	-	-	-
Loss for the period	**(2,604.2)**	**(1,817.3)**	**(1,717.3)**	**(1,557.4)**
Other comprehensive income, net of tax	3.2	(4.6)	(13.3)	(0.4)
Total comprehensive loss of the period	**(2,601.0)**	**(1,821.9)**	**(1,730.6)**	**(1,557.9)**
Statistics				
Weighted average number of ordinary shares ('000s) [1]	*552,209*	*708,638*	*1,265,912*	*1,359,079*
Basic earnings per share (cents per share) [2]	*(0.45)*	*(0.26)*	*(0.14)*	*(0.11)*
Revenue growth [3]	*na*	*41.8%*	*(5.6%)*	*98.3%*

Source: BARD1 Annual Report for FY18 and FY19, financial statements for 1H20 and KPMG Corporate Finance analysis

Notes:

1. *Weighted average number of ordinary shares used in calculating basic earnings per share (EPS).*
2. *The loss per share calculations for the year ended 30 June 2017 has been adjusted by a factor of 1.041 to reflect the bonus element of the capital raising and share purchase plan completed subsequent to year end.*
3. *1H20 revenue growth rate is calculated based on 1H19 results.*

In relation to the historical financial performance of BARD1, we note:

- BARD1 has not generated any product revenue to date. The company recognises interest income accrued on the carrying amount of its investment in financial assets. Other income

includes government grants which are recognised where they can be reliably measured, it is certain that the grant will be received and all attached conditions will be satisfied

- the company's key income has been derived from R&D incentive tax credits, which are recognised when there is reasonable assurance of receipt. The incentive for FY19 was not accrued as the company was in the process of finalising the claim amount and the application had not been lodged as at 31 December 2019. On 20 April 2020, the company received a R&D tax refund of $464 thousand for FY19 which is not reflected in the statement of financial position but will be included in total cash receipts in FY20
- the largest component of BARD1's operating expenses is employee benefits expense, which reflects the remuneration of BARD1's core operating team
- the other significant components of BARD1's operating expenses are research and development costs, as well as administration costs. Administration costs largely consist of consulting and legal fees for outsourced services, share register fees, and other administration expenses. Consulting and legal fees are related to R&D tax incentive refund, accounting, audit fees, and investor relations. The increase in administration costs in FY19 was a result of additional investor relations activities compared to FY18, higher travel and accommodation costs, insurance, and IT expenses
- share based payment expense in 1H20 reflects the net option grant expense in relation to the 15 million unlisted options issued to the company's Chief Executive Officer, Dr. Leearne Hinch
- the impairment of financial assets available for sale in FY17 and FY18 was in relation to investments made by Eurogold Limited in the ordinary shares of listed mining entities. The value of the investments was impaired based on the decline in the share price of the invested entities, which were also suspended from trading on the ASX
- other comprehensive income is primarily comprised of foreign currency translation and fair value loss on the sale of financial assets.

Financial position

The statements of financial position of BARD1 as at 30 June 2017, 30 June 2018, 30 June 2019 and 31 December 2019 are summarised in the table below.

Table 14: Financial position of BARD1

As at $ thousand unless otherwise stated	30 Jun 2017 Audited	30 Jun 2018 Audited	30 Jun 2019 Audited	31 Dec 2019 Reviewed
Cash and cash equivalents	650.1	1,445.7	7,556.7	8,699.0
Receivables	32.0	3.5	61.3	36.4
Held for trading investments	16.7	0.0	-	-
Prepayments	-	4.0	8.6	-
Current assets	**698.7**	**1,453.1**	**7,626.5**	**8,735.3**
Financial assets classified as available for sale	28.2	-	-	-
Non-current assets	**28.2**	**-**	**-**	**-**
Total assets	**726.9**	**1,453.1**	**7,626.5**	**8,735.3**
Trade and other payables	422.9	238.2	427.7	469.5
Provisions	35.7	62.4	35.5	56.5
Current liabilities	**458.7**	**300.6**	**463.2**	**526.0**
Provisions	10.3	22.0	28.7	31.7
Total non-current liabilities	**10.3**	**22.0**	**28.7**	**31.7**
Total liabilities	**469.0**	**322.7**	**491.9**	**557.7**
Net assets	**257.9**	**1,130.5**	**7,134.7**	**8,177.7**
Equity				
Contributed equity	6,645.5	9,298.4	16,980.1	19,286.9
Distribution reserve	(309.4)	(309.4)	(309.4)	(309.4)
Share based payment reserve	-	41.6	94.6	388.7
Foreign exchange translation reserve	(38.1)	(42.7)	(56.0)	(56.5)
Accumulated losses	(6,040.1)	(7,857.4)	(9,574.6)	(11,132.1)
Total equity	**257.9**	**1,130.5**	**7,134.7**	**8,177.7**
Statistics				
Shares on issue at period end ('000)[1]	*552,830*	*828,662*	*1,242,895*	*1,367,185*
Net asset value per share (cents per share)[2]	*0.05*	*0.14*	*0.57*	*0.60*

Source: BARD1 Annual Report for FY18 and FY19, financial statements for 1H20 and KPMG Corporate Finance analysis

Notes:

1. *BARD1 ordinary shares are as at period end.*
2. *Net asset value (NAV) per share is calculated as net asset value divided by the number of BARD1 Shares as at period end.*

In relation to the financial position of BARD1, we note:

- cash and cash equivalents of BARD1 as at 30 June 2019 increased from 30 June 2018 due to the completion of an entitlement offer and a placement during the financial year, raising $8.3 million (before costs) at an issue price of $0.02 per share. Subsequently in 1H20, BARD1's cash balance as at 31 December 2019 increased from the balance at 30 June 2019 mainly due to a fully subscribed non-renounceable entitlement offer undertaken in July 2019, raising $2.5 million (before costs) at an issue price of $0.02

- investments classified as held for trading and financial assets classified as available for sale in FY17 consist of various investments made by Eurogold Limited in the ordinary shares of listed mining entities. In FY18, BARD1 disposed of investments with carrying value of $16.6 thousand
- NAV per share increased from 0.05 cents at 30 June 2017 to 0.60 cents at 31 December 2019, predominantly as a result of the successful completion of capital raising initiatives over the period FY17 to 1H20.

Statement of cash flows

The cash flow statements for BARD1 for the periods FY17 to 1H20 are summarised in the table below.

Table 15: Cash flow statement of BARD1

Period	FY17	FY18	FY19	1H20
$ thousand unless otherwise stated	Audited	Audited	Audited	Reviewed
Receipts from operating activities	39.8	55.2	50.2	9.0
Receipts from the Research and Development Tax Incentive	-	210.8	520.8	-
Interest received	4.2	7.2	8.7	45.7
Payments to suppliers and employees	(2,422.3)	(2,238.5)	(2,150.4)	(1,219.2)
Operating cash flows	**(2,378.3)**	**(1,965.3)**	**(1,570.7)**	**(1,164.5)**
Net cash received on sale of held for trading assets	-	108.0	-	-
Investing cash flows	**-**	**108.0**	**-**	**-**
Net proceeds from issue of ordinary shares	-	2,652.9	7,681.7	2,306.8
Convertible notes repaid	(69.4)	-	-	-
Financing cash flows	**(69.4)**	**2,652.9**	**7,681.7**	**2,306.8**
Net cash generated/(used)	**(2,447.7)**	**795.6**	**6,111.0**	**1,142.3**
Net foreign exchange difference				
Cash and cash equivalents - opening balance	***3,097.8***	***650.1***	***1,445.7***	***7,556.7***
Cash and cash equivalents - closing balance	***650.1***	***1,445.7***	***7,556.7***	***8,699.0***

Source: BARD1 Annual Report for FY18 and FY19, financial statements for 1H20 and KPMG Corporate Finance analysis

BARD1 was listed on the ASX on 20 June 2016 and did not undertake any capital raising initiatives until July 2017. In FY18, BARD1 raised a total of $2.8 million from a placement to sophisticated and professional investors ($1.1 million before costs) and a share purchase plan from existing shareholders ($0.4 million before costs) at an issue price of $0.008 per share, as well as a placement to sophisticated and professional investors raising $1.3 million before costs at an issue price of $0.015 per share.

In FY19, BARD1 undertook two capital raising initiatives raising $8.3 million before costs at an issue price of $0.02 per share, to fund the company's R&D activities and the expansion of its intellectual property portfolio. These initiatives included an entitlement offer in December 2018 raising $3.3 million and a private placement in June 2019 raising $5.0 million.

Subsequently in July 2019, the company completed a capital raising of $2.5 million (before costs) by way of a non-renounceable entitlement offer. A total of 124,289,854 new BARD1 shares were issued at $0.02 per share.

Based on the cashflow forecasts provided by management, incorporating the receipt of funds from the capital raising initiatives undertaken in July 2019, the Board anticipated the working capital requirements of the business to be sufficiently funded for at least the next twelve months from August 2019.

During the three months to 31 March 2020, BARD1 received a GST refund of $34 thousand and incurred advisory costs of $128 thousand in relation to the Proposed Transaction. In addition, on 20 April 2020 the company received a R&D tax refund of $464 thousand for FY19. These receipts are not reflected in the statement of cash flows but will be included in total cash receipts in FY20.

8.5 Strategy and outlook

Key risks

The key risks to BARD1's business include the following:

- ***development and commercialisation prospects***: BARD1's products are all in development stage with various planned further studies to develop, optimise and validate its pipeline products. There is a risk that these studies may not achieve the company's commercial goals, and if these commercial goals are achieved, the risk of not being able to commercialise the products and generate enough revenue to fund the development of future products is present
- ***cashflow risks***: given the current development stage of the business, BARD1 has a lack of product revenue and operating cash inflow, imposing an impact on funds available for the execution of management's strategies. Furthermore, the company may not be able to meet its future capital requirements, especially for its R&D activities. The products are also subject to delays in progress and uncertainty regarding product uptake and market competition. As such, the company may need to raise capital regularly, and should the company require additional funding there can be no assurance that it will be available on acceptable terms
- ***regulatory risks***: the requirements imposed by regulatory bodies on the registration of medical devices and tests are complex and vary by region. Successful precedent with one regulatory body is not determinate of the decision reached by a different regulatory authority. Furthermore, the registration process is lengthy and there is no guarantee that existing regulatory approval or registration will not be revoked in the future
- ***intellectual property***: the granted and pending patent cases cover BARD1's technology, products and uses in multiple jurisdictions beyond 2030, however there is no guarantee that the company's patent applications will be granted and that the company's owned and licensed patent rights comprise all the rights BARD1 requires to freely use and commercialise its products. Further, potential legal challenge to any patent with the BARD1 intellectual property portfolio could adversely impact its development and commercialisation activities

- ***key personnel***: BARD1 currently employs, or engages as consultants, several key members of its management and R&D team. The potential loss of any of these key members may adversely affect the company and hinder the achievement of its research, product development and commercialisation objectives. BARD1's future success depends on retaining key personnel and attracting additional suitably qualified management and scientific staff
- ***industry competition***: as BARD1 has not commenced generating product revenue and has no trading history, there is relatively greater uncertainty in relation to the potential uptake of its products in the highly competitive cancer diagnostic industry. Some of BARD1's competitors are larger in scale with greater geographic reach, and access to capital and resources. In the event where BARD1's competitors develop tests and diagnostic products superior to the BARD1 tests, the company's profitability may be severely affected.

Growth initiatives

BARD1 is committed to realising the commercial potential of the BARD1 technology and advancing its diagnostic and therapeutic projects towards key development milestones. In the near term, the company plans to:

- develop an improved version 2 RUO BARD1 kit for use in BARD1's ongoing research activities enabling the performance of its in-development diagnostic tests on the Luminex platform
- perform additional studies to further develop, optimise and validate its lead pipeline product the BARD1-Ovarian test for early detection of ovarian cancer
- advance its second pipeline product the BARD1-Breast test for early detection of breast cancer
- conduct additional research studies to evaluate the BARD1-Lung cancer test as a screening test for early detection of lung cancer in high-risk individuals
- work with Griffith University under the Consultancy and Commercial Research Agreement to advance its BARD1 autoantibody tests towards clinical validation and commercialisation
- recruit additional staff to accelerate research projects and implement technology transfer, as well as to relocate its head office and establish a laboratory in Melbourne.

Outlook

BARD1 has not publicly released specific earnings forecasts for FY20 or beyond. Further, KPMG Corporate Finance is not aware of any brokers who currently follow and/or issue reports on BARD1.

8.6 Board of directors and senior management

BARD1's current Board is comprised of four Independent Non-Executive Directors and one Executive Director. Details of BARD1's Board and senior management team are summarised in the table below.

Table 16: BARD1 directors and senior management

Board members and senior management	
Peter Lynton Gunzburg	Dr Irmgard Irminger-Finger
(Non-executive Chairman)	(Executive Director and Chief Scientific Officer)
Robert (Max) Johnston	Dr Leearne Hinch
(Independent Non-Executive Director)	(Chief Executive Officer)
Philip John Powell	Pauline Anne Collinson
(Independent Non-Executive Director)	(Company Secretary)
Allan William Cripps	
(Independent Non-Executive Director)	

Source: BARD1 Annual Report for FY19 and Financial Statement for 1H20

8.7 Capital structure and ownership

Issued capital

As at 28 April 2020, BARD1 had the following securities on issue:

- 1,367,185,026 fully paid ordinary shares,
- 217,003,236 performance shares, and
- 17,000,000 unlisted share options issued.

In relation to the unlisted share options, we note:

- 2,000,000 unlisted share options, with an exercise price of $0.0128 per option, will expire on 20 February 2022,
- 10,000,000 unlisted share options, with an exercise price of $0.0350 per option, will expire on 4 October 2023, and
- 5,000,000 unlisted share options, with an exercise price of $0.0620 per option, will expire on 20 November 2023.

In the event of a change of control, the board has the discretion to vest some or all of the share options based on the extent to which any applicable vesting conditions have been satisfied.

Substantial shareholders

The substantial shareholders of BARD1 as at 28 April 2020 are set out in the table below.

Table 17: Substantial shareholders

Holders of Ordinary Fully Paid Shares	Number of Units held	Percentage of issued capital
Merchant Funds Management	155,266,958	11.36%
Dr Irmgard Irminger-Finger	123,600,000	9.04%
Jeffrey Gerard Emmanuel	105,179,166	7.69%
Moggs Creek Pty Ltd (Moggs Creek Super Fund A/C)	81,000,000	5.92%

Source: BARD1 management

Shareholder distribution

The profile of BARD1's shareholder base as at 28 April 2020 is set out in the table below.

Table 18: Number of ordinary shares on issue and distribution of holdings

Range	Number of Holders	% of Holders	Number of Units	% of Units
100,001 and Over	1,119	38.13%	1,298,444,156	94.97%
10,001 to 100,000	1,461	49.78%	67,419,268	4.93%
5,001 to 10,000	110	3.75%	939,226	0.07%
1,001 to 5,000	127	4.33%	349,779	0.03%
1 to 1,000	118	4.02%	32,597	0.00%
Total	**2,935**	**100.00%**	**1,367,185,026**	**100.00%**

Source: BARD1 management

In relation to the distribution of shares on issue, we note:

- approximately 95.0% of BARD1's shares were held by 38.1% of shareholders
- approximately 12.1% of BARD1's shareholders (by number of shareholders) held around 0.1% of the total shares on issue.

Interests held internally

BARD1's Directors and Management hold interests in the company in the form of ordinary shares, performance shares, and unlisted share options. As at 28 April 2020, the Directors and Management of BARD1 held the securities (either directly or indirectly) set out in the table below.

Table 19: Directors' and Management Shareholders' relevant interests in BARD1

Name	Position	Number of Ordinary Shares
Ordinary fully paid shares		
Irmgard Irminger-Finger	Director	123,600,000
Peter Gunzburg	Director	39,382,206
Philip Powell	Director	5,000,000
Robert Johnston	Director	5,700,000
Performance shares		
Irmgard Irminger	Director	108,252,420
Unlisted share options expiring 4 October 2023 at exercise price of $0.035		
Leearne Hinch	CEO	10,000,000
Unlisted share options expiring 20 November 2023 at exercise price of $0.062		
Leearne Hinch	CEO	5,000,000

Source: BARD1 management

8.8 Share price performance

In assessing BARD1's share price performance, we have:

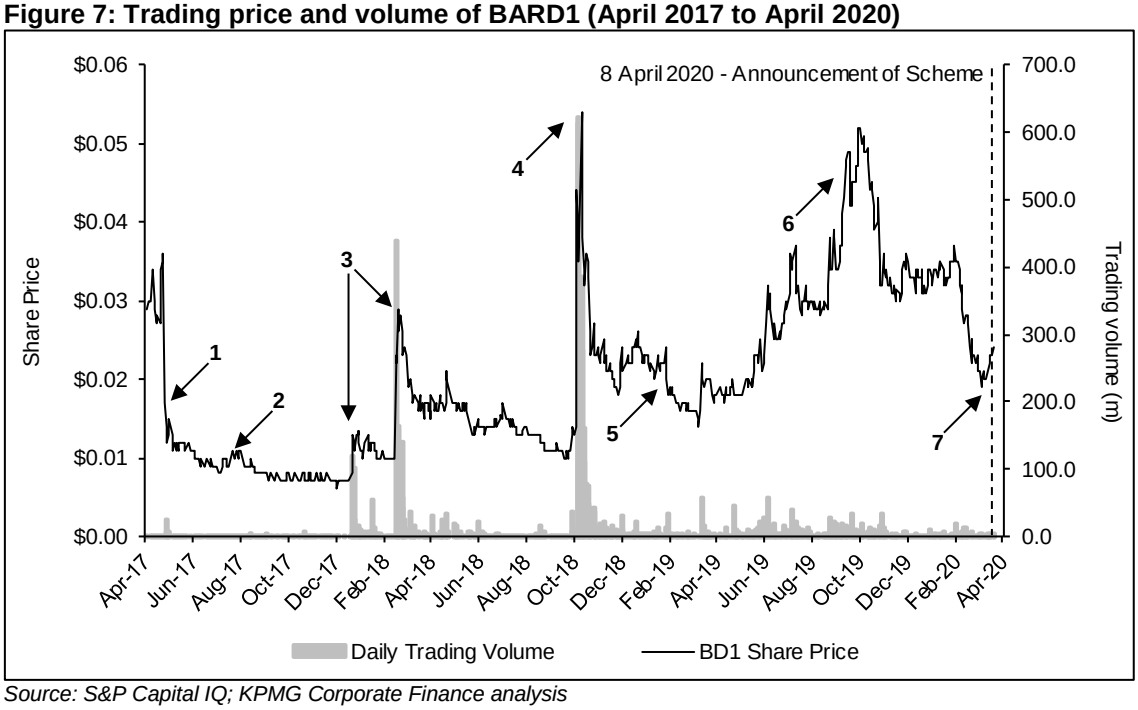
- analysed share price and trading volume since 20 April 2017,

- compared the share price performance of BARD1 to the S&P/ASX 200 Pharmaceuticals Biotechnology & Life Sciences (Industry Group) Index and the S&P/ASX Small Ordinaries Index, the most relevant indexes to BARD1, and
- analysed the trading liquidity of BARD1 Shares.

Share price and trading volume

BARD1's share prices and trading volume in the three years since 20 April 2017 is illustrated in the figure below.

Figure 7: Trading price and volume of BARD1 (April 2017 to April 2020)



Source: S&P Capital IQ; KPMG Corporate Finance analysis

Over the past three years, BARD1's share price reached a high of $0.054 on 29 October 2018 and a low of $0.006 on 20 December 2017. Key events which influenced the trading price and volume of BARD1 shares over the period include:

1 On 15 May 2017, BARD1's share price declined by more than 50% to $0.012 after its announcement of lower than expected lung cancer study accuracy results using a new assay.

2 On 7 August 2017, BARD1 announced it had been issued an Australian Patent titled "BARD1 isoforms in lung and colorectal cancer and use thereof", and announced its lung cancer test result could be further developed as a screening test or diagnostic aid for lung cancer. The share price increased by approximately 11% on 7 August 2017 and a further 10% on 8 August 2017, reflecting improved investor sentiment.

3 On 9 January 2018, BARD1 announced encouraging ovarian cancer study results. On 6 March 2018, BARD1 further announced additional ovarian cancer test results. Following those announcements, BARD1's share price increased by 50% and 130% respectively, and its daily trading volume increased by 7,478% and 411,059% respectively.

4 On 23 October 2018, BARD1 announced its development of a world-first blood test for early detection of breast cancer, targeting the U$20 billion global market. Its share price increased on the day by more than 200%, closing at $0.044, with daily trading volume increasing by more than 6,000%.

5 On 15 February 2019, BARD1 announced its cancer vaccine study results. Although the results were encouraging, further research is required to evaluate different BARD1 antigens, vaccine formulations and doses. BARD1 shares traded down 16% to $0.020 following the announcement.

6 On 8 October 2019, BARD1 announced it had reached the phase three milestone for its contracted assay development program to transfer its BARD1 assay to the Luminex platform, calling this an important step for the company in advancing development of BARD1 autoantibody tests. BARD1 shares closed at $0.042 on the day, and traded up by 24% to $0.052 in the days following announcement of the Notice of AGM on 11 October 2019.

7 On 2 April 2020, BARD1 announced that it had signed a Consultancy and Commercial Research Agreement with Griffith University, to access key expertise in immunoassay development and performance, biostatistical analysis and critical biospecimens for future clinical validation studies. Following the announcement, BARD1 shares generally traded up in the following days (by around 14% to a range of $0.022-0.025) until announcement of the Scheme on 8 April 2020.

On 7 April 2020, the last trading day prior to announcement of the Scheme, BARD1's share price closed at $0.024. Following the announcement of the Scheme, BARD1 shares increased by around 4% to trade in the range of $0.022 to $0.030 in the period to 20 April 2020.

Over the past three years, BARD1 has submitted four trading halt requests and one voluntary suspension request, for the reasons set out below.

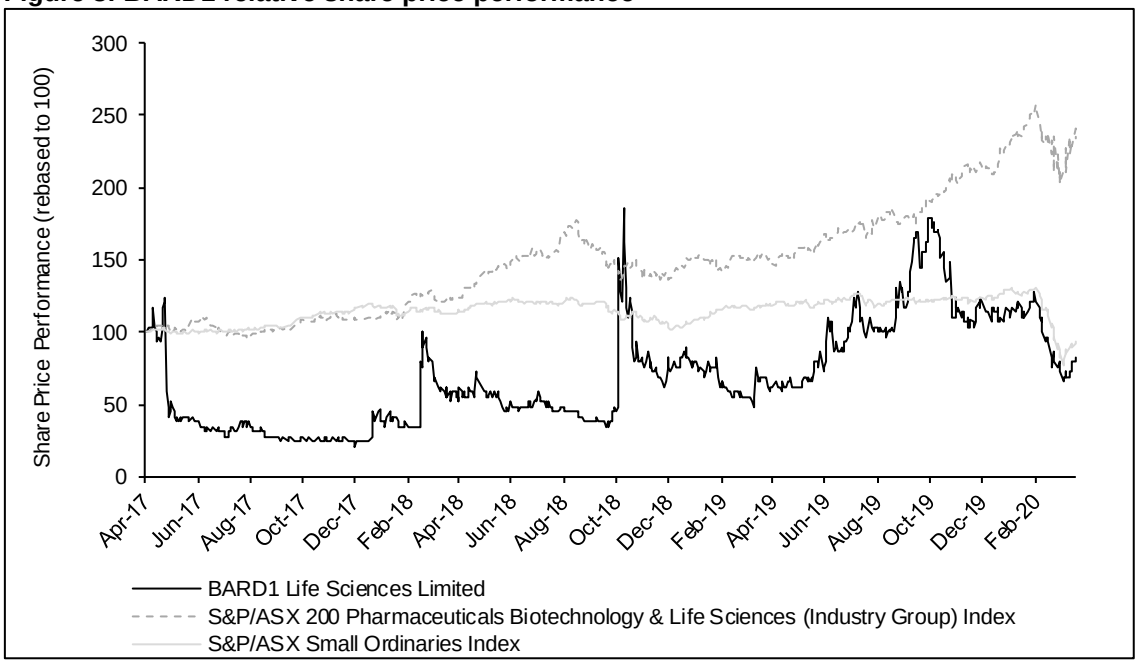
- On 3 July 2017, BARD1 requested a trading halt pending an announcement, with its last traded price being $0.010. On 5 July 2017, BARD1 announced that it had received binding commitments for a share placement to raise approximately $1.1 million (before costs) through the issue of 137,165,811 new shares at an issue price of $0.008 per share. BARD1 shares closed at $0.009 on 5 July 2017
- On 10 May 2018, BARD1 requested a trading halt (last traded price of $0.019) and then requested a voluntary suspension on 14 May 2018. On 18 May 208, BARD1 announced that it had signed an assay development agreement with Thermo Fisher Scientific. BARD1 shares traded at an opening price of $0.020 (high at $0.022) before closing at a price of $0.016 on 18 May 2018

- On 7 November 2018, BARD1 requested a trading halt pending an announcement. On 8 November 2018, BARD1 announced a non-renounceable rights issue at an issue price of $0.020 per share. The share price dropped by 22% to $0.025 (from an opening price of $0.032)
- On 14 June 2019, BARD1 requested a trading halt pending an announcement (last traded price of $0.025). On 18 June 2019, the company announced a capital raising package of approximately $7.5 million to advance its growth strategy, and the appointment of two new board directors with health care industry experience. BARD1 shares commenced trading at $0.021 after the announcement.

Relative share price performance

BARD1's share price performance was considered relative to the biotechnology & life sciences sector (S&P/ASX 200 Pharmaceuticals Biotechnology & Life Sciences (Industry Group) Index) and the small cap sector (S&P/ASX Small Ordinaries Index), to represent the company's biotechnology & life sciences sector focus and small cap status. The relative share price performance is illustrated in the figure below.

Figure 8: BARD1 relative share price performance



Source: S&P Capital IQ; KPMG Corporate Finance analysis

In relation to the figure above, we note that:

- the S&P/ASX 200 Pharmaceuticals Biotechnology & Life Sciences (Industry Group) Index has consistently outperformed the S&P/ASX Small Ordinaries Index over the past three years, reflecting the positive long term fundamentals of the biotechnology & life sciences industry

- although there have been periods of slight over-performance, BARD1's share price has underperformed the S&P/ASX 200 Pharmaceuticals Biotechnology & Life Sciences (Industry Group) Index and, less so, the S&P/ASX Small Ordinaries Index for most of the past three years.

As indicated in the preceding section, movements in BARD1's share price have largely been driven by a combination of company specific events (particularly announcements relating to its research and study outcomes), and its ongoing financial performance and capital position.

Liquidity and volume weighted average price

The trading liquidity and VWAP of BARD1 Shares for various periods ending 7 April 2020 is summarised in the table below.

Table 20: Liquidity and VWAP

Period	Price (low) $	Price (high) $	Price VWAP $	Cumulative value $m	Cumulative volume m	% of issued capital
1 day	0.02	0.03	0.02	0.1	3.3	0.2
1 week	0.02	0.03	0.02	0.3	12.0	0.9
1 month	0.02	0.03	0.02	1.4	62.8	4.6
3 months	0.02	0.04	0.03	6.4	214.4	15.7
6 months	0.02	0.06	0.04	19.8	541.9	39.6
12 months	0.02	0.06	0.03	49.6	1,542.5	121.5

Source: S&P Capital IQ; KPMG Corporate Finance analysis

During the 12 month period to 7 April 2020, 121.5% of BARD1's issued shares were traded. This level of trading is sufficient to indicate that BARD1 shares are liquid.

8.9 Dividends

BARD1 has paid no dividends in the last three financial years.

9 Profile of Merged Group

9.1 Background

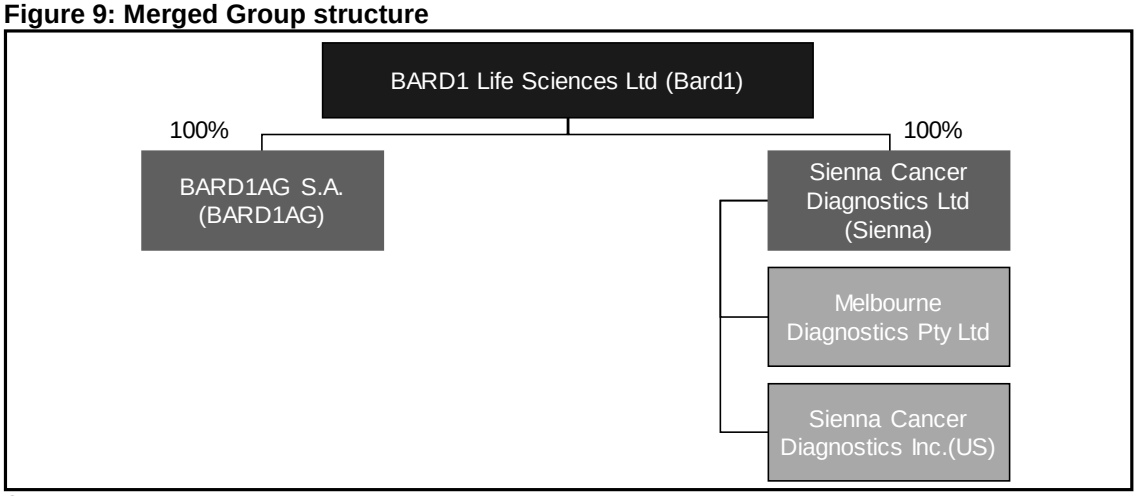
The combined businesses of Sienna and BARD1 (Merged Group) will retain the 'BARD1' name. The Merged Group will be a larger Australian medical technology company focused on the development and commercialisation of world-leading novel cancer diagnostic products. The Merged Group will be incorporated in Australia, with its primary listing on the ASX, and its principal R&D activities undertaken in Melbourne. It will leverage a strong management team, combined infrastructure, and core competencies to create a portfolio of products that will provide a stronger path to increased revenue and long-term sustainable growth.

Relative to Sienna on a stand-alone basis, the Merged Group will have approximately $13.7 million of pro forma cash at 31 December 2019, $1.8 million of pro forma income and $0.8 million of pro forma external R&D expenditure in FY19 (compared to Sienna's stand-alone income of $1.2 million at 31 December 2019, external R&D expenditure of $0.2 million and cash of $4.5 million in FY19). The pro forma financials of the Merged Group are detailed in Section 9.3.

9.2 Business operations

As a result of the Proposed Transaction, Sienna will be delisted from the ASX and former Sienna shareholders will become shareholders of BARD1. Sienna will become a direct, wholly-owned subsidiary of BARD1 as illustrated in the following figure.

Figure 9: Merged Group structure



Source: BARD1 management

The Merged Group will have circa 16 employees. While changes in existing employees of Sienna and BARD1 may arise from the planned relocation to Melbourne and technology transfer to the Melbourne-based laboratory, new staff may be hired and potential vacant positions will be filled under the Merged Group structure.

The merger of Sienna and BARD1 is expected to create a leading Australian-based cancer diagnostics company with a global focus, supported by an experienced leadership team and strong balance sheet. It will include a deep portfolio of innovative cancer diagnostic technologies and products brought together by both companies which are complementary and enable the development of early-stage testing for a range of cancers including ovarian, breast, lung, bladder and pancreatic cancers.

The Merged Group will progress commercial development that may potentially generate significant new product and licensing revenues in the following key programs:

- ***hTERT***: a revenue generating test used to assist in the diagnosis of bladder cancer with a potential to detect other cancer types
- ***BARD1 autoantibodies***: blood tests in development for early detection of ovarian, breast and lung cancers
- ***SIEN-NET™***: a sample preparation platform that may enable the Merged Group to grow within the medical diagnostics industry by way of the development of a new suite of tools for non-invasive cancer screening via liquid biopsy. Furthermore, the commercialisation of EXO-NET™ as a kit for sale to research organisations may increase its product uptake in the global market
- ***SubB2M***: the SubB2M technology which Sienna obtained the exclusive worldwide licence for, is expected to be complementary to its SIEN-NET™ technology and the BARD1 autoantibody assays for ovarian and breast cancer. SubB2M may also have utility as a cancer marker for other diagnostic platforms such as Immunoassay and imaging
- ***unique cancer markers***: the Merged Group will have a range of cancer diagnostic assay projects in the pipeline, as well as established collaborations with industry partners, which will continue to identify and commercially develop a range of cancer biomarkers that could be complementary to the above development platforms.

The Merged Group will seek to expand its cancer diagnostics portfolio through acquisition or in-licensing of complementary diagnostic assets for early detection of cancer. It will be well positioned with the necessary Board expertise, management experience and balance sheet strength to grow its existing revenues and advance the commercialisation of its expanded diagnostics portfolio.

9.3 Pro forma financials

Financial performance

The pro forma statements of financial performance of the Merged Group for FY19 and 1H20 are summarised in the table below.

Table 21: Pro forma financial performance of the Merged Group

Period $ thousand unless otherwise stated	FY19 Audited	1H20 Reviewed
Revenue		
Product revenue	531.3	300.5
Cost of goods sold	(52.3)	(25.6)
Gross profit	**478.9**	**274.9**
Research and development tax incentive	964.4	405.0
Grant, interest and other income	267.7	112.0
Total other income	**1,232.2**	**516.9**
Employee and contractor costs	(3,201.2)	(1,983.6)
Administration	(1,486.4)	(762.7)
Research and development	(756.3)	(353.7)
Insurance	(202.0)	(118.8)
Travel and meetings	(155.2)	(92.9)
Patent expenses	(137.0)	(80.7)
Depreciation and amortisation	(132.6)	(86.3)
Other operating expenses	(57.3)	(288.2)
Total operating expenditures[1]	**(6,128.0)**	**(3,766.9)**
Capitalisation of development expenditure	-	-
Loss before income tax	**(4,416.9)**	**(2,975.0)**
Income tax expense	-	-
Loss for the period	**(4,416.9)**	**(2,975.0)**
Other comprehensive income, net of tax	27.5	3.7
Total comprehensive loss of the period	**(4,389.4)**	**(2,971.3)**
Statistics		
Weighted average number of ordinary shares ('000s)[2]	*2,394,530*	*2,394,530*
Basic earnings per share (cents per share)	*(0.18)*	*(0.12)*
Product revenue growth[3]	*na*	*9.3%*
Cost of goods sold as percentage of sales (%)	*9.8%*	*8.5%*
Gross profit growth[3]	*na*	*10.2%*
Gross profit margin	*90.2%*	*91.5%*

Source: Sienna and BARD1 Annual Report for FY19, financial statements for 1H20 and KPMG Corporate Finance analysis

Notes:

1. *Sienna adopted AASB 16 from 1 July 2019 using the modified retrospective method, therefore no adjustments were made to comparative balances.*
2. *Weighted average number of ordinary shares used in calculating basic earnings per share (EPS) has been assumed to be the total number of BARD1 shares post-merger.*
3. *1H20 revenue growth and gross profit growth are calculated based on 1H19 results.*

In relation to the Merged Group pro forma statements of financial performance, we note:

- the pro forma product revenue reflects revenue generated from the sales of hTERT. BARD1 has not generated any product revenue to-date
- other income streams includes interest income, R&D tax incentive and government grants (which are recognised only when they can be reliably measured and all attached conditions will be satisfied)
- the Merged Group will have pro forma income of $1.8 million in FY19, including product revenue and other income, compared to the stand-alone income of $1.2 million for Sienna and $0.6 million for BARD1 in FY19
- the Merged Group will have pro forma external R&D expense of approximately $0.8 million in FY19, compared the stand-alone external R&D expense of $0.2 million for Sienna and $0.6 million for BARD1 in FY19
- the Merged Group will have pro forma employee and contractor costs of $3.2 million in FY19, primarily comprised of existing costs incurred by Sienna ($2.5 million). Employee and contractor costs are expected to increase post the Proposed Transaction as a result of staff hiring for replacement and new positions
- other operating expenses include share based payments expense and foreign exchange gain or loss from BARD1.

Financial position

The pro forma statement of financial position of the Merged Group as at 31 December 2019 is summarised in the table below.

Table 22: Pro forma financial position of the Merged Group

As at $ thousand unless otherwise stated	31 Dec 2019 Reviewed
Cash and cash equivalents	13,675.0
Trade and other receivables	120.2
Inventories	29.2
Other current assets	110.4
Current assets	**13,934.7**
Right of use assets[1]	1,903.5
Intangible assets	4,116.4
Property, plant and equipment	77.9
Goodwill	14,920.8
Non-current assets	**21,018.6**
Total assets	**34,953.3**
Trade and other payables	2,116.5
Provisions	173.8
Lease liability	131.7
Current liabilities	**2,422.0**
Provisions	116.4
Lease liability	1,758.3
Total non-current liabilities	1,874.7
Total liabilities	**4,296.7**
Net assets	**30,656.6**
Total equity	**30,656.6**
Statistics	
Shares on issue at period end ('000)[2]	*2,394,530*
Net asset value per share (cents per share)[3]	*1.28*
Intangible assets to total assets (%)[4]	*12.5%*

Source: Sienna and BARD1 financial statements for 1H20, the Scheme Booklet and KPMG Corporate Finance analysis
Notes:

1. *Sienna adopted AASB 16 from 1 July 2019 using the modified retrospective method, therefore no adjustments were made to comparative balances.*
2. *Ordinary shares as at period end have been assumed to be the total number of BARD1 shares post-merger.*
3. *Net asset value (NAV) per share is calculated as net asset value divided by the number of BARD1 shares post-merger as at period end. NAV excludes right of use assets, lease liabilities and make good provision.*
4. *Intangible assets to total assets is calculated as intangible assets divided by total assets less right of use assets.*

In regard to the Merged Group pro forma statements of financial position, we note the following:

- the pro forma cash balance of the Merged Group as at 31 December 2019 is approximately $13.7 million, compared to the stand-alone cash balance of $5.0 million for Sienna and $8.7 million for BARD1
- the Merged Group will have intangible assets of $4.1 million as at 31 December 2019, compared to the nil for BARD1 pre-merger

- the Merged Group will have goodwill of $14.9 million as at 31 December 2019 as a result of the Proposed Transaction
- the pro forma trade and other payables balance as at 31 December 2019 reflects $1.5 million of transaction costs relating to the Proposed Transaction
- the Merged Group will have net assets of $30.7 million as at 31 December 2019, compared to $9.1 million for Sienna and $8.2 million for BARD1 as stand-alone entities.

9.4 Strategy and outlook

The Merged Group's strategy will be complementary to Sienna's growth strategy, and Sienna's Board and management expect the Proposed Transaction will enhance its ability to meet Sienna's strategic objectives as set out in the following sections.

Expanded product pipeline

The Merged Group will be committed to commercialising its existing technologies, increasing the level of R&D investment, and developing new products for business growth. In particular, the Merged Group will:

- keep supporting and enhancing the marketing programs to increase sales of the hTERT product globally
- work on advancing BARD1's existing product development strategy and commercialising its lead BARD1-Ovarian test. Successful commercialisation of the BARD1-Ovarian test could validate further application of the technology to breast and other cancers. The Merged Group will complete the BARD1 Assay Development project to transfer the BARD1 technology to the Luminex platform
- accelerate the development, validation and registration of the SIEN-NET™ core exosome-based liquid biopsy product. The launch of the Merged Group's first exosome-based diagnostic tool should verify the market entry path of the SIEN-NET™ technology
- work collaboratively with biopharmaceutical companies and explore non-core exosome-based diagnostic and therapeutic programs. The Merged Group considers these collaborations to be critical, which can potentially validate the SIEN-NET™ technology and reduce the exosome manufacturing costs through scale-up
- continuously identify and assess other diagnostic technologies that complement its existing products. One priority of the Merged Group is the acquisition or in-license of the best of these technologies in order to build a portfolio of additional products that will create sustainable growth.

Comprehensive global footprint

Sienna had appointed distribution partners in New Zealand, China, South Korea, Brazil and Singapore last year in addition to its existing distributors in the USA, Denmark, Sweden and Switzerland.

The Merged Group will continue to work with existing distribution partners and establish new partnerships with experienced distributors in new regions to drive the company's geographic expansion and increase market access across the globe.

Cost improvement

The Merged Group will further streamline operations, increase efficiency and remove or reduce duplicated corporate costs to realise identified synergies.

Greater depth of management talent

The Merged Group is expected to have a greater depth of management talent by bringing together the strengths and experiences of the workforces across both Sienna and BARD1.

9.5 Key risks

Risk management is fundamental to the viability of early stage businesses and the Merged Group will seek to actively manage a variety of risks as identified in Section 8 of the Scheme Booklet. The key business risks identified are:

- ***Product development risk***: The Merged Group has several cancer diagnostic and biomarker technologies and products in their early development or research stage. The risk that the development of these products is delayed or fail to reach a marketable stage is considered high. A failure to successfully develop and commercialise the products could negatively impact the Merged Group's business and shareholders value. To manage the risk, the Merged Group will increase its R&D investment, make timely decisions on continuing the investment in any given product or technology and identify new technologies complementary to its existing products
- ***Capital raising risk***: The Merged Group will require additional financial resources to fund its technology development, product commercialisation, new technology acquisition and global market expansion. There is a risk that such additional financing will not be available. Raising capital through the issue of new shares may dilute the interest of existing shareholders. If additional funding cannot be raised, the Merged Group will have to limit its operation, reduce R&D investment and pause strategic initiatives and global expansion. The Merged Group, with an improved cash position and higher liquidity, will help in mitigating this risk
- ***Intellectual property risk***: If the Merged Group is unable to secure or retain patents and proprietary rights, or its patent applications and issued patents cannot offer adequate protection for product development, or any of its existing licences are amended or revoked, this may adversely impact the Merged Group's ability to operate its business. The Merged Group will be focused on strengthening its ability to license and protect its intellectual properties as it engages with a range of partners to maximise the development of its technologies
- ***Regulatory compliance risk***: The Merged Group will operate in an industry that is subject to extensive laws and regulations, including but not limited to policies of biotechnology research and application, product compliance, registration and intellectual property. Any amendment to these laws and regulations may have a material adverse impact on the

Merged Group's financial and operational performance. Neither Sienna nor BARD1 are currently aware of any specific changes in relevant regulations or policies which may have a significant negative impact on the business

- ***Talent management risk:*** The Merged Group's business success will in part be dependent on its ability to attract and retain experienced management and scientific personnel. There are key management and scientific personnel in both Sienna and BARD1, whose resignation could materially impact the business and impede the outcome of current research and product commercialism. The broader product and technology suite and larger scale of the Merged Group will improve its ability to attract and recruit high-performing personnel for its strategic initiatives and future business development.

10 Valuation of Sienna

10.1 Summary

We have assessed the value of the equity of Sienna to lie in the range of $21.3 million to $24.3 million, which equates to an assessed value per Sienna share of between approximately $0.054 and $0.062. Our range of assessed values represents the value of a 100% interest in Sienna and includes a premium for control. As the valuation includes a control premium, it exceeds the price at which we expect Sienna shares would trade on the ASX in the absence of the Proposed Transaction.

The value of Sienna has been assessed on the basis of market value, that is, the value that should be negotiated between a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious seller, acting in an arm's length transaction, where both buyer and seller are fully informed. Our range of assessed values for a Sienna share excludes the value attributable to cost savings and other benefits that BARD1 may realise in completing the acquisition of Sienna which are unique to BARD1, however, it takes into consideration the synergies and benefits available to a pool of potential purchasers (refer to Section 10.2 of this report).

KPMG Corporate Finance has determined the value of Sienna's operating business by applying a discounted cash flow (**DCF**) methodology to forecast cash flows that reflect both Sienna's current commercialised product, hTERT and SIEN-NET™, which is nearing commercialisation. Our rationale for the selection of this methodology is set out in Section 10.2 of this report.

As Sienna currently has a number of other potential products in the R&D stage, which are not covered under either hTERT or SIEN-NET™ and therefore not included in the value of the operating business, we have valued these potential products at incurred cost to date and added that cost to the value of the operating business. Sienna does not currently hold any other assets considered to be surplus to the operating business. Further, we have not made any adjustment for net borrowings or non-trading liabilities, as Sienna does not have any bank debt and the cash amounts reflected in the balance sheet are required to provide liquidity to the business until operating cash flows can support the operating business.

Set out below is a summary of our assessed range of values for Sienna.

Table 23: Summary of assessed value of Sienna

$ million unless otherwise stated	Section reference	Valuation range Low	High
Value of Sienna operating business	10.3	21.00	24.00
Other assets/(liabilities) (net)	10.4	0.33	0.33
Sienna enterprise value (control basis)		**21.33**	**24.33**
Adjusted net debt	10.5	0.00	0.00
Value of Sienna equity (control basis)		**21.33**	**24.33**
Number of shares outstanding (million)		395.13	395.13
Value per Sienna share on a control stand-alone basis ($)		**0.054**	**0.062**

Source: KPMG Corporate Finance Analysis

Our valuation range of $0.054 to $0.062 per share reflects a premium over the closing price of Sienna shares immediately prior to the announcement of the Proposed Transaction of between 145% and 180%. This premium, in part, reflects a valuation of 100% of Sienna inclusive of a control premium, rather than a valuation of a portfolio interest in the company as traded on ASX. However, in our opinion, it is also, in part, likely to be a consequence of:

- current negative market sentiment as a result of Sienna's delayed progress to achieve sufficient and sustainable revenues from its hTERT product
- uncertainties around the timing and the potential success of the commercialisation of the SIEN-NET™ product and revenue growth for hTERT
- the pricing signal given by the incomplete uptake of the rights issue in January 2020 amongst institutional and sophisticated investors
- the impact of the market's assessment of the effects of COVID19 on the broader economy and the potential for subsequent impact on the business performance of Sienna.

10.2 Valuation methodology

Overview

Our valuation of Sienna has been prepared on the basis of 'market value'. The generally accepted definition of market value (and that applied by us in forming our opinion) is the value likely to be agreed in a hypothetical transaction between a knowledgeable, willing, but not anxious buyer and a knowledgeable, willing, but not anxious seller, acting at arm's length.

Market value excludes 'special value', which is the value over and above market value that a particular buyer, who can achieve synergistic or other benefits from the acquisition, may be prepared to pay.

Market value is commonly derived by applying one or more of the following valuation methodologies:

- the capitalisation of a sustainable level of earnings (Capitalised Earnings)

- the discounting of expected future cash flows to present value (DCF)
- the estimation of the net proceeds from an orderly realisation of assets (Net Assets)
- utilisation of share market data of the company (Share Price).

These methodologies are discussed in greater detail in Appendix 5 of this report. Ultimately, the validity of each methodology adopted is dependent on the nature of the underlying business and the availability of suitably robust information. A secondary methodology is often adopted as a cross-check to ensure reasonableness of outcome, with the valuation conclusion ultimately being a judgement derived through an iterative process.

For businesses that aim to achieve a profit over the long-term, methodologies such as Capitalised Earnings and DCF are commonly used as they reflect 'going concern' values which typically incorporate some element of goodwill over and above the value of the underlying assets. For businesses that are either not-for-profit, non-tradable or asset rich, Net Assets is typically adopted as there tends to be minimal goodwill, if any. For listed companies, the trading price typically provides an indication of the fair value of a minority interest where trading is liquid, volatility is not excessive and no takeover or transaction speculation is evident.

Selection of methodology

In assessing the value of Sienna's business operations, we have considered all of the above approaches. We note the following in relation to each of the valuation approaches:

- a Capitalised Earnings approach is a commonly used method for stable and profitable businesses, specifically those with a long operating history and an earnings trend that is sufficiently stable to be indicative of ongoing earnings potential, which is not the case for Sienna. The company has been loss making at an EBIT, EBITDA and net profit level in the previous years, which is common for a company in the biotechnology industry and at its current stage of product development. Further, we have considered the limited availability of sufficient market evidence, as well as of recent transactions involving companies operating in the same industry and at the same stage of product development, from which a meaningful earnings multiple could be derived. Due to the limited data available and the related inadequacies of any analysis, we have not applied a Capitalised Earnings approach
- a DCF approach is commonly used in the valuation of early stage biotechnology businesses, where a product is already commercialised or close to commercialisation, as it is likely that such businesses have value over, and above net assets employed. Sienna has prepared a medium-term revenue forecast for its two products, hTERT and SIEN-NET™, based on forecast estimates of the addressable markets and target market share. On this basis, we have developed a high-level financial model that allows the key drivers of value to be modelled and sensitised over a forecast period. We have utilised information provided by Sienna as a basis for our DCF analysis and made adjustments to reflect our judgement on certain matters based on discussions with Management
- a Net Asset approach is most appropriate for businesses where the value lies in the underlying assets and not the ongoing operations of the business. Such an approach does

not capture the growth potential and intangible assets associated with a business, particularly for a business that has a considerable amount of self-created intangible assets like Sienna. Therefore, Sienna's net asset position has only been referenced to indicate the intangible value inherent in the business

- as Sienna is listed on the ASX, the traded price provides a strong indicator of the value of the company. However, the liquidity analysis set out in Section 7.8 of this report indicates that trading in Sienna shares over the last 12 months has been insufficient to be considered liquid. Thus, we have not based our value considerations on the trading prices of Sienna shares
- as Sienna is currently not followed by any broker analysts we have not considered broker valuations in our valuation analysis.

Control premium

We have considered 100% ownership in determining the value of Sienna as our DCF analysis is undertaken on a whole of asset base basis. Therefore, the valuation is inclusive of a control premium.

Share prices on an exchange are usually reflective of the trades of small parcels of shares. As such, they generally reflect prices at which portfolio interests change hands. That is, there is no premium for control incorporated within such pricing. They may also be impacted by the level of liquidity in trading of the particular stock. Thus, we have included a premium for control when assessing the value of Sienna implied by its trading prices of shares.

Observations from transaction evidence indicate that takeover premiums concentrate around a range between 25% and 40% for completed takeovers depending on the individual circumstances. In transactions where it was estimated that the combined entity would be able to achieve significant synergies, the takeover premium was frequently estimated to be in excess of this range. Takeover premiums can vary significantly between individual transactions as the final price paid will reflect to varying degrees:

- pure control premium in respect of the acquirer's ability to utilise full control over the strategy and cash flows of the target entity
- the level of synergies available to all acquirers, such as the removal of costs associated with the target being a listed entity and/or costs related to duplicated head office functions
- the expected costs to integrate and the uncertainties associated with timing of realising the targeted synergies
- synergistic or special value that may be unique to a specific acquirer
- the nature of the bidder, i.e. financial investor vs trade participant
- the stake acquired in the transaction and the bidder's pre-existing shareholding in the target
- the stage of the market cycle and the prevailing conditions of the economy and capital markets at the time of the transaction

- desire (or anxiety) for the acquirer to complete the transaction
- whether the acquisition is competitive
- the extent the target company's share price already reflects a degree of takeover speculation.

In assessing an appropriate premium for control in our valuation analysis, we have only considered those synergies and benefits which would be available to more than one potential purchaser (or a pool of potential purchasers) of Sienna. As such, we have not included the value of special benefits that may be unique to a potential purchaser. Accordingly, our valuation of Sienna has been determined without regard to a specific bidder.

10.3 Valuation of Sienna's operating business

Sienna has provided a medium-term revenue forecast for its two products, hTERT and SIEN-NET™, based on forecast estimates of the addressable markets and target market share over a five-year period from FY20 to FY24 (Explicit Forecast Period).

We have developed a high-level financial model that allows the key drivers of value to be modelled and sensitised over an extended forecast period of five years after the Explicit Forecast Period. The model is based on a number of key assumptions and is subject to significant uncertainty and contingencies, many of which are outside the control of Sienna.

The key assumptions underpinning the base case of our DCF analysis include:

- the Explicit Forecast Period is based on FY19 and 1H20 actuals and the revenue and gross profit forecast prepared by Management until FY24, which we have extrapolated over an additional period of five years based on the assumptions detailed further below. A terminal value, based on the Gordon Growth Model, has been applied after the extended forecast period where appropriate
- the revenue forecast for hTERT provided by Management is based on the global market forecast for bladder cancer tests, with the main target markets being the US, China, Australia and Europe. Management has assumed that Sienna's testing market share increases from 1% in 2020 to 6% in 2024. Management further noted that post the Explicit Forecast Period the current hTERT products could face increased competition from new technologies, incl. SIEN-NET™, as such we have assumed that hTERT revenues reduce to zero over the extended forecast period
- Management's revenue forecast for SIEN-NET™ is based on the global market forecast for exosome research agents, other biomarker research and clinical sample-prep reagents, with a final target market share for Sienna products at the end of the Explicit Forecast Period of 8.3%, 6.3% and 1.7%, respectively. Due to the current early stages of product development and the related uncertainties of the future progress of market penetration, we have assumed that sustainable revenue for this product will stay constant at the level reached in FY24
- over the full 10-year forecast period, total revenue of Sienna is assumed to grow at a CAGR of approximately 49%

- gross profit margins are assumed to be relatively stable over the Explicit Forecast Period for hTERT and SIEN-NET™. Over the extended forecast period, the margin for hTERT is assumed to reduce slightly driven by increased competition in the market for IVD products, as well as the potential for substitution by technologies currently in the early stages of R&D
- operating expenditures, which mainly represent R&D related personnel cost for product development, have been assumed to increase by 5% p.a. from FY20 and increase from 14% to 21% of net revenue in the extended forecast period, due to assumed salary increases and additional efforts relating to sales and marketing programs
- in relation to the acquisition of Sevident Inc. by Sienna in April 2019, previous shareholders of Sevident Inc. are entitled to receive certain milestone payments upon the realisation of SIEN-NET™ revenue targets. We have reflected these payments in our DCF analysis which are payable in FY22 and FY23 based on the provided revenue forecasts
- synergies and benefits which would be available to more than one potential purchaser (or a pool of potential purchasers) of Sienna have been included in our DCF analysis and have been estimated by Management at approximately $327k (pre-tax) in FY22 for corporate and governance related expenditures. We have indexed these cost synergies at 5% p.a. over the 10 year forecast period
- capital expenditure is not a major requirement for a business like Sienna as production facilities can be provided via contract manufacturing companies. As such, investment requirements relate mainly to R&D and administrative facilities. We have assumed that capital expenditure requirements are satisfied at 5% of net revenue p.a. over the long term. We have further assumed that depreciation charges equal capital expenditure requirements
- an assumed effective corporate tax rate of 30% for Sienna on an EBIT basis. In our DCF analysis we have considered the tax loss available to Sienna as at 30 June 2019 of $2.25 million. The currently available and expected future tax losses have been utilised to reduce the tax basis of Sienna until FY23
- working capital requirements are expected to be similar to historical figures over the Explicit Forecast Period, with net working capital as a percentage of sales for Sienna assumed to increase from -7.3% in 1H20 to -5.0% and then to remain on this level for the extended forecast period
- a terminal growth rate of 2.0% has been applied considering that the cash flows over the Explicit Forecast Period are based on Sienna's current operations and any advantages that are expected to be realised as a result of the Proposed Transaction (please refer to Section 9.4) have not been reflected in the cash flow forecast. Therefore, the terminal growth rate reflects a stand-alone business and has been set based on current long-term inflation expectations
- a discount rate (WACC) in the range of 25% to 30% as detailed in Appendix 4.

Our DCF analysis assumes that the business operates on an "as is" basis, with no major changes to the competitive and regulatory environment.

Scenario analysis

Given the volatility in the potential financial outcomes of the Sienna business, we have considered a number of different scenarios to reflect the impact on value of various key assumptions relating to long term revenue growth, operating margins, operating expenditure and other factors. It should be noted that given the nature of the Sienna business, there is a wide range of other potential outcomes for each assumption and even more combinations of those outcomes. KPMG Corporate Finance has developed the following scenarios.

Table 24: Sienna scenario analysis

Scenario	Description
Scenario A	Base Case assumptions as set out above.
Scenario B	Scenario A, with assumed increased competition, resulting in a lower sustainable gross profit margin for hTERT and SIEN-NET™. Cost reduction measures are assumed to result in lower operating expenditures growth rate of 4.0% p.a., a lower capex to net revenue ratio of 3.0% and a net working capital ratio to net revenue of -10.0%.
Scenario C	Scenario A, with a better than base case success of SIEN-NET™, leading to a long-term growth rate of related revenues of 5.0% p.a. Operating expenditures as a result increase with 6.0% p.a., capital expenditures are also slightly higher at 6.0% of net revenue and net working capital ratio increases to 0% of net revenue.
Scenario D	Scenario C, except an additional year of higher revenue growth (35%) before transitioning to a long-term growth rate for SIEN-NET™ revenues of 5.0% p.a.
Scenario E	Scenario A, except a revenue downside scenario, with Sienna only achieving 75% of its aspired market share targets over the 10-year forecast period.

Source: KPMG Corporate Finance analysis.

The output of the DCF analysis for a range of discount rates is summarised below.

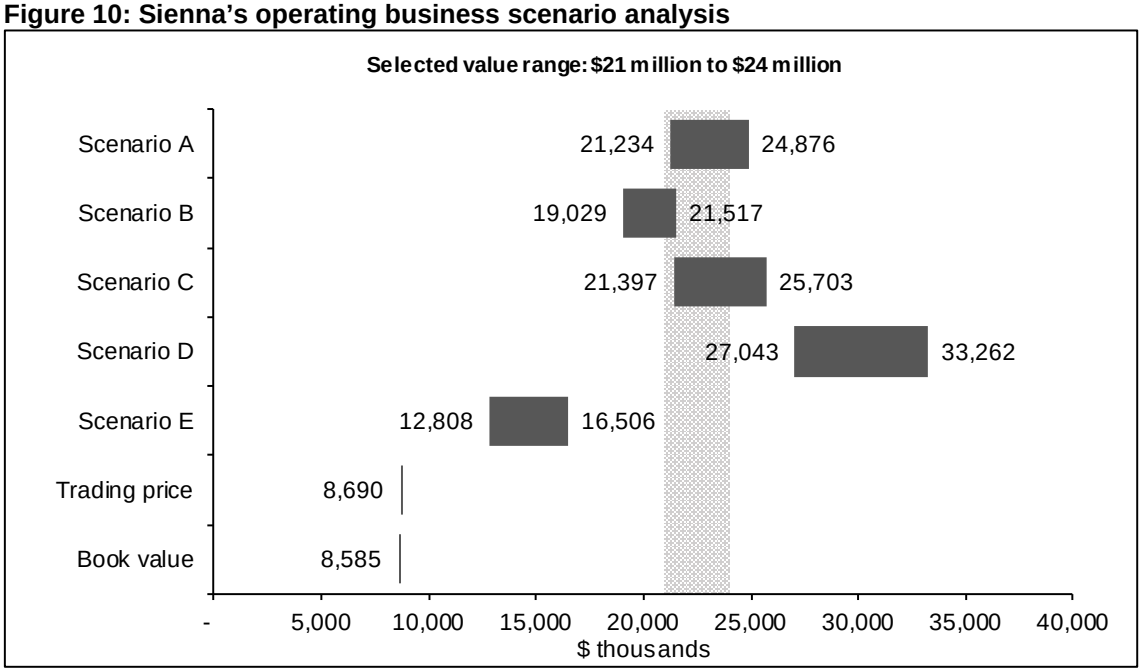
Table 25: NPV outcomes

	NPV Outcomes ($ million) - WACC Sensitivity					
Scenario	**35.00%**	**32.50%**	**30.00%**	**25.00%**	**22.50%**	**20.00%**
Scenario A	17,184	19,046	**21,234**	**24,876**	28,472	33,013
Scenario B	15,747	17,273	**19,029**	**21,517**	24,170	27,409
Scenario C	16,905	18,955	**21,397**	**25,703**	29,911	35,319
Scenario D	21,071	23,785	**27,043**	**33,262**	39,059	46,579
Scenario E	10,190	11,396	**12,808**	**16,506**	18,987	22,108

Source: KPMG Corporate Finance analysis.

The range of values for each scenario is illustrated in the chart below.

Figure 10: Sienna's operating business scenario analysis



Source: KPMG Corporate Finance analysis
Notes:
1. *Trading price based on last trading day prior to the announcement of the Proposed Transaction.*

Scenario A is based on a successful commercialisation of SIEN-NET™ and increased market penetration of hTERT over the Explicit Forecast Period and reflects current price expectations for the commercialised products. The high end of the revenue forecast is based on a 100% achievability of market forecasts, whereas the lower end assumes a 95% achievability. The base case does not reflect the commercialisation of any other products, which are currently part of the R&D pipeline of Sienna but are too early for commercialisation. The forecast cost structure of the business is based on the current structure and is expected to approach similar levels to those of comparable companies in the sector, with a sustainable net profit margin between 20% and 25%.

Scenario B assumes increased competition in the market for IVD products with a resulting pressure on prices for the commercialised products. As such, we have assumed a lower sustainable gross profit margin for hTERT and SIEN-NET™. Resulting cost reduction measures are assumed to successfully reduce the operating expenditures growth rate over the forecast period to 4.0% p.a. and the net working capital ratio to sales of -10.0%. The NPV is slightly lower than under Scenario A as expected, due to increased competition leading to lower profitability of the business over the long term.

Scenario C assumes higher than base case long term revenues of SIEN-NET™ due to increased sales efforts, leading to a revenue growth rate of 5.0% p.a. during the extended forecast period. No changes are assumed for hTERT and SIEN-NET™ revenues compared to the base case. Operating expenditures growing slightly higher than in the base case at 6.0% p.a. and capital expenditures also higher at 6.0% of net revenue due to additional investment in

sales and administration. The net working capital ratio has been assumed at 0% of net revenue. Scenarios C's value range is higher than Scenario A, reflecting the higher SIEN-NET™ revenues together with a slightly higher cost structure and a higher resulting net profit margin of approximately 29%.

Scenario D is a variation of Scenario C, reflecting again a higher total market volume addressable by Sienna resulting in an additional year of higher revenue growth in the first year of the extended forecast period (approximately 35%) before transitioning to a long term growth rate for SIEN-NET™ revenues of 5.0% p.a. Unlike in Scenario C, the additional revenue is not the result of increased sales efforts but assumed a higher total market volume compared to the forecasts presented by Management, therefore this scenario should be considered cautiously.

Scenario E presents a downside scenario based on Scenario A. This scenario assumes that only 75% of the revenue forecast will be achieved, either as a result of lower than expected market volume or market share. This scenario assumes that there is no counteraction from Sienna as a result of lower than expected growth in revenues and as such the scenario should also be considered cautiously.

NPV conclusion

Analysis of the scenarios above indicates that there is a reasonable balance between upside and downside potential compared to the base case. However, there are generally significant uncertainties regarding the underlying assumptions, e.g. market volume, market share, gross profit margins, operating expenditure and required capital expenditure, which is reflected in our assessment of the discount rate, as detailed in Appendix 4. As such, any additional earnings potential is likely matched by an increase in risk, i.e. discount rate and vice versa. There is potential value upside that could result from external drivers such as a greater market volume, compared to current forecasts, however this is mirrored through a potential value downside due to a lower than expected market potential as current products may not receive the required approvals from regulatory bodies. There is also additional value potential due to Sienna's products having potentially further, currently undeveloped applications, which is mirrored by the potential of substitution in relation to Sienna's products through advanced technologies.

Whilst we acknowledge valuing early stage biotechnology companies requires significant judgement given the uncertainties of the research and commercialisation processes, overall we believe that Scenario A presents a balanced view in relation to risks and opportunities, with Scenario B and C, resulting in overlapping valuation ranges representing additional downside and upside potential. Scenario D presents an upside case due to a higher than expected total market volume, however such a scenario is likely to attract more competitors into the market, which eventually could lead to lower profitability for market participants. As such, we consider Scenario D to be less likely. Scenario E presents a downside scenario resulting from a lower than expected market volume, again in such a case it would be likely that Sienna would take countermeasures to increase the uptake of its products in the market and therefore the scenario is also considered to be less likely.

The value for the operating business of Sienna therefore has been assessed (after consideration of the various Scenarios and the various factors impacting each of them) to be in

the range of $21.0 million and $24.0 million. We consider the selected value range appropriately takes into consideration the risks inherent in the Sienna business and the underlying cash flow forecast.

10.4 Other assets and liabilities

Other assets and liabilities represent those assets and non-trading liabilities that are not required in order for Sienna to continue its business operations. With regards to Sienna's other assets we make the following comments:

- other products in development, which are currently not covered under either hTERT or SIEN-NET™ have been valued at cost. The respective R&D cost for these products in FY20 have been estimated by Management at $325,000, which has been added to the value of the operating business.
- as at 30 June 2019 Sienna had tax losses available of $2.25 million, which have been reflected in the tax calculation in our DCF analysis. The tax losses available and expected are utilised over two years in the Explicit Forecast Period.
- as at 31 December 2019 Sienna had cash or cash equivalents of $4.976 million. This amount has not been included in 'other assets' as it is required to continue its business operations until operating cash flows provide the required liquidity.

10.5 Adjusted net debt

In order to arrive at the value of equity, it is necessary to deduct the market value of existing net debt from the ungeared value of Sienna. Consistent with market practice in the biotechnology industry, cash and cash equivalents have been considered as operating in nature. As at the date of this report, Sienna does not have any interest-bearing debt, consequently no adjustment was required to reflect net debt when determining the value of equity of Sienna.

10.6 Cross-check

Ordinarily, our preference is to select a secondary approach which allows us to cross-check the valuation range determined using our primary approach. However, due to the characteristics of Sienna's operations and the industry in which it operates, no suitable alternative methodology was identified.

The net asset value of Sienna as at 31 December 2019 was $9.0 million, as presented in Section 7.4 of this report. Based on our assessed equity value of Sienna of between $21.3 million and $24.3 million, resulting in an intangible value inherent in Sienna of between $12.3 million to $15.3 million, reflecting the potential value of the Sienna's significant investment in R&D until today.

11 Assessment of Scheme Consideration

11.1 Implied valuation

The Scheme Consideration to be received by Sienna Shareholder comprises new ordinary shares in the Merged Group. Accordingly, RG 111 requires the value of the scrip consideration to be assessed on a minority interest basis. It is common practice in these circumstances to utilise the post announcement market price as a basis for estimating the value of an offer with a scrip component, as this is the price at which shareholders can monetise the Scheme Consideration. Neither the theoretical value of the Merged Group as a stand-alone entity nor considerations of control premia are relevant to portfolio shareholders in the Merged Group in the short term, except in the event of an offer for the Merged Group itself.

Whilst assessing the fundamental value of BARD1 would be beneficial in assessing the merger ratio, we have not had access to the internal records or management of BARD1 and the information contained in the explanatory statement is insufficient to enable a fundamental valuation of the company to be performed on a reasonable basis. However, the liquidity analysis, as set out in Section 8.8 of this report, indicates that trading in BARD1 shares has been sufficient for the share to be considered liquid. Therefore we consider the trading price of BARD1 shares to provide a strong indicator of the value of a minority interest in the company.

Under the Proposed Transaction, Sienna Shareholders will receive 13 new BARD1 ordinary shares for every 5 Sienna shares held on the Scheme Record Date.

We have assessed the estimated value of a share in Sienna, based on the above considerations, to lie in the range of $0.054 to $0.062, which, based on the terms of the Proposed Transaction, implies a value of a BARD1 share to be received by Sienna Shareholders as part of the Scheme Consideration, to be in the range of $0.021 to $0.024 per share, as set out in the table below.

Table 26: Assessment of the Scheme Consideration

$ unless otherwise stated	Valuation range	
	Low	High
Value per Sienna share on a control stand-alone basis	0.054	0.062
Number of Sienna shares in merger ratio	5.00	5.00
Value of 5 Sienna shares	**0.270**	**0.308**
Number of BARD1 shares in merger ratio	13.00	13.00
Implied value of BARD1 share based on merger ratio	**0.021**	**0.024**

Source: KPMG Corporate Finance analysis

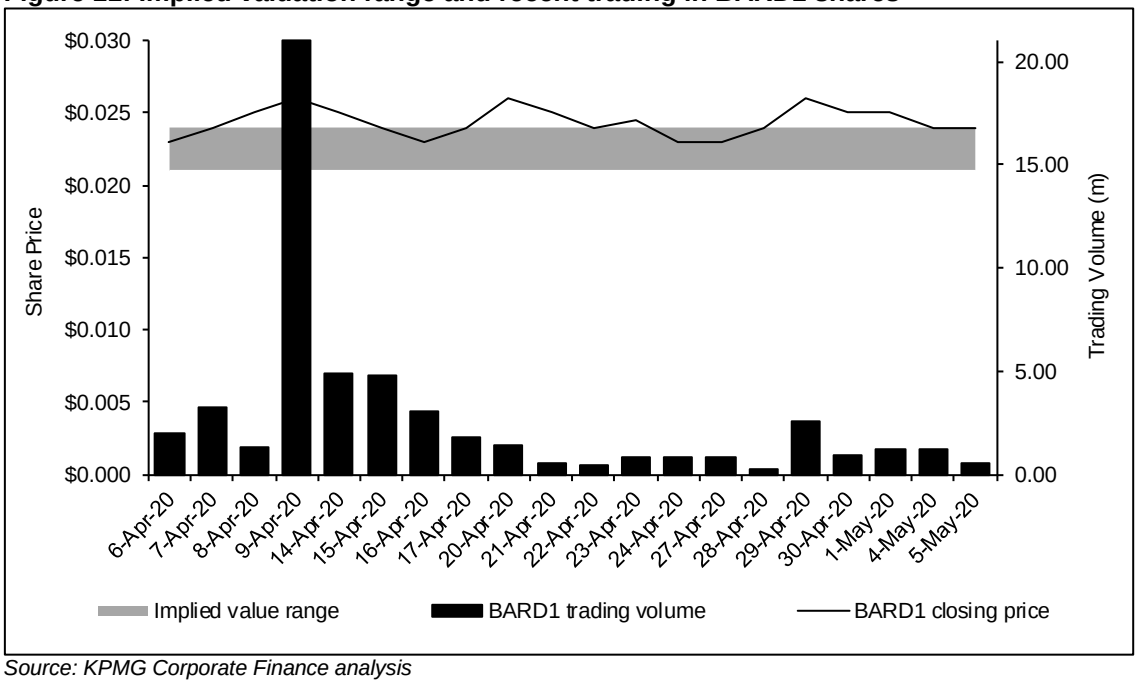
In assessing the fairness of the Scheme, we have compared the implied value of a BARD1 share based on our valuation of Sienna and the merger ratio, against the recent traded prices of a BARD1 share on the ASX. In making this assessment, we have considered the following:

- the trading price of BARD1 shares reflects the value of portfolio interests as required by RG111

- BARD1 is a publicly listed company and is required to comply with ASX Listing Rules in relation to continuous disclosure, including in particular the release of price sensitive information
- BARD1 is currently not followed by any broking houses, which arguably reduces the ability of shareholders to make informed decisions regarding the prospects of the company and industry more generally and prices at which BARD1 shares should trade
- there has been sufficient time and information available, including the information contained in the announcement of the Proposed Transaction released to the market on 8 April 2020, for the market to assess the Scheme and its implications for BARD1 should the Scheme be successful. Therefore, trading in BARD1 shares subsequent 8 April 2020 should reflect the market's assessment of the Scheme, albeit the market may also take into account the implementation and integration risks associated with the Scheme, including the required approvals and the type, timing and quantum of any positive and/or negative cost savings and synergies that may be realised
- whilst trading in BARD1 shares is not deep in the context of the number of shares on issue and its market capitalisation, its shares were traded on the ASX on each of the available trading days over the 12 months prior to the announcement of the Proposed Transaction and also in the subsequent period and average daily trading volumes have been sufficient for portfolio shareholders who wanted to realise their investment, to do so.

A summary of the trading activity in BARD1 shares from 8 April 2020 to 5 May 2020 and the implied value of a BARD1 share based on our assessed value of a Sienna share and the merger ratio, is set out in the chart below.

Figure 11: Implied valuation range and recent trading in BARD1 shares



Source: KPMG Corporate Finance analysis

As the figure above indicates, the recent trading performance of BARD1 shares is at the upper end or above the value range of a BARD1 share implied by our assessment of the control value of Sienna and the merger ratio.

11.2 Cross-check

As a cross-check of the implied value range approach set out above, we have considered the position of a Sienna Shareholder pre and post the Proposed Transaction, as summarised in the table below.

Table 27: Assessed position of a Sienna Shareholder pre and post

$ million unless otherwise stated	Valuation range	
	Low	High
Value per Sienna share on a control stand-alone basis ($)	0.054	0.062
Number of Sienna shares in merger ratio	5.00	5.00
Value of 5 Sienna shares ($) pre-merger	**0.270**	**0.308**
Value of BARD1 equity (minority basis) pre-merger	32.81	32.81
Value of Sienna equity (minority basis)	17.06	17.38
Additional Synergies	0.73	0.73
Value of BARD1 equity (minority basis) post-merger	**50.60**	**50.91**
Number of BARD1 shares post-merger (million)	2,394.53	2,394.53
Value per BARD1 share (minority basis) post-merger	**0.021**	**0.021**
Number of BARD1 shares in merger ratio	13.00	13.00
Value of 13 BARD1 shares ($) post-merger	**0.275**	**0.276**

Source: KPMG Corporate Finance analysis

Key factors reflected in our assessment include:

- the position of a Sienna Shareholder pre-merger has been determined on the basis of our value assessment of Sienna (as detailed in Section 10) on a control and stand-alone basis
- the position of a Sienna Shareholder post-merger has been determined on the basis of the hypothetical value of the Merged Group on a minority basis, including:
  - the VWAP of BARD1 shares in the period after the announcement of the Proposed Transaction, reflecting a value per BARD1 share of $0.025
  - the value of Sienna's business as reflected in our value assessment of Sienna (as detailed in Section 10) for a minority shareholder, i.e. the control value of Sienna has been reduced by a minority discount of 20.0% to 28.6% [9]
  - incremental cost synergies and benefits that are only available to BARD1 as a specific acquirer [10] as provided by Sienna management
- the number of shares of the Merged Group of 2,934.5 million.

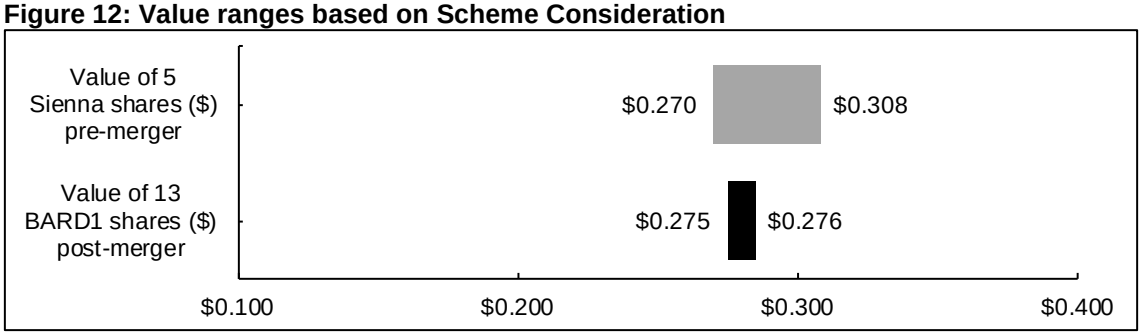
On the basis of the above considerations we conclude that the position of a Sienna shareholder post-merger of $0.276 (being the value of 13 BARD1 shares on a minority basis) is within the value range of the position of a Sienna Shareholder pre-merger of $0.270 to $0.308 on a control basis.

[9] A 25.0% to 40.0% control premium translates into a 20.0% to 28.6% minority discount

[10] These synergies are cost related synergies and do not reflect significant market synergies which are expected to be realised

A comparison of our assessed value ranges based on the Scheme Consideration is illustrated in the figure below.

Figure 12: Value ranges based on Scheme Consideration



Source: KPMG Corporate Finance analysis

Appendix 1 – KPMG Corporate Finance Disclosures

Qualifications

The individuals responsible for preparing this report on behalf of KPMG Corporate Finance are Sean Collins and Joanne Lupton. Sean is a Fellow of Chartered Accountants Australia and New Zealand, a Fellow of the Chartered Institute for Securities and Investments in the United Kingdom and holds a Bachelor of Commerce from the University of Queensland. Joanne is a Member of Chartered Accountants Australia and New Zealand, a Fellow of Financial Securities Institute of Australasia and holds a Bachelor of Commerce. Each has a significant number of years' experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of expert reports.

Our report has been prepared in accordance with professional standard APES 225 "Valuation Services" issued by the Accounting Professional & Ethical Standards Board.

Disclaimers

It is not intended that this report should be used or relied upon for any purpose other than KPMG Corporate Finance's opinion as to whether the Proposed Transaction is in the best interests of Sienna Shareholders. KPMG Corporate Finance expressly disclaims any liability to any Sienna Shareholder who relies or purports to rely on the report for any other purpose and to any other party who relies or purports to rely on the report for any purpose whatsoever.

Other than this report, neither KPMG Corporate Finance nor the KPMG Partnership has been involved in the preparation of the Scheme Booklet or any other document prepared in respect of the Scheme. Accordingly, we take no responsibility for the content of the Scheme Booklet as a whole or other documents prepared in respect of the Scheme.

Independence

In addition to the disclosures in our Financial Services Guide, it is relevant to a consideration of our independence that, during the course of this engagement, KPMG Corporate Finance provided draft copies of this report to management of Sienna for comment as to factual accuracy, as opposed to opinions which are the responsibility of KPMG Corporate Finance alone. Changes made to this report as a result of those reviews have not altered the opinions of KPMG Corporate Finance as stated in this report.

Consent

KPMG Corporate Finance consents to the inclusion of this report in the form and context in which it is included with the Scheme Booklet to be issued to the shareholders of Sienna. Neither the whole nor any part of this report nor any reference thereto may be included in any other document without the prior written consent of KPMG Corporate Finance as to the form and context in which it appears.

Appendix 2 – Sources of information

In preparing this report we have been provided with and considered the following sources of information:

Publicly available information:

- the Scheme Booklet (including the 1H20 pro forma financial position of the Merged Group)
- the Merger Implementation Agreement released to the ASX on 8 April 2020
- the annual reports of Sienna for FY17, FY18, FY19 and 1H20 half yearly report for Sienna, and corresponding results presentations
- the annual reports of BARD1 for FY17, FY18, FY19 and 1H20 half yearly report for BARD1, and corresponding results presentations
- press releases, public announcements, media and analyst presentations material and other public filings by Sienna and BARD1, including information available on each company's website
- brokers' reports and recent press articles on Sienna and BARD1
- various press and articles on the cancer diagnostics industry including those from the World Health Organisation and the American Cancer Society, and
- financial information from S&P Capital IQ, Bloomberg, ThomsonONE and Connect4.

Non-public information:

- Board papers, presentations, working papers and other confidential documents of Sienna and BARD1

In addition, we have had discussions with, and obtained information from, the senior management of Sienna and BARD1.

Appendix 3 – Industry summary

Cytology (cell) and histology (tissue) diagnostics is a large market for IVD and other reagents used by clinical laboratories. Cytology and histology tests use assays for the identification of specific proteins, genes or mutations, or other molecules. As such, they are essential for identifying cancer, inherited disease, infectious disease and other diseases.

Cancer is a leading cause of death worldwide, accounting for an estimated 9.6 million deaths in 2018[11], and it represents the largest disease application for which cytology and history diagnostics are used. The cancer diagnostics market was valued over US$97 billion in 2018, mainly due to therapeutic development and innovative cancer detection devices[12]. The demand in the cancer IVD market is projected to increase at a compound annual growth rate (CAGR) over 8% during the forecast period 2019 to 2025, with the US representing the single largest share of this market, followed by Europe, Canada, Japan and the rest of the world[13].

The growth of the cancer IVD diagnostic market is primarily driven by government actions to improve early cancer diagnosis, an ageing population, the increasing number of patients with cancer, as well as advanced technology platforms and assays in the market. Countries have agreed to a target of reducing premature deaths from cancers and other non-communicable[14] diseases by one third before 2030 in order to achieve one of the Sustainable Development Goals set by the World Health Organization (WHO). The collective effort to prevent and diagnose cancer at an early stage when it is the most treatable provides patients with the greatest chance of survival. Moreover, certain diagnostic tests, such as those for cervical and colorectal cancers, can detect precancers[15] and therefore allow for cancer prevention.

Given the market opportunity for early detection of cancer, the global IVD industry is highly competitive with many market participants of different stages of development. The technology and products of both Sienna and BARD1 are currently developed for the global IVD market for use in pathology laboratories for early detection of cancer, specifically bladder, ovarian, breast, lung and pancreatic cancers. Larger and more diversified medical technology companies that are involved in the creation of RUO kits and blood-based screening tests for liquid biopsies in cancer diagnosis and other diseases include but are not limited to QIAGEN N.V., Bio-techne Corporation, and Thermo Fisher Scientific Inc.[16] Other leading companies in the industry include Becton, Dickinson and Company, Illumina, Inc., Cancer Diagnostics, Inc., Arquer

[11] Cancer Fact Sheet, World Health Organisation, 12 September 2018.

[12] Cancer Diagnostics Market Size By Application, By Cancer Type, By End-Use, Industry Analysis Report, Global Market Insights, July 2019.

[13] Ibid.

[14] Refers to diseases that is not transmissible directly from one person to another.

[15] Refers to changes in cells that occur before the cells become cancerous.

[16] TFS is one of BARD1's current partners, collaborating under an Assay Development Agreement to develop the RUO BARD1 autoantibody assay for performance on Luminex instrumentation.

Diagnostics Ltd., Inc. and Biomark Diagnostics Inc. The majority of these companies are based in the US.

Market commentators expect the competition in the market to intensify in the near future as several companies are focused on the introduction of new diagnostic methods through product portfolio expansions and mergers and acquisitions.

Appendix 4 – Discount rate

We have assessed a nominal, post-tax WACC for Sienna in the range of 25% to 30%.

This range is based on a build-up WACC of 15.0% to 16.0% determined from comparable companies, which is detailed further below. Additionally we have applied a premium to this build-up WACC based on hurdle rates of 10% to 14%, recognising the current status of development of the products of Sienna compared to its peer-group.

The selection of the appropriate discount rate to apply to the forecast cash flows of any asset or operating business is fundamentally a matter of judgement. Whilst there is a body of theory that may provide a framework for the derivation of an appropriate discount rate, it is important to recognise that given the level of subjectivity involved in selecting various inputs to the theoretical framework there is no absolute "correct" discount rate.

We consider the WACC range adopted to be a reasonable discount rate that purchasers would use in the current market when assessing the business of Sienna and are reflective of the commercial, operational and technical risks of Sienna's assets.

Introduction to WACC concepts

The WACC of a firm is the expected cost of the various classes of its capital (i.e. its equity and debt), weighted by the proportion of each class of capital to the total capital of the firm and is represented by the following formula, which calculates an after tax nominal rate:

$$\mathrm{WACC} = \mathrm{Wd} * \mathrm{Kd} * (1 - \mathrm{t}) + \left(\mathrm{We} * \mathrm{Ke} * \frac{1 - \mathrm{t}}{1 - \mathrm{t}}\right)$$

Table 28: WACC parameters

Parameter	Description
Kd	Pre-tax Cost of debt
Wd	Percentage of debt in capital structure
Ke	Pre-tax Cost of equity
We	Percentage of equity in capital structure
t	Company tax rate

Source: KPMG Corporate Finance analysis.

Given that the capital of the firm is used to finance the assets of the firm, the WACC can be viewed as the cost of capital for the assets of the firm. It is an opportunity cost of capital in the sense that it reflects the returns that would have been earned in the market with the relevant capital if it was employed in the next best investment of equivalent risk profile. It represents the minimum weighted average rate of return which is required or expected by the providers of capital as compensation for bearing the risks associated with the relevant investment or business operation.

Each of the components of the WACC formula is discussed further below.

Cost of equity (Ke)

The WACC approach represents a merger of the Capital Asset Pricing Method (**CAPM**) with capital structure theory. In the WACC formula discussed earlier, the CAPM provides the means for estimating the cost of equity.

The CAPM provides a theoretical basis for determining a discount rate that reflects the risk of a particular investment or business operation. In simple terms, the CAPM states that the returns expected by an equity investor reflect the risk of the underlying equity investment. The risk can be determined by the risk-free rate of return plus a risk premium which reflects the relative risk (as measured by the "beta" factor) required to be borne by the investor. Therefore, the required rate of return for equity securities is determined as set out below:

$$Ke = Rf + ß * (Rm - Rf) + \alpha$$

Table 29: Cost of equity parameters

Parameter	Description
Rf	Risk free rate, representing the return on risk-free assets
Rm	Market rate of return, representing the expected average return on a market portfolio
(Rm - Rf)	Market risk premium (MRP), representing the excess return that a market portfolio is expected to generate over the risk free rate
β	Beta factor, being a measure of the systematic risk of a particular asset relative to the risk of a market portfolio
α	Specific risk factor, which may be included to compensate for risks which are not adequately captured in either the other discount rate parameters or the cash flows being discounted

Source: KPMG Corporate Finance analysis.

A large degree of subjectivity is involved in estimating the inputs to the formula. These limitations mean that any estimate of the cost of equity must necessarily be regarded as indicative rather than as a firm and precise measure. Furthermore, because the cost of equity is a market-determined measure, changes in market conditions over time will affect its calculation.

Risk free rate (Rf)

The risk free rate of return is the return on a risk free security, typically for a long-term period. In practice, long dated Government bonds are accepted as a benchmark for a risk free security. In Australia, the 10 year Commonwealth Government bond yield is commonly referenced, of which the spot yield was 0.8% as at 31 March 2020.

However, since the global financial crisis in 2008, Government bond yields have remained low compared to long-term averages and are currently staying low, due to measures taken by central banks in response to the impacts of COVID-19. Combined with market evidence which indicates that bond yields and the market risk premium are strongly inversely correlated, it is important that any assessment of the risk free rate should be made with respect to the position adopted in deriving the market risk premium. As we adopt a long-term view on the market risk premium (rather than spot), it is also important to do the same with the risk free rate to ensure

the combination of the risk free rate and market risk premium represents an appropriate return in the current investment environment.

Consequently, the risk free rate has been selected by reference to both the current spot yield and long-term forecast yields on 10 year Australian Government bonds. We have adopted 2.9% as an appropriate risk free rate, which represents a blend of the spot rate at the valuation date and a forecast long-term bond yield of 3.0%.

Market risk premium

The Market Risk Premium represents the additional return that investors expect in return for holding risk in the form of a well-diversified portfolio of risky assets (such as a market index) over risk-free assets such as Government bonds. Given that expectations are not observable, a historical premium is generally used as a proxy for the expected risk premium.

Measurement of historical premia in Australia is subject to considerable debate, including in relation to the method of calculation, the relevance of long dated data and the relevant period of observation, as well as the impact of the introduction of imputation credits and the value attributed to imputation credits.

The most recent Australian study of historical premia was completed in by J.C. Handley in 2012.[17] (**the 2012 Handley Study**), as prepared for the Australian Energy Regulator, and was based on earlier works by R.R. Officer in 1989 and T. Brailsford, J.C. Handley and K. Maheswaran in 2008 and 2012. The 2012 Handley Study found that:

- relative to 10 year bonds, the equity risk premium has averaged 6.0% p.a. over 1883–2011 ignoring the impact of imputation credits (this increases to 6.3% p.a. if imputation credits are valued at 100%)
- relative to 10 year bonds, the equity risk premium has averaged 5.8% p.a. over 1958–2010 ignoring the impact of imputation credits (this increases to 6.6% p.a. if imputation credits are valued at 100%).

Consistent with our approach to the risk free rate, we applied a long-term view in setting the market risk premium. A market risk premium of 6.0% is regarded as appropriate by KPMG Corporate Finance for the current long-term investment climate in Australia.

Beta factor (β)

The beta factor is a measure of the risk of an investment or business operation, relative to a well-diversified portfolio of investments. In theory, the only risks that are captured by beta are those risks that cannot be eliminated by the investor through diversification. Such risks are referred to as systematic, undiversifiable or market risk. The concept of beta is central to the CAPM given that beta risk is the only risk that is priced into investor required rates of return.

[17] J.C. Handley, "An Estimate of the Historical Risk Premium for the period 1883 to 2011", April 2012

The beta for equity securities can be statistically measured by regressing the returns on an equity market index against the share price returns of the relevant stock. By definition, the market portfolio has an equity beta of 1.0. A beta greater than 1.0 implies that the returns on a stock are, on average, more volatile, and hence the stock is more risky than the market, whilst a beta of less than 1.0 implies the reverse.

The beta of a stock can be presented as either an adjusted beta or as an historical beta. The historical beta is obtained from the linear regression of a stock's historical data and is based on the observed relationship between the security's return and the returns on an index. Conversely, the adjusted beta is an estimate of a security's future beta. It is initially derived from the historical beta, but modified by the assumption that a security's true beta will move towards the market average of one, over time. Generally, an adjusted beta is used because of its greater predictive features.

Betas derived from stock market observations represent equity betas, which reflect the degree of financial gearing of the company. Consequently, it is not possible to compare the equity betas of different companies without having regard to their gearing levels. In theory, a more valid analysis of betas can be obtained by "ungearing" the equity beta, applying the following formula:

$$\beta_a = \beta_e / [1 + (D/E \times (1\text{-}t_c)]$$

where "D/E" is the debt and equity values of the relevant equity security and "t_c" is the corporate tax rate. The adjustment involves stripping out the impact of financial gearing from the equity beta to obtain ungeared beta (denoted by β_a).

The following table sets out closing market capitalisation as at 24 April 2020, the two year and five year historical average financial gearing and the adjusted ungeared two year weekly and five year monthly beta estimates for a selection of listed biotechnology companies globally, that have exposure to the liquid biopsy market. The beta factors have been calculated relative to each company's home exchange index.

Table 30: Comparable companies beta analysis

Beta analysis						
Company name	Country	Market Cap AUDm	Unlevered beta 2-year weekly	Debt to equity 2-year avg	Unlevered beta 5-year monthly	Debt to equity 5-year avg
QIAGEN N.V.	United States	14,750	0.68	13%	0.54	13%
Bio-Techne Corporation	United States	12,151	0.81	5%	1.01	5%
Thermo Fisher Scientific Inc.	United States	203,779	0.79	17%	0.89	20%
Waters Corporation	United States	18,600	0.79	6%	1.00	8%
Bio-Rad Laboratories, Inc.	United States	20,260	0.76	1%	0.93	1%
Illumina, Inc.	United States	71,227	0.95	0%	0.93	1%
Danaher Corporation	United States	180,573	0.86	7%	0.80	9%
NanoString Technologies, Inc.	United States	1,670	1.40	6%	1.05	6%
Abcam plc	United Kingdom	5,243	0.73	0%	0.82	0%
Medical & Biological Laboratories	Japan	306	1.45	0%	0.92	0%
AroCell AB (publ)	Sweden	17	1.43	0%	0.75	0%
Mean (excl. outliers)			**0.97**	**5%**	**0.93**	**6%**
Median (excl. outliers)			**0.81**	**5%**	**0.93**	**5%**

Source: S&P Capital IQ (downloaded on 5 May 2020, data as at 24 April 2020), KPMG Corporate Finance Analysis
Note 1: Outliers have been shaded and excluded from the calculation of mean and median (where specified)
Note 2: Cash has been offset against debt for the purposes of calculating the gearing ratios 'debt to equity'

In selecting an appropriate ungeared beta based on the comparable companies we have considered that biotechnology companies have varying risk profiles depending on the development stage of their products (most of the above comparable companies have already commercialised products in their portfolio) and that there is significant variance in observed beta when measured over the different observation periods.

Having regard to the above and considering the nature of Sienna's operations, we consider, on balance, an appropriate ungeared beta for a comparable biotechnology company with already sizeable commercialised products to be in the order of 0.90 based on the ungeared two year weekly beta.

Having determined an appropriate ungeared beta, it is necessary to "regear" the beta to a specified level of financial gearing to determine the equivalent equity beta.

Debt/equity mix

The selection of an appropriate capital structure is a subjective exercise. The tax deductibility of the cost of debt means that the higher the proportion of debt, the lower the WACC for a given cost of equity. However, at significantly higher levels of debt, the marginal cost of borrowing would increase due to the greater risk which debt holders are exposed to. In addition, the cost of equity would also be likely to increase due to equity investors requiring a higher return given the higher degree of financial risk that they have to bear.

Ultimately for each company there is likely to be a level of debt/equity that represents the optimal capital structure for that company. In estimating the WACC, the debt/equity level assumption should reflect what would be the optimal or target capital structure for the relevant asset. Optimal (as opposed to actual) capital structures are not readily observable. Accordingly, any estimate of optimal capital structure is necessarily subjective. In practice, the existing capital structures of comparable businesses can be used as a guide to the likely capital structure for a firm, taking into consideration the specific financial circumstances of that firm. In drawing any conclusions from the comparable company information, it is important to note that the observed gearing levels usually represent current gearing levels, which may or may not be representative of optimal, long term gearing levels. Furthermore, the gearing level of a company at a given point in time can reflect recent new issues of debt or equity.

In selecting a gearing level for a comparable biotech company, we have had regard to the gearing levels of a selection of listed biotech companies as set out in Table 30 and have applied professional judgment. We note that the comparator group exhibits a certain range of capital structures with many of the smaller comparable companies having no debt. We do not believe this reflects the optimal capital structure of a business like Sienna. On balance, we consider an appropriate long term gearing level for comparable companies to be in the order of 5% debt and 95% equity.

On this basis the regeared beta of a comparable company is 0.93.

Size premium

The size premium captures the effects of both high growth and operational risk factors of small companies. Ibbotson, a Morningstar company, produced a publication in 2009 that verifies the use of a size premium for small companies. According to Ibbotson, a size premium accounts for the additional return earned by companies over and above that predicted by the CAPM. The size premium isolates the return attributable solely to size.

Given Sienna's current market capitalisation, we have applied a size premium of 3.0% in calculating the discount rate.

Company specific risk premium (α)

There are a number of considerations specific to Sienna that result in a company specific risk premium being added to the equity discount rate. These include, inter alia, the following:

- comparable companies tend to be more diversified, both operationally and geographically
- risks regarding the timing and the success of commercialising Sienna's products, specifically SIEN-NET™. Delays in the proposed start of production or a less successful uptake in the market than expected could lead to significantly lower cash flows
- risks associated with potential competitors and new technologies, which could develop and potentially substitute Sienna's products in the long term.

Considering these issues, we are of the view that there are sufficient risks inherent with Sienna to support the application of a company specific risk premium of 4.0% to 5.0%.

Cost of debt (Kd)

We have adopted an appropriate Australian cost of debt in the order of 4.3% to 4.8%. This represents a credit risk spread of between 140 and 190 basis points over the selected risk free margin, based on an assumed BBB credit rating for Sienna's operations in the long term.

Tax rate

We have applied a notional tax rate of 30.0%, based on the current Australian Corporate tax rate.

Calculation of base WACC

The following table summarises the calculation of nominal post-tax WACCs based on a build-up approach based on the assumptions/inputs discussed above.

Table 31: Discount rate

Discount rate	Parameter	Sienna	
Assumptions		**Low**	**High**
Beta			
Ungeared beta		0.90	0.90
Gearing	D/E	5.3%	5.3%
Corporate tax rate	t_c	30.0%	30.0%
Relevered equity beta		**0.93**	**0.93**
CAPM			
Risk free rate	Rf	2.9%	2.9%
Market Risk Premium	MRP	6.0%	6.0%
Relevered equity beta	ß	0.93	0.93
Size premium		3.0%	3.0%
Company specific risk premium	α	4.0%	5.0%
Cost of equity		**15.5%**	**16.5%**
WACC			
Debt Margin		1.4%	1.9%
Cost of debt (pre-tax)	Kd	4.3%	4.8%
Cost of equity	Ke	15.5%	16.5%
Corporate tax rate	t_c	30.0%	30.0%
% Total debt (D/EV)	Wd	5.0%	5.0%
% Market equity (E/EV)	We	95.0%	95.0%
WACC (rounded)		**15.0%**	**16.0%**

Source: KPMG Corporate Finance Analysis

Based on the inputs described previously we have calculated build-up WACC in the ranges of 15.0% to 16.0% for Sienna on the basis of commercialised products and a sustainable business model.

Hurdle rates

Determining the appropriate discount rate to apply to a developing biotechnology company is a subjective matter. In general, investors in biotechnology industries often apply higher discount rates than those derived by applying a build-up CAPM approach when investing in early-stage companies. This is primarily due to the fact that these investments need to cover additional risks unaccounted for in the CAPM, such as the forecasting risk associated with estimating the ultimate market size for a product that is currently not successfully commercialised. It is therefore typical, e.g. for venture capitalists to apply discount rates of 30% to 40% to these cash flows depending on the current stage of the products under development.

Calculation of discount rate

Considering the current stage of Sienna's products and the requirement of valuing Sienna on a stand-alone basis, we have adopted a WACC of 25% to 30% in order to determine the value of Sienna's operating business. The adopted WACC represents a premium of 10% to 14% over the build-up WACC, which reflects additional risks in relation to the development stage of Sienna's current product portfolio.

Appendix 5 – Overview of valuation methodologies

Capitalisation of earnings

An earnings based approach estimates a sustainable level of future earnings for a business (maintainable earnings) and applies an appropriate multiple to those earnings, capitalising them into a value for the business. The earnings bases to which a multiple is commonly applied include revenue, EBITDA, EBIT and NPAT.

In considering the maintainable earnings of the business being valued, factors to be taken into account include whether the historical performance of the business reflects the expected level of future operating performance, particularly in cases of development, or when significant changes occur in the operating environment, or the underlying business is cyclical.

With regard to the multiples applied in an earnings based valuation, they are generally based on data from listed companies and recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued. The multiples derived for comparable quoted companies are generally based on security prices reflective of the trades of small parcels of securities. As such, multiples are generally reflective of the prices at which portfolio interests change hands. That is there is no premium for control incorporated within such pricing. They may also be impacted by illiquidity in trading of the particular stock. Accordingly, when valuing a business en bloc (100%) we would also reference the multiples achieved in recent mergers and acquisitions, where a control premium and breadth of purchaser interest are reflected.

An earnings approach is typically used to provide a cross-check to the conclusions reached under a theoretical DCF approach or where the entity subject to valuation operates a mature business in a mature industry or where there is insufficient forecast data to utilise the DCF methodology.

Discounted cash flow

Under a DCF approach, forecast cash flows are discounted back to the Valuation Date, generating a net present value for the cash flow stream of the business. A terminal value at the end of the explicit forecast period is then determined and that value is also discounted back to the Valuation Date to give an overall value for the business.

In a DCF analysis, the forecast period should be of such a length to enable the business to achieve a stabilised level of earnings, or to be reflective of an entire operation cycle for more cyclical industries. Typically a forecast period of at least five years is required, although this can vary by industry and by sector within a given industry.

The rate at which the future cash flows are discounted (the Discount Rate) should reflect not only the time value of money, but also the risk associated with the business' future operations. This means that in order for a DCF to produce a value that can be relied on as a primary approach, the importance of the quality of the underlying cash flow forecasts is fundamental.

The Discount Rate most generally employed is the WACC, reflecting an optimal (as opposed to actual) financing structure, which is applied to unleveraged cash flows and results in an Enterprise Value for the business. Alternatively, for some sectors it is more appropriate to apply an equity approach instead, applying a cost of equity to leveraged cash flows to determine equity value.

In calculating the terminal value, regard must be had to the business' potential for further growth beyond the explicit forecast period. This can be calculated using either a capitalisation of earnings methodology or the 'constant growth model', which applies an expected constant level of growth to the cash flow forecast in the last year of the forecast period and assumes such growth is achieved in perpetuity.

Net assets or cost based

Under a net assets or cost based approach, total value is based on the sum of the net asset value or the costs incurred in developing a business to date, plus, if appropriate, a premium to reflect the value of intangible assets not recorded on the balance sheet.

Net asset value is determined by marking every asset and liability on (and off) the entity's balance sheet to current market values.

A premium is added, if appropriate, to the marked-to-market net asset value, reflecting the profitability, positioning and the overall attractiveness of the business. The net asset value, including any premium, can be matched to the 'book' net asset value, to give a price to net assets, which can then be compared to that of similar transactions or quoted companies.

A net asset or cost based methodology is most appropriate for businesses where the value lies in the underlying assets and not the ongoing operations of the business (e.g. real estate holding companies). A net asset approach is also useful as a cross-check to assess the relative riskiness of the business (e.g. through measures such as levels of tangible asset backing).

Enterprise or equity value

Depending on the valuation approach selected and the treatment of the business' existing debt position, the valuation range calculated will result in either an enterprise value or an equity value being determined.

An enterprise value reflects the value of the whole of the business (i.e. the total assets of the business including fixed assets, working capital and goodwill/intangibles) that accrues to the providers of both debt and equity. An enterprise value will be calculated if a multiple is applied to unleveraged earnings (i.e. revenue, EBITDA, EBITA or EBIT) or unleveraged free cash flow.

An equity value reflects the value that accrues to the equity holders. To compare an enterprise value to an equity value, the level of net debt must be deducted from the enterprise value. An equity value will be calculated if a multiple is applied to leveraged earnings (i.e. NPAT) or free cash flow, post debt servicing.

Appendix 6 – Glossary

Abbreviation	Description
$	Australian dollars
ABS	Australian Bureau of Statistics
Act	The Corporations Act 2001 (Cth)
AFSL	Australian Financial Services Licence issued by ASIC under section 913B of the Corporations Act
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
BARD1 or Bidder	BARD1 Life Sciences Limited
BARD1AG	BARD1AG S.A.
BARD1-Lung test	BARD1 Lung Cancer Test
Board	The Board of Directors of Sienna
CAGR	Compounded annual growth rate
Capitalised Earnings	The capitalisation of a sustainable level of earnings
Corporations Act, the Act	The Corporations Act 2001 (Cth)
CT	Computed Tomography
DCF	Discounted cash flow
Directors	Directors of Sienna
Document	The Notice of Meeting and Explanatory Memorandum
EMDG	Export Market Development Grant
EPS	Earnings per share
Explicit Forecast Period	The five-year period from FY20 to FY24
FDA	Food and Drug Administration
FSG	Financial Services Guide
hTERT	Human Telomerase Reverse Transcriptase
HUG	University Hospital of Geneva
IER	Independent Expert's Report
Implementation Date	The date the Proposal Transaction is implemented, which is expected to be in July 2020
IPO	Initial Public Offering
IVD	In-vitro diagnostic
KPMG Corporate Finance	KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Corporate Finance is a division)
Merged Group	The combined entity formed by Sienna and BARD1
MIA	Merger Implementation Agreement
Minomic	Minomic International Ltd
NAV	Net asset value excluding right of use assets and lease liabilities
Net Assets	The estimation of the net proceeds from an orderly realisation of assets
New BARD1	the Merged Group
NPV	Net present value
NTA	Net tangible asset value

Abbreviation	Description
POC	Proof-of-concept
Proposed Transaction	On 8 April 2020, Sienna announced that it had entered into a MIA with BARD1 which will result in BARD1 acquiring 100% of the issued shares of Sienna
R&D	Research and development
RG	Regulatory Guide
RUO	Research Use Only
Scheme	The scheme of arrangement via which the Proposed Transaction will be implemented
Scheme Consideration	Sienna Shareholders to receive 13 shares in BARD1 for every 5 Sienna Shares held on the Scheme Record Date
SDC-A7TM	Anti-hTERT Antibody
Share Price	The utilisation of share market data of the company
Sienna	Sienna Cancer Diagnostics Limited
Sienna Shareholder	A holder of a Sienna Share
STC	Small Technologies Cluster
TFS	Thermo Fisher Scientific
TGA	Therapeutic Goods Administration
UK	United Kingdom
UNIGE	University of Geneva
US	United States of America
VivaZome	VivaZome Pty Ltd
VWAP	Volume weighted average price
WACC	Weighted average cost of capital
WHO	World Health Organisation

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PART TWO – FINANCIAL SERVICES GUIDE

Dated 10 June 2020

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by KPMG Financial Advisory Services (Australia) Pty Ltd **ABN 43 007 363 215**, Australian Financial Services Licence Number 246901 (of which KPMG Corporate Finance is a division) **(KPMG Corporate Finance)** and Mr Sean Collins as an authorised representative of KPMG Corporate Finance, authorised representative number 404189 and Mrs Joanne Lupton as an authorised representative of KPMG Corporate Finance, authorised representative number 449593 **(Authorised Representative)**.

This FSG includes information about:

- KPMG Corporate Finance and its Authorised Representative and how they can be contacted
- the services KPMG Corporate Finance and its Authorised Representative are authorised to provide
- how KPMG Corporate Finance and its Authorised Representative are paid
- any relevant associations or relationships of KPMG Corporate Finance and its Authorised Representative
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and the compensation arrangements that KPMG Corporate Finance has in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG Corporate Finance.
This FSG forms part of an Independent Expert's Report (Report) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (PDS). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

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KPMG Corporate Finance holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products;
- derivatives;
- foreign exchange contracts;
- government debentures, stocks or bonds;
- interests in managed investment schemes including investor directed portfolio services;
- securities;
- superannuation;
- carbon units;
- Australian carbon credit units; and
- eligible international emissions units,

to retail and wholesale clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG Corporate Finance to provide financial product advice on KPMG Corporate Finance's behalf.

KPMG Corporate Finance and the Authorised Representative's responsibility to you

KPMG Corporate Finance has been engaged by Sienna Cancer Diagnostics Limited (Client) to provide general financial product advice in the form of a Report to be included in the Scheme Booklet (Document) prepared by the Client in relation to the scheme of arrangement involving BARD1 Life Sciences Limited (Transaction).
You have not engaged KPMG Corporate Finance or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither KPMG Corporate Finance nor the Authorised Representative are acting for any person other than the Client.
KPMG Corporate Finance and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As KPMG Corporate Finance has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.
You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees KPMG Corporate Finance may receive and remuneration or other benefits received by our representatives

KPMG Corporate Finance charges fees for preparing reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay KPMG Corporate Finance $75,000 for preparing the Report. KPMG Corporate Finance and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.
KPMG Corporate Finance officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the KPMG Partnership). KPMG Corporate Finance's representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.
Further details may be provided on request.

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Through a variety of corporate and trust structures KPMG Corporate Finance is controlled by and operates as part of the KPMG Partnership. KPMG Corporate Finance's directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representative is a partner in the KPMG Partnership. The financial product advice in the Report is provided by KPMG Corporate Finance and the Authorised Representative and not by the KPMG Partnership.
From time to time KPMG Corporate Finance, the KPMG Partnership and related entities (KPMG entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.
Over the past two years professional fees of $0.4 million and $0.2 million have been received from the Client. None of those services have related to the Transaction or alternatives to the Transaction.
No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the Transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG Corporate Finance or the Authorised Representative know. Formal complaints should be sent in writing to The Complaints Officer, KPMG, PO Box H67, Australia Square, Sydney NSW 1213. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 9335 7000 and they will assist you in documenting your complaint.
Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If KPMG Corporate Finance or the Authorised Representative cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.
Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:
Address: Financial Ombudsman Service Limited, GPO Box 3, Melbourne Victoria 3001
Telephone: 1800 367 287
Facsimile: (03) 9613 6399 Email: info@fos.org.au.
The Australian Securities and Investments Commission also has a freecall infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG Corporate Finance has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact KPMG Corporate Finance or the Authorised Representative using the contact details:
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Annexure C – Merger Implementation Agreement

K&L GATES

Amendment and Restatement Deed
Merger Implementation Agreement

Sienna Cancer Diagnostics Limited
ACN 099 803 460

and

BARD1 Life Sciences Limited
ACN 009 070 384

Amendment and Restatement Deed

Date 12 May 2020

Parties

1. **Sienna Cancer Diagnostics Limited** ACN 099 803 460 of 1 Dalmore Drive, SCORESBY, VIC, AUSTRALIA, 3179 (**Target**)

2. **BARD1 Life Sciences Limited** ACN 009 070 384 of Unit 202 / Level 2, 39 Mends Street, SOUTH PERTH, WA, AUSTRALIA, 6151 (**Bidder**)

Background

A. On 8 April 2020, the parties entered into the Merger Implementation Agreement.

B. The parties now wish to amend and restate the Merger Implementation Agreement in accordance with the terms set out in this Deed.

Agreed terms

1. Definitions and interpretation

1.1 Definitions

In this Deed, the following definitions apply unless the contrary intention appears:

Amended and Restated Merger Implementation Agreement means the Merger Implementation Agreement as amended and restated by this Deed as set out in Annexure 1;

Deed means this deed including any schedules and any annexures;

Effective Date means the date of this Deed;

Merger Implementation Agreement means the agreement entitled "Merger Implementation Agreement" dated 8 April 2020 between the parties to this Deed;

1.2 Interpretation

Clause 1.2 of the Amended and Restated Merger Implementation Agreement applies to this Deed as if set out in full in this Deed except that all references to "this Agreement" are to "this Deed".

2. Amendment and Restatement of the Merger Implementation Agreement

2.1 Agreement

On and from the Effective Date, the Merger Implementation Agreement is amended and restated to read as set out in Annexure 1 of this Deed.

2.2 Confirmation and acknowledgements

(a) Each party confirms that on and from the Effective Date, it will be bound by the Amended and Restated Merger Implementation Agreement as amended and restated by this Deed.

(b) Except as specifically amended by this Deed, the provisions of the Merger Implementation Agreement remain in full force and effect.

(c) Except as specifically amended by this Deed, nothing in this Deed waives, discharges, releases or otherwise affects any right, liability or obligation which arose under or in connection with the Merger Implementation Agreement before the date of this deed.

3. General

3.1 No adverse construction

No provision of this Deed is to be construed to the disadvantage of a party solely because that party was responsible for preparing or proposing this Deed or the provision.

3.2 Further assurances

A party, at its own expense and within a reasonable time of being requested by another party to do so, must do all things and execute all documents that are reasonably necessary to give full effect to this Deed.

3.3 Notices

Any notice or other communication to or by a party under this Deed must be given in accordance with clause 19 of the Amended and Restated Merger Implementation Agreement.

3.4 No assignment

A party cannot assign or otherwise transfer the benefit of this Deed without the prior written consent of each other party.

3.5 Amendment

This Deed may only be amended or varied in writing and signed by all the parties.

3.6 Costs

Each party must pay its own legal costs of and incidental to the preparation and completion of this Deed.

3.7 Governing law

(a) This Deed is governed by, and construed in accordance with, the laws of Victoria.

(b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria.

3.8 Counterparts

If this Deed consists of a number of signed counterparts, each is an original and all of the counterparts together constitute the same document.

Executed as a deed

Executed by **Sienna Cancer Diagnostics Limited** ACN 099 803 460 in accordance with section 127(1) of the *Corporations Act 2001 (Cth)*:

Signature of director

Carl Stubbings

Name (please print)

Signature of director or company secretary*
*delete whichever does not apply

Tony Di Pietro

Name (please print)

Executed by **BARD1 Life Sciences Limited** ACN 009 070 384 in accordance with section 127(1) of the *Corporations Act 2001 (Cth)*:

Signature of director

Peter Lynton Leunzbury

Name (please print)

Signature of director ~~or company secretary~~*
*delete whichever does not apply

Robert Maxwell Johnston

Name (please print)

Annexure 1– Amended and Restated Merger and Implementation Agreement

K&L GATES

Merger Implementation Agreement

Sienna Cancer Diagnostics Limited
ACN 099 803 460

and

BARD1 Life Sciences Limited
ACN 009 070 384

Table of Contents

Merger Implementation Agreement

Date 8 April 2020

Parties

1. **Sienna Cancer Diagnostics Limited** ACN 099 803 460 of 1 Dalmore Drive, SCORESBY, VIC, AUSTRALIA, 3179 (**Target**)

2. **BARD1 Life Sciences Limited** ACN 009 070 384 of Unit 202 / Level 2, 39 Mends Street, SOUTH PERTH, WA, AUSTRALIA, 6151 (**Bidder**)

Background

A. The Bidder proposes to acquire all ordinary shares of the Target by means of a scheme of arrangement under Part 5.1 of the Corporations Act.

B. The Target and the Bidder have agreed to implement the Scheme on the terms of this Agreement.

Agreed terms

1. Definitions and interpretation

1.1 Definitions

In this Agreement:

ACCC means the Australian Competition and Consumer Commission;

Authorised Person means, in respect of a person:

(a) a director, officer, member or employee of the person;

(b) an Adviser of the person; and

(c) a director, officer or employee of an Adviser of the person;

Adviser means any person who is engaged to provide professional advice of any type (including legal, accounting, consulting or financial advice) to the Target or the Bidder (as applicable);

Agreement means this agreement including any schedules and any annexures;

ASIC means the Australian Securities and Investments Commission;

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if:

(a) section 12(1) of that Act included a reference to this Agreement; and

(b) either party was the designated body;

ASX means ASX Limited or Australian Securities Exchange, as appropriate;

Authorised Officer means in respect of:

(a) the Target, any Target Director; and

(b) the Bidder, any Bidder Director;

Beneficiary means, in respect of a Condition, the party listed as the beneficiary of the Condition as set out in Schedule 1;

Bidder Director means a director of the Bidder;

Bidder Group means the Bidder and its Subsidiaries;

Bidder Indemnified Party means each member of the Bidder Group and their respective Representatives;

Bidder Obligations means the obligations of the Bidder set out in Schedule 3;

Bidder Prescribed Occurrence means the occurrence of any of the following:

(a) the Bidder converts all or any of its shares into a larger or smaller number of shares;

(b) the Bidder resolves to reduce its share capital in any way or resolves to re-classify, combine, split, redeem or re-purchase directly or indirectly any of its shares;

(c) the Bidder:

(i) enters into a buy-back agreement under the Corporations Act; or

(ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;

(d) any member of the Bidder issues shares, or grants a performance right, a phantom performance right, or an option over its shares, or agrees to make such an issue or grant such a performance right, phantom performance right or an option, other than as a result of the vesting, conversion (in accordance with any milestones or performance hurdles) or exchange of rights or securities on issue as at the date of this Agreement;

(e) any member of the Bidder issues, or agrees to issue, convertible notes or any other security convertible to shares;

(f) the Bidder declares, pays or distributes any dividend, bonus or other share of its profits or assets by way of dividend, return of capital or otherwise;

(g) any member of the Bidder creates or agrees to create, any Encumbrance over the whole, or a substantial part, of its business or property, other than in the usual and ordinary course of business consistent with past practice;

(h) the Bidder or any of its Subsidiaries disposes, or agrees to dispose, of the whole or a substantial part of its business or property; or

(i) the Bidder becomes subject to an Insolvency Event,

provided that a Bidder Prescribed Occurrence will not include any matter:

(j) that has been Reasonably Disclosed in the Due Diligence Information of the Bidder;

(k) that has been publicly disclosed prior to the date of this Agreement;

(l) was known by the Target or its Representatives as at the date of this Agreement;

(m) which was disclosed:

(i) in a document lodged with, or in the registers maintained by, ASIC;

(ii) in the registers maintained by the High Court and the Federal Court of Australia, the Supreme Courts of the States and Territories in Australia; or

(iii) on the PPSR,

prior to the date of this Agreement;

(n) required to be done or procured, or which is permitted pursuant to this Agreement or the Scheme;

(o) required by law or by an order of a court or Government Agency; or

(p) which the Target has previously approved which approval must not be unreasonably withheld or delayed);

Bidder Scheme Information means all information regarding the Bidder Group that:

(a) is required to be included in the Scheme Booklet under applicable law, including the Corporations Act, the Corporations Regulations and ASIC policies and guidance, including information about the Bidder and the Bidder's intentions with respect to the assets, business and employees of the Target if the Scheme is approved and implemented; and

(b) the Independent Expert requires to prepare the Independent Expert's Report;

Bidder Share means a fully paid ordinary share in the issued capital of the Bidder;

Bidder Warranties means the representations and warranties of the Bidder set out in Schedule 5;

Business means the business conducted by the Target as at the date of this Agreement;

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Melbourne or Perth;

Claim means a claim, notice, demand, action, proceeding, litigation, prosecution, arbitration, investigation, judgment, award, damage, loss, cost, expense or liability however arising, whether present, unascertained, immediate, future or contingent, whether based in contract, tort or statute;

Competing Proposal means any proposal or expression of interest, agreement, arrangement or transaction (other than the Scheme and the transactions contemplated

by this Agreement) that would if completed substantially in accordance with its terms result in any person or persons who are Associates directly or indirectly:

(a) in the case of the Target -

(i) acquiring a relevant interest in 20% or more of Target Shares or of the securities of the Target;

(ii) directly or indirectly acquiring, obtaining a right to acquire, or otherwise obtaining or acquiring an interest (including an economic interest) in 20% or more of the business or assets of the Target or any member of the Target Group;

(iii) acquiring Control of the Target;

(iv) otherwise acquiring or merging with the Target, or amalgamating with, or acquiring a significant shareholding or economic interest in the Target or any member of the Target Group or 20% or more by value of the total assets or business of any member of the Target Group, or being acquired by the Target or any member of the Target Group where the acquisition breaches the applicable threshold in clause 8.2 (including by way of takeover, reverse takeover, scheme of arrangement, capital reduction, sale of assets, sale of securities, strategic alliance, dual listed company structure, joint venture, shareholder approved acquisition, share buy-back or repurchase, sale or purchase of assets, recapitalisation, establishment of a new holding entity for the Target or other synthetic merger or any other transaction or arrangement);

(v) causing the Target to cease to be admitted to the official list of ASX or the Target Shares to cease to be officially quoted on the market operated by ASX; or

(vi) competing with, or being inconsistent in any material respect with the consummation of, the Proposed Transaction;

(b) in the case of the Bidder -

(i) acquiring a relevant interest in 20% or more of shares in the Bidder or of the securities of the Bidder;

(ii) directly or indirectly acquiring, obtaining a right to acquire, or otherwise obtaining or acquiring an interest (including an economic interest) in 20% or more of the business or assets of the Bidder or any member of the Bidder Group;

(iii) acquiring Control of the Bidder;

(iv) otherwise acquiring or merging with the Bidder, or amalgamating with, or acquiring a significant shareholding or economic interest in the Bidder or any member of the Bidder Group or 20% or more by value of the total assets or business of any member of the Bidder Group, or being acquired by the Bidder or any member of the Bidder Group where the acquisition breaches the applicable threshold in clause 8.2 (including by way of takeover, reverse takeover, scheme of arrangement, capital reduction, sale of assets, sale of securities, strategic alliance, dual listed company

structure, joint venture, shareholder approved acquisition, share buy-back or repurchase, sale or purchase of assets, recapitalisation, establishment of a new holding entity for the Bidder or other synthetic merger or any other transaction or arrangement);

(v) causing the Bidder to cease to be admitted to the official list of ASX or the Bidder Shares to cease to be officially quoted on the market operated by ASX; or

(vi) competing with, or being inconsistent in any material respect with the consummation of, the Proposed Transaction;

Condition means a condition set out in Schedule 1;

Confidentiality Agreement means the Confidentiality Agreement dated 9 March 2020 entered into between the parties;

Control has the meaning given in section 50AA of the Corporations Act;

Continuing Clauses means this clause 1, and clauses 14 (Reimbursement of costs – Bidder), 15 (Reimbursement of costs – Target), 17 (Confidentiality), 18 (GST), 20.10 (Costs and expenses), 20.13 (Governing law and jurisdiction), 19.1 (Notices) and any other clause that by its terms is intended to survive termination of this Agreement;

Corporations Act means the *Corporations Act 2001 (Cth)*;

Counter Proposal has the meaning given in clause 13.6;

Court means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act as the parties may agree;

Data Room means the virtual data room established by the Target (in respect of the Bidder's due diligence of the Target) and by the Bidder (in respect of the Target's due diligence of the Bidder), in each case containing information to which the other party and its Representatives had access to prior to the date of this Agreement;

Deed Poll means the deed poll substantially in the form of Annexure 3, or such other form agreed in writing by the Target and the Bidder;

Delivery Time means, in relation to the Second Court Date, 2 hours before the commencement of the hearing, or if the commencement of the hearing is adjourned, the commencement of the adjourned hearing, of the Court to approve the Scheme in accordance with section 411(4)(b) of the Corporations Act;

Dispatch Date means the date the Scheme Booklet is dispatched to Target Shareholders;

Due Diligence Information means all written information and materials made available during the Due Diligence Period in the Data Room;

Due Diligence Period means the period between the date of the Confidentiality Agreement and this Agreement;

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme;

Effective Date means the date on which the Scheme becomes Effective;

Encumbrance means:

(a) any:

(i) legal or equitable interest or power created, arising in or reserved in or over an interest in any property or asset; or

(ii) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge, lien, pledge, trust, power or retention of title arrangement, right of set-off, assignment of income, garnishee order, monetary claim and flawed deposit arrangement);

(b) any thing or preferential interest or arrangement of any kind giving a person priority or preference over claims or other persons with respect to any property or asset;

(c) a PPSA Security Interest; or

(d) any agreement or arrangement (whether legally binding or not) to grant or create anything referred to in paragraphs (a), (b) or (c);

Exclusivity Period means the period from the date of this Agreement to the earliest of:

(a) the termination of this Agreement;

(b) the Effective Date; and

(c) the Sunset Date;

FATA means the *Foreign Acquisitions and Takeovers Act 1975 (Cth)*;

First Court Date means the date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act;

Foreign Scheme Participant means a Scheme Participant whose Registered Address is a place outside of:

(a) Australia and its external territories;

(b) New Zealand; and

(c) a Qualifying Jurisdiction;

Government Agency means ACCC, ASIC, the Court, the Takeovers Panel and any other government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister and any regulatory organisation established under statute or any stock exchange;

Headcount Test means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the Scheme Meeting is

passed by a majority in number of Target Shareholders present and voting, either in person or by proxy.

Implementation Date means, the 3rd Business Day after the Record Date, or such other Business Day the parties agree;

Independent Expert means the expert to be engaged by the Target in consultation with the Bidder to produce the Independent Expert's Report;

Independent Expert's Report means the report from the Independent Expert which includes a statement by the Independent Expert on whether, in its opinion, the Scheme is in the best interest of Target Shareholders and includes any update of that report by the Independent Expert;

Ineligible Scheme Participants means Foreign Scheme Participants;

Insolvency Event means, in respect of a Party, any one or more of the following events or circumstances:

(a) a winding up, dissolution, deregistration, liquidation, provisional liquidation, administration or bankruptcy;

(b) having a controller or analogous person appointed to it or any of its property;

(c) being unable to pay any of its debts as and when due and payable or being deemed to be insolvent under any provision of the Corporations Act or any other law;

(d) seeking protection from its creditors under any law, entering into a compromise, moratorium, assignment, composition or arrangement with, or for the benefit of, any of its members or creditors;

(e) any analogous event or circumstance to those described in paragraphs (a) to (d) under any law; or

(f) taking any step or being the subject of any action that is preparatory to, or reasonably likely to result in, any of the above,

unless such event or circumstance occurs as part of a solvent reconstruction, amalgamation, compromise, arrangement, merger or consolidation approved by the other Party;

Key Person means:

(a) in relation to the Target:

  (i) Carl Stubbings;

  (ii) Emily Stein;

  (iii) Wayne Jensen; and

  (iv) Tony Di Pietro; and

(b) in relation to the Bidder:

(i) Leearne Hinch; and

(ii) Irmgard Irminger-Finger;

Law includes:

(a) any statute, regulation, rule, by-law, ordinance, proclamation, treaty, decree, convention, rule of any applicable stock exchange, or requirement or approval (including any Government Agency);

(b) any judgement, court order, injunction or rule or principle of common law or equity; and

(c) that law as amended, consolidated, supplemented, re-enacted or replaced;

Listing Rules means the listing rules of ASX;

Loss means any loss, Claim, liability (whether contingent or otherwise), damage, charges, payments, cost or expense (whether direct, indirect or consequential and whether accrued or paid) including legal fees and disbursements and costs of investigation, litigation, settlement, judgment, interest and penalties;

Material Adverse Change means a change, event, circumstance or occurrence (singularly or in combination) which results in (or which with the lapse of time is reasonably likely to result in):

(a) a reduction in the value of the consolidated net assets of the entity by more than 20% compared with the consolidated net assets reported as at 31 December 2019, calculated in accordance with the accounting policies and practices applied at the date of this Agreement; or

(b) an adverse effect on the status or terms of any licences, permits or authorisations from any Government Agency applicable to the entity, such that the entity is no longer able to conduct its Business in the ordinary course; or

(c) in the case of the Bidder, the Bidder's ability to discharge its obligations under this Agreement, the Scheme or the Deed Poll (including the ability to provide the Scheme Consideration) being adversely affected;

other than an event, circumstance or occurrence which:

(d) was disclosed in the Due Diligence Information;

(e) was publicly disclosed prior to the date of this Agreement;

(f) results from a change in Australian or international economic conditions, credit markets or capital markets;

(g) results from a change in applicable accounting standards or principles;

(h) results from a change in any applicable Law or policy required by Law; or

(i) results from any acts of war or terrorism;

New Bidder's Shares means the Bidder's Shares to be issued under the Scheme as Scheme Consideration;

PPSA means the *Personal Property Securities Act 2009 (Cth)*;

PPSA Security Interest means a security interest as defined in the PPSA;

PPSR means the registered maintained pursuant to the PPSA;

Proposed Transaction means has the meaning given in Recital A;

Qualifying Jurisdiction means any country in which a Scheme Participant resides (as shown in the Target's register) other than Australia and New Zealand, whose laws permit the issue and allotment of New Bidder's Shares either unconditionally or after compliance with conditions which the Target reasonably regards, after consulting with the Bidder, as acceptable and not unduly onerous or expensive;

Record Date means, 7.00 pm on the date which is 2 Business Days after the Effective Date, or such other Business Day agreed by the Bidder and the Target;

Registered Address means in relation to a Scheme Participant, the address of that Scheme Participant as it appears in the Target's register of members as at the Record Date;

Regulatory Approval means any approval of a Government Agency or the ASX to the Scheme or any aspect of it which is necessary or desirable for the implementation of the Scheme;

Regulatory Conditions means Conditions 1, 3 and 12;

Related Body Corporate has the meaning given in the Corporations Act;

Related Entity has the meaning given in section 9 of the Corporations Act;

Representative means in respect of a person, that person's directors, officers, employees, contractors and Advisors (including a director, officer or employee of that Adviser);

Responsible Party means, in respect of a Condition, the party listed as the Responsible Party of the Condition as set out in Schedule 1;

RG 60 means Regulatory Guide 60 issued by ASIC on 20 September 2011;

Scheme means the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act between the Target and Scheme Participants in respect of the Scheme Shares, substantially in the form set out in Annexure 2, subject to any amendments made under section 411(6) of the Corporations Act and approved in writing by the Bidder;

Scheme Booklet means the explanatory booklet in respect of the Scheme and be dispatched to Target Shareholders, and includes the Scheme; a copy of the Deed Poll executed by Bidder; an explanatory statement as that term is defined in section 412 of the Corporations Act; the Independent Expert's Report; and a notice of meeting and proxy form;

Scheme Consideration means the New Bidder's Shares being 13 ordinary shares in the capital of the Bidder credited as fully paid to be issued as consideration under the Scheme for the exchange of 5 Scheme Shares held as at the Record Date;

Scheme Meeting means the meeting of Target Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting;

Scheme Share means a Target Share on issue as at the Record Date;

Scheme Participant means a person who holds one or more Scheme Shares;

Second Court Date means the first day on which the application to approve the Scheme under section 411(4)(b) of the Corporations Act is heard by the Court;

Settlement Rules means the ASX Settlement Operating Rules, being the operating rules of ASX Settlement Pty Limited ACN 008 504 532;

Share Splitting means the splitting by a holder of Target Shares into two or more parcels of Target Shares whether or not it results in any change in beneficial ownership of the Target Shares;

Subsidiary has the meaning given in the Corporations Act;

Sunset Date means the later of:

(a) 5:00 pm on 8 August 2020; and

(b) in relation to Condition 12 (FIRB), if that Condition is not satisfied or waived on or before the time specified in paragraph (a) immediately above, 22 October 2020; and

or in each case, such other date and time agreed between the Bidder and the Target;

Superior Proposal means a Competing Proposal in respect of the Target which the Target Board, acting in good faith (after consulting with their legal and financial advisers), determines is:

(a) reasonably capable of being completed; and

(b) more favourable to Target Shareholders than the Scheme, taking into account the terms and conditions of the Competing Proposal;

Takeovers Panel means the review body under section 261 of the *Australian Securities and Investments Commission Act 2001 (Cth)* and given powers under Part 6.10 of the Corporations Act;

Target Board means the board of directors of the Target as constituted from time to time;

Target Director means a director of the Target;

Target Group means the Target and each of its Subsidiaries;

Target Indemnified Party means the Target and its respective Representatives;

Target Obligations means the obligations of the Target set out in Schedule 2;

Target Prescribed Occurrence means the occurrence of any of the following:

(a) the Target converts all or any of its shares into a larger or smaller number of shares;

(b) the Target resolves to reduce its share capital in any way or resolves to re-classify, combine, split, redeem or re-purchase directly or indirectly any of its shares;

(c) the Target:

(i) enters into a buy-back agreement under the Corporations Act; or

(ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;

(d) any member of the Target issues shares, or grants a performance right, a phantom performance right, or an option over its shares, or agrees to make such an issue or grant such a performance right, phantom performance right or an option, other than as a result of the vesting, conversion (in accordance with any milestones or performance hurdles) or exchange of rights or securities on issue as at the date of this Agreement;

(e) any member of the Target issues, or agrees to issue, convertible notes or any other security convertible to shares;

(f) the Target declares, pays or distributes any dividend, bonus or other share of its profits or assets by way of dividend, return of capital or otherwise;

(g) any member of the Target creates or agrees to create, any Encumbrance over the whole, or a substantial part, of its business or property, other than in the usual and ordinary course of business consistent with past practice;

(h) the Target or any of its Subsidiaries disposes, or agrees to dispose, of the whole or a substantial part of its business or property; or

(i) the Target becomes subject to an Insolvency Event,

provided that a Target Prescribed Occurrence will not include any matter:

(j) that has been Reasonably Disclosed in the Due Diligence Information of the Target;

(k) that is publicly disclosed prior to the date of this Agreement;

(l) was known by the Bidder or its Representatives as at the date of this Agreement;

(m) which was disclosed:

(i) in a document lodged with, or in the registers maintained by, ASIC;

(ii) in the registers maintained by the High Court and the Federal Court of Australia, the Supreme Courts of the States and Territories in Australia; or

(iii) on the PPSR,

prior to the date of this Agreement;

(n) required to be done or procured, or which is permitted pursuant to this Agreement or the Scheme;

(o) required by law or by an order of a court or Government Agency; or

(p) which the Bidder has previously approved which approval must not be unreasonably withheld or delayed;

Target Scheme Information means all information included in the Scheme Booklet and the Independent Expert's Report other than the Bidder Scheme Information;

Target Share means a fully paid ordinary share in the capital of the Target;

Target Shareholder means each person who is registered in the Target register of members as a holder of Target Shares;

Target Trustee means the independent entity appointed by the Target after consultation with the Bidder in respect of Ineligible Scheme Participants;

Target Warranties means the representations and warranties of the Target set out in Schedule 4;

Third Party means a person other than Target, the Bidder or their respective Related Bodies Corporate; and

Timetable means the indicative timetable in relation to the Scheme set out in Annexure 1 with such modifications as may be agreed in writing by the parties.

1.2 Interpretation

In this Agreement unless the context requires otherwise:

(a) the singular includes the plural and vice versa;

(b) a gender includes the other genders;

(c) the headings are used for convenience only and do not affect the interpretation of this Agreement;

(d) other grammatical forms of defined words or expressions have corresponding meanings;

(e) a reference to a document includes the document as modified from time to time and any document replacing it;

(f) a reference to a party is to a party to this Agreement and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;

(g) if something is to be or may be done on a day that is not a Business Day then it must be done on the next Business Day;

(h) the word "person" includes a natural person, partnership, body corporate, association, governmental or local authority, agency and any body or entity whether incorporated or not;

(i) the word "month" means calendar month and the word "year" means 12 months;

(j) the words "in writing" include any communication sent by letter, facsimile transmission or email or any other form of communication capable of being read by the recipient;

(k) a reference to a thing includes a part of that thing;

(l) a reference to all or any part of a statute, rule, regulation or ordinance (**statute**) includes that statute as amended, consolidated, re-enacted or replaced from time to time;

(m) wherever "include", "for example" or any form of those words or similar expressions is used, it must be construed as if it were followed by "(without being limited to)";

(n) money amounts are stated in Australian currency unless otherwise specified;

(o) a reference to time is to Melbourne, Australia time;

(p) a reference to any agency or body, if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or functions removed (**defunct body**), means the agency or body which performs most closely the functions of the defunct body;

(q) any agreement, representation, warranty or indemnity in favour of two or more parties (whether those parties are included in the same defined term or not) is for the benefit of them jointly and severally;

(r) any agreement, representation, warranty or indemnity by two or more parties (whether those parties are included in the same defined term or not) binds them jointly and severally; and

(s) a reference to **Reasonably Disclosed** means disclosed to any of the Bidder, the Target (as applicable) or any of their respective Authorised Persons to a sufficient extent and in sufficient detail so as to enable a reasonable and sophisticated recipient of the relevant information who is experienced in transactions similar to the Proposed Transaction and experienced in the medical technology and diagnostics industry, to identify the nature and scope of the relevant matter, event or circumstance.

1.3 Best and reasonable endeavours

Any provision of this Agreement which requires a party to use best endeavours or all reasonable endeavours to procure that something is performed or occurs or does not occur, does not include any obligation:

(a) to pay any money or to provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person except for payment of any applicable fee for the lodgement or filing of any relevant application with any Regulatory Authority; or

(b) to commence any legal action or proceeding against any person,

except where that provision expressly specifies otherwise.

1.4 Payments

Unless otherwise expressly provided in this Agreement, where an amount is required to be paid under this Agreement to a party, that amount must be paid in immediately available funds without deduction, withholding or set-off.

2. Agreement to implement the Scheme

The Target and the Bidder must take all reasonable steps to propose and implement the Scheme in accordance with this Agreement and substantially in accordance with the Timetable.

3. Conditions and pre-implementation steps

3.1 Conditions

Subject to this clause 3, the obligations of the parties in Item 8 of Schedule 2 and Item 7 of Schedule 3 will not become binding and the Scheme will not become Effective, until each of the Conditions are satisfied or waived in accordance with clause 3.2.

3.2 Waiver of Condition

(a) A Condition may only be waived in writing by the relevant Beneficiary and, where both parties have the benefit of a Condition, may only be waived in writing by both Beneficiaries and will be effective only to the extent specifically set out in that waiver. A party entitled to waive the breach or non-fulfilment of a Condition may do so in its absolute discretion.

(b) Any waiver of a condition by a party for whose benefit the condition applies must take place on or prior to the Delivery Time on the Second Court Date. The Conditions 1 (Orders convening Scheme Meeting), 2 (Target Shareholder approval) and 3 (Court approval of Scheme) cannot be waived.

3.3 Best endeavours

The parties must use their best endeavours to procure that:

(a) each Condition (as applicable) is satisfied as soon as practicable after the date of this Agreement and continues to be satisfied for the purposes of this Agreement; and

(b) there is no occurrence within its control which would prevent that Condition being (or remaining) satisfied.

3.4 Regulatory Approvals

Without limiting clauses 3.3 and 3.5 below, each party must:

(a) consult and co-operate with the other party in relation to the satisfaction of the Conditions;

(b) promptly apply for all relevant Regulatory Approvals, including taking all steps required of it as part of the approval process, including responding promptly to requests for information from the relevant Government Agency;

(c) take all steps for which it is responsible as part of the Regulatory Approvals process;

(d) consult with the other party in advance in relation to all material communications with any Government Agency relating to any Regulatory Approval and take into account such amendments to the communications as the other party reasonably requests;

(e) promptly provide the other party with all information and assistance reasonably requested in connection with Regulatory Approval applications;

(f) keep the other party informed in relation to the material progress of the Regulatory Approval applications;

(g) promptly provide to the other party (on a confidential basis) copies of all documents provided to, and all correspondence received from, any Government Agency in relation to any Regulatory Approval,

and in the case of clauses 3.4(c) to 3.4(g), to the extent it is reasonable to do so and, in all cases provided that the party applying for a Regulatory Approval may withhold or redact information or documents from the other party if and to the extent that they are either confidential to a third party or commercially sensitive and confidential to the applicant.

3.5 Notices

Each party must:

(a) promptly notify the other of satisfaction of a Condition;

(b) promptly give the other party notice of a failure to satisfy a Condition or of any event that is expected to prevent a Condition being satisfied;

(c) give written notice to the other party as soon as reasonably practicable (and in any event on or before the Delivery Time on the Second Court Date) as to whether or not it waives the breach or non-fulfilment of any Condition notified pursuant to clause 3.5(b); and

(d) give to:

(i) the other (in draft) by 5:00 pm on the day immediately prior to the Second Court Date; and

(ii) the Court (in final form), on the Second Court Date,

a certificate signed by an Authorised Officer (in respect of the Conditions of which it is the Responsible Party, other than the Condition 3) which states whether or not those Conditions have been satisfied or waived.

3.6 Conditions not satisfied or waived

(a) If:

(i) any of the Conditions are not satisfied, fulfilled or waived by the date specified in this Agreement for their satisfaction;

(ii) a circumstance occurs with the result that a Condition is not capable of being fulfilled and, if the Condition is able to be waived by a party under clause 3.2 but the party does not waive the Condition within 5 Business Days after the occurrence of the circumstance; or

(iii) it becomes more likely than not that the Scheme will not be Effective by the Sunset Date,

and neither of the following has occurred:

(iv) the Independent Expert opines to the effect that the Scheme is not in the best interest of the Target Shareholders; or

(v) a Superior Proposal has been publicly announced,

then, on notice by either party, the parties will consult in good faith to try to agree an alternative acceptable to both of them, including any of the following:

(vi) determining whether the Scheme may proceed by way of alternative means or methods;

(vii) extending the date for satisfaction of the relevant Condition;

(viii) adjourning or changing the date of an application to be made to the Court for orders under section 411(4)(b) of the Corporations Act; and

(ix) extending the Sunset Date.

(b) If the parties are unable to reach agreement under clause 3.6(a) within 5 Business Days after the date of the notice given under clause 3.6(a), (or any shorter period ending at the Delivery Time on the Second Court Date), then:

(i) in relation to Conditions 1, 3 and 12 (Regulatory Approval) and 2 (Target Shareholder Approval) either party may terminate this Agreement in accordance with clause 16.1; or

(ii) in relation to a Condition capable of being waived, the Beneficiary of the relevant Condition may terminate this Agreement in accordance with clause 16.1.

(c) A party will not be entitled to terminate pursuant to clause 3.6(b) if the relevant occurrence or the failure of the Condition to be satisfied or of the Scheme to become Effective arises out of:

(i) a breach of the Agreement by that party; or

(ii) a deliberate act or omission by that party either alone or together with other circumstances for the sole or dominant purpose of frustrating or preventing the satisfaction of a Condition.

3.7 Scheme voted down

If the Scheme is not approved by Target Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test and the parties consider acting reasonably that Share Splitting or some abusive or improper conduct may have caused or contributed to the Headcount Test not having been satisfied and that there is a

reasonable prospect of the Court exercising its discretion to approve the Scheme notwithstanding that failure, then the Target must:

(a) apply for an order of the Court contemplated by section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test and seek Court approval of the Scheme under section 411(4)(b) of the Corporations Act, despite the Headcount Test not being satisfied; and

(b) make such submissions to the Court and file such evidence as Counsel engaged by the Target to represent it in Court proceedings related to the Scheme, in consultation with the Bidder, considers is reasonably required to seek to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Act by making an order to disregard the Headcount Test.

The Bidder must pay promptly on demand by the Target 50% of the Target's reasonable legal costs incurred in relation to the application and the preparation and filing of the submissions.

3.8 Appealing Court decision

(a) If the Court refuses to grant orders directing the Target to convene the Scheme Meeting or approving the Scheme, the Target and the Bidder must promptly consult with each other to decide whether to appeal the Court's decision. If senior counsel representing either party opines that there are reasonable prospects of successfully appealing the Court's decision, then:

(i) the Target must appeal the Court's decision within 5 Business Days, the cost of which must be borne equally by the parties; and

(ii) the Sunset Date will be extended by a period of 4 weeks, or such other period agreed by the parties to account for the period of determination of the appeal.

(b) The Target is not required to appeal the Court's decision if:

(i) the parties agree otherwise; or

(ii) there is, in the reasonable view of the Target Board, a Superior Proposal which should be recommended in preference to the Scheme.

4. Scheme of Arrangement

4.1 The Target to propose the Scheme

The Target must, as soon as reasonably practicable after the date of this Agreement and substantially in compliance with the Timetable, propose the Scheme and seek to implement the Scheme in accordance with this Agreement.

4.2 Scheme Consideration

Subject to clauses 4.4 and 4.5, the Bidder covenants in favour of the Target that in consideration for the transfer to the Bidder of each Scheme Share held by a Scheme Participant under the terms of the Scheme, the Bidder will accept that transfer and issue and allot the Scheme Consideration in the name of each Scheme Participant (other than

an Ineligible Scheme Participant) in accordance with the terms of the Scheme and the Deed Poll.

4.3 Ineligible Scheme Participants

(a) On or before the Record Date, the Bidder will notify the Target of the Qualifying Jurisdictions.

(b) In accordance with the Scheme, the Bidder will issue and allot the Scheme Consideration in accordance with the terms of the Scheme and the Deed Poll for Ineligible Scheme Participants to the Target Trustee, who will sell those New Bidder's Shares and pay to the Ineligible Scheme Participants the proceeds received, after deducting any applicable brokerage, taxes and charges.

4.4 Ranking and quotation of New Bidder Shares

The Bidder covenants in favour of the Target that:

(a) it will do everything reasonably necessary to procure that official quotation of the New Bidder's Shares on the ASX will be effective on the first Business Day immediately following the Implementation Date; and

(b) all New Bidder's Shares issued pursuant to this clause 4 and the Scheme will, upon their issue, rank equally with all other Bidder Shares then on issue.

4.5 Fractional entitlements and share splitting

(a) Subject to clause 4.5(b) where the calculation of the number of New Bidder Shares to be issued to a particular Scheme Participant would result in the issue of a fraction of a Bidder Share which is 0.5 or greater, the fractional entitlement will, after aggregating all holdings of the Scheme Participant, be rounded up to the nearest whole number of New Bidder Shares, otherwise the rounding will be down to the nearest whole number.

(b) If the Bidder reasonably believes that a Scheme Participant, on or before the Record Date, dealt with Scheme Shares (including splitting or dividing a holding) since the date of this Agreement in an attempt to obtain an advantage by reference to the rounding provided for under clause 4.5(a) then any fractional entitlement will be aggregated or rounded down to the next whole number of New Bidder's Shares.

4.6 Deed Poll

The Bidder undertakes to the Target to execute and deliver the Deed Poll prior to the First Court Date and to perform the Deed Poll.

5. Treatment of Options

(a) As soon as reasonably practicable after the date of this Agreement but in any event within 20 Business Days of that date, the Target must use all reasonable endeavours to obtain the written agreement of each person who is a holder of Target Options to have their Options cancelled and issued a reasonably equivalent value of options in the Bidder, subject to the Scheme becoming Effective and with effect from the Implementation Date, under private treaty agreement between the Bidder, the Target and each Option holder. The form of

agreement to be used for this purpose must be agreed to by the Bidder. The Target agrees to seek a waiver as soon as reasonably practicable after the date of this agreement from ASX Listing Rule 6.23.2 to allow for the cancellation of up to all Target Options.

(b) If, within 20 Business Days of the date of this deed, the Target has not obtained the agreement of each person who is a holder of the Target Options to have their options cancelled in accordance with clause 5(a), after the Implementation Date the Bidder will initiate the compulsory acquisition of any of the Target Options that remain on issue as at that date, under Part 6A.2 (Div 2) of the Corporations Act.

6. Scheme Booklet

6.1 Preparation

The Target must prepare the Scheme Booklet and dispatch the Scheme Booklet to Target Shareholders in accordance with this Agreement.

6.2 Target compliance

As soon as reasonably practicable after the date of this Agreement and substantially in accordance with the Timetable, the Target must:

(a) prepare the Scheme Booklet and take all steps reasonably necessary to ensure that the Scheme Booklet (other than with respect to the Bidder Scheme Information):

(i) complies with all applicable laws, including the Corporations Act, RG 60, the Corporations Regulations, any applicable ASIC policy and guidance and the Listing Rules;

(ii) is not, having regard to applicable disclosure requirements, misleading or deceptive in any material respect (including because of any material omission);

(iii) includes:

(A) the Scheme;

(B) a notice of the Scheme Meeting and proxy forms;

(C) an explanatory statement for the Scheme prepared in accordance with section 412 Corporations Act and registered by ASIC;

(D) the Independent Expert's Report, this Agreement (with or without some Schedules and Annexures) and the executed Deed Poll;

(E) a statement, which may be subject to no superior proposal arising that each Target Director recommends Target Shareholders vote in favour of the Scheme; and

(F) a statement, which may be subject to no Superior Proposal arising, that each Target Director who holds Target Shares, or on whose behalf Target Shares are held, intends to vote those Target Shares in favour of the Scheme; and

(b) provide to Bidder all such further or new material information of which the Target becomes aware that arises after the Scheme Booklet has been dispatched until the date of the Scheme Meeting where this is or may be necessary to ensure that the Scheme Booklet continues to comply with the Corporations Act, RG 60 and the Listing Rules.

6.3 Bidder compliance

The Bidder must:

(a) take all reasonable steps necessary to ensure that the Bidder Scheme Information that it has provided for inclusion in the Scheme Booklet, in the form and context in which it appears in the Scheme Booklet:

(i) complies with all applicable laws, including the Corporations Act, the Corporations Regulations, any applicable ASIC policy and guidance and the Listing Rules; and

(ii) is not, having regard to applicable disclosure requirements, misleading or deceptive in any material respect (including because of any material omission); and

(b) provide to the Target all such further or new material information of which the Bidder becomes aware that arises after the Scheme Booklet has been dispatched until the date of the Scheme Meeting where this is or may be necessary to ensure that the Scheme Booklet continues to comply with the Corporations Act, RG 60 and the Listing Rules.

6.4 Consultation

The Target must:

(a) provide the Bidder with advanced and final drafts of the Scheme Booklet (including any part of the draft of the Independent Expert's Report that has been made available to the Target);

(b) consult with the Bidder in relation to the content and presentation of the Scheme Booklet;

(c) give the Bidder a reasonable opportunity to provide input about the content and presentation of the Scheme Booklet and take the comments made by the Bidder into account in good faith when producing a revised draft of the Scheme Booklet;

(d) implement such changes to those parts of the Scheme Booklet relating to Bidder Scheme Information as reasonably requested by Bidder;

(e) keep the Bidder informed of any matter raised by ASIC or ASX in relation to the Scheme Booklet and use all reasonable endeavours, in cooperation with the Bidder, to resolve such matters; and

(f) obtain the Bidder's consent to include the Bidder Scheme Information in the form and context in which it appears in the Scheme Booklet.

6.5 Verification

Each party must undertake appropriate verification processes for the information supplied by that party in the Scheme Booklet.

6.6 Responsibility statements

The Scheme Booklet will include responsibility statements to the following effect:

(a) that the Target has prepared, and is responsible for, the Target Scheme Information and to the maximum extent possible at law, the Target will not be responsible for any Bidder Scheme Information and will disclaim any liability for Bidder Scheme Information appearing in the Scheme Booklet; and

(b) that the Bidder has prepared, and is responsible for, the Bidder Scheme Information and to the maximum extent possible at law, the Bidder will not be responsible for any information appearing in the Scheme Booklet other than the Bidder Scheme Information and will disclaim any liability for any information appearing in the Scheme Booklet other than the Bidder Scheme Information.

6.7 Disagreement

(a) If the Target and Bidder disagree on the form or content of the Scheme Booklet, they must consult in good faith to try to settle an agreed form of the Scheme Booklet.

(b) If within 2 Business Days of the consultation referred to in clause 6.7(a), the parties are still unable to agree:

(i) if the disagreement relates to the contents of the Bidder Scheme Information, the Target must make such amendments as the Bidder reasonably requires; and

(ii) if the disagreement relates to the form or content of any other part of the Scheme Booklet, the Target will, acting reasonably, decide the final form of the content or content of the disputed part of the Scheme Booklet.

7. Implementation of Scheme of Arrangement

7.1 General obligation to co-operate

The Target and the Bidder must each:

(a) execute all documents and do all acts and things as may be reasonably necessary or desirable, including contributing all reasonable resources; and

(b) procure that its officers and advisers work in good faith and in a timely and co-operative fashion with the other party, including by attending meetings and providing such information which may reasonably be required,

to implement the Scheme substantially in accordance with the Timetable and in any event before the Sunset Date.

7.2 Target's obligations

The Target must comply with the Target Obligations and must take all steps reasonably necessary to propose and implement the Scheme substantially in accordance with the Timetable and in any event before the Sunset Date.

7.3 Bidder's obligations

The Bidder must comply with the Bidder Obligations and must take all steps reasonably necessary to assist the Target to implement the Scheme substantially in accordance with the Timetable and in any event before the Sunset Date.

7.4 Obligations of the Target Board

(a) The Target must, promptly after execution of this Agreement, make a public announcement, in a form agreed between Bidder and the Target, (on the basis of written statements made to it by each of the Target Directors) that each Target Director:

(i) considers the Scheme to be in the best interest of Target Shareholders and that the Target Director recommends that Target Shareholders vote in favour of the Scheme (**Recommendation**); and

(ii) intends to cause any Target Shares in which it has a Relevant Interest to be voted in favour of the Scheme (**Voting Intention**),

subject to no superior proposal emerging and the Independent Expert's Report concluding that the Scheme is in the best interest of Target Shareholders.

(b) The Target must ensure that the Scheme Booklet includes:

(i) a statement, which may be subject to no superior proposal arising, that each Target Director recommends Target Shareholders vote in favour of the Scheme; and

(ii) a statement, which may be subject to no Superior Proposal arising, that each Target Director who holds Target Shares, or on whose behalf Target Shares are held, intends to vote those Target Shares in favour of the Scheme.

(c) The Target represents and warrants to the Bidder that as at the date of this Agreement, each Target Director has confirmed to the Target that he or she will act in accordance with clauses 7.4(a) and 7.4(b).

7.5 Withdrawal or change of recommendation

The Target must procure that the Target Board collectively, and each Target Director individually, does not:

(a) modify, change or withdraw his or her Recommendation or Voting Intention; or

(b) make any public statement or take any other action that is inconsistent with their Recommendation or Voting Intention,

in each case except where:

(c) the Target receives a Competing Proposal and, after complying with its obligations in clauses 13.5 and 13.6 in circumstances where the Bidder elects not to submit a Counter Proposal, Target Board reasonably determines that the Competing Proposal constitutes a Superior Proposal; or

(d) in relation to the statement made under clause 7.4(a) or 7.4(b)(i), the Independent Expert does not conclude in the Independent Expert's Report that the Scheme is in the best interest of Target Shareholders, or initially concludes that it is in the best interest of Target Shareholders but subsequently changes its conclusion.

7.6 Promotion of Scheme

During the Exclusivity Period, the Target must procure that the senior executives of the Target or its Related Bodies Corporate as reasonably requested by the Bidder participate in efforts to promote the merits of the Scheme, including:

(a) meeting with key Target Shareholders;

(b) communicating with the Target's employees, customers and suppliers and the employees, customers and suppliers of the Target's Related Bodies Corporate; and

(c) communicating with the public to promote the merits of the Scheme, subject only to:

(i) the Independent Expert not having concluded in the Independent Expert's Report that the Scheme is not in the best interest of Target Shareholders; and

(ii) there being no Superior Proposal.

7.7 Appointment of directors

On the Implementation Date, the Target must, subject to completion of the transfer of the Scheme Shares to the Bidder in accordance with the Scheme:

(a) take all action necessary to cause the appointment of each person nominated by the Bidder as a director of the Target, subject to receipt of signed consents to act from those persons; and

(b) ensure that the directors of the Target Board resign at that time from the Target Board.

8. Conduct of business before the Implementation Date

8.1 No change in conduct of the business

From the date of this Agreement up to and including the Implementation Date, each of the Target and the Bidder must:

(a) conduct its business in the ordinary and usual course of business and consistent with past practice; and

(b) use reasonable endeavours to maintain and preserve its business and assets.

8.2 Specific conduct

Without limiting clause 8.1, from the date of this Agreement up to and including the Implementation Date, each of the Target and the Bidder must not, unless otherwise agreed in writing by both parties:

(a) **Issue shares**: issue any Shares or any options, securities or other rights, whether convertible or exchangeable into Shares or otherwise;

(b) **Dividends**: declare, pay or distribute any dividend, bonus or other share of its profits or assets by way of dividend, capital reduction or otherwise;

(c) **Business assets**: acquire or dispose of any interest in an asset, business, real property, entity or undertaking, that would require expenditure or the foregoing of revenue (or in the case of a disposal, with a book value) of an amount which:

(i) in respect of the Bidder, exceeds $100,000 in aggregate; and

(ii) in respect of the Target, exceeds $100,000 in aggregate,

other than in the ordinary course of business;

(d) **Debt**: incur any additional financial indebtedness (except for draw-downs on existing banking facilities), or guarantee or indemnify the obligations of any person, other than in the usual and ordinary course of business and consistent with past practice;

(e) **Financial benefit**: give or agree to give a financial benefit to any of the Scheme Participants or to another related party of either the Target or the Bidder;

(f) **Constitution**: amend its constitution;

(g) **Accounting policies**: alter in any material respect any accounting policy of the Target or the Bidder;

(h) **Employment**: (except as required by law or as provided in an existing contract in place as at the date of this agreement) enter into or make any material change to the terms of employment of (including increasing the remuneration or compensation of), any person, including an officer, director, executive or other employee, whose total employment cost exceeds:

(i) in respect of the Bidder, $50,000; and

(ii) in respect of the Target, $50,000,

in each case other than relating to rights or entitlements or employment proposals in effect on the date of this agreement and which are Reasonably Disclosed in the Due Diligence Information;

(i) **Termination**: terminate or encourage the resignation of a Key Person, except in accordance with current personnel practices;

(j) **Capital expenditure**: incur or enter into commitments involving capital expenditure of more than:

(i) in respect of the Bidder, $50,000 in aggregate; and

(ii) in respect of the Target, $50,000 in aggregate;

(k) **Payments**: pay any of its officers, directors, executives, Representatives or other employees a bonus, severance, termination or retention payment in excess of:

(i) in respect of the Bidder, $50,000 in aggregate; and

(ii) in respect of the Target, $50,000 in aggregate,

other than under contractual arrangements in effect on the date of this agreement and which are Reasonably Disclosed in the Due Diligence Information;

(l) **Prescribed Occurrence**: take any action that would be or give rise to a Target Prescribed Occurrence or a Bidder Prescribed Occurrence; or

(m) **Agreement**: agree to do any of the matters set out above.

8.3 Activities which are permitted

The restrictions in clauses 8.1 and 8.2 do not apply in respect of any matter, and do not restrict a party from, doing or omitting to do, any of the following:

(a) anything done in conducting its business in the ordinary course of business and consistent with past practice or otherwise publicly disclose (unless agreed otherwise);

(b) anything required under a contract or commitment to which the party is bound and that has been disclosed in the Due Diligence Information;

(c) anything required to be done pursuant to this Agreement or the Scheme or which is necessary for the party to meet its legal or contractual obligations;

(d) anything required by law or by an order of a court, ASX or Government Agency;

(e) anything required to reasonably or prudently respond to an emergency or a disaster (including a situation giving rise to a risk of personal injury or damage to property); or

(f) anything which the other party has approved in writing (which approval must not be unreasonably withheld or delayed).

8.4 Provision of information and access

From the date of this Agreement up to and including the earlier of the Implementation Date and the date this Agreement is terminated, each party must, on request from the other party, provide reasonable access during usual business hours to:

(a) its books, documents, records, management accounts, financial statements and other information (subject to any existing confidentiality obligations owed to third parties, and applicable laws including privacy laws); and

(b) its executive directors, senior executive officers and Advisers, for the purposes of:

(i) understanding financial position and trading performance;

(ii) applying for the Regulatory Approvals;

(iii) implementing the Scheme;

(iv) preparing for carrying on the business of the combined Target and Bidder following implementation of the Scheme; and

(v) any other purpose which is agreed by the parties,

provided in every case that such access is reasonably necessary and does not cause unreasonable disruption to the party's business or place an unreasonable burden or cost.

9. Public announcement

9.1 Announcement of the Scheme

Promptly after the execution of this Agreement, the Target must issue a public announcement in a form previously agreed with the Bidder.

9.2 Public announcements

(a) Subject to clauses 9.1 and 9.3, neither party may make a public announcement in connection with this Agreement (including any termination of this Agreement), the Scheme Booklet or the Scheme except in a form approved by both parties (acting reasonably).

(b) Each party must use all reasonable endeavours to approve a public announcement in connection with this Agreement (including any termination of this Agreement) as soon as practicable.

9.3 Required disclosure

Where a party is required by applicable Law or the Listing Rules to make any announcement or disclosure relating to this Agreement or the Scheme, it may do so only after it has, to the fullest extent the circumstances allow, given as much prior notice to the other party as possible, and consulted with the other party and its Advisers about the form and content of the announcement or disclosure.

9.4 Statements on termination

The parties must use all reasonable endeavours to issue an agreed statement or announcement regarding any termination of this Agreement.

10. Target Warranties and indemnities

10.1 Warranties

(a) The Target represents and warrants to the Bidder that each of the Target Warranties is true and correct in all material respects as at the date of this Agreement and at 8:00 am on the Second Court Date.

(b) Where a Target Warranty is expressed to be made only at a particular date it is given only at that date.

10.2 Disclosure material

The Target Warranties are subject to, and the Target is not liable in respect of any Loss incurred by the Bidder related to a breach of a Target Warranty, to the extent the Loss arises from, or in connection with, any fact, matter or circumstance:

(a) which has been Reasonably Disclosed in the Due Diligence Information of the Target;

(b) which was disclosed:

(i) publicly on the ASX;

(ii) in a document lodged with, or in the registers maintained by, ASIC;

(iii) in the registers maintained by the High Court and the Federal Court of Australia, the Supreme Courts of the States and Territories in Australia; or

(iv) on the PPSR; or

(c) known to the Bidder or its Representatives.

10.3 Target indemnity

The Target indemnifies each Bidder Indemnified Party from and against all Loss that a Bidder Indemnified Party suffers or incurs by reason of any breach of clause 10.1.

10.4 Notification of breach

The Target must promptly advise the Bidder in writing if it becomes aware of any fact, matter or circumstance which constitutes or is reasonably expected to constitute a breach of any of the representations or warranties given by it under this clause 10.

10.5 No other warranties

The parties acknowledge that, except as expressly stated in this Agreement, the Bidder has not relied on any representation or warranty of any kind made by or on behalf of the Target in relation to the subject matter of this Agreement.

11. Bidder Warranties

11.1 Warranties

(a) The Bidder represents and warrants to the Target that each of the Bidder Warranties is true and correct in all material respects as at the date of this Agreement and at 8:00 am on the Second Court Date.

(b) Where a Bidder Warranty is expressed to be made only at a particular date it is given only at that date.

11.2 Disclosure material

The Bidder Warranties are subject to, and the Bidder is not liable in respect of any Loss incurred by the Target related to a breach of a Bidder Warranty, to the extent the Loss arises from, or in connection with, any fact, matter or circumstance:

(a) which has been Reasonably Disclosed in the Due Diligence Information of the Bidder;

(b) which was disclosed:

(i) publicly on the ASX;

(ii) in a document lodged with, or in the registers maintained by, ASIC;

(iii) in the registers maintained by the High Court and the Federal Court of Australia, the Supreme Courts of the States and Territories in Australia; or

(iv) on the PPSR; or

(c) known to the Target or its Representatives.

11.3 Bidder indemnity

The Bidder indemnifies each Target Indemnified Party from and against all Loss that a Target Indemnified Party suffers or incurs by reason of any breach of clause 11.1.

11.4 Notification of breach

The Bidder must promptly advise the Target in writing if it becomes aware of any fact, matter or circumstance which constitutes or is reasonably expected to constitute a breach of any of the representations or warranties given by it under this clause 11.

11.5 No other warranties

The parties acknowledge that, except as expressly stated in this Agreement, the Target has not relied on any representation or warranty of any kind made by or on behalf of the Bidder in relation to the subject matter of this Agreement.

12. Release

12.1 Release of Representatives

Each party:

(a) releases its rights against, and will not make any Claim against, any past or present Representative of any other party in relation to anything done or purported to be done in connection with the Scheme, any transaction contemplated by or representation or warranty given in this Agreement, any information provided to it by another party or in relation to its execution or delivery this Agreement, to the extent that the past or present Representative has acted in good faith and has not engaged in any wilful misconduct. Nothing in this clause 12.1(a) excludes any liability that may arise from wilful misconduct or bad faith on the party of any person; and

(b) holds the releases in clause 12.1(a) in respect of its past and present Representatives as trustee for those Representatives.

13. Exclusivity

13.1 Termination of existing discussions

Each party represents and warrants to the other party that, as at the date of this Agreement, it is not in any current negotiations or discussions with any person in respect of any Competing Proposal.

13.2 No shop restriction

During the Exclusivity Period, each party must not and must procure that its Representatives and Related Bodies Corporate and the Representatives of those Related Bodies Corporate do not directly or indirectly:

(a) solicit, invite, initiate, facilitate or encourage any Competing Proposal, or any enquiries, negotiations or discussions with a Third Party in relation to (or that could reasonably be expected to lead to) a Competing Proposal or any proposal that could lead to a party abandoning or not proceeding with the Proposed Transaction; or

(b) communicate any intention to do any of the things referred to in clause 13.2(a).

13.3 No talk restriction

Subject to clause 13.7, during the Exclusivity Period, each party must not and must procure that its Representatives and Related Bodies Corporate do not, without the other party's prior written consent, enter into or participate in any negotiations or discussions with any Third Party in relation to a possible Competing Proposal.

13.4 No due diligence

Subject to clause 13.7, during the Exclusivity Period and without limiting the general nature of clause 13.3, each party must not and must procure that its Representatives and Related Bodies Corporate and the Representatives of those Related Bodies Corporate do not, without the other party's prior written consent, make available to any Third Party or permit any Third Party to receive (in the course of due diligence investigations or otherwise) any non-public information relating to it or its business or operations (or those of its Subsidiaries), for the purpose of formulating, developing or finalising, or assisting in the formulating, developing or finalising of, a Competing Proposal.

13.5 Notification of Competing Proposal

During the Exclusivity Period, if the Target receives any approach or attempt to initiate discussions or negotiations regarding a Competing Proposal, the Target must promptly notify the Bidder of the Competing Proposal and the identity of the proposed acquirer or bidder and material terms of the Competing Proposal.

13.6 Response to Competing Proposal

(a) During the Exclusivity Period, the Target must not, and must ensure that its Representatives and Related Bodies Corporate and the Representatives of those Related Bodies Corporate do not publicly recommend a Competing Proposal or enter into any legally binding agreement, arrangement or understanding to give effect to or implement a Competing Proposal unless the Target has provided the Bidder with full details of the Competing Proposal, including, without limitation, the

identity of the relevant Third Party, the consideration offered under its Competing Proposal and any conditions to the Competing Proposal, and at least 5 Business Days to match the terms of the Competing Proposal. The Target's obligations under this clause 13.6 apply in respect of each new Competing Proposal and any material variation or amendment to a Competing Proposal.

(b) If the Target (acting reasonably) determines that the Bidder matches or exceeds the terms of a Competing Proposal (**Counter Proposal**), then the Target and the Bidder and each of their respective Representatives must use their best endeavours to agree the amendments to this Agreement that are reasonably necessary to reflect the Counter Proposal and to enter into an amended agreement to give effect to those amendments and to implement the Counter Proposal, and the Target must use its best endeavours to procure that the Target Board unanimously recommends the Counter Proposal to Target Shareholders and not recommend the applicable Competing Proposal.

13.7 Fiduciary exception

The restrictions and obligations in clauses 13.3 and 13.4 do not apply to the extent they restrict a party or its Board from taking, or require the party or its Board to take, any action with respect to a Competing Proposal (in relation to which there has been no contravention of this clause 13) provided that:

(a) the Competing Proposal is bona fide and is made in writing by or on behalf of a person that the relevant Board considers is of reputable commercial standing; and

(b) the relevant Board has determined in good faith, and after having consulted with their legal and financial advisers, that:

(i) the Competing Proposal is or has reasonable prospects of becoming a Superior Proposal; and

(ii) taking or failing to take the action with respect to the Competing Proposal would, or would be reasonably likely to, involve a breach of the fiduciary or statutory obligations of any Director.

14. Reimbursement of costs - Bidder

14.1 Payment by the Target to the Bidder

(a) The Target agrees to pay to the Bidder an amount equal to $250,000 within 10 Business Days of the receipt of a Demand from the Bidder if:

(i) before the Sunset Date, the Target accepts or enters into or offers to accept or enter into any agreement, arrangement or understanding regarding a Competing Proposal;

(ii) the Target Board or a Target Director recommends a Competing Proposal and either party terminates this Agreement under clause 16.1; or

(iii) any Target Director withdraws or adversely modifies their Recommendation or Voting Intention or proposes to do so other than in the circumstances outlined in clause 7.5(d) (except where that clause applies as a result of a Competing Proposal).

(b) If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a Court that all or any part of the amount payable under clause 14.1(a):

(i) is unlawful;

(ii) involves a breach of the duties of the Target Board; or

(iii) constitutes unacceptable circumstances within the meaning of the Corporations Act,

then the Target's obligation to pay the full amount under clause 14.1(a) does not apply to the extent to which it is impugned and if the Bidder has received any part of the impugned payment it must refund it within 10 Business Days of such final determination.

(c) No amount is payable by the Target under clause 14.1(a) if the Scheme becomes Effective.

14.2 Nature of payment

The amount payable by the Target to the Bidder under clause 14.1(a) is an amount to compensate the Bidder for:

(a) advisory costs (including costs of advisers other than success fees);

(b) costs of management and directors' time;

(c) out-of-pocket expenses; and

(d) reasonable opportunity costs incurred by the Bidder in pursuing the Transaction or in not pursuing other alternative acquisitions or initiatives, and

is only payable once and is the Bidder's sole and exclusive remedy in respect of this Agreement.

14.3 Survival

Any accrued obligations under this clause survive termination of this Agreement.

15. Reimbursement of costs – Target

15.1 Initial Contribution Costs

(a) Promptly after the signing and exchange of this Agreement between the parties, the Bidder agrees to transfer by electronic funds transfer $75,000 to a Target controlled separate trust account (details of which the Target has provided or will provide to the Bidder on, before or promptly after the date of this Agreement) as a contribution to the Target's costs and expenses which are reasonably and properly incurred in undertaking its duties and obligations under this Agreement, including for the engagement of the Independent Expert and Target Trustee, Court fees, barrister's fees, printing and dispatch costs and other out of pocket expenses (**Cost Contribution**).

(b) The Target will be entitled to draw down on the Cost Contribution (which may be on multiple occasions and until it is fully depleted) for 50% of the relevant cost or expense two Business Days after:

(i) incurring the relevant cost or expense; and

(ii) providing the Bidder with a copy of a tax invoice or receipt evidencing payment of the relevant amount.

(c) If, after termination of this Agreement in accordance with its terms and the payment of relevant costs and expenses accrued up to that termination, there is an amount of the Cost Contribution not used, the Target must promptly transfer that balance to a Bidder nominated bank account by electronic funds transfer.

15.2 Payment by the Bidder to the Target

(a) The Bidder agrees to pay to the Target $250,000 within 10 Business Days of the receipt of a Demand from the Target if the Scheme does not become Effective because the Agreement is terminated by the Target under clause 16.1(a).

(b) If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a Court that all or any part of the amount payable under clause 15.2(a):

(i) is unlawful;

(ii) involves a breach of the duties of the Bidder's board; or

(iii) constitutes unacceptable circumstances within the meaning of the Corporations Act,

then the Bidder’s obligation to pay the full amount under clause 15.2(a) does not apply to the extent to which it impugned and if the Target has received any part of the impugned payment it must refund it within 10 Business Days of such final determination.

(c) No amount is payable by the Bidder under clause 15.2(a) if the Scheme becomes Effective.

15.3 Nature of payment

The amount payable by the Bidder to the Target under clause 15.2(a) is an amount to compensate the Target for:

(a) advisory costs (including costs of advisers other than success fees);

(b) costs of management and directors’ time;

(c) out-of-pocket expenses;

(d) reasonable opportunity costs incurred by the Target in pursuing the Transaction or in not pursuing other alternative acquisitions or initiatives and

is only payable once and is the Target's sole and exclusive remedy in respect of this Agreement.

15.4 Survival

Any accrued obligations under this clause survive termination of this Agreement.

16. Termination

16.1 Termination by either party

Without prejudice to any other rights of termination in this Agreement, this Agreement may be terminated by either party by notice to the other at any time prior to 8.00 am on the Second Court Date if:

(a) the other party (**Breaching Party**) is in material breach of this Agreement (including any material breach of any Target Warranty or Bidder Warranty); and

(i) the non-Breaching Party has given written notice to the Breaching Party setting out the relevant circumstances and stating an intention to terminate; and

(ii) the relevant circumstances have continued to exist for 2 Business Days (or any shorter period ending at 5.00 pm on the day before the Second Court Date) from the time such notice is given;

(b) it is permitted to do so under clause 3.6(b);

(c) if the Scheme is not Effective by the Sunset Date;

(d) Target Shareholders do not approve the Scheme;

(e) the Court refuses to grant orders directing the Target to convene the Scheme Meeting or approving the Scheme, and either an appeal made pursuant to clause 3.7 is not successful or no appeal is made in accordance with clause 3.7;

(f) a Court or other Government Agency has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the Scheme;

(g) the other party becomes subject to an Insolvency Event; or

(h) it is agreed to in writing by the parties.

16.2 Termination following Superior Proposal

Without prejudice to any other rights or consequences of termination in this Agreement, either party may terminate this Agreement by giving written notice to the other party at any time prior to 8.00 am on the Second Court Date if the Target Board publicly recommends a Competing Proposal.

16.3 Effect of termination

(a) Subject to clause 16.3(b), if this Agreement is terminated by a party, or this Agreement otherwise terminates in accordance with its terms, then all obligations of the parties under this Agreement immediately cease to be of further effect.

(b) The termination of this Agreement will not affect:

(i) any other rights the parties have against one another at Law;

(ii) the Continuing Clauses, which survive termination of this Agreement; or

(iii) a right or claim which arises before or as a consequence of termination.

17. Confidentiality Agreement

The parties agree and acknowledge that they are bound by the terms of the Confidentiality Agreement except that the terms of this Agreement will prevail over the Confidentiality Agreement to the extent of any inconsistency.

18. GST

18.1 Interpretation

In this clause 18:

(a) terms or expressions which have a defined meaning in the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)* (**GST Act**) have the same meaning as in the GST Act; and

(b) any reference to a party includes the representative member of a GST group of which that party is a member.

18.2 Consideration excludes GST

Unless otherwise expressly stated, all consideration to be paid or provided under this Agreement is expressed exclusive of GST.

18.3 Payment of GST

(a) If GST is payable on any supply made under this Agreement, the recipient must pay to the supplier an additional amount (**GST Amount**) equal to the GST payable on that supply at the same time as the consideration for the supply is to be paid or provided.

(b) Clause 18.3(a) does not apply to the extent that:

(i) the consideration for the supply is stated to include GST; or

(ii) GST on the supply is reverse charged and payable by the recipient.

18.4 Tax invoice

The recipient need not pay the GST Amount until it has received a tax invoice or adjustment note, as the case may be.

18.5 Adjustment events

If an adjustment event arises in relation to a supply made under this Agreement, the GST Amount must be adjusted to reflect that adjustment event. A corresponding payment must be made by the supplier to the recipient or by the recipient to the supplier, as the case may be.

18.6 Calculation of amounts

If this Agreement requires an amount to be calculated by reference to another amount (**Reference Amount**) that will be:

(a) received for a taxable supply; or

(b) paid for a creditable acquisition,

then the Reference Amount must be reduced so as to exclude any part of the Reference Amount paid or received on account of GST, as the case may be.

18.7 Reimbursement and indemnity payments

If this Agreement requires a party to reimburse or indemnify another party for a cost or expense, the amount of the cost or expense must be reduced by an amount equal to any input tax credit to which the party being reimbursed or indemnified is entitled for that cost or expense.

18.8 Survival

This clause 18 will survive and continue to apply following the termination or completion of this Agreement.

19. Notices

19.1 Notices

(a) Any notice or other communication to or by a party under this Agreement:

(i) unless stated otherwise, must be given by letter , email or facsimile;

(ii) must be in writing and in English and must be legible;

(iii) must be in writing, legible and in English addressed (depending on the manner in which it is given) as shown below:

(A) If to the Target:

Address: 1 Dalmore Drive, Scoresby, VIC 3179
Attention: Carl Stubbings / Geoff Cumming
Email: cstubbings@siennadiagnostics.com.au / gcumming@siennadiagnostics.com.au

(B) If to the Bidder:

Address: Unit 202 / Level 2, 39 Mends Street
South Perth WA 6151
Australia

Attention: Leearne Hinch / Max Johnston
Email: leearne@bard1.com / max_johnston249@bigpond.com

or addressed in accordance with any updated details last notified by the party to the sender by notice given in accordance with this clause; and

(iv) subject to clause 19.1(d), must be signed by or on behalf of the sender and, where the sender is a corporation, must be signed on behalf of the sender:

(A) in the case of a corporation registered in Australia, by the appropriate office holders of that corporation under section 127 of the Corporations Act; or

(B) in the case of a corporation registered outside Australia, by a person duly authorised by that corporation under the laws governing the place of registration of that corporation.

(b) Any notice or other communication given under this Agreement in accordance with clauses 19.1(a) and 19.1(d) is deemed to be given by the sender and received by the addressee:

(i) if delivered in person, when delivered to the addressee;

(ii) if posted, at 9.00 am on the third Business Day after the date of posting or, if posted to or from a place outside Australia, on the seventh Business Day after the date of posting, whether delivered or not; or

(iii) if by way of email, as specified in clause 19.1(e).

(c) If any notice or other communication would be deemed by clauses 19.1(b) or 19.1(e) to be delivered or received on a day which is not a Business Day or is after 5.00 pm (addressee's time), it is deemed to have been received at 9.00 am on the next Business Day.

(d) If any notice or other communication is to be given under this Agreement by email:

(i) it may be given by email or attached (as an electronic scanned version of that notice or communication) to an email;

(ii) where it is given by email, the email must be signed in accordance with clause 19.1(a)(iv) by typing the signatory's name following the main substantive text of the email;

(iii) where it is attached to an email, the notice or other communication must be signed in accordance with clause 19.1(a)(iv) but the covering email does not itself need to be signed;

(iv) the subject line of the email must contain the following words or words to a similar effect:

"Notice to [Full name of addressee party] under the Notices clause 19.1 of the Merger Implementation Agreement between Sienna Cancer Diagnostics Limited and BARD1 Life Sciences Limited"

(v) the email must be in an appropriate and commonly used format; and

(vi) any attached file must be a pdf, jpeg, tiff or other appropriate and commonly used format.

(e) For the purposes of clause 19.1(b)(iii), any notice or other communication given under this Agreement by email in accordance with clauses 19.1(a) and 19.1(d) is deemed to be delivered and received immediately after the time the email is sent to the relevant email address unless the sender receives an automatic notification (other than an out of office greeting) that the email has not been delivered within 2 hours.

20. General

20.1 Entire understanding

(a) This Agreement and the Confidentiality Agreement contain the entire understanding between the parties concerning the subject matter of this Agreement and supersede, terminate and replace all prior agreements and communications between the parties.

(b) Each party acknowledges that, except as expressly stated in this Agreement, it has not relied on any representation, warranty, undertaking or statement made by or on behalf of another party in relation to this Agreement or its subject matter.

20.2 No adverse construction

No provision of this Agreement is to be construed to the disadvantage of a party solely because that party was responsible for preparing or proposing this Agreement or the provision.

20.3 Further assurances

A party, at its own expense and within a reasonable time of being requested by another party to do so, must do all things and execute all documents that are reasonably necessary to give full effect to this Agreement.

20.4 No waiver

(a) A failure to exercise, a delay in exercising or partially exercising any power, right or remedy conferred on a party by or in respect of this Agreement does not operate as a waiver by that party of the power, right or remedy.

(b) A single or partial exercise of any power, right or remedy does not preclude a further exercise of it or the exercise of any other power, right or remedy.

(c) A waiver of a breach does not operate as a waiver of any other breach.

20.5 Remedies cumulative

Except as set out in this Agreement, the powers, rights and remedies under this Agreement are cumulative with and not exclusive of any powers, rights and remedies provided by law independently of this Agreement.

20.6 Severability

Any provision of this Agreement which is invalid in any jurisdiction must, in relation to that jurisdiction be:

(a) read down to the minimum extent necessary to achieve its validity, if applicable; and

(b) severed from this Agreement in any other case,

without invalidating or affecting the remaining provisions of this Agreement or the validity of that provision in any other jurisdiction.

20.7 No assignment

A party cannot assign or otherwise transfer the benefit of this Agreement without the prior written consent of the other party.

20.8 Consents and approvals

Unless this Agreement provides otherwise, where anything depends on the consent or approval of a party, then that consent or approval may be given conditionally, unconditionally or withheld, in the absolute discretion of that party.

20.9 No variation

This Agreement cannot be amended or varied except in writing signed by the parties.

20.10 Costs

Each party must pay its own legal costs of and incidental to the preparation, negotiation and execution of this Agreement and in connection with the implementation of the Scheme and the transaction contemplated by it.

20.11 Duty

Any duty (including related interest or penalties) payable in respect of this Agreement or any instrument created in connection with it must be paid by the Bidder.

20.12 Conflicting provisions

If there is any conflict between the main body of this Agreement and any schedules or annexures comprising it, then the provisions of the main body of this Agreement prevail.

20.13 No merger

Unless otherwise provided in this Agreement, the representations, undertakings, warranties and indemnities of the parties in, or the rights and remedies of the parties under, this Agreement will not merge on the completion of any transaction contemplated by this Agreement but will survive and remain enforceable to the fullest extent.

20.14 Operation of indemnities

Unless this Agreement expressly provides otherwise:

(a) each indemnity in this Agreement is a continuing obligation and survives the completion, expiry or termination of this Agreement;

(b) each indemnity given by a party in this Agreement is an additional, separate and independent obligation of the party and no one indemnity limits the operation of any other indemnity; and

(c) a party may enforce and recover a payment under an indemnity in this Agreement before it incurs any expense or makes the payment in respect of which the indemnity is given.

20.15 No right of set-off

Unless this Agreement expressly provides otherwise, a party has no right of set-off against a payment due to another party.

20.16 Relationship of parties

Unless this Agreement expressly provides otherwise, nothing in this Agreement may be construed as creating a relationship of partnership, of principal and agent or of trustee and beneficiary.

20.17 Counterparts

If this Agreement consists of a number of signed counterparts, each is an original and all of the counterparts together constitute the same document. A party may sign a counterpart by executing a signature page and electronically transmitting a copy of the signed page to each other party or their authorised representative.

20.18 Governing law and jurisdiction

(a) This Agreement is governed by and must be construed in accordance with the laws in force in Victoria.

(b) The parties submit to the exclusive jurisdiction of the courts of that State and the Commonwealth of Australia in respect of all matters arising out of or relating to this Agreement, its performance or subject matter.

(c) Each party waives any rights to:

(i) object to the venue of any proceedings; or

(ii) claim that the proceedings have been brought in an inconvenient forum or that the courts of another place are a more convenient forum,

if the proceedings have been brought in a court referred to in clause 20.18(b).

Schedule 1 - Conditions

	Condition	Beneficiary	Responsible Party
1.	**Orders convening Scheme Meeting**: The Court orders the convening of the Scheme Meeting under section 411(1) of the Corporations Act.	None	Target
2.	**Target Shareholder approval**: The Scheme being approved by Target Shareholders by the requisite majorities under section 411(4)(a) of the Corporations Act.	None	Target
3.	**Court approval of Scheme**: The Court approves the Scheme under section 411(4)(b) of the Corporations Act and a copy of those orders is lodged with ASIC as contemplated in section 411(10) of the Corporations Act.	None	Bidder and Target
4.	**No restraints**: No Court, ASX or Government Agency issues or takes steps to issue a restraining order, preliminary or permanent injunction or other material legal restraint or prohibition preventing the Scheme or requiring a material change to the terms of the Scheme, which remains in force at 8.00 am on the Second Court Date.	Bidder and Target	Bidder and Target
5.	**No Material Adverse Change re Target**: No Material Adverse Change has occurred in respect of the Target between the date of this Agreement and 8.00 am on the Second Court Date;	Bidder	Target
6.	**No Target Prescribed Occurrences:** No Target Prescribed Occurrence has occurred between the date of this Agreement and 8.00 am on the Second Court Date, which has not been remedied as at 8.00 am on the Second Court Date.	Bidder	Target
7.	**No Material Adverse Change re Bidder:** No Material Adverse Change has occurred in respect of the Bidder between the date of this Agreement and 8.00 am on the Second Court Date.	Target	Bidder
8.	**No Bidder Prescribed Occurrences:** No Bidder Prescribed Occurrence has occurred between the date of this Agreement and 8.00 am on the Second Court Date which has not been remedied as at 8.00 am on the Second Court Date.	Target	Bidder

	Condition	Beneficiary	Responsible Party
9.	**Target Warranties**: Each of Target Warranties are true and correct in all material respects on the date those representations are given.	Bidder	Target
10.	**Bidder Warranties**: Each of the Bidder Warranties are true and correct in all material respects on the date those representations are given.	Target	Bidder
11.	**Target options:** All options issued by the Target to its employees are by agreement with the relevant employee cancelled or terminated on such terms as reasonably acceptable to the Bidder, with the Target option holders to be offered by the Bidder replacement options in the Bidder on comparable terms.	Bidder	Target and the Bidder
12.	**FIRB**: Before 8.00 am on the Second Court Date, either: (a) the Bidder has received a written notice under FATA from the Treasurer (or his delegate) stating that, or to the effect that, the Commonwealth Government does not object to the acquisition of all the Scheme Shares by the Bidder pursuant to the Scheme, either without condition or on terms that are acceptable to the Bidder (acting reasonably); or (a) following notice of the proposed acquisition of all the Scheme Shares by the Bidder pursuant to the Scheme having been given by the Bidder to the Treasurer under FATA, the Treasurer ceases to be empowered to make any order under Part 3 of FATA.	Bidder and Target	Bidder

Schedule 2 - Target Obligations

	Obligation
1.	**Independent Expert** (a) Appoint an Independent Expert to provide the Independent Expert's Report and provide any assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report. (b) On receipt, provide the Bidder with a copy of any factual draft and final Independent Expert Report.
2.	**Scheme Booklet** (a) Prepare the Scheme Booklet pursuant to clause 6. (b) As soon as reasonably practicable after the date of this Agreement: (i) provide an advanced draft of the Scheme Booklet to ASIC for its review and approval in accordance with section 411(2) of the Corporations Act; (ii) provide the advanced draft to ASX for its review in accordance with Appendix 7A, 'Merger or takeover via a court approved scheme of arrangement' (ASX Timetable) to the ASX Listing Rules; and (iii) liaise with ASIC and ASX during the period of their respective review of the draft Scheme Booklet and keep the Bidder reasonably informed of any matters raised by ASIC or ASX or both in relation to the Scheme Booklet. (c) As soon as reasonably practicable after the conclusion of ASIC's and ASX's respective review of the Scheme Booklet, procuring that a meeting of the Target Board is held to consider and if thought fit, approve the Scheme Booklet as suitable for dispatch to Target Shareholders, subject to orders of the Court under section 411(1) of the Corporations Act.
3.	**ASIC** (a) Apply to ASIC for a written statement under section 411(17)(b) Corporations Act that ASIC has no objection to the Scheme. (b) Request ASIC to register the explanatory statement included in the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act.

4.	**Court Proceedings** (a) Engage suitable counsel to represent the Target in all Court proceedings related to the Scheme. (b) Apply to the Court for orders under section 411(1) of the Corporations Act directing the Target to convene the Scheme Meeting.
5.	**Scheme Booklet Dispatch** (a) Send the Scheme Booklet to Target Shareholders as soon as practicable after the Court orders the Target to convene the Scheme Meeting. (a) Ensure that the Target Scheme Information is not false, misleading or deceptive in any material respect (whether by omission or otherwise) at the Dispatch Date. (b) Provide to Target Shareholders such further or new Target Scheme Information as may arise after the Dispatch Date as may be necessary to ensure that the Target Scheme Information contained in the Scheme Booklet is not, having regard to applicable disclosure requirements, false, misleading or deceptive in any material respect (whether by omission or otherwise).
6.	**Scheme Meeting** Convene and hold the Scheme Meeting in accordance with any orders made by the Court.
7.	**Certificate** Before commencement of the hearing by the Court of the application for the order under section 411(4)(b) of the Corporations Act, give to the Bidder a certificate signed by the Target stating whether or not each representation or warranty given by the Target is true and correct in all material respects as at the time it is given or made under clause 10.
8.	**Implementation** (a) Apply to the Court for an order approving the Scheme under sections 411(4)(b) and, if applicable, 411(6) of the Corporations Act. (a) Lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act and the ASX Timetable. (b) Register the transfer of the Scheme Shares to the Bidder on the Implementation Date. (c) Do all other things necessary to give effect to the Scheme and the Court orders approving the Scheme.

9.	**Proxy Information** Upon request of the Bidder made before the commencement of the Scheme Meeting, inform the Bidder of the total number of proxy votes in respect of which the appointment for the Scheme Meeting specified that: (a) the proxy is to vote in favour of the Scheme; (b) the proxy is to vote against the Scheme; (c) the proxy is to abstain on the Scheme resolution; and (d) the proxy may vote at the proxy's discretion.

Schedule 3 - Bidder Obligations

	Obligation
1.	**Regulatory Approvals** Apply for any Regulatory Approval required by the Bidder to implement the Scheme and to permit the issue of New Bidder's Shares within the time periods contemplated by the Scheme.
2.	**Scheme Booklet** (a) Assist in the preparation of the Scheme Booklet in accordance with clause 6. (b) Provide to the Target such Bidder Scheme Information that the Target reasonably requires, and in a form suitable for inclusion in the Scheme Booklet and in accordance with all applicable laws, including the Corporations Act, Corporations Regulations and ASIC policies and guidance. (c) Procure that a meeting of the Bidder's Board of Directors is held to consider and if thought fit, approve those sections of the draft Scheme Booklet that relate to the Bidder as suitable for provision to ASIC for its review. (d) Confirm in writing to the Target that: (i) it consents to the inclusion of the Bidder Scheme Information in the Scheme Booklet, in the form and context in which the Bidder Scheme Information appears; and (ii) the Bidder Scheme Information is accurate and not false, misleading or deceptive in any material respect (whether by omission or otherwise).
3.	**Deed Poll** Execute the Deed Poll before the Scheme Booklet is lodged with ASIC for registration under section 412(6) of the Corporations Act.
4.	**Scheme Booklet Dispatch** (a) Approve those sections of the draft Scheme Booklet that relate to the Bidder as suitable for dispatch to Target Shareholders, subject to orders of the Court under section 411(1) of the Corporations Act. (b) Ensure that the Bidder Scheme Information is not false, misleading or deceptive in any material respect (whether by omission or otherwise) at the Dispatch Date. (c) If, after the Dispatch Date, it becomes aware that any of the Bidder Scheme Information is misleading or deceptive in any material respect (whether by omission or otherwise) having regard to applicable disclosure requirements, providing all necessary and appropriate information to the Target to enable it to provide that information to Target Shareholders.

5.	**Court Proceedings** Procure that the Bidder is represented by counsel at the Court hearings convened in relation to the Scheme for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act and, if requested by the Court, undertake (through its counsel) to do all things and take all steps within its power that may be necessary to fulfil its obligations under the Scheme.
6.	**Independent Expert** Promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report for inclusion in the Scheme Booklet.
7.	**Implementation** (a) If the Scheme becomes Effective, provide the Scheme Consideration in accordance with clause 4.2. (b) If the Scheme becomes Effective, accept the transfer of the Scheme Shares. (c) If the Scheme becomes Effective, in accordance with clause 4.2, apply to ASX for quotation of all New Bidder Shares issued as Scheme Consideration in accordance with the requirements of this Agreement and the Deed Poll. (d) Do all other things necessary to give effect to the Scheme and the Court orders approving the Scheme.
8.	**Certificate** Before the commencement of the hearing by the Court of the application for the order under section 411(4)(b) of the Corporations Act, give to the Target a certificate signed by the Bidder stating whether or not each representation or warranty given by the Bidder is true and correct in all material respects as at the time it is given or made under clause 11.
9.	**Bidder options** The Bidder will in accordance with clause 5 promptly offer to the Target option holders re Schedule 1 condition 11, options in the Bidder as near as reasonably practical conferring the same benefits as the current options on issue by the Target.

Schedule 4 - Target Warranties

1. Power and Authority

1.1 The Target is a validly existing corporation registered under the laws of its place of incorporation.

1.2 The Target has has taken all necessary action to authorise its entry into and performance of this Agreement and to carry out the transactions contemplated by this Agreement.

1.3 The Target has the power to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement.

1.4 The obligations of the Target under this Agreement constitute legal, valid and binding obligations on the Target and enforceable against the Target in accordance with their terms.

1.5 The entry into and performance of this Agreement by it does not and will not result in a contravention of its constitution, or any Law, judgment, ruling, order, decree or authorisation binding on it.

2. Information

2.1 The Due Diligence Information of the Target was prepared and provided in good faith for the purpose of informing the Bidder about the Target Shares, the Target and its Business and is not misleading or deceptive in any material respect (whether by omission or otherwise).

2.2 The Target Scheme Information included in the Scheme Booklet:

(a) will be prepared in good faith and on the understanding that the Bidder will rely on that information for the purposes of preparing the Bidder Scheme Information and approving and implementing the Scheme; and

(b) as at the Dispatch Date, will comply in all material respects with the requirements of the Corporations Act, applicable ASIC guidance and the Listing Rules.

2.3 The Target is not in breach of its continuous or periodic financial disclosure obligations under the Listing Rules or the Corporations Act and, subject to the announcement of the Scheme, as at the date of this Agreement the Target is not relying on Listing Rule 3.1A to withhold any information from disclosure under the Listing Rules.

3. Target

3.1 The issued capital of the Target as of the date of this Agreement is as follows and it has not issued any other securities or instruments which are still outstanding and may convert into Target securities:

Number	Class
395,132,839	Ordinary Shares

11,966,666	Employee share options outstanding and of this total 6,423,333 have vested

4. Solvency

The Target is not subject to an Insolvency Event.

Schedule 5 - Bidder Warranties

1. Power and Authority

1.1 The Bidder is a validly existing corporation registered under the laws of its place of incorporation.

1.2 The Bidder has has taken all necessary action to authorise its entry into and performance of this Agreement and to carry out the transactions contemplated by this Agreement.

1.3 The Bidder has the power to enter into and perform its obligations under this Agreement and to carry out the transactions contemplated by this Agreement.

1.4 The obligations of the Bidder under this Agreement constitute legal, valid and binding obligations on the Bidder and enforceable against the Bidder in accordance with their terms.

1.5 The entry into and performance of this Agreement by it does not and will not result in a contravention of its constitution, or any Law, judgment, ruling, order, decree or authorisation binding on it.

2. Information

2.1 The Due Diligence Information of the Bidder was prepared and provided in good faith for the purpose of informing the Target about the Bidder Shares, the Bidder and its business and is not misleading or deceptive in any material respect (whether by omission or otherwise).

2.2 The Bidder Scheme Information included in the Scheme Booklet:

(a) will be prepared in good faith and on the understanding that the Target will rely on that information for the purposes of preparing the Target Scheme Information and approving and implementing the Scheme; and

(b) as at the Dispatch Date, will comply in all material respects with the requirements of the Corporations Act, applicable ASIC guidance and the Listing Rules.

2.3 The Bidder is not in breach of its continuous or periodic financial disclosure obligations under the Listing Rules or the Corporations Act and, subject to the announcement of the Scheme, as at the date of this Agreement the Bidder is not relying on Listing Rule 3.1A to withhold any information from disclosure under the Listing Rules.

3. Bidder

3.1 The issued capital of the Bidder as of the date of this Agreement is as follows and it has not issued any other securities or instruments which are still outstanding and may convert into Bidder securities:

Number	Class
1,367,185,026	Ordinary Shares

17,000,000	Options
217,003,236	Performance Shares

4. Solvency

The Bidder is not subject to an Insolvency Event.

Executed as an agreement

Executed by **Sienna Cancer Diagnostics Limited** ACN 099 803 460 in accordance with section 127(1) of the *Corporations Act 2001 (Cth)*:	))))
…….	…….
Signature of director	Signature of director or company secretary* *delete whichever does not apply
…….	…….
Name (please print)	Name (please print)
Executed by **BARD1 Life Sciences Limited** ACN 009 070 384 in accordance with section 127(1) of the *Corporations Act 2001 (Cth)*:	))))
…….	…….
Signature of director	Signature of director or company secretary* *delete whichever does not apply
…….	…….
Name (please print)	Name (please print)

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Annexure D – Deed Poll

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Deed Poll

By **BARD1 Life Sciences Limited**
ACN 009 070 384

in favour of each Scheme Participant

Table of Contents

Deed Poll

Date 12 May 2020

Parties

This Deed Poll is made by:

BARD1 Life Sciences Limited ACN 009 070 384 of Unit 202 / Level 2, 39 Mends Street, SOUTH PERTH, WA, AUSTRALIA, 6151 (**Bidder**)

in favour of:

Each registered holder of fully paid ordinary shares in Sienna Cancer Diagnostics Limited ACN 099 803 460 as at 5.00pm on the Record Date (each a **Scheme Participant**).

Background

A. On 8 April 2020, the Bidder and Sienna Cancer Diagnostics Limited ACN 099 803 460 (**Target**) entered into a merger implementation agreement with respect to the Scheme (as defined below) and associated matters (**Merger Implementation Agreement**).

B. In the Merger Implementation Agreement, the Bidder agreed (amongst other things) to provide the Scheme Consideration to the Scheme Participants, subject to the satisfaction of certain conditions.

C. The Bidder is entering into this Deed Poll to covenant in favour of the Scheme Participants that it will perform all actions attributed to it under the Scheme.

Agreed terms

1. Defined terms and interpretation

1.1 Defined terms

In this Deed Poll, unless otherwise defined, capitalised words and phrases have the same meaning as given to them in the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act between the Target and Scheme Participants in respect of all Scheme Shares substantially in the form set out in Attachment 1, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to in writing by the Bidder and Target (**Scheme**).

1.2 Interpretation

The provisions of clause 1.2 of the Scheme form part of this Deed Poll as if set out at length in this Deed Poll.

1.3 Nature of deed poll

The Bidder acknowledges that:

(a) this Deed Poll may be relied on and enforced by any Scheme Participant in accordance with its terms, even though the Scheme Participant is not party to it; and

(b) each Scheme Participant irrevocably appoints the Target and each of its directors and officers (jointly and severally) as its agent and attorney to enforce this Deed Poll against the Bidder on behalf of that Scheme Participant.

2. Condition precedent and termination

2.1 Condition precedent to obligations of the Scheme

The obligations of the Bidder under this Deed Poll are subject to the Scheme becoming Effective.

2.2 Termination

The obligations of the Bidder under this Deed Poll will automatically terminate, and the terms of this Deed Poll will be of no force or effect, if:

(a) the Merger Implementation Agreement is terminated in accordance with its terms; or

(b) the Scheme is not Effective on or before the Sunset Date,

unless the Bidder and the Target agree in writing otherwise, with the approval of the Court, if required.

2.3 Consequences of termination

If this Deed Poll is terminated under clause 2.2, in addition and without prejudice to any other rights, powers or remedies available to them:

(a) the Bidder is released from its obligations to further perform this Deed Poll, except those obligations under clause 7.5; and

(b) each Scheme Participant retains the rights it has against the Bidder in respect of any breach of this Deed Poll which occurs before it is terminated.

3. Scheme obligations

3.1 Undertaking Scheme obligations

Subject to clause 2, the Bidder covenants in favour of each Scheme Participant to perform all actions attributed to it under, and otherwise comply with, the Scheme as if it were a party to the Scheme, subject to and in accordance with the terms and conditions of the Scheme.

3.2 Provision of Scheme Consideration

(a) Subject to clause 2, the Bidder undertakes in favour of each Scheme Participant to, on the Implementation Date, issue (or procure the issue of) the New Bidder's Shares to the Scheme Participants that are entitled to receive the Scheme Consideration subject to and in accordance with the terms of the Scheme.

(b) The obligations of the Bidder under clause 3.2(a) will be satisfied if, on or before 5.00pm on the Implementation Date, it issues all of the New Bidder's Shares which it is obliged to issue to Scheme Participants and to the Target Trustee under the Scheme.

4. Representations and warranties

The Bidder represents and warrants in favour of each Scheme Participant that:

(a) it is a corporation validly existing under the laws of its place of registration;

(b) it has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;

(c) it has taken all necessary corporate action to authorise its entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll;

(d) the entry into and performance of this Deed Poll by it does not and will not result in a contravention of its constitution, or any law, judgment, ruling, order, decree or authorisation binding on it;

(e) it is not subject to an Insolvency Event (as defined in the Merger Implementation Agreement); and

(f) this Deed Poll is valid and binding on it and enforceable against it in accordance with its terms.

5. Continuing obligations

This Deed Poll is irrevocable and, subject to clause 2, remains in full force and effect until the earlier of:

(a) the Bidder has fully performed its obligations under this Deed Poll; and

(b) termination of this Deed Poll under clause 2.

6. Notices

Any notice, demand or other communication to the Bidder in respect of this Deed Poll:

(a) must be given in accordance with this clause 6;

(b) must be given to the intended recipient by personal service or prepaid post (if posted to an address in another country, by registered airmail);

(c) must be in writing, legible and in English addressed (depending on the manner in which it is given) as shown below:

Address:	Unit 202 / Level 2, 39 Mends Street, SOUTH PERTH, WA, AUSTRALIA, 6151
Attention:	Leearne Hinch / Max Johnston
Email:	leearne@bard1.com / max_johnston249@bigpond.com

or addressed in accordance with any updated details last notified by the Bidder;

(d) must be signed:

(i) in the case of a corporation registered in Australia, by any authorised representative or by the appropriate office holders of that corporation under section 127 of the *Corporations Act 2001 (Cth)*; or

(ii) in the case of a corporation registered outside of Australia, by a person duly authorised by the sender in accordance with the laws governing the place of registration of that corporation; and

(e) is deemed to be given by the sender and received by the addressee:

(i) if delivered in person, when delivered to the addressee;

(ii) if posted, at 9.00 am on the third Business Day after the date of posting to the addressee whether delivered or not; and

(iii) if by way of email, as specified in clause 6(g).

(f) if any notice or other communication would be deemed to be delivered or received on a day which is not a Business Day or is after 5.00 pm (addressee's time), it is deemed to have been received at 9.00 am on the next Business Day;

(g) if any notice or other communication is to be given under this Deed Poll by email:

(i) it may be given by email or attached (as an electronic scanned version of that notice or communication) to an email;

(ii) where it is given by email, the email must be signed by typing the signatory's name following the main substantive text of the email;

(iii) where it is attached to an email, the notice or other communication must be signed in accordance with clause 6(d) but the covering email does not itself need to be signed;

(iv) the subject line of the email must contain the following words or words to a similar effect:

(v) "Notice to [Full name of addressee party] under the Notices clause 6 of the Deed Poll between BARD1 Life Sciences Limited and each Scheme Participant"

(vi) the email must be in an appropriate and commonly used format; and

(vii) any attached file must be a pdf, jpeg, tiff or other appropriate and commonly used format; and

(h) for the purposes of clause 6(e)(iii), any notice or other communication given under this Deed Poll by email in accordance with clauses 6(g) is deemed to be delivered and received immediately after the time the email is sent to the relevant email address unless the sender receives an automatic notification (other than an out of office greeting) that the email has not been delivered within 2 hours.

7. General

7.1 Waiver

(a) A failure to exercise, a delay in exercising or partially exercising any power, right or remedy conferred on a party by or in respect of this Deed Poll does not operate as a waiver by that party of the power, right or remedy.

(b) A single or partial exercise of any power, right or remedy does not preclude a further exercise of it or the exercise of any other power, right or remedy.

(c) A waiver of a breach does not operate as a waiver of any other breach.

7.2 Variation

This Deed Poll may not be varied unless:

(a) if before the Second Court Date, the variation is agreed to by the Target; or

(b) if on or after the Second Court Date, the variation is agreed to by the Target and the Court indicates that the variation would not of itself preclude approval of the Scheme,

in which event the Bidder must enter into a further deed poll in favour of the Scheme Participants giving effect to the variation.

7.3 Remedies cumulative

The powers, rights and remedies of the Bidder and the Scheme Participants under this Deed Poll are cumulative with and not exclusive of any powers, rights or remedies provided by law independently of this Deed Poll.

7.4 No assignment

(a) The rights created by this Deed Poll are personal to the Bidder and each Scheme Participant and may only be assigned, charged, encumbered or otherwise dealt with at law or in equity with the prior written consent of the Bidder.

(b) Any purported dealing in contravention of clause 7.4(a) is invalid.

7.5 Stamp duty

The Bidder must pay any stamp duties and any related fines and penalties in respect of this Deed Poll, the performance of this Deed Poll and each transaction effected by or made under or pursuant to this Deed Poll.

7.6 Further assurances

The Bidder must, at its own expense, promptly do all things necessary or expedient to be done by it to give full effect to this Deed Poll.

7.7 Governing law

(a) This Deed Poll is governed by and must be construed in accordance with the laws in force in Victoria.

(b) The Target and each Scheme Participant submits to the exclusive jurisdiction of the courts of Victoria and the Commonwealth of Australia in respect of all matters arising out of or relating to this Deed Poll, its performance or subject matter.

Executed as a deed poll.

Executed by **BARD1 Life Sciences Limited**)
ACN 009 070 384 in accordance with)
section 127(1) of the *Corporations Act 2001*)
(Cth):)

Signature of director

Peter Lynton Lunzer

Name (please print)

Signature of director ~~or company secretary~~*
*delete whichever does not apply

Robert Maxwell Johnston

Name (please print)

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Annexure E – Scheme of Arrangement

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Scheme of arrangement

Sienna Cancer Diagnostics Limited
ACN 099 803 460

and

Scheme Participants

Table of Contents

Scheme of arrangement

Date 2020

Parties

1. **Sienna Cancer Diagnostics Limited** ACN 099 803 460 of 1 Dalmore Drive, SCORESBY, VIC, AUSTRALIA, 3179 (**Target**)

2. The holders of fully paid ordinary shares in the capital of Target as at the Record Date (each a **Scheme Participant**)

Background

A. The Target and the Bidder have entered into a Merger Implementation Agreement pursuant to which the Target has agreed to propose the Scheme to Scheme Participants.

B. The Bidder has executed a Deed Poll pursuant to which the Bidder covenants in favour of Scheme Participants to perform certain obligations to give effect to the Scheme.

Agreed terms

1. Definitions and interpretation

1.1 Definitions

In this Scheme:

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited or the financial market known as the Australian Securities Exchange operated by it, as appropriate;

ASX Settlement means ASX Settlement Pty Limited ACN 008 504 532 or the clearing and settlement facility operated by it, as the context requires;

Bidder means BARD1 Life Sciences Limited ACN 009 070 384;

Bidder's Constitution means the constitution of the Bidder as amended from time to time;

Bidder Share means a fully paid ordinary share in the issued capital of the Bidder;

Business Day means a day that is not a Saturday, Sunday, public holiday or bank holiday in Melbourne or Perth;

CHESS means the Clearing House Electronic Subregister System of share transfers operated by ASX Settlement;

CHESS Holding has the meaning given in the Settlement Rules;

Claim means any claim, action demand, suit or proceeding for damages, debt, restitution, equitable compensation, account, injunction, specific performance or any other remedy;

Conversion has the meaning given in the Settlement Rules;

Corporations Act means the *Corporations Act 2001 (Cth)*;

Court means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act as the parties may agree;

Deed Poll means the deed poll to be executed by the Bidder substantially in the form of Annexure 3 to the Merger Implementation Agreement or such other form agreed in writing by the Target and the Bidder under which the Bidder covenants in favour of each Scheme Participant to perform its obligations under this Scheme;

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme;

Effective Date means the date on which the Scheme becomes Effective;

Encumbrance means:

(a) any:

(i) legal or equitable interest or power created, arising in or reserved in or over an interest in any property or asset; or

(ii) security for payment of money, performance of obligations or protection against default (including a mortgage, bill of sale, charge, lien, pledge, trust, power or retention of title arrangement, right of set-off, assignment of income, garnishee order, monetary claim and flawed deposit arrangement);

(b) any thing or preferential interest or arrangement of any kind giving a person priority or preference over claims or other persons with respect to any property or asset;

(c) a PPSA Security Interest; or

(d) any agreement or arrangement (whether legally binding or not) to grant or create anything referred to in paragraph (a), (b) or (c);

Foreign Scheme Participant means a Scheme Participant whose Registered Address is a place outside of:

(a) Australia and its external territories;

(b) New Zealand; and

(c) a Qualifying Jurisdiction;

Immediately Available Funds means a bank cheque or other form of cleared funds acceptable to the Target;

Implementation Date means, the third Business Day after the Record Date, or such other Business Day the parties agree;

Independent Expert means the expert engaged by the Target after consultation with the Bidder to produce the Independent Expert's Report;

Independent Expert's Report means the report from the Independent Expert which includes a statement by the Independent Expert on whether, in its opinion, the Scheme is in the best interest of Target Shareholders;

Ineligible Scheme Participants means Foreign Scheme Participants;

Issuer Sponsored Holding has the meaning given in the Settlement Rules;

Merger Implementation Agreement means the merger implementation agreement dated 8 April 2020 between the Bidder and the Target;

New Bidder Shares means the Bidder's Shares to be issued under the Scheme as Scheme Consideration;

PPSA means the *Personal Property Securities Act 2009* (Cth);

PPSA Security Interest means a security interest as defined in the PPSA;

Qualifying Jurisdiction means any country in which a Scheme Participant resides (as shown in the Target's register) other than Australia and New Zealand, whose laws permit the issue and allotment of New Bidder Shares either unconditionally or after compliance with conditions which the Target reasonably regards, after consulting with the Bidder, as acceptable and not unduly onerous or expensive;

Record Date means 7.00 pm on the date which is 2 Business Days after the Effective Date, or such other Business Day agreed by the Bidder and the Target;

Register means the register of members of the Target maintained by or on behalf of the Target in accordance with section 168(1) of the Corporations Act;

Registered Address means the address of a Scheme Participant shown in the Register;

Regulatory Authority means:

(a) any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, tribunal, agency or entity;

(b) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; or

(c) any regulatory organisation established under statute,

in any part of the world, and whether foreign, federal, state, territorial or local;

Sale Shares means the New Bidder Shares to which Ineligible Scheme Participants would have been entitled under this Scheme but for the operation of clause 5.3;

Scheme means this scheme of arrangement pursuant to Part 5.1 of the Corporations Act between the Target and Scheme Participants in respect of the Scheme Shares,

subject to any amendments made under section 411(6) of the Corporations Act and approved by the Bidder;

Scheme Booklet means the explanatory booklet in respect of the Scheme to be dispatched to Target Shareholders, and includes the Scheme; a copy of the Deed Poll executed by Bidder; an explanatory statement as that term is defined in section 412 of the Corporations Act; the Independent Expert's Report; and a notice of meeting and proxy form;

Scheme Consideration means the New Bidder Shares being 13 ordinary shares in the capital of the Bidder credited as fully paid to be issued as consideration under the Scheme in exchange for 5 Scheme Share/s held as at the Record Date;

Scheme Meeting means the meeting of Target Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme;

Scheme Share means a Target Share on issue as at the Record Date;

Scheme Participant means a person who holds one or more Scheme Shares;

Scheme Transfer means, for each Scheme Participant, a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Participant for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares;

Second Court Date means the first day on which the application to approve the Scheme under section 411(4)(b) of the Corporations Act is heard by the Court;

Settlement Rules means the ASX Settlement Operating Rules, the operating rules of ASX Settlement;

Sunset Date means the later of:

(a) 5:00 pm on 8 August 2020; and

(b) in relation to Condition 12 (FIRB), if that Condition is not satisfied or waived on or before the time specified in paragraph (a) immediately above, 22 October 2020; and

or in each case, such other date and time agreed between the Bidder and the Target;

Target Options means an option granted by Target to acquire by way of issue one or more Target Shares.

Target Registry means Link Market Services Limited or any replacement provider of share registry services to the Target;

Target Share means a fully paid ordinary share in the capital of the Target;

Target Shareholder means each person who is registered in the Register as a holder of Target Shares;

Target Trustee means the entity appointed in respect of Ineligible Scheme Participants by the Target after consultation with the Bidder; and

Trust Account means an Australian dollar denominated trust account operated by Target as trustee for the benefit of Scheme Participants.

1.2 Interpretation

In this Scheme unless the context requires otherwise:

(a) the singular includes the plural and vice versa;

(b) a gender includes the other genders;

(c) headings are used for convenience only and do not affect the interpretation of this Scheme;

(d) other grammatical forms of a defined word or expression have a corresponding meanings;

(e) a reference to a document is to that document as amended, novated, supplemented, extended or restated from time to time;

(f) a reference to a party is to a party to this Scheme and includes that party's executors, administrators, successors, permitted assigns and permitted substitutes;

(g) if something is to be or may be done on a day that is not a Business Day then it must be done on the next Business Day;

(h) "person" includes a natural person, partnership, body corporate, association, joint venture, governmental or local authority, and any other body or entity whether incorporated or not;

(i) "month" means calendar month and "year" means 12 consecutive months;

(j) a reference to all or any part of a statute, rule, regulation or ordinance (**statute**) is to that statute as amended, consolidated, re-enacted or replaced from time to time;

(k) "include", "for example" and any similar expressions are not used, and must not be interpreted, as words of limitation;

(l) money amounts are stated in Australian currency unless otherwise specified;

(m) a reference to time is to Melbourne, Australia time;

(n) a reference to any agency or body that ceases to exist, is reconstituted, renamed or replaced, or has its powers or functions removed (**defunct body**) is to the agency or body that performs most closely the powers or functions of the defunct body;

(o) any provision in this Scheme which is in favour of more than one person benefits all of them jointly and each of them severally; and

(p) any provision in this Scheme which binds more than one person binds all of them jointly and each of them severally.

2. Preliminary

2.1 Target

(a) The Target is a public company limited by shares, incorporated and registered in Melbourne, Australia.

(b) The Target is admitted to the official list of the ASX and Target Shares are officially quoted on the financial market operated by ASX.

(c) As at the date of the Scheme Booklet, the Target had the following securities on issue:

Number	Class
395,132,839	Ordinary Shares
11,966,666	Target Options

2.2 Bidder

(a) The Bidder is a public company limited by shares, incorporated and registered in Perth, Australia.

(b) The Bidder is admitted to the official list of the ASX and Bidder Shares are officially quoted on the financial market operated by ASX.

2.3 Consequences of this Scheme becoming Effective

If the Scheme becomes Effective:

(a) on the Implementation Date, the Bidder will apply for New Bidder Shares to be quoted on ASX;

(b) on the Implementation Date, the Bidder will, in consideration of the transfer of each Scheme Share to the Bidder, provide or procure the issue of the Scheme Consideration to Scheme Participants in accordance with the terms of this Scheme;

(c) on the Implementation Date, all the Scheme Shares held by Scheme Participants, and all the rights and entitlements attaching to them, will be transferred to the Bidder after the Bidder has provided or procured the issue of the Scheme Consideration to the Scheme Participants in accordance with the terms and conditions of this Scheme;

(d) on the Implementation Date, the Target will enter the Bidder's name in the Register in respect of the Scheme Shares after the Bidder has provided or procured the provision of the Scheme Consideration to the Scheme Participants in accordance with the terms of this Scheme;

(e) it will bind the Target and all Scheme Participants, including those who do not attend the Scheme Meeting, those who do not vote at that meeting and those who vote against this Scheme at that meeting; and

(f) it will override the constitution of the Target, to the extent of any inconsistency.

2.4 Merger Implementation Agreement and Deed Poll

(a) The Bidder and the Target have agreed, by executing the Merger Implementation Agreement, to implement the terms of this Scheme.

(b) This Scheme attributes actions to the Bidder but does not itself impose an obligation on the Bidder to perform those actions. The Bidder has agreed by executing the Deed Poll for the benefit of the Scheme Participants to perform (or procure the performance of) its obligations as contemplated by this Scheme, including to provide (or procure the provision of) the Scheme Consideration to Scheme Participants.

3. Conditions, Effective Date and Sunset Date

3.1 Conditions to the Scheme

(a) The Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions (each a **Condition**):

(i) all the conditions precedent in Schedule 1 to the Merger Implementation Agreement (other than the condition precedent in item 3) having been satisfied or waived in accordance with the terms of the Merger Implementation Agreement by 8.00am on the Second Court Date;

(ii) neither the Merger Implementation Agreement nor the Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;

(iii) approval of this Scheme by the Court under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act as are agreed to in writing by the Bidder and the Target; and

(iv) such other conditions imposed by the Court under section 411(6) of the Corporations Act, as are acceptable to the parties, having been satisfied.

(b) The satisfaction of the conditions referred to in clause 3.1(a) of this document is a condition precedent to the operation of clauses 4 and 5.

(c) This Scheme will lapse and be of no further force or effect if:

(i) the Effective Date does not occur on or before the Sunset Date or any later date as the Court, with the consent of the parties, may order; or

(ii) the Merger Implementation Agreement is terminated before implementation of this Scheme on the Implementation Date.

3.2 Certificates

(a) The Bidder and the Target must each give to the Court on the Second Court Date a certificate confirming (in respect of matters within their knowledge) whether or not all of the Conditions (other than the condition precedent in clause 3.1(a)(iii) above and the condition precedent in item 3 of Schedule 1 to the Merger Implementation Agreement) have been satisfied or waived.

(b) The certificates referred to in clause 3.2(a) constitute conclusive evidence that such Scheme Conditions were satisfied, waived or taken to be waived.

3.3 Effective Date

Subject to clause 3.4, the Scheme will take effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

3.4 Sunset Date

The Scheme will lapse and be of no further force or effect if:

(a) the Effective Date does not occur on or before the Sunset Date; or

(b) the Merger Implementation Agreement or Deed Poll are terminated in accordance with their terms,

unless the Target and the Bidder agree in writing otherwise, with the approval of the Court, if required.

4. Implementation of the Scheme

4.1 Lodgement

The Target must lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act, as soon as reasonably practicable after the Court approves this Scheme and in any event before 5.00pm on the Business Day after the Business Day the Court approves the Scheme.

4.2 Transfer of Scheme Shares

On the Implementation Date, subject to the provision of the Scheme Consideration to the Scheme Participants in accordance with clause 5 of this Scheme:

(a) the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to the Bidder, without the need for any further act by any Scheme Participant (other than acts performed by the Target as attorney and agent for Scheme Participants under clause 7.1 of this Scheme or otherwise) by:

(i) the Target delivering to the Bidder a duly completed and executed Scheme Transfer executed on behalf of the Scheme Participants; and

(ii) the Bidder duly executing the Scheme Transfer and delivering it to the Target for registration; and

(b) promptly after receipt of the executed Scheme Transfer in accordance with clause 4.2(a)(ii), the Target must enter, or procure the entry of, the name of the Bidder in the Register as the holder of the Scheme Shares in accordance with this Scheme.

4.3 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to the Bidder of the Scheme Shares, each Scheme Participant will be entitled to receive the Scheme Consideration in respect of their Scheme Shares in accordance with clause 5 of this Scheme.

4.4 Title and rights in Target Shares

Subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 5 of this Scheme, on and from the Implementation Date, the Bidder will be beneficially entitled to the Scheme Shares transferred to it under the Scheme, pending registration by the Target of the Bidder in the Register as the holder of the Scheme Shares.

4.5 Scheme Participants' agreements

Under this Scheme, each Scheme Participant agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, in accordance with the terms of this Scheme.

4.6 Transfer free of Encumbrances

To the extent permitted by law, all Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred to the Bidder under this Scheme will, at the date of the transfer of them to the Bidder, vest in the Bidder free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

5. Scheme Consideration

5.1 Scheme Consideration

Each Scheme Participant is entitled to receive the Scheme Consideration.

5.2 Consideration under the Scheme

(a) Before 5.00pm on the Implementation Date, the Bidder must:

(i) procure that the name of each Scheme Participant entitled to receive New Bidder Shares under this Scheme is entered in the Bidder's register of members as the holder of those New Bidder Shares (in holdings having the same holding name and address and other details as the holding of the relevant Scheme Shares, and in CHESS Holdings if the relevant Scheme Shares were held in the CHESS Holdings and in Issuer Sponsored Holdings if the relevant Scheme Shares were held in Issuer Sponsored Holdings); and

(ii) procure that the name of the Target Trustee is entered in the Bidder's register of members as the holder of the Sale Shares (with such holding details as the Target Trustee notifies).

(b) Subject to this Scheme becoming Effective, the Bidder must ensure that each New Bidder Share issued as Scheme Consideration will at the time it is issued:

(i) rank equally with all Bidder Shares then on issue;

(ii) be duly and validly issued in accordance with applicable laws and the Bidder's Constitution; and

(iii) be issued fully paid and free from any Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

(c) Each Scheme Participant that becomes a shareholder of the Bidder will be taken, automatically through this Scheme, to have agreed to become a member of the Bidder and to be bound by the Bidder's Constitution.

(d) On or before the date that is 2 Business Days after the Implementation Date, the Bidder must send, or procure the sending of, a certificate, allotment advice or holding statement (or equivalent document) to each Scheme Participant entitled to receive New Bidder Shares under this Scheme, reflecting the issue of such New Bidder Shares in accordance with clause 5.2(a)(i).

5.3 Ineligible Scheme Participants

(a) The Bidder will be under no obligation under the Scheme to provide and will not provide, any New Bidder Shares to Ineligible Scheme Participants, and instead:

(i) subject to clause 5.6, the Bidder must issue or transfer the Sale Shares which would otherwise be required to be provided to the Ineligible Scheme Participants under the Scheme to the Target Trustee;

(ii) the Target must procure that, as soon as reasonably practicable after the Implementation Date and, in any event, not more than 15 Business Days after the Implementation Date, the Target Trustee, in consultation with the Target and the Bidder, sells or procures the sale, in the ordinary course of trading on the ASX, of all the Sale Shares issued or transferred to the Target Trustee (after deduction of any applicable brokerage, stamp duty and other costs, taxes and charges) (the **Proceeds**);

(iii) as soon as reasonably practicable after the last sale of Sale Shares in accordance with clause 5.3(a)(ii), the Target must procure that the Target Trustee pays the Proceeds into the Trust Account (for payment by the Target to the Ineligible Scheme Participants) in accordance with clauses 5.3(a)(iv), 5.3(b) to (f) and (inclusive) and 5.4 of this Scheme; and

(iv) as soon as practicable following payment into the Trust Account of the Proceeds, the Target must pay, or procure the payment, from the Trust

Account to each Ineligible Scheme Participant such amount of cash as is due to that Scheme Participant as Scheme Consideration in respect of their Sale Shares, being in the case of each such person the amount "A" calculated in accordance with the following formula and rounded to the nearest whole cent:

$A = (B \div C) \times D$

where

A = the amount to be paid to each relevant Ineligible Scheme Participant;

B = the number of Sale Shares that would have been issued or transferred to that Ineligible Scheme Participant had it not been a Ineligible Scheme Participant;

C = the total number of Sale Shares; and

D = the Proceeds (as defined above).

(b) None of the Target, the Bidder or the Target Trustee gives any assurance as to the price that will be achieved for the sale of New Bidder Shares described in paragraph 5.3(a) above. The sale of Sale Shares by the Target Trustee will be at the risk of the Ineligible Scheme Participants.

(c) The amount referred to in clause 5.3(a)(iv) must be paid by the Target doing any of the following at its election:

(i) sending (or procuring the Target Registry to send) it to the Scheme Participant's Registered Address (or in the case of joint holders, in accordance with clause 5.5(b)) by cheque in Australian currency drawn out of the Trust Account; or

(ii) depositing via an electronic funds transfer (or procuring the Target Registry to deposit via an electronic funds transfer) it into an account with any Australian ADI (as defined in the Corporations Act) notified to the Target (or the Target Registry) by an appropriate authority from the Ineligible Scheme Participant.

(d) If there is any surplus in the amount held by the Target in the Trust Account, that surplus less any bank fees and other bank charges must be paid by the Target to the Bidder following the satisfaction of the Target's obligations under this clause. Any interest on the amounts deposited in the Trust Account (less bank fees and other charges) will be to the Bidder's account.

(e) If any amount is required under any Australian law or by any Australian Regulatory Authority to be:

(i) withheld from an amount payable under clause 5.3(a)(iv) or 5.3(d) and paid to that entity or authority; or

(ii) retained by the Target out of an amount payable under clause 5.3(a)(iv) or 5.3(d),

its payment or retention by the Target (or the Target Registry) will constitute the full discharge of the Target's obligations under this clause with respect to the amount so paid or retained until, in the case of 5.3(a)(ii), it is no longer required to be retained.

(f) Each Ineligible Scheme Participant appoints Target as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Target Trustee is required to provide to Ineligible Scheme Participants under the Corporations Act.

(g) The Target agrees to appoint the Target Trustee at least two weeks prior to the Scheme Meeting.

5.4 Orders of a court

Notwithstanding any other provision of this Scheme, in the case of notice having been given to the Target (or the Target Registry) of an order made by a court of competent jurisdiction that:

(a) requires consideration to be provided to a third party (through the issuance of a security) in respect of Scheme Shares held by a particular Scheme Participant, which would otherwise be required to be issued to that Scheme Participant in accordance with this clause 5, then the Target must procure that the provision of that consideration is made in accordance with that order; or

(b) prevents the Target from providing consideration to any particular Scheme Participant in accordance with this clause 5, the Target will be entitled to retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Participant multiplied by the value of the Scheme Consideration until such time as the provision of the Scheme Consideration in accordance with this clause 5 is permitted by that order or otherwise by law.

5.5 Joint holders

In the case of Scheme Shares held in joint names:

(a) any New Bidder Shares issued as Scheme Consideration, must be issued to and registered in the names of the joint holders;

(b) any cheque required to be sent under this Scheme will be made payable to the join holders and sent to the holder whose name appears first in the Registry as at the Record Date; and

(c) any other document required to be sent under this Scheme, will be forwarded to the holder whose name appears first in the Registry as at the Record Date.

5.6 Fractional entitlements and splitting

(a) Subject to clause 5.6(b) where the calculation of the number of New Bidder Shares to be issued to a particular Scheme Participant would result in the issue of a fraction of a Bidder Share which is 0.5 or greater, the fractional entitlement will, after aggregating all holdings of the Scheme Participant, be rounded up to the nearest whole number of New Bidder Shares, otherwise the rounding will be down to the nearest whole number.

(b) If the Bidder reasonably believes that two or more Scheme Participants, each of whom holds a number of Scheme Shares which results in rounding in accordance with clause 5.6(a), have, on or before the Record Date, been party to shareholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for under clause 5.6(a), the Bidder may send a notice to those Scheme Participants stating that opinion and attributing to one of them specifically identified in the notice (**Deemed Holder**) all of the Scheme Shares held by all of them, on which, for the purposes of the Scheme:

(i) the Deemed Holder will be taken to hold all of the Scheme Shares referred to in the notice;

(ii) each of the other Scheme Participants whose names are set out in the notice, will be taken not to hold any of the Scheme Shares,

and by complying with this clause 5.6(b), the Bidder will be taken to have satisfied and discharged its obligations under the terms of the Scheme to all the Scheme Participants named in the notice. For the avoidance of doubt, the Bidder must still pay the Scheme Consideration to the Deemed Holder.

5.7 Trading

Subject to this Scheme becoming Effective, the Bidder will use its reasonable endeavours to ensure that on and from the Business Day after the Implementation Date, the New Bidder Shares comprising the Scheme Consideration will be listed for quotation on the official list of the ASX on an ordinary (T+2) settlement basis.

5.8 Definition of 'sending'

For the purposes of clause 5, the expression sending means, in relation to each Scheme Participant:

(a) sending by ordinary pre-paid post or courier to the Registered Address of that Scheme Participant as at the Scheme Record Date; or

(b) delivery to the Registered Address of that Scheme Participant as at the Record Date by any other means at no cost to the recipient.

6. Dealings in Scheme Shares

6.1 Determination of Scheme Participants

To establish the identity of the Scheme Participants, dealings in Target Shares will only be recognised by the Target if:

(a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Register as the holder of the relevant Target Shares on or before 5.00pm on the Record Date; and

(b) in all other cases, registrable transmission applications or transfers in registrable form, or valid requests in respect of other alterations, in relation to those dealings are received on or before the Record Date at the place where the Register is kept,

and the Target must not accept for registration, nor recognise for any purpose (except a transfer to the Bidder pursuant to this Scheme and any subsequent transfer by the Bidder or its successors in title), any transmission application, transfer or other request received after such times, or received prior to such times but not in registrable or actionable form, as appropriate.

6.2 Register

The Target must register any registrable transmission application or transfers, or other valid request in respect of other alterations, of the Scheme Shares received in accordance with clause 6.1(b) of this Scheme on or before the Record Date.

6.3 No disposals after Record Date

If this Scheme becomes Effective:

(a) from the Record Date until registration of the Bidder in respect of all the Scheme Shares under clause 4, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them after the Record Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect; and

(b) the Target will not accept for registration or recognise for any purpose any transmission, application or transfer, or other valid request in respect of other alterations, in respect of Target Shares received after 5.00pm on the Record Date (except a transfer to the Bidder pursuant to this Scheme and any subsequent transfer by the Bidder or its successors in title).

6.4 Maintenance of Target Register

For the purpose of determining entitlements to the Scheme Consideration, the Target must maintain the Register in accordance with the provisions of this clause 6 until the Scheme Consideration has been provided to the Scheme Participants and the Bidder has been entered in the Register as the holder of all the Scheme Shares. The Register in this form will solely determine entitlements to the Scheme Consideration.

6.5 Effect of certificates and holding statements

(a) Subject to provision of the Scheme Consideration and registration of the transfer to the Bidder contemplated in clause 4.2 of this Scheme, any statements of holding in respect of Scheme Shares will cease to have effect after the Record Date as documents of title in respect of those shares.

(b) As from the Record Date, each entry current on the Register as at the Record Date will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to an entity.

6.6 Details of Scheme Participants

As soon as practicable after the Record Date, and in any event on the first Business Day after the Record Date, the Target must ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Participant, as shown in the Register on the Record Date are available to the Bidder in such form as the Bidder reasonably requires.

6.7 Quotation of Target Shares

(a) The Target must apply to ASX to suspend trading on ASX in Target Shares with effect from the close of trading on ASX on the Effective Date.

(b) On the next trading day after the Implementation Date (or such other date to be determined by the Bidder and notified to the Target in writing), and only after the transfer of all Scheme Shares has been registered in accordance with clause 4.2, the Target must apply:

(i) for termination of the official quotation of Target Shares on ASX; and

(ii) to have itself removed from the official list of the ASX.

7. General Scheme provisions

7.1 Title to and rights in the Scheme Shares

On and from the Implementation Date, the Bidder will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by the Target of the Bidder in the Registry as the holder of the Scheme Shares.

7.2 Appointment of agent and attorney

Each Scheme Participant, without the need for any further act:

(a) irrevocably appoints the Target as its agent and attorney for the purpose of executing any document or form or doing any other act necessary to give effect to the terms of this Scheme including, without limitation, the Scheme Transfer and the giving of the Scheme Participant's consent under clause 7.8; and

(b) on the Effective Date, irrevocably appoints the Target as its agent and attorney for the purpose of enforcing the Deed Poll against the Bidder,

and the Target accepts such appointment. The Target, as agent of each Scheme Participant, may sub-delegate its functions, authorities or powers under this clause 7.1 to all or any of its directors and officers (jointly, severally or jointly and severally).

7.3 Appointment of sole proxy

Immediately upon the provision of the Scheme Consideration to the Scheme Participants in the manner contemplated by clause 5, and until the Target registers the Bidder as the holder of all Scheme Shares in the Register, each Scheme Participant:

(a) is deemed to have appointed the Bidder as attorney and agent (and directed the Bidder in each such capacity) to appoint any director, officer, secretary or agent nominated by the Bidder as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in their name and sign any Target Shareholders' resolution or document;

(b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 7.3(a));

(c) must take all other actions in the capacity of a registered holder of Scheme Shares as the Bidder reasonably directs; and

(d) acknowledges and agrees that in exercising the powers referred to in clause 7.3(a), the Bidder and any director, officer, secretary or agent nominated by the Bidder under clause 7.3(a) may act in the best interests of the Bidder as the intended registered holder of the Scheme Shares.

7.4 Alterations to Scheme or condition

The Target may, by its counsel or solicitors, and with the written consent of the Bidder (which cannot be unreasonably withheld), consent on behalf of all persons concerned, including a Scheme Participant, to any alteration or condition to the Scheme which the Court thinks fit to impose. Each Scheme Participant agrees to any such variation, alteration or condition.

7.5 Further action by the Target

The Target must execute all documents and do all things (on its own behalf and on behalf of each Scheme Participant) necessary or expedient to implement, and perform its obligations under, this Scheme.

7.6 No liability when acting in good faith

Each Scheme Participant agrees that neither the Target, the Bidder, nor any of their respective officers, employees and advisers (as applicable), will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

7.7 Enforcement of Deed Poll

The Target undertakes in favour of each Scheme Participant that it will enforce the Deed Poll against the Bidder on behalf of and as agent and attorney for the Scheme Participants.

7.8 Binding effect of Scheme

This Scheme binds the Target and all Scheme Participants (including those who did not attend the Scheme Meeting, those who did not vote at that meeting, or voted against this Scheme at that meeting) and, to the extent of any inconsistency, overrides the constitution of Target.

7.9 Scheme Participants' consent

Each Scheme Participant irrevocably:

(a) agrees to the transfer of their Target Shares together with all rights and entitlements attaching to those Target Shares in accordance with this Scheme;

(b) consents to the Target and the Bidder doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of the Scheme;

(c) agrees to the variation, cancellation or modification attached to their Scheme Shares constituted or resulting from the Scheme;

(d) who holds their Target Shares in a CHESS Holding, agrees to the Conversion of those Target Shares to an Issuer Sponsored Holding and irrevocably authorises Target to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such Conversion;

(e) agrees to, on the direction of the Bidder, destroy any holding statements or share certificates relating to their Scheme Shares;

(f) agrees to become a shareholder of Bidder and to be bound by the Bidder's Constitution;

(g) acknowledges that the Scheme binds the Target and all of the Scheme Participants (including those who do not attend the Scheme Meeting, do not vote at that meeting or vote against the Scheme); and

(h) agrees to any alteration or condition to the Scheme which the Court thinks fit to impose.

7.10 Warranty by Scheme Participants

(a) Each Scheme Participant immediately upon the provision of the Scheme Consideration to the Scheme Participant in the manner contemplated by clause 5, releases and discharges the Target and each director, officer, secretary and employee of the Target (**Related Persons**) from any Claim that any Scheme Participant has or may have in their sole capacity as a member or, if applicable, in their sole capacity as a person who has subscribed for Target Shares, against the Target or any Related Person, as at the date the Scheme becomes Effective and at the Implementation Date, whether arising at common law, in equity, under statute or otherwise and whether or not all material facts are known to the Scheme Participant at the time of giving the release (providing that nothing in this clause 7.10(a) releases the Target from any of its obligations under this Scheme nor releases the Target from any Claim that a Scheme Participant may have against the Target, or any Related Person, in a capacity other than a member or, if applicable, other than in their sole capacity as a person who subscribed for Target Shares). The Target holds the benefit of the foregoing on trust for each Related Person.

(b) Each Scheme Participant is deemed to have warranted to the Bidder on the Implementation Date that:

(i) all their Scheme Shares (including any rights and entitlements attaching to those shares) will, at the date of their transfer to the Bidder, be fully paid and free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind, whether legal or otherwise, and restrictions on transfers of any kind;

(ii) all of its Target Shares which are transferred to the Bidder under this Scheme will, on the date on which they are transferred to the Bidder, be fully paid;

(iii) they have full power and capacity to sell and to transfer their Scheme Shares together with any rights and entitlements attaching to such shares; and

(iv) it has no existing right to be issued any Target Shares, Target Options, Target performance rights, Target convertible notes or any other Target securities, other than, in the case of any Scheme Participant who is also the holder of Target Options, the right to be issued Target Shares on the exercise of those Target Options in accordance with their terms.

(c) To the extent permitted by law, Scheme Shares transferred under the Scheme will be transferred free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise.

(d) The Target undertakes that it will provide the warranties in clause 7.10(b) to the Bidder as agent and attorney of each Scheme Participant.

7.11 Instructions and elections

If not prohibited by law (and including where permitted or facilitated by relief granted by a Regulatory Authority), all instructions, notifications or elections by a Scheme Participant to the Target binding or deemed binding between the Scheme Participant and the Target relating to the Target or the Target Shares (including any email addresses, instructions relating to communications from the Target, whether dividends are to be paid by cheque or into a specific bank account, notices of meetings or other communications from the Target) will be deemed from the Implementation Date (except to the extent determined otherwise by the Bidder in its sole discretion), by reason of this Scheme, to be made by the Scheme Participant to the Bidder and to be a binding instruction, notification or election to, and accepted by, the Bidder in respect of the New Bidder Shares issued to that Scheme Participant until that instruction, notification or election is revoked or amended in writing addressed to the Bidder at its registry.

8. General

8.1 Notices

Where a notice, transfer, transmission application, direction or other communication referred to in the Scheme is sent by post to the Target, it will be deemed to be received on the date (if any) on which it is actually received at the Target's registered office, and will not be deemed to be received on any other date.

8.2 Nature of obligations

Each obligation imposed on a party by this Scheme in favour of another is a separate obligation. Unless specified otherwise, the performance of one obligation is not dependent or conditional on the performance of any other obligation.

8.3 No variation

This Scheme cannot be amended or varied except in writing signed by the parties and, if after orders have been made by the Court in accordance with section 411(1) of the Corporations Act, then only with the consent of the Court.

8.4 Duty

Any duty (including related interest or penalties) payable in connection with the transfer of the Scheme Shares to the Bidder must be paid by the Bidder.

8.5 Further assurances

(a) A party, at its own expense and within a reasonable time of being requested by another party to do so, must do all things and execute all documents that are reasonably necessary to give full effect to this Scheme.

(b) Each Scheme Participant consents to the Target doing all things necessary or incidental to give full effect to this Scheme and the transactions contemplated by it.

8.6 Governing law and jurisdiction

(a) This Scheme is governed by and must be construed in accordance with the laws in force in Victoria.

(b) The parties submit to the exclusive jurisdiction of the courts of Victoria and the Commonwealth of Australia in respect of all matters arising out of or relating to this Scheme, its performance or subject matter.

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Annexure F – Notice of Scheme Meeting

NOTICE OF SCHEME MEETING

Sienna Cancer Diagnostics Limited

ACN 099 803 460

Notice is given that by an order of the Federal Court of Australia made on 10 June 2020 pursuant to section 411(1) of the *Corporations Act 2001* (*Cth*) (**Corporations Act**) a meeting of the holders of ordinary shares in Sienna Cancer Diagnostics Limited ACN 099 803 460 (**Company**) will be held virtually on Wednesday, 15 July 2020 at 11am (AEST) (**Scheme Meeting**).

Sienna Shareholders wishing to vote, or their attorneys or in the case of a Sienna Shareholder or proxy which is a corporation, corporate representatives, must log in online to participate in the virtual Scheme Meeting by clicking on the following link: https://agmlive.link/SDX20.

The Court has also directed that Dr Geoffrey Cumming or, if he is unable or unwilling to participate in the virtual meeting, Ms Helen Fisher, act as Chairman of the meeting.

PURPOSE OF MEETING

The purpose of the Scheme Meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without modification) to be made between the Company and the Company's ordinary shareholders to effect the acquisition of 100% of the issued shares of the Company by BARD1 Life Sciences Limited ACN 009 070 384 (**BARD1**).

A copy of the Scheme and a copy of the Explanatory Statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet of which this notice forms part.

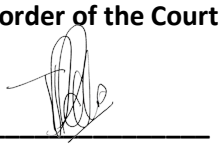
BUSINESS OF THE MEETING

Resolution – Approval of the Scheme of Arrangement

To consider, and if thought fit, to pass the following Resolution:

> *"That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth), the **Scheme**, the terms of which are contained and more particularly described in the Scheme Booklet (of which this Notice of Scheme Meeting forms part) is approved, with or without any modification or conditions required by the Federal Court of Australia, and subject to approval of the Scheme by the Federal Court of Australia, the Board of Directors of Sienna is authorised to implement the Scheme with any such modifications or conditions."*

By order of the Court



Company Secretary
Tony Di Pietro

EXPLANATORY NOTES

These notes should be read in conjunction with this Notice of Scheme Meeting.

1. **Terminology**

(a) Capitalised terms which are defined in the Scheme Booklet which accompanies this Notice of Scheme Meeting have the same meaning when used in this Notice (including these notes) unless the context requires otherwise.

(b) This Notice of Scheme Meeting should be read in conjunction with the entire Scheme Booklet of which this notice forms part. The Scheme Booklet contains important information to assist you in determining how to vote on the proposed resolution. The Scheme Booklet includes a copy of the Scheme (refer to Annexure E) and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme (the explanatory statement being all Sections of this Scheme Booklet, other than this Annexure F).

2. **Quorum**

The constitution of Sienna provides that the quorum for a meeting of the Company's members is 5 members (in person or by proxy, attorney or representative).

3. **Chairman**

The Court has directed that Dr Geoffrey Cumming act as Chairman of the Scheme Meeting or, failing him, Ms Helen Fisher.

4. **Voting intentions**

The Directors of the Company unanimously recommend that, in the absence of a Superior Proposal, you vote in favour of the Scheme at the Scheme Meeting. Each Director who holds Sienna Shares, or on whose behalf Sienna Shares are held, intends to vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal.

5. **Majority required**

In accordance with section 411(4)(a)(ii) of the Corporations Act, for the Scheme of Arrangement to become effective the Resolution contained in this Notice of Scheme Meeting must be passed by:

(a) a majority in number (more than 50%) of Sienna Shareholders present and voting (whether personally, by proxy, attorney or, in the case of a Sienna Shareholder or a proxy who is a corporation, by corporate representative) at the Scheme Meeting; and

(b) at least 75% of the total number of Sienna Shares voted at the Scheme Meeting (whether personally, by proxy, attorney or, in the case of a Sienna Shareholder or a proxy who is a corporation, by corporate representative).

The vote of the Scheme Meeting will be conducted by poll.

6. **Court approval**

In accordance with section 411(4)(b) of the Corporations Act, to become effective, the Scheme of Arrangement (with or without any modifications or conditions agreed between Sienna and BARD1 or any modifications or conditions required by the Court to which Sienna and BARD1 agree) must be approved by an order of the Federal Court of Australia and an office copy of the orders must be lodged with ASIC. If the Resolution contained in this Notice of Scheme Meeting is approved at the Scheme Meeting by the requisite majorities and the conditions precedent in the Scheme of Arrangement are satisfied or waived (as applicable), the Company will apply to the Court for the necessary orders to give effect to the Scheme of Arrangement.

7. **Entitlement to vote**

The Court has ordered that, for the purposes of the Scheme Meeting, Sienna Shares will be taken to be held by the persons who are registered as Sienna Shareholders at 7.00pm (AEST) on Monday, 13 July 2020. Accordingly, registrable transmission applications or transfers registered after this time will be disregarded in determining entitlements to vote at the Scheme Meeting.

8. **Voting at the meeting**

You may vote by participating in the virtual Scheme Meeting or by appointing an attorney or corporate representative to participate in the virtual Scheme Meeting and vote for you. Alternatively, Sienna Shareholders who are entitled to vote at the Scheme Meeting may vote by appointing a proxy to participate and vote on their behalf, using the Proxy Form accompanying this notice or by appointing a proxy online.

(a) Jointly held Sienna Shares

If more than one shareholder votes in respect of jointly held Sienna Shares, only the vote of the shareholder whose name appears first in the Sienna Share Register will be counted whether the vote is given personally, by attorney or proxy.

(b) Voting in person

Sienna Shareholders wishing to vote, or their attorneys or in the case of a Sienna Shareholder or proxy which is a corporation, corporate representatives, must log in online to participate in the virtual Scheme Meeting to be held at 11 am (Melbourne time) on Wednesday, 15 July 2020 by clicking on the following link: https://agmlive.link/SDX20.

Sienna Shareholders, their attorneys or in the case of Sienna Shareholders or proxies which are corporations, corporate representatives, who plan to participate in the virtual Scheme Meeting should log in online 15 minutes prior to the time designated for the commencement of the Scheme Meeting, if possible, to register and to obtain an electronic voting card.

(c) Voting by proxy

Sienna Shareholders wishing to appoint a proxy to vote on their behalf at the Scheme Meeting must either complete and sign or validly authenticate the personalised Proxy Form which accompanies this Notice of Meeting or lodge their proxy online. A person appointed as a proxy may be an individual or a body corporate.

Proxies participating in the virtual Scheme Meeting will receive an email from the Share Registry prior to the Scheme Meeting containing details of their proxy number which they will need to use for the online registration process. Proxies are asked to log in online 15 minutes prior to the time designated for the commencement of the Scheme Meeting, if possible, to register and to obtain an electronic voting card.

Completed Proxy Forms must be delivered to the Share Registry by 11 am (Melbourne time) on Monday, 13 July 2020 in any of the following ways:

(i) **By mail** in the enclosed reply-paid envelope (or the self-addressed envelope, for Shareholders whose registered address is outside Australia) provided to the Share Registry:

Sienna Cancer Diagnostics Limited
C/- Link Market Services Limited
Locked Bag A14

(ii) Sydney South NSW 1235 **By fax** to the Share Registry on +61 2 9287 0309

(iii) **Online** if you wish to appoint your proxy online, you should do so by visiting www.linkmarketservices.com.au by following the instructions on that website. Online appointments of proxies must be done by 11 am (Melbourne time) on Monday, 13 July 2020

(iv) By Hand:
Link Market Services Limited1A Homebush Bay Drive, Rhodes NSW 2138;

or

Level 12, 680 George Street, Sydney NSW 2000.

A proxy need not be a Sienna Shareholder.

If you appoint a proxy and subsequently wish to attend the meeting yourself, the proxy will retain your vote and you will be unable to vote yourself unless you notify the registrar of the revocation of your proxy appointment before the commencement of the Scheme Meeting. You may notify the registrar by calling +61 1300 554 474.

If a proxy appointment is signed by a Sienna Shareholder but does not name the proxy or proxies in whose favour it is given, the Chairman will act as proxy.

You are entitled to appoint up to two proxies to participate in the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy you must specify the names of each proxy and the percentage of votes or number of securities for each proxy on the Proxy Form. Replacement Proxy Forms can also be obtained from the Share Registry.

If you hold Sienna Shares jointly with one or more other persons, in order for your proxy appointment to be valid, each of you must sign the Proxy Form.

(d) Undirected proxies

If a Sienna Shareholder nominates the chairman of the Scheme Meeting as that Sienna Shareholder's proxy, the person acting as chairman of the Scheme Meeting must act as proxy under the appointment in respect of any or all items of business to be considered at the Scheme Meeting.

If a proxy appointment is signed or validly authenticated by that Sienna Shareholder but does not name the proxy or proxies in whose favour it is given, the Chairman of the Scheme Meeting will act as proxy in respect of any or all items of business to be considered at the Scheme Meeting.

Proxy appointments in favour of the Chairman of the Scheme Meeting, the Company Secretary or any Sienna Director which do not contain a direction as to how to vote will be voted in favour of the Scheme resolution at the Scheme Meeting (in the absence of a Superior Proposal from another party prior to the date of the Scheme Meeting).

The Chairman intends to vote undirected proxies of which he is appointed as proxy in favour of the resolution to approve the Scheme (in the absence of a Superior Proposal from another

party prior to the date of the Scheme Meeting).

(e) Voting by attorney

If you wish to appoint an attorney to vote at the Scheme Meeting the original or a certified copy of the power of attorney under which the attorney has been appointed must be received by the Sienna Share Registry no later than 11 am (AEST) on 13 July 2020 (or if the Scheme Meeting is adjourned or postponed, no later than 48 hours before the resumption of the Scheme Meeting in relation to the resumed part of the Scheme Meeting).

Any power of attorney granted by a Sienna Shareholder will, as between Sienna and that Sienna Shareholder, continue in force and may be acted on, unless express notice in writing of its revocation or the death of the relevant Sienna Shareholder is lodged with Sienna.

Your appointment of an attorney does not preclude you from logging in online and participating and voting at the Scheme Meeting. The appointment of your attorney is not revoked merely by your participation and taking part in the Scheme Meeting, but if you vote on a resolution, the attorney is not entitled to vote, and must not vote, as your attorney on that resolution.

(f) Voting by corporate representative

To vote by corporate representative at the Scheme Meeting, a Sienna Shareholder or proxy who is a corporation should obtain a *Certificate of Appointment of Corporate Representative* from the Share Registry, complete and sign the form in accordance with the instructions on it. The completed appointment form should be lodged with the Share Registry before 11 am (Melbourne time) on Monday, 13 July 2020.

The appointment of a representative may set out restrictions on the representative's powers. The appointment must comply with section 250D of the Corporations Act.

The original *Certificate of Appointment of Corporate Representative*, a certified copy of the *Certificate of Appointment of Corporate Representative*, or a certificate of the body corporate evidencing the appointment of a representative is prima facie evidence of a representative having been appointed.

Annexure G - Link Market Services Virtual Scheme Meeting Online Guide

LINK Market Services

Virtual Scheme Meeting Online Guide

Virtual Scheme Meeting Online Guide

Before you begin

Ensure your browser is compatible. You can easily check your current browser by going to the website: **whatismybrowser.com**

Supported browsers are:

- Chrome – Version 44 & 45 and after
- Firefox – 40.0.2 and after
- Safari – OS X v10.9 “Mavericks” & OS X v10.10 “Yosemite” and after
- Internet Explorer 9 and up (please note Internet Explorer 8 is not supported)

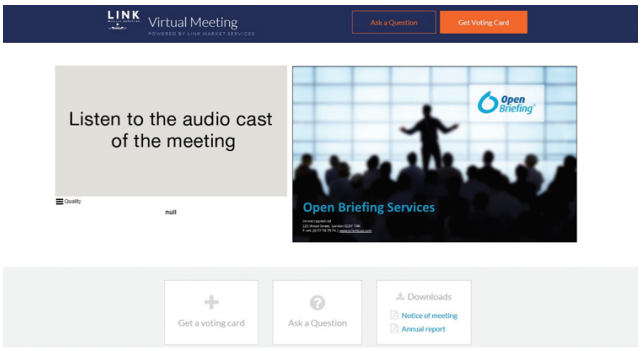
The virtual meeting is viewable from desktops and laptops. To attend and vote at the virtual Scheme meeting you must

- ASX registered holders: Shareholder number and postcode

If you are an appointed proxy you will need your proxy number which will be provided by Link Market Services prior to the meeting. **Please make sure you have this information before proceeding.**

Step 1

Open your web browser and go to https://agmlive.link/SDX20 and select the relevant meeting.



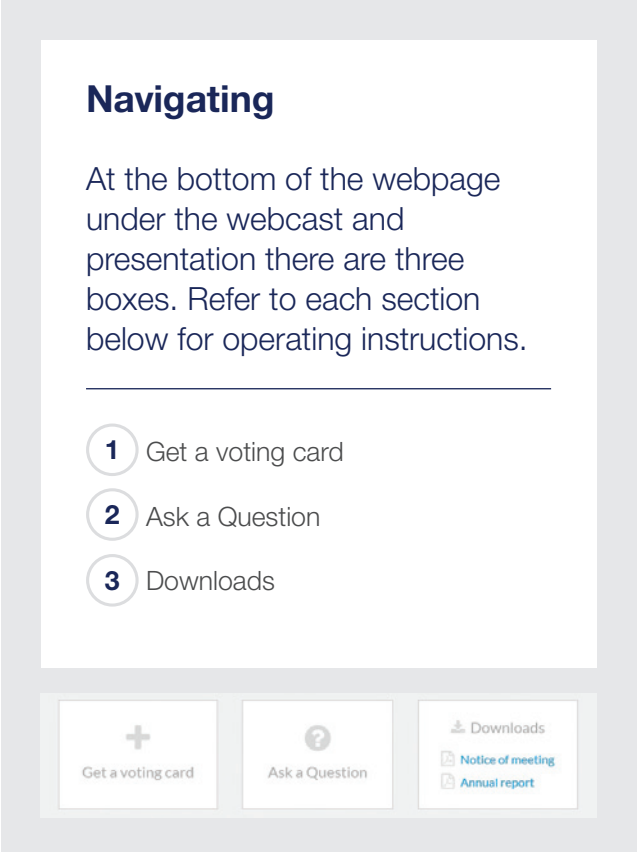
Step 2

Login to the portal using your full name, email address, and company name (if applicable).

Please read and accept the terms and conditions before clicking on the blue **‘Register and Watch Scheme Meeting’** button. Once you have logged in you will see:

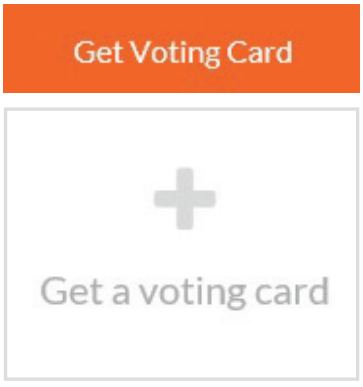
- On the left – a photo of the person currently speaking
- On the right – the presentation slides that will be addressed during the Scheme Meeting.

Note: After you have logged in we recommend that you keep your browser open for the duration of the meeting. If you close your browser, your session will expire. If you attempt to log in again, you will be sent a recovery link via email for security purposes.

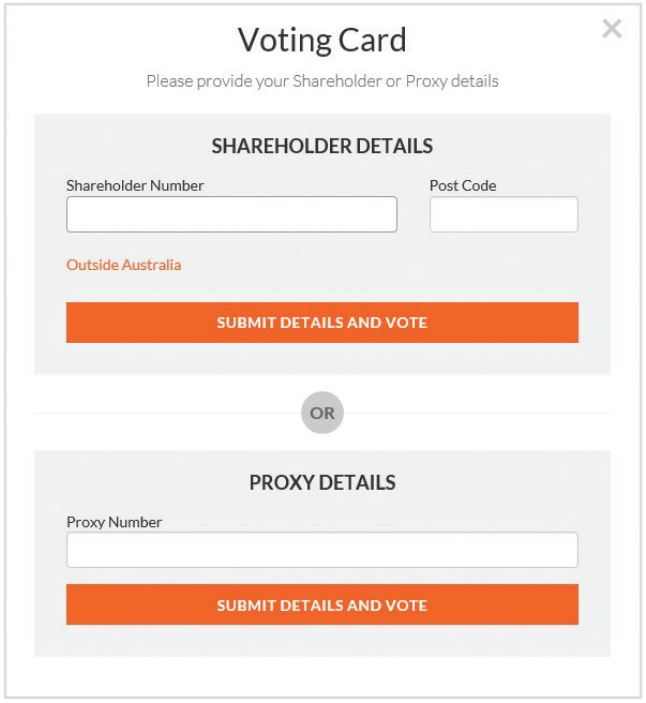


1. Get a voting card

To register to vote - click on the 'Get a voting card' box at the top of the webpage or below the videos.



This will bring up a box which looks like this.



If you are an individual or joint Shareholder you will need to register and provide validation by entering your details in the top section:

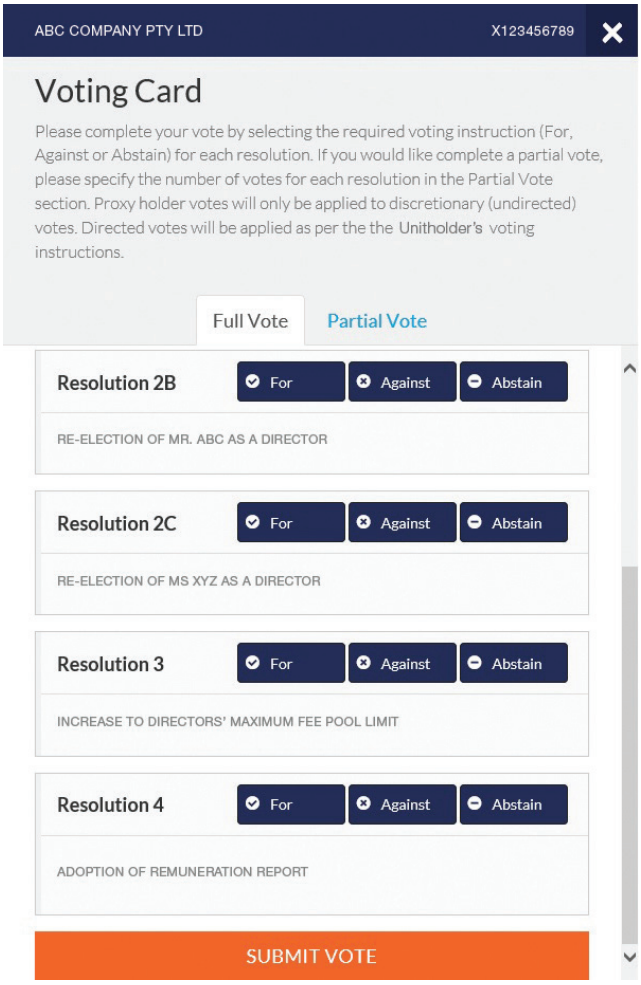
- **ASX registered holders:** Shareholder number and postcode

If you are an appointed Proxy, please enter the Proxy Number issued to you by Link Market Services in the PROXY DETAILS section. Once you have entered your appropriate details click the blue **'SUBMIT DETAILS AND VOTE'** button.

Once you have registered, your voting card will appear with all of the resolutions to be voted on by Shareholders at the Scheme Meeting (as set out in the Notice of Meeting). You may need to use the scroll bar on the right hand side of the voting card to scroll up or down to view all resolutions.

Shareholders and proxies can either submit a Full Vote or a Partial Vote. You can move between the two tabs by clicking on **'Full Vote'** or **'Partial Vote'** at the top of the voting card.

Virtual Scheme Meeting Online Guide *continued*



Full Votes

To submit a full vote on a resolution ensure you are in the **'Full Vote'** tab. Place your vote by clicking on the **'For'**, **'Against'**, or **'Abstain'** voting buttons.

Partial Votes

To submit a partial vote on a resolution ensure you are in the **'Partial Vote'** tab. You can enter the number of votes you would like to vote (for any or all) resolution/s. The total amount of votes that you are entitled to vote for will be listed under each resolution. When you enter the number of votes in a certain box it will automatically tally how many votes you have left.

Note: If you are submitting a partial vote and do not use all of your entitled votes, the un-voted portion will be submitted as No Instruction and therefore will not be counted.

Once you have finished voting on the resolutions scroll down to the bottom of the box and click the blue **'Cast Vote'** or **'Cast Partial Vote'** button.

Note: You are able to close your voting card during the meeting without submitting your vote at any time while voting remains open. Any votes you have already made will be saved for the next time you open up the voting card. The voting card will appear on the bottom left corner of the webpage. The message **'Not yet submitted'** will appear at the bottom of the page.

You can edit your voting card at any point while voting is open by clicking on **'Edit Card'**. This will reopen the voting card with any previous votes made.

If at any point you have submitted your voting card and wish to make a change while voting is still open you can do so by clicking the **'Edit Card'** button and making the required change. Once you have completed your card select the blue **'Cast Vote'** or **'Cast Partial Vote'** button.

The voting card remains editable until the voting is closed at the conclusion of the Scheme Meeting. Once voting has been closed all voting cards, submitted and un-submitted, will automatically be submitted and cannot be changed.

At the conclusion of the Scheme Meeting a red bar with a countdown timer will appear at the top of the Webcast and Slide windows advising the remaining voting time available to shareholders. Please make any changes required to your voting cards at this point and submit your voting cards.

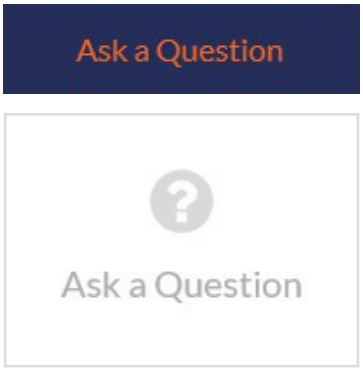
If an additional resolution is proposed during the meeting, there will be a short delay while the resolution is added to the voting card. Once the resolution has been added you will be notified by the Chairman during the meeting. In order to vote on the extra resolution you will need to reopen your voting card to cast your vote by clicking the **'Edit Card'** button.

Note: Registration for the Scheme Meeting and voting opens one hour before the meeting begins.

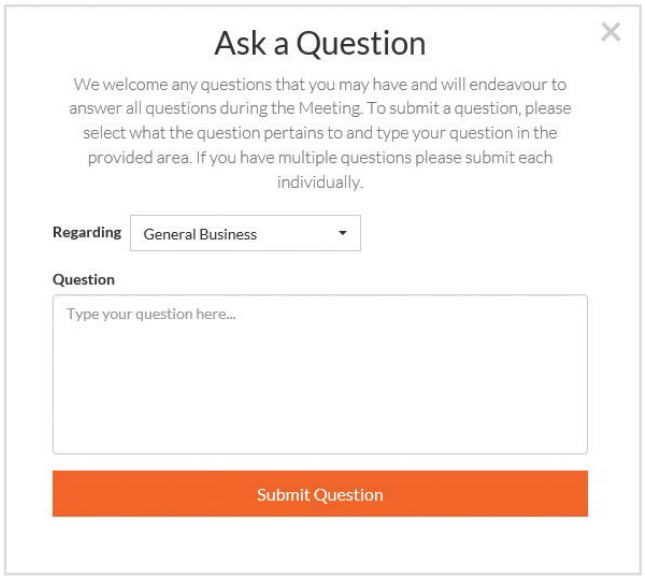
2. How to ask a question

Note: Only shareholders are eligible to ask questions.

You will only be able to ask a question after you have registered to vote. If you would like to ask a question, click on the 'Ask a Question' box either at the top or bottom of the webpage.



The **'Ask a Question'** box will then pop up with two sections for completion.



In the **'Regarding'** section click on the drop down arrow and select one of the following categories:

- General Business
- Resolution 1
- Resolution 2
- Resolution 3
- Resolution 4
- Resolution 5
- Resolution 6

After you have selected your question category, click in the **'Question'** section and type your question.

When you are ready to submit your question - click the blue **'Submit Question'** button. This will send the question to the Management/Board.

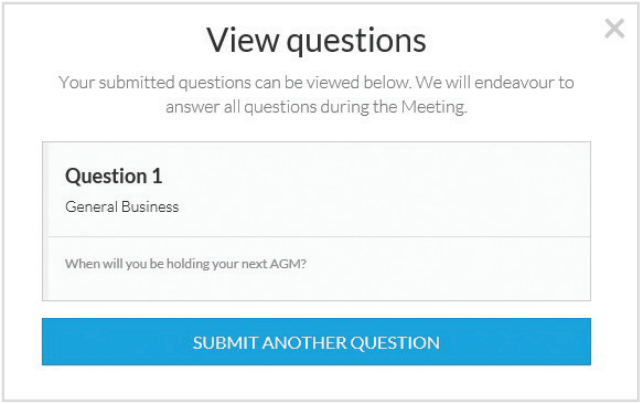
Note that not all questions are guaranteed to be answered during the Scheme Meeting, but we will do our best to address your concerns.

Once you have asked a question a **'View Questions'** box will appear.

At any point you can click on **'View Questions'** and see all the questions you have submitted. Only you can see the questions you have asked.

Note: You can submit your questions by this method one hour before the meeting begins, if you have registered to vote. You can continue to submit questions up until the close of voting.

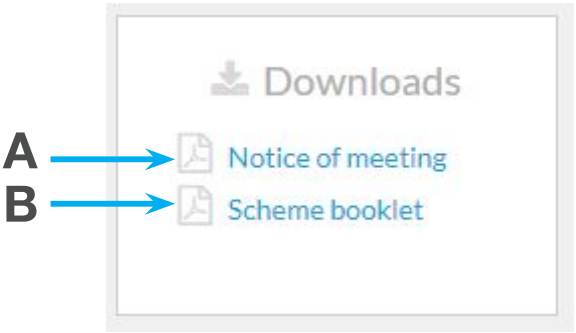
If your question has been answered and you would like to exercise your right of reply, you can do so by submitting another question.



Virtual Scheme Meeting Online Guide *continued*

3. Downloads

If you would like to see the Notice of Meeting or the Scheme Booklet you can do so here.



- To download the Notice of Meeting – click A
- To download the Scheme Booklet – click B

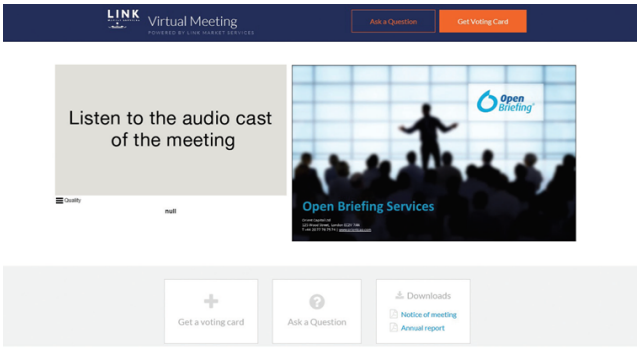
When you click on these links the file will open in another tab in your browser.

Voting closing

Voting will close 5 minutes after the close of the Scheme Meeting.

At the conclusion of the Scheme Meeting a red bar with a countdown timer will appear at the top of the Webcast and Slide screens advising the remaining voting time. If you have not yet submitted your vote at this point, you will be required to do so now.

At the close of the meeting any votes you have placed will automatically be submitted.



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Ms Helen Fisher
Mr Carl Stubbings
Mr Tony Di Pietro

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Mr Tony Di Pietro

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