



Key Messages

This update outlines the key strategies for Sienna in 2020, with a focus on creating and realising value for shareholders, including:

- Entry into the expanding global liquid biopsy market facilitated by the strategic acquisition we made in April 2019;
- Boosting the growth of hTERT revenue with focus on changes to pricing strategy;
- Expanding Sienna’s cancer diagnostics pipeline through the identification and execution of licensing and M&A opportunities.

Investor Update January 2020

Dear Shareholder,

As we embark on a new calendar year, we would like to provide an overview of Sienna’s strategy and our key initiatives – particularly in relation to the commercialisation of EXO-NET™ and driving revenue growth of our first commercial diagnostic, hTERT. The focus of this strategy is to leverage our experience in bringing hTERT to the global market to develop and commercialise new cancer diagnostic tests. The tests we are seeking to bring to market will identify cancer earlier and more accurately, enabling better patient outcomes and creating significant shareholder value as a result.

1. SIEN-NET™ – our key to entering the global liquid biopsy market

Sienna’s acquisition of the Molecular Net technology (trademarked as SIEN-NET) in April 2019 represents a significant growth opportunity for the company in an emerging segment of medical diagnostics called 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. The Molecular Net technology, acquired from a US-based entity, 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 capture and enrich 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 **USD 2.28 billion** by 2030, according to a new report by Grand View Research Inc. EXO-NET has the potential to become a key technology in this massive market space that is growing at a significant rate (around 18% per annum).

Commercialisation of the SIEN-NET platform represents a high-value-asset for Sienna.

There are two market channels that Sienna will follow to commercialise EXO-NET:

- Research Use Application – On the back of significant evidence of demand from researchers for an exosome capture tool, Sienna 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 distributors, Sienna believes that EXO-NET will successfully penetrate the exosome research market worldwide with a particular emphasis on the United States.
- Commercial Use Applications – Sienna, in conjunction with licensees and/or collaborators, will use SIEN-NET, or a customised version of the platform (such as EXO-NET), to develop and commercialise new diagnostic tests and therapeutics. The company recently announced two Australian collaborations using this approach – with Minomic International for the development of a novel liquid biopsy diagnostic test for pancreatic cancer, and with 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. Sienna is actively engaged with a number of other potential collaborators seeking to utilise SIEN-NET or EXO-NET in the development of their novel diagnostics tests and therapies and we expect to announce further collaborations in the near future.

2. Boosting the growth of hTERT revenue

hTERT is your company's first cancer diagnostic test – it is being regularly used by clinicians to assist in the diagnosis of bladder cancer. Sienna took this test from a laboratory discovery to a commercial assay registered with the FDA and used in clinical pathology laboratories, an impressive achievement for an Australian company. The test has significant growth potential globally and to realise that potential, Sienna is committed to undertaking the following initiatives in 2020:

- To assist in executing the following initiatives, we aim to assemble a Clinical Advisory Board (CAB) comprising Key Opinion Leaders in bladder cancer in Australia and the USA. The role of the CAB will be to enhance the profile of hTERT within the bladder cancer diagnostic community via activities including conference presentations and preparation of new scientific publications that will feature hTERT.
- Working with our current and new distributors on an effective market-based pricing strategy. We have had extensive feedback from our distributors that a more flexible approach to pricing for hTERT will significantly improve adoption and sales of the test.
- Appointing distributors in the key EU markets of Germany, France, Italy and Spain – Sienna is well advanced in discussions with a number of appropriate distribution partners.
- Stimulating our Australian marketing by more closely engaging with key pathology laboratories to showcase the clinical benefit of hTERT in bladder cancer identification and management.

- Reviewing the US regulatory position – Sienna will assess the benefits of submitting a claim to the FDA supporting hTERT’s clinical utility. Having a specifically approved diagnostic claim may enhance and further differentiate hTERT from competitors and also provide the opportunity to obtain our own unique reimbursement code, which should secure a higher reimbursement for hTERT.

The company believes these changes will have a positive impact on sales growth of hTERT.

3. Actively expanding our cancer diagnostic pipeline assets

Sienna is in active discussions with a number of research organisations and companies in Australia and overseas to in-license novel cancer biomarkers that can be developed and commercialised as new diagnostic tests to meet our goal of facilitating improved early and accurate diagnosis of cancer.

In addition, your company is expanding its corporate activities, seeking suitable acquisitions or partners that, when combined with Sienna, will realise synergies by creating an organisation with a broad pipeline of diagnostic tests. This will generate significant value for our shareholders and improve the lives and health of millions of patients worldwide.

Your company’s Board believes that successful execution of these strategies will create significant value for Sienna in high-growth areas.

In summary, Sienna has a carefully considered strategy, based on expanding, developing and commercialising a portfolio of diagnostic tests in areas of great unmet medical need. Our recent capital raise, combined with the funds already on hand, place the company in a strong financial position to be able to execute on this strategy and build significant benefit and value for patients and our shareholders.

On behalf of the Sienna Board and management team, I would like to thank you, our shareholders, for your continued support, and look forward to an exciting and rewarding 2020.



Carl Stubbings
Chief Executive Officer & Managing Director.