

Rhythm Completes Strongly Oversubscribed \$4.3M Rights Issue

- **Rights Issue Offer successfully completed, raising the intended \$4.30m;**
- **Offer strongly supported by existing shareholders and Directors;**
- **Placement of \$1.28m to sophisticated and other exempt investors to be completed, increasing amount raised to \$5.58m, less costs; and**
- **Rhythm is well funded to advance its FY'22 strategic plan.**

7 September 2021, Melbourne: Rhythm Biosciences Limited (ASX: RHY) is pleased to announce that following strong existing shareholder interest, the Company has successfully completed its non-renounceable pro-rata rights issue to raise \$4.3 million before costs (**Offer**) on terms as announced on 30 July 2021.

Rights Offer & Additional Share Subscription

Actual subscriptions, including entitlements, additional shares applied for, and letter of commitments totaled \$12.05 million, **surpassing the amount sought by ~280%**. The Company's share registry has been advised to return unsuccessful applicants funds as soon as practicable.

The Company has received valid entitlement applications for new shares comprising of the following:

	Number of Shares	\$ amount
Entitlements taken up	3,670,735	\$3,120,125
Shortfall Shares	1,383,535	\$1,176,005
Total	5,054,270	\$4,296,130

The Offer allowed for additional shares to be subscribed by eligible shareholders, as such, the Shortfall Shares will be distributed via a scaled back method to those shareholders.

Rhythm BiosciencesACN: 619 459 335
ASX: RHY**Issued Capital**202,245,811 Shares
10,295,000 Options**Australian Registered Office**Level 2, 480 Collins Street
Melbourne VIC 3000
www.rhythmbio.com**Directors**Otto Buttula – Chairman of the Board
Trevor John Lockett – Executive Director
Louis James Panaccio – Non-Executive Director
Eduardo Vom – Non-Executive Director

Additional Placement

Due to the stronger than expected interest in the current Offer, the Company has determined that a small, heavily scaled back placement be made to several sophisticated and other exempt investors that provided commitment letters for the Offer. This Placement will comprise up to 1,500,000 fully paid shares at an issue price of \$0.85 per share to raise \$1,275,000 before associated costs (Placement). Participants of the Placement will also be offered attaching, unlisted options, comprising 1 Class A Option and 1 Class B Option for every two new shares taken up.

- Class A Options will have an exercise price of \$1.20 and expire on 31 August 2022; and
- Class B Options will have an exercise price of \$1.80 and expire on 31 July 2024.

The placement will be undertaken via its placement capacity pursuant to ASX Listing Rule 7.1.

The placement was supported by several well-known, successful investors and cornerstoned by John Hancock a respected investor in the small-cap sector. Mr Hancock commented, *"I am delighted with this opportunity to increase my shareholding in Rhythm via this placement and thank the Board for accommodating via this ancillary placement. As stated previously, in healthcare, I favour products that are simple, effective and reduce costs with a large addressable market. The innovative ColoSTAT® product, developed from research by the CSIRO and Rhythm has the potential to be a global game changer in the early mass market screening for colorectal cancer."*

The results of the Rights Offer and Placement, are as follows:

	Number of Shares
Existing Shares as at date of the Rights Issue Offer	202,170,811
Number of New Shares to be issued ¹	5,054,270
Total issued Shares following completion of the Offer ¹	207,225,081
Class A Option - subject to the Option Terms, to purchase a Share with an exercise price of \$1.20 and an Expiry Date of 31 August 2022 ¹	2,527,135
Class B Option - subject to the Option Terms, to purchase a Share with an exercise price of \$1.80 and an Expiry Date of 31 July 2024	2,527,135
Securities per the Placement – refer to Appendix 3B lodged today, 7 September 2021:	
Placement Shares (under same terms as the current Offer)	1,500,000
Placement Options - Class A (same terms as above)	750,000
Placement Options - Class B (same terms as above)	750,000
Total issued Shares following completion of the Offer and Placement	208,725,081

1. Issue of New Shares and New Options to take place 9 September 2021 with Trading expected to commence 10 September 2021

Funds raised will be used to accelerate and expand Rhythm's development and commercialisation plans as outlined in the Offer Prospectus.

Commenting on the Offer, Rhythm CEO, Glenn Gilbert said:

"I'm pleased that the Offer was strongly supported by existing shareholders, alongside the Board and myself, further demonstrating our alignment. Coupled with an R&D tax incentive refund, expected shortly, the Company is well funded to execute on our development and commercialisation plans outlined in our FY'22 strategic plan."

Released with authority of the Board.

For further information, please contact:

Glenn Gilbert
Chief Executive Officer
+61 3 8256 2880

About Rhythm Biosciences

Rhythm Biosciences (ASX: RHY) is a transformative, predictive diagnostics company, specialising in early cancer detection. Rhythm's initial business pursuit is centred upon technology originally developed by the CSIRO and involves the development and commercialisation of a screening and diagnostic test for the early detection of colorectal cancer, the third biggest cause of cancer-related deaths globally.

Rhythm's lead product, ColoSTAT[®], is intended to be a simple, affordable, minimally invasive and effective blood test for the early detection of bowel cancer for the global mass market. It is expected to be comparable to, if not better than, the current standard of care, the faecal immunochemical test (FIT), at a lower cost. ColoSTAT[®] also provides an alternative for those who choose not to, or are unable to, be assessed using standard screening programs.

ColoSTAT[®] is designed to be used easily by laboratories without the need for additional operator training or additional infrastructure. ColoSTAT[®] has the potential to play an important role in reducing the morbidity and mortality rates and healthcare costs associated with colorectal cancer via increasing current screening rates.

Globally, over 850,000 people die from colorectal cancer each year. Colorectal cancer is typically diagnosed at a later stage when there is a poor prognosis for long-term survival. Annual estimated unscreened 50-74-year old's is estimated at +130m for the US, EU and AU alone, with this market potential being more than \$6.5b.