

Market Update

Highlights

- ✓ Chief Executive Officer (CEO) executive search in final stages, with short-list Board analysis and interviews underway;
- ✓ New U.S. based Contract Manufacturing Organisation (CMO) commissioned, with relevant inventories being transferred and initial works proceeding;
- ✓ Significant cost reduction program continues, with ongoing cash-burn markedly reduced;
- ✓ Further analytical research & development (R&D) progress achieved in platform expansion program into gastric cancer with analysis and results to be reported before 4Q'FY24;
- ✓ Re-lodgement of R&D tax incentive (RDTI), expected by early March 2024;
- ✓ Board endorsed resolution supported at recently held Extraordinary General Meeting (EGM);
- ✓ Rights Issue Offer, with binding underwriting commitment secured from Mr Otto Buttula's associated entities regarding shortfall shares from the Rights Issue Offer, taking his potential commitment to +\$1.0 million, with other Directors committing to take-up their full entitlement;
- ✓ Addition to ongoing corporate governance initiatives, with Mr James Barrie commencing as Joint Company Secretary; and
- ✓ Commonwealth Scientific and Industrial Research Organisation (CSIRO) assigns jointly owned colorectal adenoma detection patents and applications to Rhythm.

Transformative, predictive cancer diagnostics technology company, Rhythm Biosciences Ltd (ASX: **RHY**) (**Rhythm** or the **Company**) is pleased to advise the following updates to its recently released ASX announcements.

New CEO Executive Search

Following significant applicant interest, candidates were shortlisted by a professional recruitment firm, with Board analysis and interviews underway. This appointment remains a major focus for the Board.

New CMO

Contracts have been executed, with excess inventories in different jurisdictions being transported to the new facility. Significant updates on the manufacture of these new ColoSTAT® kits, designed to meet higher regulatory standards (IVDR) and significantly better automation and efficiency parameters are expected to be reported before the end of the current financial year.

Cost Reduction Program

Despite several non-recurring expenses being incurred in CEO recruitment fees, right-sizing the personnel operating structure, given the new strategic, product orientated (rather than research & development) focus, in addition to the significant unexpected one-off expenses incurred in relation to the EGM, go-forward operating expenses have markedly fallen, reducing the Company's forecast cash-burn.

Platform Expansion

Further analytical R&D progress in Gastric Cancer biomarker detection has been reported by Nexomics (powered by the Peter MacCallum Cancer Centre), Rhythm's research partner in this endeavour. Partner works are expected to complete by the end of 3Q'FY24, with Rhythm's additional analysis and results to be reported before the end of FY24.

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Directors

Otto Buttula	Executive Chairman
Sue MacLeman	Non-Executive Independent, Deputy Chair
Trevor Lockett	Non-Executive Director
Louis Panaccio	Non-Executive Director

Re-lodgement of R&D tax incentive

As previously disclosed the Company is planning to re-lodge the international component of R&D, following a more detailed internal and external audit and following the kit reclassification to Research Use Only (RUO), rather than for commercial distribution.

EGM

Final results of the meeting of shareholders held on 12 February 2024 endorsed the Board's recommendation to vote against the resolution. Subsequently, Otto Buttula remains a director of the Company. As previously disclosed, following a brief handover period Mr Buttula will relinquish his executive role.

Rights Issue Offer

The Company is undertaking a non-renounceable rights issue offer to eligible shareholders to subscribe for three (3) new shares for every ten (10) shares held an offer price of \$0.10 (ten cents) per share plus one (1) Option for every two new shares subscribed under the offer - to raise up to \$6.6 million before costs. An underwriting commitment has been secured from Mr. Otto Buttula's associated entities regarding shortfall shares from the Rights Issue Offer, taking his potential total commitment to +\$1.0 million, with other Directors committing to take-up their full entitlement.

Ongoing Corporate Governance Improvement Initiatives

Experienced, professional company secretary and director, Mr James Barrie, has commenced with the Company as Joint Company Secretary.

CSIRO assigns interests in jointly owned colorectal adenoma detection patents and applications to Rhythm

Rhythm scientists have made improvements to know-how licensed in 2017 by CSIRO to Rhythm. This has resulted in the development of a new, jointly owned patent application to protect certain biomarker combinations useful for the detection of advanced colorectal adenomas. Despite being non-cancerous lesions of the bowel wall, advanced adenomas are very important clinically as they have an increased likelihood of becoming cancerous in the foreseeable future. CSIRO has now assigned its rights, title and interest in this new patent application to the Company. For Rhythm, this assignment simplifies future steps in both the international prosecution of the patent application and the commercialisation of the technology which will benefit both organisations and falls under the terms of the 2017 licence agreement.

- ENDS -

Authorised for release by the Board.

For further information contact:

Mr Otto Buttula
Executive Chairman

Mr Guy Carisbrooke
Financial Controller

Ms Elena Deak
Chief Commercial Officer

About Rhythm Biosciences

Rhythm Biosciences Ltd (ASX: RHY) is an Australian innovative, medical diagnostics company aimed at delivering simple, affordable blood tests for accurate and early detection of cancers. Rhythm is focused on improving patient outcomes through detection at the earliest possible stage, reducing the global burden of cancer and saving lives.

Rhythm Biosciences is committed to working with likeminded global partners to achieve commercialisation and distribution of these simple solutions.

The company was founded in 2017 and is headquartered in Melbourne, Australia. For more information, visit rhythmbio.com and follow the company on LinkedIn and Twitter.

About ColoSTAT®

Colorectal cancer (CRC), also referred to as bowel cancer, is the second leading cause of cancer deaths globally. If diagnosed early, colorectal cancer is curable.

The ColoSTAT® Test-Kit is Rhythm Bioscience's simple blood test for the detection of CRC. It measures five specific protein biomarkers that indicate the likelihood presence of CRC. The test can be used as an alternative for individuals who are unable or unwilling to participate in current screening programs.

The ColoSTAT® Test-Kit is based on research from Australia's CSIRO and is patent protected internationally. It has the potential to play a key role in reducing the mortality rate and healthcare costs associated with colorectal cancer.