

Rhythm Biosciences Quarterly Report – end December 2024

Highlights

- ✓ Receipt of \$3.2m Research and Development Tax Incentive (RDTI) return and completion of placement for \$3.5m
- ✓ Board Renewal, with Mr Gavin Fox-Smith joining the Board, following retirements
- ✓ Delivery of 2nd Generation ColoSTAT[®] Beta Release candidate Multiplex Kits
- ✓ Transformational acquisition of the Genetype business assets catapulting Rhythm into a commercial organisation with the addition of the geneType[™] product portfolio

Transformative, predictive cancer diagnostics technology company, Rhythm Biosciences Ltd (ASX: **RHY**) (**Rhythm** or the **Company**) provides the following update on activities for the quarterly period ended 31 December 2024.

Product Portfolio

Acquisition of Genetype Assets

The Company acquired the Genetype assets (geneType[™] product portfolio, IP, trademarks, historical data and contracts) and business from Genetic Technologies Ltd (Administrators Appointed) for a cash purchase price of approximately \$0.625m which is inclusive of Company payments to select trade creditors and assuming the statutory employee entitlements for transferring employees in Australia. The acquisition was funded from existing cash reserves arising from RDTI receipts.

The Genetype business is a world leader in genetic-integrated risk assessment that offers population level predictive risk testing for a range of cancers and other serious and common diseases. Genetype's ability to quantify risk of disease using polygenic risk scores and clinical factors fully supports our goal of detecting disease earlier in a uniquely personal manner. Rhythm's emerging product portfolio of blood-based clinical diagnostics is a natural support for individuals identified as higher risk of disease than average. The combination of a proteomic and genomic product platform is a powerful synergy for the new combined company.

The recent market entry of the multi-disease product line provides Rhythm with an immediate opportunity to generate commercial revenue and returns for Rhythm's shareholders. Furthermore, the existing Genetype business customers and stakeholders present a valuable opportunity to accelerate the ColoSTAT[®] development, validation, and market entry strategy.

The acquisition also transforms the Company into an organisation with multiomics capability with the geneType[™] genomic platform supplementing the existing proteomic capability. This expansion of products and capabilities provides at least two major synergies:

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Directors

Otto Buttula
Sue MacLeman
Gavin Fox-Smith
David Atkins

Non-Executive Chairman
Non-Executive Director
Non-Executive Director
CEO & Managing Director

- (1) **Commercial and strategic market opportunity synergy:** the geneType™ risk prediction assays identify those individuals who are at higher risk of developing a disease. The Rhythm assays like ColoSTAT® are designed to detect disease. As such, there is a natural adjacency for an individual with a higher disease risk to utilise the high-quality clinical assay, like ColoSTAT® to monitor and detect disease should it arise.
- (2) **Product design and development synergy:** protein and genetic variation can provide complimentary insight into the disease process. As such, it may be possible to combine Rhythm geneType™ and protein technology to generate higher performance combination products.

ColoSTAT® Beta Release Candidate

As announced on 18 December 2024, Rhythm has received the first batch of the *Beta release candidate* version of the multiplex antibody detection kits developed and manufactured by the Company's CMO, Quansys Biosciences (**Quansys**), in the USA. These kits are advanced prototypes of the final kit intended for the detection of colorectal cancer using patient blood samples.

The 2nd generation multiplex assay kits combine five (5) separate antibody-based assays that previously constituted the ColoSTAT® assay into a single reaction for each patient blood sample. The new format was designed in partnership with the team at Quansys to leverage its proprietary technology to further increase the assay's ease of use and reliability for end-user laboratories.

Corporate

The Company successfully took receipt of \$3.23m of its RDTI as announced on 7 November 2024.

On 19 November 2024, Rhythm announced strong demand for a \$3.50m private placement of New RHY Shares at \$0.10 per share with (subject to Shareholder Approval) 2 New Options for every 3 New Shares issued (with an exercise price of \$0.20, expiring 31 March 2026). Pleasingly several new institutional, professional and sophisticated investors participated in the private placement.

Personnel

The Board welcomed the appointment of its Chief Executive Officer Dr David Atkins as an Executive Director (30 September 2024).

Following the retirements of Dr Trevor Lockett and Mr Lou Panaccio (20 November 2024), the Board was pleased to welcome Mr Gavin Fox-Smith as a new Independent Non-Executive Director (2 December 2024). Coinciding with this appointment, Ms Sue MacLeman also stepped down from Deputy Chair to Non-Executive Director.

On behalf of the Board and Company, we would like to thank Mr Lockett and Mr Panaccio for their dedicated service since the Company's IPO and Ms MacLeman for serving as Independent Deputy Chair for ~17 months.

Finally, to ensure the Company can deploy capital on strategically important activities, the Company has outsourced various services including the appointment of Anshu Raghuvanshi of Acclime Corporate Services Australia Pty Ltd as Company Secretary of RHY effective 6 January 2025.

Related Party Payments

In line with its obligations under ASX Listing Rule 5.3.5, Rhythm Biosciences Limited notes that the only payments to related parties of the Company, as advised in the Appendix 4C for the period ended 31 December 2024, pertain to payments to directors for fees, salary and superannuation.

Review of Prior (before end of CY'24) Stated Value Inflection Points:

- ✓ Receipt of RDTI returns – ACHIEVED (7 Nov 24 \$3.23m Received)
- ✓ Delivery of verified *Beta* versions of newly designed multiplex kits to our Australian office by Quansys, our US-based CMO – ACHIEVED (18 Dec 24)
- ✓ Market-entry roadmap for the colonoscopy triage application for the next generation ColoSTAT® assay – ACHIEVED (18 Dec 24)

Milestones we expect to deliver before the end of Q1 CY25:

- Integration of Genetype business
- Relaunch of geneType™ product portfolio
- Progress on ColoSTAT® *Beta* kit verification and preparation for clinical validation

- ENDS -

This announcement was authorised by the Board of Directors of Rhythm Biosciences Limited.

For further information contact us via investors@rhythmbio.com.

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 X.

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-based test for the detection of CRC. It measures five specific protein biomarkers that indicate the likelihood of CRC. The test is an alternative for individuals who are unable or unwilling to participate in current screening programs. It is being updated to meet relevant regulatory standards.

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.

About geneType™

geneType™ is a sophisticated genetic risk assessment testing platform that combines clinical, family history and genetic data to provide comprehensive risk assessments for various diseases. The platform leverages polygenic risk scores and clinical risk factors to generate personalized health insights,



helping individuals and healthcare providers make more informed medical decisions. The technology allows for risk assessment across multiple conditions including breast cancer, cardiovascular disease, diabetes, colorectal cancer, prostate cancer and melanoma. The tests are delivered through healthcare providers and genetic counsellors, ensuring appropriate clinical oversight and support for patients receiving their results. The platform's multi-disease assessment capabilities and clinical utility position it well to capture growing demand in the preventative healthcare and precision medicine markets. For more information, please visit www.genotype.com.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

RHYTHM BIOSCIENCES LIMITED

ABN

59 619 459 335

Quarter ended ("current quarter")

31 DECEMBER 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) research and development	(601)	(1,239)
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs (not included above)	(178)	(359)
(f) administration and corporate costs	(383)	(631)
1.3 Dividends received (see note 3)		
1.4 Interest received	87	91
1.5 Interest and other costs of finance paid	(51)	(57)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	3,166	3,166
1.8 Other		
1.9 Net cash from / (used in) operating activities	2,040	971

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses	(520)	(520)
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other – rent deposit		(40)
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(520)	(560)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,500	3,500
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(219)	(219)
3.5	Proceeds from borrowings		1,150
3.6	Repayment of borrowings	(1,163)	(1,181)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	2,118	3,250
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	732	709
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,040	971
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(520)	(560)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,118	3,250
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	4,370	4,370

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,370	732
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other – short term deposit		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,370	732

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	160
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p>Payments in 6.1 relate to Director fees and salaries.</p> <p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p>		

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Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	2,040
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,370
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	4,370
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	n/a
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a	

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8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:23 JANUARY 2025.....

Authorised by:BY THE BOARD.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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