

Rights Issue Offer to Raise Up To \$6.6 million

Highlights

- Rhythm to undertake a non-renounceable rights issue offer to eligible shareholders on the basis of three (3) new shares for every ten (10) shares held at an issue price of \$0.10 (ten cents) per new share, plus one (1) Option for every two (2) new shares subscribed under the offer - to raise up to a maximum of \$6.6 million before costs ("Rights Issue Offer");
- Underwriting commitment in discussions for an additional sum by Mr Otto Buttula's associated entities regarding shortfall shares from the Rights Issue Offer, taking his potential commitment to +\$1.0 million – conditional on his continuing directorship and the results of the EGM, scheduled for 12 February 2024 (to be confirmed in the Prospectus); and
- All other RHY Shareholder Directors have indicated that they intend to take up all of their Entitlement, representing an investment of approximately <\$0.1 million.

Transformative, predictive cancer diagnostics technology company, Rhythm Biosciences Ltd (ASX: **RHY**) (**Rhythm** or the **Company**) announces that it is undertaking a non-renounceable rights issue offer to raise approximately \$6.6 million (before costs) from eligible shareholders ("**Rights Issue Offer**").

The funds from the Rights Issue Offer are intended to be applied to:

- transitioning the current ColoSTAT® test to the new in vitro diagnostic medical devices regulation standards (IVDR);
- re-submit the IVDR compliant ColoSTAT® test for regulatory approvals (CE Mark and TGA);
- cement distributor partnerships together with marketing and sales activities;
- continue pipeline development activities into other cancers; and
- general working capital purposes.

"In December 2023, we outlined the Company's new key strategy to move to IVDR compliance to underpin the future of the Company's ColoSTAT® test kit. It has been a challenging 12 months during 2023 and in the light of our current share price, we wanted to offer existing, eligible shareholders the opportunity to participate in this capital raising. Our objective to enhance current shareholder value is to complete the work required for IVDR compliance and then submit the revised ColoSTAT® test (to an IVDR standard) for regulatory approvals (CE Mark and TGA)" commented Rhythm Chair Mr Otto Buttula.

Rights Issue Offer Details

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 ("**Rights Issue Offer**").

Eligible shareholders are shareholders with a registered address in Australia or New Zealand as at as at the Record Date of 22 February 2024. There is no minimum amount to be raised under the Rights Issue Offer, but the Company is in discussions for an underwriting commitment by Mr Otto Buttula re shortfall shares from the Rights Issue Offer – conditional on his continuing as a RHY Director after the EGM scheduled for 12 February 2024 (see below).

Rights Issue participants will be offered one (1) listed option for every two new shares taken up. The options will have an exercise price of \$0.20 and expire on 31 March 2026.

The Rights Issue Offer will open on 27 February 2024 and close at 5pm (AEDT) on 14 March 2024. Issues under this Rights Issue Offer will be made under Listing Rule 7.2 exception and therefore do not affect the Company's current Listing Rule 7.1 capacity. No shareholder approval is required for the Rights Issue Offer. Fractional entitlements will be rounded up to the nearest whole number.

The new shares will be fully paid ordinary shares, will rank equally with the Company's existing issued Shares and the Company will make an application to the ASX for the official quotation of the new shares. The Company also intends to make an application to the ASX for the official quotation of the options under the Rights Issue as an addition class of listed security.

The table below sets out, for illustrative purposes only, the existing capital structure (before the Rights Issue Offer) together with the impact of the issue of the new securities under the Rights Issue Offer. It assumes that no existing options are exercised prior to the Record Date.

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	Shares	Options ¹
Existing securities as at date of the Rights Issue Offer	221,142,589	110,571,295
Maximum number of new securities issued under the Offer (approximately)	66,342,777	33,171,389
Total issued securities following completion of the Offer (assuming full subscription under the Offer)	287,485,366	143,742,683

Further information pertaining to the Rights Issue Offer will be sent to Eligible Shareholders in the Prospectus to be lodged with ASX on 19 February 2024 and despatched to Shareholders on 27 February 2024.

Directors retain the right for up to 3 months after the close of the Offer to place the balance of any new shares / options not taken up by Eligible Shareholders.

¹ Subject to rounding

The following is an indicative timetable for the Rights Issue Offer:

Indicative Rights Issue Timetable² Event	Date
Rights Issue announcement and company resumes trading	9 February 2024
Record Date	22 February 2024
Dispatch of Prospectus and Rights Issue Offer opens	27 February 2024
Closing of Rights Issue Offer	5.00pm 14 March 2024
Allotment and issue of New Shares under Rights Issue Offer	On or before 21 March 2024
Expected normal trading of New Shares under Rights Issue Offer	22 March 2024

- ENDS -

Authorised for release by the Board.

For further information contact:

Mr Otto Buttula
Executive Chairman

Mr James Barrie
Joint Company Secretary

Ms Andrea Steele
General Counsel and Joint Company Secretary

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.

² Dates / times are indicative and subject to change. All times / dates are in reference to Australian Eastern Daylight Time (AEDT)