

Director Share Sale To Institutional Funds Manager

Details

- ❖ **Share Sale of 5,000,000 RHY Shares @ \$1.30 per share by Executive Chairman;**
- ❖ **Exclusive Sale to leading, domestic, institutional funds manager; and**
- ❖ **No further share sales envisaged for the foreseeable future.**

Transformative cancer diagnostics technology company, Rhythm Biosciences Ltd (ASX: **RHY**) (**Rhythm** or the **Company**) confirms an exclusive share sale conducted by the Executive Chairman to a single, leading, domestic fund manager.

Rationale of the Share Sale

The primary purpose of the sale from the superannuation fund of which Executive Chairman, Otto Buttula is one of three members, is to enhance portfolio diversification and better meet trustee, accounting and auditor advice. Prior to the sale, the superannuation fund's holding in RHY represented 95.9% of the total assets of the fund and 98.6% of its ASX listed company exposures.

The superannuation fund will continue to maintain an oversize, majority weighting to RHY, retaining a holding of 6,135,834 RHY Shares and 2,134,167 31 July 2024 \$1.80 Options. This sale represents the first sale of RHY shares by interests associated with Otto Buttula since his appointment as Chairman in October 2019. Mr Buttula also confirms that there is no intention to sell any further RHY shares for the foreseeable future.

Commenting on the sale, Rhythm Executive Chairman, Mr Otto Buttula said:

"Whilst there is never a perfect time to reduce exposure to a Company that you are immensely proud of being a part of, in this case, the numbers speak for themselves and a holding above 95% in one company exposure, particularly in a retirement fund, with two other members, was problematic and not prudent. Despite the sale, my associated interests continue to maintain the largest shareholding in the Company, maintaining a holding of 10.8% (ex-options). Importantly, I am also delighted to welcome another leading fund manager to the RHY register. The institutional fund manager is one of Australia's most successful and has conducted a period of due diligence on the prospects of the Company.

The team and I look forward to delivering upon the milestones we have set out and we believe the remainder of the calendar year will represent another period of significant achievement."

- ENDS -

Authorised for release by the Board.

Directors

For further information contact:

Glenn Gilbert
Chief Executive Officer
+61 3 8256 2880

About Rhythm Biosciences

Rhythm Biosciences is focused on becoming a globally significant, transformative, predictive diagnostics company, specialising in cancer detection technology. The Company is currently developing ColoSTAT® - a simple, low-cost, blood test for global mass market detection of colorectal cancer.

Worldwide, colorectal cancer is the third most common cancer in men and the second most common in women, accounting for an estimated 1.9 million new cases and 935,000 deaths annually.

In an effort to reduce the global burden, many countries have implemented screening programs aimed at early detection. These programs are predominantly administered with a faecal immunochemical test (FIT) for the assessment of colorectal cancer risk, with a positive result referred for a colonoscopy. FIT only analyses the presence of blood in faeces, which can occur for several reasons other than cancer, therefore it is not designed as an accurate test for cancer. Many people simply don't take the test for fear of an unnecessary colonoscopy procedure, unpleasantness, difficulty, or for religious/cultural reasons. There is currently no appropriate blood test alternative.

Rhythm aims to transform the global mass-market for colorectal cancer detection with ColoSTAT® its simple, low-cost blood test that is fit for purpose, meaning that it is designed to actually detect colorectal cancer. Since listing on the ASX in 2017, the Company has run a successful multi-year research and development program that has delivered technical validation of the core biomarker technology, being reproducible and stable. The ColoSTAT® test-kit was manufactured in 2021 and delivered performance testing that outperforms the current market standard faecal immunochemical test (FIT) utilising Rhythm's proprietary algorithm. The Company is currently finalising its clinical trial for ColoSTAT®, and is progressing regulatory, manufacturing and scale up activities ahead of market entry in 2022.

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 a key role in reducing the morbidity and mortality rates and healthcare costs associated with colorectal cancer via increasing current screening rates.

Rhythm's initial targeted global addressable population is over 800 million people which are over 50 years of age. Almost 70%, or 550 million people, are not currently screened for colorectal cancer due to the limitations of the current faecal based testing regime. This "at risk" population is also expanding with the disease growing rapidly in much younger age groups. Early detection and intervention can lead to cure in over 90 per cent of new cases, therefore the need for effective screening and early intervention has the potential to save a significant number of lives. Rhythm estimates today's colorectal cancer screening market alone to be worth in excess of \$38 billion.