

Rhythm Biosciences Limited
Appendix 4D
Half-Year report

1. Company details

Name of entity:	Rhythm Biosciences Limited
ABN:	59 619 459 335
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

2. Results for announcement to the market

		2021 \$	2020 \$
Other income from ordinary activities	Up 118% to	2,433,429	1,118,772
Loss from ordinary activities after tax attributable to the owners of Rhythm Biosciences Limited	Up 110% to	(4,220,697)	(2,013,923)
Comprehensive loss for the year attributable to the owners of Rhythm Biosciences Limited	Up 110% to	(4,220,697)	(2,013,923)

Dividends

There were no dividends paid, recommended or declared during the period.

Comments

Comments on activities during the half-year are included in the Directors' Report in the Interim Financial Report attached.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	2.33	2.82

4. Control gained over entities

The Company established a 100% owned USA domiciled entity, IchorDX Inc, with the intent on accelerating international expansion activities.

5. Loss of control over entities

Not applicable.

6. Details of associates and joint venture entities

Not applicable.

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been reviewed and an unqualified conclusion has been issued.

8. Attachments

Details of attachments (if any):

The Interim Financial Report of Rhythm Biosciences Limited for the half-year ended 31 December 2021 is attached.

9. Signed

A handwritten signature in black ink, appearing to read 'Glenn Gilbert', with a stylized flourish at the end.

Glenn Gilbert
Managing Director

Date: 25 February 2022

**RHYTHM BIOSCIENCES
LIMITED
(ASX: RHY)**

**INTERIM FINANCIAL REPORT
TO 31 DECEMBER 2021**

Rhythm Biosciences Limited
Corporate Directory
31 December 2021

Directors	Mr Otto Buttula (Executive Chairman) Mr Glenn Gilbert (Managing Director) Dr Trevor John Lockett Mr Louis (Lou) James Panaccio Mr Eduardo Vom Dr Rachel David
Company secretary	Ms Andrea Steele
Registered office	Bio21 Molecular Science & Biotechnology Institute 30 Flemington Road Parkville VIC 3010 Australia + 61 3 8256 2880 (Phone)
Share register	Link Market Services Limited QV1, Level 12, 250 St. Georges Terrace Perth WA 6000
Auditor	BDO Audit Pty Ltd Collins Square Tower 4 Level 18, 727 Collins Street Melbourne VIC 3008
Stock exchange listing	Rhythm Biosciences Limited shares are listed on the Australian Securities Exchange (ASX code: RHY)

Rhythm Biosciences Limited
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31 December 2021

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General information

The financial statements cover Rhythm Biosciences Limited as a consolidated entity consisting of Rhythm Biosciences Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Rhythm Biosciences Limited's functional and presentation currency.

Rhythm Biosciences Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Bio21 Molecular Science & Biotechnology Institute
30 Flemington Road
Parkville VIC 3010

Rhythm Biosciences Limited
Directors' Report
31 December 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Rhythm Biosciences Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors

The following persons were directors of Rhythm Biosciences Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Otto Buttula
Glenn Gilbert (appointed 1 December 2021)
Dr Trevor Lockett
Lou Panaccio
Eduardo Vom
Dr Rachel David (appointed 15 December 2021)
David White (resigned 14 July 2021)

Principal activities

Rhythm Biosciences Limited is developing and commercialising Australian medical diagnostics technology for sale in domestic and international markets. Its ColoSTAT product in development aims to provide an accurate and early detection test for colorectal cancer.

Review of operations

The loss for the consolidated entity after providing for income tax for the half-year ended 31 December 2021 amounted to \$4,220,697 (2020: \$2,013,923).

Refer to the detailed review of operations that directly follows this report.

Matters subsequent to the end of the financial half-year

On 6 January 2022, the Company completed a placement of 4,666,179 shares at \$1.40 each raising \$6,532,651 before costs.

No other matters or circumstances have arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out elsewhere in the financial report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors:



Glenn Gilbert
Managing Director

25 February 2022

Rhythm Biosciences Limited (ASX: **RHY**) (**Rhythm** or the **Company**) is focused on becoming a globally significant predictive, and transformative diagnostics company, specialising in cancer detection technology. The Company is currently focused upon:

- Final close of its clinical trial for Australian regulatory approval for ColoSTAT® - a simple, low-cost, blood test for global mass market detection of colorectal cancer;
- Submission of the application for an Australian Register of Therapeutic Goods (ARTG) listing for ColoSTAT® to the Therapeutic Goods Administration (TGA) by 1HCY22;
- Commercialisation and partnering discussions with third parties both domestically and overseas for ColoSTAT®; and
- Progressing its Research and Development (R&D) platform technology expansion program into additional cancers.

During the half-year ending 31 December 2021, and up to the date of this report, Rhythm has delivered on a number of significant milestones placing the Company in a strong position to deliver its FY'22 Strategic Plan. These include:

Core Technology

- Ongoing testing of commercially manufactured ColoSTAT® test-kits continued to confirm highly accurate, consistent and reproducible results, equivalent to the exceptional Study 6 outcomes of 84% Sensitivity and 95% Specificity;
- Additional testing confirms ColoSTAT® significantly outperforms the current market standard testing regime, by as much as 33%, demonstrating high confidence in the potential for positive market acceptance;
- A platform expansion program identified a number of additional cancer target markets that will form part of a new Research and Development program designed to follow a similar commercial pathway to ColoSTAT®;
- The expansion program is expected to be shortened where practicable, leveraging the Company's lead biomarker which exhibits **pan-cancerous** properties; and
- The initial five additional cancers to be targeted include:
 - Breast;
 - Cervical;
 - Lung;
 - Gastric; and
 - Pancreatic.

Global Capability

- Rhythm established a 100% owned US domiciled entity - IchorDX, Inc. - with an initial US Board appointed, with:
 - Mr Otto Buttula, President (currently Rhythm Executive Chairman);
 - Mr Glenn Gilbert, Vice President and Secretary (currently Rhythm CEO and Managing Director); and
 - Mr David White, Non-Executive Director (ex-Rhythm Non-Executive Director and US based).
- US entity provides a focused commercial pathway for ColoSTAT® in one of the world's largest diagnostic markets;
- The United States represents a significant addressable market of over 94 million people, with the potential for this to grow by over 20% in the short-term following the US Preventative Services Task Force recommendation that the screening age be reduced from 50 to 45 years of age; and

- The Company has commenced preliminary discussions with potential distribution partners, both domestically and overseas based for jurisdictions both covered by C.E. Mark and those where it is recognised as a precursor.

Commercialisation and Regulatory

- CE Mark certification achieved allowing ColoSTAT® to be marketed and sold within the European Economic Area (EEA) and aligned territories;
- European markets have a significant addressable market of 231 million people, valued at ~US\$12 billion;
- Patient recruitment was completed for the Clinical Trial (Study 7), with the final Study Report on track for delivery in 1H CY'22;
- Initial TGA regulatory documentation (Manufacturers Evidence) was submitted and accepted, effectively completing the first of two steps required for final approval;
- Remaining regulatory documentation (including the clinical trial report) application to the TGA on track for submission 1H CY'22;
- Post period end, achieved the successful expansion of CE Mark to include Great Britain and Northern Ireland; and
- Post period end, successfully obtained ISO13485 recertification and expanded the coverage scope for its Quality Management System.

COVID-19 Update

- The Company continues to actively manage the ongoing delays and significant impacts to the international supply chains and sourcing of raw materials as it relates to our production and supply and is working with its suppliers to reduce its effect where practicable.

Financial

- Received \$2.4 million from the Company's R&D Tax Incentive claim for FY21;
- Completed capital raisings of \$12.11 million, including:
 - \$5.58 million via a Placement and an oversubscribed Non-Renounceable Rights Issue. The Placement successfully raised \$1.28 million (before costs), with the Rights Issue raising \$4.3 million (before costs); and
 - Post period-end a \$6.53 million (before costs) exclusive Placement to a single global institutional fund manager.
- The Company ended the December 2021 period with \$5.5 million cash balance (excluding the \$6.53 (before costs) exclusive Placement); and
- Rhythm is appropriately capitalised to execute on its commercial plans to deliver ColoSTAT® into the market in late CY'22.

Corporate

- General Meeting of shareholders was held on 24 November 2021 with all resolutions passing;
- Board and management structure was strengthened and re-aligned to focus on commercialisation scale up activities, which included:
 - The appointment of Dr Rachel David, an experienced senior health and financial services sector executive, as an independent Non-Executive Director;
 - Otto Buttula transitioned from Non-Executive to Executive Chairman;
 - Chief Executive Officer, Glenn Gilbert was appointed to the Board as Managing Director; and
 - Appointment of Ms Andrea Steele as General Counsel and Company Secretary (post period end).

DECLARATION OF INDEPENDENCE BY DAVID GARVEY TO THE DIRECTORS OF RHYTHM BIOSCIENCES LIMITED

As lead auditor for the review of Rhythm Biosciences Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Rhythm Biosciences Limited and the entities it controlled during the period.



David Garvey
Director

BDO Audit Pty Ltd

Melbourne, 25 February 2022

Rhythm Biosciences Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

		Consolidated	
	Note	31 December 2021	31 December 2020
		\$	\$
Other Revenue			
Research and development grant		2,412,406	1,108,507
Interest income		6,023	10,265
Other grant income		15,000	-
Total revenue		2,433,429	1,118,772
Expenses			
Employment related costs		1,025,390	790,632
Share based payments remuneration - shares		-	26,570
Share based payments remuneration - options	6	1,890,268	531,650
Office and compliance costs		444,585	361,635
Research and development costs		2,723,864	1,338,615
Marketing and investor relations		67,990	4,146
Share based payments investor relations - options	6	450,000	-
Depreciation		34,043	61,461
Amortisation of intangible assets		17,986	17,986
		6,654,126	3,132,695
Loss before income tax expense		(4,220,697)	(2,013,923)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Rhythm Biosciences Limited		(4,220,697)	(2,013,923)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Rhythm Biosciences Limited		(4,220,697)	(2,013,923)
		Cents	Cents
Basic (loss) per share		(2.05)	(1.19)
Diluted (loss) per share		(2.05)	(1.19)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Rhythm Biosciences Limited
Statement of financial position
As at 31 December 2021

		Consolidated	
	Note	31 December	30 June
		2021	2021
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		5,542,196	2,228,397
Trade and other receivables		108,855	163,982
Other financial assets – term deposits		45,000	45,000
Prepayments		147,271	56,580
Total current assets		<u>5,843,322</u>	<u>2,493,959</u>
Non-current assets			
Intangible assets	4	444,029	462,015
Property, plant and equipment		80,479	113,800
Total non-current assets		<u>524,508</u>	<u>575,815</u>
Total assets		<u>6,367,830</u>	<u>3,069,774</u>
Liabilities			
Current liabilities			
Trade and other payables		829,895	1,206,237
Provisions		187,725	137,047
Total current liabilities		<u>1,017,620</u>	<u>1,343,284</u>
Non-current liabilities			
Provisions		37,131	19,686
Total non-current liabilities		<u>37,131</u>	<u>19,686</u>
Total liabilities		<u>1,054,751</u>	<u>1,362,970</u>
Net assets		<u>5,313,079</u>	<u>1,706,804</u>
Equity			
Issued capital	5	21,468,192	15,981,488
Reserves	6	2,871,918	531,650
Accumulated losses		(19,027,031)	(14,806,334)
Total equity		<u>5,313,079</u>	<u>1,706,804</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Rhythm Biosciences Limited
Statement of changes in equity
For the half-year ended 31 December 2021

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	15,981,488	531,650	(14,806,334)	1,706,804
Loss after income tax expense for the half-year	-	-	(4,220,697)	(4,220,697)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(4,220,697)	(4,220,697)
Transactions with owners in their capacity as owners:				
Shares issued (net of costs)	5,486,704	-	-	5,486,704
Share based payments	-	2,340,268	-	2,340,268
Balance at 31 December 2021	21,468,192	2,871,918	(19,027,031)	5,313,079
Balance at 1 July 2020	10,037,245	194,000	(8,388,186)	1,843,059
Loss after income tax expense for the half-year	-	-	(2,013,923)	(2,013,923)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(2,013,923)	(2,013,923)
Transactions with owners in their capacity as owners:				
Shares issued (net of costs)	5,782,673	-	-	5,782,673
Share based payments	26,570	531,650	-	558,220
Lapse of Options	-	(194,000)	194,000	-
Balance at 31 December 2020	15,846,488	531,650	(10,208,109)	6,170,029

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Rhythm Biosciences Limited
Statement of cash flows
For the half-year ended 31 December 2021

	Consolidated	
	31 December	31 December
	2021	2020
	\$	\$
Cash flows from operating activities		
Research and development grant	2,412,406	1,108,507
ATO COVID-19 stimulus	-	50,000
Interest received	6,188	16,539
Interest paid	-	(2,010)
Payments to suppliers and employees (inclusive of GST)	<u>(4,562,696)</u>	<u>(2,693,152)</u>
Net cash used in operating activities	<u>(2,144,102)</u>	<u>(1,520,116)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	<u>(12,406)</u>	<u>(19,713)</u>
Net cash used in investing activities	<u>(12,406)</u>	<u>(19,713)</u>
Cash flows from financing activities		
Proceeds from shares issued	5,685,865	6,033,754
Payments for capital raising costs	(215,558)	(223,838)
Repayment of lease liabilities	<u>-</u>	<u>(49,846)</u>
Net cash provided by financing activities	<u>5,470,307</u>	<u>5,760,070</u>
Net increase in cash and cash equivalents	3,313,799	4,220,241
Cash and cash equivalents at the beginning of the financial half-year	<u>2,228,397</u>	<u>1,797,958</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>5,542,196</u></u>	<u><u>6,018,199</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New or amended Accounting Standards and Interpretations adopted

In the period ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the reporting periods beginning on or after 1 July 2021.

There was no impact on the consolidated entity arising from these new and revised Standards and Interpretations.

Standards and Interpretations in issue not yet adopted

The Directors have not yet assessed the impact from the adoption of these Standards on the financial performance or position of the Group.

Going Concern

The consolidated entity incurred an operating loss of \$4,220,697 (2020: \$2,013,923) and had cash outflows from operating activities of \$2,144,102 (2020: \$1,520,116) for the half-year ended 31 December 2021. The consolidated entity is in start-up phase and does not yet have an income stream.

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business for the following reasons:

- as at 31 December 2021, the consolidated entity had a strong cash position of \$5.5 million;
- on 6 January 2022, a placement of 4,666,179 shares at \$1.40 each raising \$6,532,651 before costs was completed;
- a research and development refund, based on expenditure incurred, is expected in the second half of 2022;
- the consolidated entity is still in the early stages of operations and is able to scale back activity if required; and
- the Directors have prepared a budget which demonstrates that the consolidated entity has sufficient cash to meet its expenditure requirements for a period of not less than twelve months from the date of signing this report.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial period are discussed below.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Share-based payments

Rhythm operates an Employee Share Option Plan (ESOP). The non-cash expense of issuing these options is calculated using a Black-Scholes option pricing model. This model requires the input of a number of variables including an estimate of future volatility and a risk-free interest rate.

Intangible assets

Research and Development expenditure during the research phase of a project is recognised as an expense when incurred. Product development costs are capitalised only when specific criteria has been satisfied. The consolidated entity assesses impairment of non-financial indefinite life intangible assets and intangible assets not yet ready for use at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segment relating to the development of new diagnostic tests for colorectal cancer.

Note 4. Non-current assets – intangible assets

	31 December 2021
	Licences \$
Balance at the beginning of the period	462,015
Amortisation	<u>(17,986)</u>
Balance at the end of the period	<u>444,029</u>

Note 5. Equity - issued capital

	Consolidated 31 December 2021 Shares	31 December 2021 \$
Ordinary shares - fully paid	208,945,268	21,468,192
Movements during the period:		
Opening balance 1 July 2021	202,170,811	15,981,488
Rights issue and placement at 85 cents per share	6,554,270	5,571,130
Exercise of Options	220,187	114,735
Capital raising costs	-	(199,161)
Closing balance 31 December 2021	<u>208,945,268</u>	<u>21,468,192</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Note 6. Equity - reserves

	Consolidated
	31 December
	2021
	\$
	30 June 2021
	\$
Share-based payments reserve	<u>2,871,918</u> <u>531,650</u>

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Share-based payments
	\$
Balance at 1 July 2021	531,650
Options – Directors and Employees	1,890,268
Options - Consultants	<u>450,000</u>
Balance at 31 December 2021	<u>2,871,918</u>

During the financial half-year, the Company granted 8,195,000 options to consultants, key management personnel and other employees as part of their remuneration. Set out below are summaries of options granted:

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Balance at the end of the half-year	Vested
14/9/2020	14/9/2023	\$0.20	5,975,000	-	(150,000)	5,825,000 *	4,162,500
18/11/2020	14/9/2023	\$0.20	1,500,000	-	-	1,500,000 *	1,125,000
26/7/2021	31/7/2024	\$1.80	-	1,895,000 **	-	1,895,000 **	473,750
26/7/2021	31/7/2024	\$1.80	-	1,000,000	-	1,000,000	1,000,000
24/11/2021	31/7/2024	\$1.80	-	5,300,000 **	-	5,300,000 **	1,325,000
			<u>7,475,000</u>	<u>8,195,000</u>	<u>(150,000)</u>	<u>15,520,000</u>	<u>8,086,250</u>

* Vesting conditions relate to 2,037,500 of these options not yet achieved.

** Vesting conditions relate to 5,396,250 of these options not yet achieved.

Unvested options shall lapse upon employment termination without notice (with cause) or cessation.

The valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate*	Fair value at grant date
26/7/2021	31/7/2024	\$0.93	\$1.80	100.00%	-	0.13%	\$0.45
24/11/2021 **	31/7/2024	\$1.74	\$1.80	100.00%	-	1.01%	\$1.02 **

* The risk-free interest rate is based on the Australian Government 3-year bond yield (Reserve Bank of Australia website) at the grant date.

** On 26 July 2021 when the share price was \$0.93, Directors resolved to issue these Options, subject to receipt of shareholder approval. On 24 November 2021, when the share price was \$1.74, shareholder approval occurred at the Annual General Meeting (AGM). The fair value for accounting purposes is determined based upon final approval at the date of the AGM.

Note 7. Events after the reporting period

On 6 January 2022, the Company completed a placement of 4,666,179 shares at \$1.40 each raising \$6,532,651 before costs.

No other matters or circumstances have arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Rhythm Biosciences Limited
Notes to the financial statements
31 December 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Glenn Gilbert
Managing Director

25 February 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Rhythm Biosciences Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Rhythm Biosciences Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

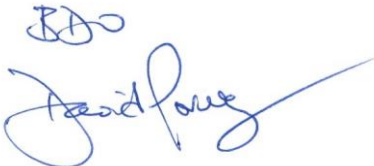
The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

A handwritten signature in blue ink, appearing to read 'David Garvey', is written over a small, stylized BDO logo.

David Garvey
Director

Melbourne, 25 February 2022