ASX Announcement
ASX code: RHY
ACN: 619 459 335

COVID-19 Update

9th April 2020, Melbourne: Rhythm Biosciences Limited (ASX: RHY) provides an update on the ever changing and rapidly evolving situation in regard to COVID-19 and its potential impact upon the Company.

COMPLIANCE TO FEDERAL & STATE GOVERNMENT COVID-19 ADVICE

STATUS	ONGOING

Rhythm are adhering to government advice regarding increased hygiene, working remotely and social distancing. Further, we have implemented a restriction on non-essential travel.

PERSONNEL

STATUS	a) ALL STAFF RETAINED b) NON-ESSENTIAL R&D STAFF WORKING FROM HOME c) ESSENTIAL R&D (LABORATORY) STAFF UNAFFECTED

Rhythm expanded its R&D team from 3 to 7 people during January to March 2020. Despite COVID-19 induced operating impediments, the Board and Executive believe it is important to retain the full complement of staff in order to accelerate the technology development for the lead panel of individual biomarker tests and the associated algorithm. Hence all staff have been retained, with only one resignation in the business development team. This latter position will not be replaced, with duties assumed by the CEO and Chairman.

Rhythm confirms that non-essential R&D staff members, who can remain productive in another environment, are now working from home.

Laboratory, essential R&D staff working upon assay validation, are currently largely unaffected and operating as per usual, whilst strictly implementing governmental advice regarding social interaction, including additional hygiene and sanitisation processes and social distancing.

LOGISTICS	
STATUS	**NON-MATERIAL DELAYS BEING EXPERIENCED**
As is well documented, global logistics and supply chains have been impacted by COVID-19 protocols. Our suppliers of raw and component materials have advised they are reducing their on-site staff. This has led to some delays in receiving orders. That said, Rhythm are still receiving materials required for the individual biomarker test development program.	

STUDY 6: CANCEROUS & HEALTHY BLOOD SAMPLE SOURCING / RECRUITMENT STUDY 7: APPOINTMENT OF ADDITIONAL SITES & PATIENT RECRUITMENT	
STATUS	**MATERIAL DELAYS BEING EXPERIENCED**
As is the current environment for nearly all global clinical trials, we are experiencing delays to the blood sample collection for the Company's series of analytical tests that make up Study 6, and for the signing of new hospitals for the Company's clinical trial (Study 7). These two areas are most exposed to delays as a direct result of government enforced measures, namely the remote working of staff at blood biobanks and the restrictions to pathology collection services for recruitment, processing and provision of cancerous and healthy blood samples. This has been exacerbated by the government suspension of non-urgent or non-emergency surgical procedures coupled with hospitals being required to rapidly and dramatically change their operating methods and reallocate resources away from non-critical clinical trials to other hospital departments. As a result, patient recruitment at our existing trial sites, and any new trial sites will be delayed. The need for hospitals across Australia to increase their staffing and increase overall capacity for this pandemic is well documented.	

REGULATORY SUBMISSION (CE MARK & TGA)	
STATUS	**MATERIAL DELAY EXPECTED**
Largely dependent and subject to completion of Study 6 and Study 7 above.	

GENERAL COMMENTS

"The COVID-19 pandemic is having an impact globally across all industries and we know it is a challenging time for all. Rhythm is taking appropriate health and safety measures to protect our staff, partners and the wider community, whilst ensuring the development of ColoSTAT® Test progresses as best as possible," commented Rhythm CEO Glenn Gilbert.

The Company, as at today, is unable to provide an accurate updated estimate or exact timeframe for when completion of the clinical trial and subsequent CE Mark and TGA regulatory submissions will be made, as it will largely depend on the duration of the implemented government measures and overall conditions relating to COVID-19, all of which are beyond the control of Rhythm, the clinical trial sites and Rhythm's partners and suppliers.

Rhythm expects that when then the pandemic comes under control and the hospital operating landscape normalises (at both public and private hospitals), including the return of staff back to their regular roles, then clinical trial recruitment can recommence in earnest.

"Despite the many uncertainties, we continue to focus on what we can control; that largely being the development of the technology to ensure that it is robust and reproducible. This is where a large portion of the company value will be derived. Additionally, we continue to approach hospitals to join our pivotal clinical trial and will work with both existing and future trial sites to ensure they are ready to recruit as soon as they practicably can. Despite the unfortunate current global conditions, there remains a significant unmet need for our simple, low cost blood test for bowel cancer detection and we remain confident of both its' societal and commercial benefits," said Mr Gilbert.

As an aside, the Company had already decided to review our ongoing operational program to identify efficiencies. All elements of our organisation are being optimised, from staffing, vendor support and costs, to our internal approval and reporting procedures and financial and accounting practices.

We will further update the market on any changes regarding the impact of COVID-19, including within the forthcoming quarterly report and/or as may be required as further information becomes available.

With authority by the Board.

For further information, please contact:

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About Rhythm Biosciences

ASX-listed Rhythm Biosciences is endeavoring to develop and commercialise a screening and diagnostic test for the early detection of colorectal cancer, the third biggest cause of cancer-related deaths globally.

Rhythm's lead product, ColoSTAT®, is intended to be a simple, affordable, minimally invasive and effective blood test for the early detection of bowel cancer for the global mass market. It is expected to be comparable to, if not better than, the current standard of care, the faecal immunochemical test (FIT), at a lower overall cost to public health administrations. ColoSTAT® also provides an alternative for those who choose not to, or are unable to, be assessed using standard screening programs.

ColoSTAT® is designed to be equipment agnostic and easily used by laboratories without the need for additional operator training or additional infrastructure.

ColoSTAT® has the potential to play an important role in reducing the morbidity and mortality rates and healthcare costs associated with colorectal cancer. Globally, over 850,000 people die from colorectal cancer each year.