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Rhythm Biosciences Limited

ACN 619 459 335
(ASX code: RHY)

PROSPECTUS FOR THE ISSUE OF OPTIONS

This Prospectus is being issued for the offer of, subject to Shareholder Approval:

- up to 1 New Option (with an exercise price of $0.20) for nil consideration on the basis of 1 New Option for every 1 New Share issued to invited Placement Investors under the Placement (**Placement Options Offer**); and

- up to 1 New Option (with an exercise price of $0.20) for nil consideration on the basis of 1 New Option for every 1 New Share issued to Directors under the Placement (**Director Options Offer**); and

- up to 10,800,000 New Options to the Lead Manager (or its nominees) for $0.00001 per Option as partial consideration for its capital raising and corporate advisory services in relation to the Placement (**Lead Manager Offer**),

  (together, the **Offers**).

The Offers are NOT open to the general public and Application Forms will only be provided to the invited Placement Investors, Director Placement Participants and the Lead Manager.

IMPORTANT NOTICE

This document is important and should be read in its entirety.

If, after reading this Prospectus, you have any questions about the New Options being offered under this Prospectus or any other matter relating to the Offers, then you should consult your professional adviser. An investment in the New Options offered by this Prospectus should be considered speculative.

This Prospectus may not be released to US wire services or distributed in the United States except by the Company to a limited number of shareholders who are employees of the Company or "*accredited investors*" (as defined in Rule 501(a) under the US Securities Act).

This is a transaction specific Prospectus has also been prepared in accordance with Section 713 of the Corporations Act.

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IMPORTANT NOTICE

1. **Prospectus**
   This Prospectus is dated 18 August 2025. A copy of this Prospectus has been lodged with ASIC on that date. ASIC and its officers take no responsibility for the contents of this Prospectus. No New Options will be issued or allotted on the basis of this Prospectus later than 13 months after the date of this Prospectus (**Expiry Date**).

   This Prospectus is a transactional specific prospectus for an offer of New Options to acquire continuously quoted securities and has been prepared in accordance with section 713 of the Corporations Act.

   This Prospectus does not contain the same level of disclosure as an initial public offering prospectus prepared pursuant to Section 710 of the Corporations Act. In making representations in this Prospectus, regard has been made to the fact that the Rhythm Biosciences Limited (**RHY, Rhythm** or the **Company**) is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. Further information is provided in Sections 7.4 and 7.6 of this Prospectus. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX.

   The Company will apply to ASX within 7 days of the date of this Prospectus for quotation of the New Options offered under this Prospectus. The ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may quote the New Options is not to be taken in any way as an indication of the merits of the Company.

   Applications for New Options offered pursuant to this Prospectus can only be submitted on the Application Form which accompanies this Prospectus upon invitation by the Company. If you are in any doubt about the contents of this document, you should obtain independent professional advice.

2. **Disclaimer**
   The information contained in this Prospectus is not investment advice. Before deciding to invest in the Company, you should read and understand the entire Prospectus and in considering the Company's prospects, you should consider the risk factors that could affect the Company's performance. You should carefully consider these risk factors in Section 6 in light of your personal circumstances (including financial and taxation issues) and seek advice from your professional adviser before deciding to invest. Investing in the Company involves risks.

   None of the Company, the Directors or any other person gives any guarantee as to the success of the Company, the repayment of capital, the payment of dividends, the future value of the New Options.

   Any references to past performance of the Company is no guarantee of future performance.

3. **No Representations other than this Prospectus**
   No person or entity is authorised to give any information or to make any representation in connection with the Offers that is not contained in this Prospectus or has not been released to ASX with the authorisation of the Company.

   The Application Form accompanying this Prospectus is important. Please refer to the instructions in Section 4 of this Prospectus regarding the acceptance of the Offers.

4. **Forward looking information**
   Some of the statements appearing in this Prospectus may be in the nature of forward-looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. You should be aware that such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate.

   Forward looking statements are subject to many inherent risks and uncertainties before actual outcomes are achieved. Those risks and uncertainties include factors and risks specific to the industry in which the Company operates as well as general economic conditions, interest rates, exchange rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement and any variation may be materially positive or negative. Forward looking information (including forecast financial information) is subject to uncertainty and contingencies, many of which are outside the control of the Company.

5. **No cooling off rights apply to the Offers**
   Cooling off rights do not apply to an investment pursuant to the Offers. This means that, in most circumstances, you cannot withdraw your Application Form once it has been lodged.

6. **Offer Restrictions on Distribution**
   This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to lodge this Prospectus in any jurisdiction outside of Australia or to otherwise permit a public offering of New Options in any jurisdiction outside Australia.

   In particular, the New Options have not been, and will not be, registered under the US Securities Act and may only be offered and sold in the United States in accordance with an available exemption from registration under the US Securities Act and applicable US state securities laws.

7. **Electronic prospectus**
   Those investors who receive this Prospectus electronically are advised that the issue of securities under this Prospectus is only available to persons receiving the Prospectus in accordance with the distribution restrictions described in item 6 above. A paper copy of this Prospectus may be obtained free of charge from the Company or downloaded from the ASX website. The information on the ASX website or the Company's website do not form part of this Prospectus.

8. **Definitions and glossary, financial amounts and time**
   Definitions of certain terms used in this Prospectus are contained in Section 10. Unless otherwise indicated, all references to currency are to Australian dollars and all references to time are to Melbourne, Victoria time.

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Key Offer details

Key details of the Offers	
Offers to Placement Investors and Director Placement Participants	Subject to Shareholder Approval, Placement Investors and Director Placement Participants are invited to apply for 1 New Option for every 1 New Share issued under the Placement, to be issued for nil consideration.
Offer to Lead Manager	The Lead Manager is invited to apply for up to 10,800,000 New Options, to be issued for $0.00001 per Option subject to Shareholder Approval.
Participation in the Offers	The Offers are **NOT** open to the general public and Application Forms will only be provided to invited Placement Investors, Director Placement Participants and the Lead Manager.
Exercise Price per New Option	20 cents per New Option
Maximum number of New Options to be issued under this Prospectus	52,454,465 New Options (subject to rounding)
Maximum number of New Options to be issued under the Placement Options Offer	38,321,133 New Options (subject to rounding)
Maximum number of New Options to be issued under the Director Options Offer	3,333,332 New Options (subject to rounding)
Maximum number of New Options to be issued under the Lead Manager Offer	10,800,000 New Options
Maximum proceeds to be raised under Offers (excluding costs associated with the Offer)	No funds will be raised through the issue of New Options under the Placement Options Offer or the Director Options Offer. $108 (before costs) will be raised through the issue of New Options under the Lead Manager Offer.
Maximum number of Shares on issue following the Placement (approximately, excluding any shares issued upon the exercise of any Options)	325,735,086 listed Shares and 6,750,000 unlisted employee loan funded Shares
Maximum number of Options on issue following the Offers (approximately)	104,866,680 Options

Important Dates*

Event	Date
Prospectus date / Opening Date	Monday, 18 August 2025
Closing Date	5pm (AEST) on Monday, 18 August 2025
Anticipated date of Company's shareholder meeting to approve the issue of the New Options	Thursday, 6 November 2025
Last date for issue of the New Options (subject to Shareholder Approval)	Thursday, 13 November 2025
Trading (T+2) of New Options expected to commence by (subject to Shareholder Approval)	Monday, 17 November 2025

* *The above dates are indicative only and subject to change. All dates and times are Australian Eastern Standard Time (AEST). The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend these dates without prior notice including extending the last date for receipt of the Application Form, or to delay or withdraw the Offers at any time without prior notice.*

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1. OFFER OVERVIEW

1.1 Overview of the Offer

This Section is not intended to provide full information for investors participating in an Offer pursuant to this Prospectus. This Prospectus and all of its Sections should be read and considered in their entirety.

Question	Response	Where to find more information
What are the Offers being made under this Prospectus?	Under Prospectus, subject to Shareholder Approval, the Company is offering: • up to 1 New Option for nil consideration on the basis of 1 Option for every 1 New Share issued to Placement Investors under the Placement; and • up to 1 New Option for nil consideration on the basis of 1 Option for every 1 New Share issued to Director Placement Participants under the Placement; and • up to 10,800,000 New Options to the Lead Manager (or its nominees) for $0.00001 per New Option as partial consideration for its capital raising and corporate advisory services.	Sections 2.1, 2.2 and 2.3
What are the key terms of the New Options?	The terms of the New Options to be issued under each of the Offers are the same. However, an issue price of $0.00001 per New Option applies to New Options to be issued to the Lead Manager while the New Options to Placement. Investors and Director Placement Participants will be issued for nil consideration on the basis of 1 New Option for every 1 New Share subscribed for under the Placement. The New Options will have an exercise price of $0.20 each and will expire on 30 November 2027.	Annexure A
Are the New Options to be Quoted on the ASX?	Yes, the Company will make an application for the New Options will be quoted on the ASX in a new quoted class with an expected ASX code of "RHYOA". If the New Options are not quoted by ASX within 3 months after the date of this Prospectus, the Company will not issue any New Options.	Section 2.9
Are the Offers underwritten?	The Offers are not underwritten.	Section 2.14

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Question	Response	Where to find more information
What will be the effect of the Offers on control?	It is not expected that the Offers will have any material effect on the control of the Company.	Section 3.2
How do I apply for New Options under the Placement Options Offer?	The Placement Options Offer is only available to a Placement Investor who has been personally invited to accept the Placement Options Offer. The Director Options Offer is only available to a Director Placement Participants who have been personally invited to accept the Placement Options Offer. The Lead Manager Offer is only available to the Lead Manager who has been personally invited to accept the Lead Manager Offer. An Application Form will be provided to the Placement Investors, Director Placement Participants and the Lead Manager only. A completed Application Form for the New Options must be mailed or delivered to the Company by the Closing Date in accordance with the instructions provided by the Company.	Section 2.4
How can I obtain further information?	Contact our Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (from outside Australia) at any time between 9:00am to 5:00pm (AEST) Monday to Friday. For advice, actively consult your broker, accountant or other professional adviser.	N/A
Risk Factors	There are many risks associated with an investment in the Company, including relating to the Company's business, its regulatory environment, its financial requirements generally. These risks will in part turn upon the Company's ability: • to complete the transition of the Company's product development of ColoSTAT® to an appropriate standard for the chosen regulatory path. As an example, in-house IVD delivery in Australia or its equivalent in international markets; • to cement distributor partnerships together with marketing and sales activities (subject to regulatory approvals); • to manage capital expenditure in producing and marketing the products (subject to regulatory approvals). Refer to Section 6 for a more detailed description of some of these Risk Factors.	

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2. DETAILS OF THE OFFER

2.1 Placement Options Offer

On 18 August 2025 the Company announced it had received firm commitments for a placement to professional and sophisticated investors comprising of the issue of up to 41,654,465 New Shares for $0.09 per Share to raise up to $3,748,902 (before costs) (**Placement**), including 3,333,332 New Shares to be issued to Director Placement Participants for $0.09 per Share to raise up to $300,000 (before costs), subject to shareholder approval under ASX Listing Rule 10.11.

The issue of New Shares under the Placement will be made without a prospectus in reliance on sections 708 and 708A of the Corporations Act.

Based on the number of New Shares to be issued to Placement Investors under the Placement, the Placement Options Offer is an offer, subject to Shareholder Approval, of up to a maximum 38,321,133 New Options (i.e. excluding the 3,333,332 New Options to be subscribed by Director Placement Participants, being the subject of the Director Options Offer) for nil consideration on the basis of 1 Option for every 1 New Share subscribed for and to be issued to Placement Investors under the Placement.

The New Options offered under the Placement Options Offer will be exercisable at $0.20 each and will expire on 30 November 2027 and otherwise on the terms and conditions set out in Annexure A.

All of the Shares issued upon exercise of the New Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities attaching to the Shares.

Placement Investors may only make application for New Options pursuant to this Prospectus and the Application Form. The Offer is not open to the general public and Application Forms will only be provided to the Placement Investors. Details on how to apply under the Offer is set out in Section 4.

The proposed issue of the New Options under the Placement Options Offer is subject to prior Shareholder Approval under ASX Listing Rule 7.1, to be sought at a general meeting of Shareholders expected to be held in November 2025. If Shareholder Approval is not obtained, the New Options under the Placement Options Offer will not be issued.

2.2 Director Options Offer

As announced to ASX on 18 August 2025, the Company has received firm commitments from Directors Otto Buttula, Gavin Fox-Smith and David Atkins to subscribe for, subject to Shareholder Approval, up to 3,333,332 New Shares under the Placement.

The Director Options Offer is an offer, subject to Shareholder Approval, of up to 3,333,332 New Options for nil consideration on the basis of 1 Option for every 1 New Share subscribed for and issued to Director Placement Participants under the Placement.

The New Options offered under the Director Options Offer will be exercisable at $0.20 each and will expire on 30 November 2027 and otherwise on the terms and conditions set out in Annexure A.

All of the Shares issued upon exercise of the New Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities attaching to the Shares.

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The proposed issue to Director Placement Participants of the New Shares under the Placement and New Options under the Director Options Offer is subject to prior Shareholder Approval under ASX Listing Rule 10.11, to be sought at a general meeting of Shareholders expected to be held in November 2025. If Shareholder Approval is not obtained, the New Shares under the Placement and the New Options under the Director Options Offer will not be issued to the Director Placement Participants.

2.3 Lead Manager Offer

The Company engaged the services of CPS Capital Group Pty Ltd (**CPS**) to manage the Placement. Pursuant to the mandate between the Company and CPS, summarised in Section 7.6 (**Lead Manager Mandate**), the Company agreed, to issue the Lead Manager or its nominees 10,800,000 New Options for $0.00001 per New Option as partial consideration for their capital raising and corporate advisory services performed under the Lead Manager Mandate.

The Lead Manager Offer is an offer, subject to Shareholder Approval, of up to 10,800,000 New Options.

The New Options offered under the Lead Manager Offer will be exercisable at $0.20 each and will expire on 30 November 2027 and otherwise on the terms and conditions set out in Annexure A.

All of the Shares issued upon exercise of the New Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.1 for further information regarding the rights and liabilities attaching to the Shares.

Only the Lead Manager may accept the Lead Manager Offer by using the relevant Application Form.

The proposed issue of the New Options under the Lead Manager Offer is subject to prior Shareholder Approval under ASX Listing Rule 7.1, to be sought at a general meeting of Shareholders expected to be held in November 2025. If Shareholder Approval is not obtained, the New Options under the Lead Manager Offer will not be issued.

2.4 Eligibility to participate in Offers

Only Placement Investors are eligible to participate in the Placement Options Offer. Placement Investors are those persons who:

- the Company has invited to participate in the Placement Options Offer;
- are a professional or sophisticated investor within the meaning of section 708(8) and s708(11) of the Corporations Act; and
- have subscribed for and will be issued New Shares under the Placement.

Only Directors, Otto Buttula, Gavin Fox-Smith and David Atkins (or their nominees) are eligible to participate in the Director Options Offer.

Only the Lead Manager (or its nominees) is eligible to participate in the Lead Manager Offer.

There is no general public offer of New Options under this Prospectus.

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2.5 **Use of Funds**

No funds will be raised as a result of the Placement Options Offer or the Director Options Offer.

The Company will receive $108 from the issue of New Options under the Lead Manager Offer.

The Company will receive $0.20 for each Option exercised. If the maximum number of New Options under this Prospectus are issued and exercised, the Company will receive approximately $10,490,893 (before costs). There is no certainty that any of the New Options will be exercised.

Funds raised from the issue of New Options under the Lead Manger Options Offer and the exercise of the New Options are intended to be applied towards working capital. The application of funds will depend, in respect of the exercise of the New Options, on when New Options are exercised and the status of the Company's projects and requirements at the relevant time.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

2.6 **Opening Date and Closing Date of the Offers**

The Offers will open and the Company will accept Application Forms from 18 August 2025.

The Closing Date of the Offers is 5.00pm (AEST) on 18 August 2025.

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to extend the last date for the close of the Offers, or to delay or withdraw the Offers at any time without prior notice.

2.7 **No cooling off rights**

Cooling off rights do not apply to an application for New Options. You cannot withdraw your Application once it has been received.

2.8 **Issue and despatch**

The issue of New Options offered by this Prospectus is expected to occur (subject to Shareholder Approval) by no later than 13 November 2025.

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Options before the New Options are listed on the official list of ASX or before they receive their holdings statements.

2.9 **ASX Listing**

The Company will make an application for official quotation by ASX of the New Options as offered under this Prospectus.

If the New Options are not quoted by ASX within 3 months after the date of this Prospectus, the Company will not issue any New Options.

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The fact that ASX may grant official quotation to the New Options is not to be taken in any way as an indication of the merits of the Company or New Options. Neither ASX nor any of its officers accepts or takes any responsibility for the contents of this Prospectus.

It is expected that normal trading on ASX will commence in relation to New Options (subject to Shareholder Approval) by no later than 17 November 2025.

2.10 CHESS

The Company will apply to ASX to participate in CHESS for those Offer participants who have, or wish to have, a sponsoring stockbroker. Offer participants who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, securityholders will be provided with statements (similar to a bank account statement) that sets out the number of New Options allotted to them under this Prospectus. The notices will also advise Offer participants of their Holder Identification Number (**HIN**) and explain, for future reference, the sale and purchase procedures for the New Options under CHESS and issuer sponsorship.

Further monthly statements will be provided to offer Participants if there have been any changes in their interest in the Company during the preceding month.

2.11 Overseas shareholders

No action has been taken to register or qualify the New Options or the Offers in any jurisdiction outside of Australia, or otherwise to permit a public offering of the New Options outside Australia. This Prospectus does not, and is not intended to, constitute an offer to sell, or a solicitation of an offer to buy, any securities in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or solicitation.

This Prospectus does not constitute an offer of New Options in any jurisdiction in which it would be unlawful. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of those restrictions. Any failure to comply with the restrictions may constitute a violation of applicable securities laws.

United States

The New Options have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Options and the Shares underlying the New Options may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

2.12 Rights and liability attaching to Shares / New Options

The Shares issued on the exercise of the New Options will be on a fully paid basis and will rank equally in all respects with existing Shares. Full details of the rights and liabilities attaching to Shares are set out in the Company's constitution, a copy of which is available for inspection at the Company's registered office during normal business hours. You may also contact the Company's Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) to request a copy of the Company's constitution.

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A summary of the important rights attaching to Shares is contained in Section 5.1 of this Prospectus.

The terms and conditions of the New Options are described in Annexure A to this Prospectus and are otherwise subject to the ASX Listing Rules. The Company will be making application for quotation of the New Options (as a separate new class of quoted securities).

2.13 **Brokerage and Stamp Duty Costs**

No brokerage or stamp duty is payable by participants under the Offers on the issue of New Options under this Prospectus.

2.14 **No underwriting**

The Offers are not underwritten.

2.15 **Withdrawal**

The Company reserves the right to withdraw the Offers at any time before the allotment of New Options.

2.16 **Minimum and Maximum Subscription**

There is no minimum subscription under the Offers.

Under both the Placement Options Offer and the Director Options Offer no person may apply for (and the Company will not issue) New Options in excess of the person's entitlement to New Options, which is 1 free attaching Option for every 1 New Share subscribed for under the Placement.

The Lead Manager may not apply for (and the Company will not issue) New Options in excess of 10,800,000 New Options.

2.17 **Risks**

There are a number of risks associated with an investment in New Options in the Company. A brief overview of some of the key risks is outlined in Section 6.

An investment in the Company carries certain risks that may impact on the future profitability of the Company and the value of the Company's securities. The New Options should be considered speculative.

The Directors recommend that Applicants carefully consider this Prospectus and consult their professional advisors before deciding whether to apply for New Options pursuant to this Prospectus.

Some of the key risk factors affecting an investment in the Company are discussed in Section 6 of this Prospectus.

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3. EFFECT OF THE OFFERS

3.1 Effect of the Offers on the capital structure of the Company

The maximum number of New Options to be issued under the Offers will be up to approximately 52,454,465 New Options. The exact number of New Options to be issued under the Offers will be dependent on the level of acceptances.

The table below sets out, for illustrative purposes only, the existing capital structure (before the issue of New Shares under the Placement and the issue of New Options under the Offers) together with the impact of the issue of the New Shares under the Placement and New Options under the Offers. It assumes that no existing options are exercised prior to the date of this Prospectus.

	Number of Options	Number of Shares
Existing listed Shares as at date of the Offer	-	284,080,621
Existing unlisted employee loan funded Shares	-	6,750,000
Existing Options as at date of the Offer*	52,412,215	-
Maximum number of New Shares to be issued under the Placement (approximately)	-	41,654,465
Maximum number of New Options to be issued under the Placement Options Offer (approximately, subject to Shareholder Approval)	38,321,133	-
Maximum number of New Options to be issued under the Director Options Offer (approximately, subject to Shareholder Approval)	3,333,332	-
Maximum number of New Options to be issued under the Lead Manager Offer	10,800,000	-
Total Securities on issue following completion of the Offer (approximately), but excluding any Shares issued on exercise of the New Options and any existing options	104,866,680	• 325,735,086 listed Shares • 6,750,000 unlisted employee loan funded Shares

** This includes a total of 47,060,499 existing listed Options and 5,351,716 existing unlisted Options as detailed in Section 8.3 of this Prospectus.*

The combined effect of the Offers will be to increase the number of Options on issue in the Company by 52,454,465 Options.

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The cash expenses of the Offers are expected to be approximately $43,200 (See Section 8.5), plus any commissions paid by the Company.

3.2 Potential effect on control of the Company

The issue of the New Options under this Prospectus is not expected to have any material effect on the control of the Company.

The Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offers and the exercise of any New Options issued under the Offers.

The maximum number of New Options proposed to be issued under the Offers is up to approximately 52,454,465. If all of the New Shares are issued under the Placement, no other securities are issued or exercised and only the New Options under the Offers are exercised, the Shares issued on exercise will constitute approximately 13.9% of the listed Shares on issue following completion of the Offers.

3.3 MARKET PRICE OF SHARES

The highest and lowest closing market prices of the Shares on ASX during the 3 months of trading up to and including 14 August 2025, and the respective dates of those sales, are:

Highest:	$0.135 on 6 August 2025
Lowest:	$0.051 on 2 July 2025

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4. HOW TO APPLY

4.1 Applying for New Options

The Offers are only available to persons who have been personally invited to accept an Offer, being the invited Placement Investors, the Director Placement Participants and the Lead Manager only. An Application Form will be provided to the Placement Investors, Directors Placement Participants and the Lead Manager only.

A completed Application Form for the New Options must be mailed or delivered to the Company by the Closing Date set out in section 2.6 in accordance with the instructions provided by the Company.

The Opening Date and Closing Date for the Offers (as set out in section 2.6) are indicative only and subject to change without notice. The Company may vary these dates, including to close an Offer early, extend the Closing Date or to withdraw an Offer at any time prior to issue. If any of the dates are changed, subsequent dates may also change. You are encouraged to lodge your Application Form as soon as possible after the opening date.

4.2 Submission of Application Form is binding

Submission of an Application Form pursuant to this Prospectus constitutes a binding offer to acquire New Options (subject to Shareholder Approval) on the terms and conditions set out in this Prospectus and once lodged, cannot be withdrawn. If the Application Form is not completed correctly, it may still be treated as a valid application for New Options. The Directors' decision whether to treat an acceptance of any Offer as valid and how to construe, amend or complete the Application Form is final.

4.3 Representations you will be taken to have made by submitting an Application Form

By submitting an Application Form under this Prospectus, you will be deemed to have:

a) fully read and understood this Prospectus and the Application Form in their entirety;

b) confirmed that you are a professional or sophisticated investor within the meaning of section 708(8) and s708(11) of the Corporations Act;

c) agreed to be bound by the terms of the Offer, the provisions of this Prospectus and the Company's Constitution;

d) declared that you are over 18 years of age and have the legal capacity and power to perform all your rights and obligations under the relevant Offer and the Application Form;

e) authorised the Company to register you as the holder of the New Options (subject to Shareholder Approval);

f) acknowledged that once the Company receives your Application Form pursuant to this Prospectus, you may not withdraw your application except as allowed by law;

g) agreed to apply for and be issued up to the number of New Options for which you have submitted an Application Form for;

h) authorised the Company, the Share Registry and their respective officers, employees or agents to carry out on your behalf all necessary actions for the New Options (subject to Shareholder Approval) to be issued to you;

i) understood and acknowledged that the information contained in this Prospectus and the Application Form is not investment advice nor a recommendation that the New

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Options are suitable for you given your investment objectives, financial situation or circumstances;

j) acknowledged that investment in the Company is subject to the risk factors outlined in Section 6 of this Prospectus;

k) acknowledged that the Company or its related bodies corporate, affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers do not guarantee the performance of the Company or the Share price, nor do they guarantee the repayment of capital;

l) authorised the Company to correct any errors in the Application Form or any other document provided to you; and

m) represented and warranted that:

i. you are not in the United States and are not acting for the account or benefit of a person in the United States;
ii. the New Options have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and accordingly, the New Options and the shares underlying the New Options may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws; and
iii. you have not sent, and will not send, any materials relating to the Offers to any person in the United States.

4.4 Privacy Act

If you complete an application for New Options, you will be providing personal information to the Company (directly or by the Company's Share Registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder or investor, facilitate distribution payments and corporate communications to you as a Shareholder or investor and carry out administration.

The information may also be used from time to time and disclosed for purposes related to Shareholders' investments to the Company's agents and service providers, such as

a) to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

b) the Share Registry for ongoing administration of the shareholder register;

c) printers and other companies for the purpose of preparation and distribution of statements and for handling mail; and

d) legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering and advising on the New Options and for associated actions.

The Company complies with its legal obligations under the Privacy Act 1988 (Cth). You can access, correct and update the personal information that we hold about you. Please contact the Company or its Share Registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act* 1988 (Cth), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide

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the information required on the application for New Options, the Company may not be able to accept or process your application.

4.5 Brokerage Commission and Stamp Duty

No brokerage is payable by Shareholders who accept an Offer. No stamp duty is payable for subscribing for New Options under the Offer.

4.6 Queries concerning the Offer

If you have any queries concerning the Offer, please contact the Company's Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) between 9:00am to 5:00pm (AEST) Monday to Friday.

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5. RIGHTS AND LIABILITIES ATTACHING TO SHARES AND NEW OPTIONS

5.1 Rights attaching to Shares

The Company is incorporated in Australia and is subject to the Corporations Act. As a company listed on ASX, the Company is also regulated by the Listing Rules.

The rights and liabilities attaching to ownership of Shares (including shares on the exercise of the New Options) are described in the Constitution and are regulated by the Corporations Act, Listing Rules and the general law.

The Shares issued on exercise of New Options will rank equally in all respects with, and have the same rights as, existing Shares. Full details of the rights attaching to Shares are set out in the Company's Constitution, a copy of which can be inspected, free of charge, at the Company's registered office during normal business hours. In applying for New Options, the Applicant agrees that the Shares to be issued upon the exercise of New Options are bound by the terms of the Constitution.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

General Meetings and Notice

Each Shareholder is entitled to receive notice of all general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules. Shareholders are entitled to be present in person (including by specified permitted electronic means), or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act.

Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

» each Shareholder entitled to vote may vote in person or by proxy, attorney or representative, or if a determination has been made by the Board in accordance with the Constitution, by direct vote;
» on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder entitled to vote has one vote (even though he or she may represent more than one member);
» on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder (or where a direct vote has been lodged) shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited); and
» different voting procedures may apply at a virtual meeting of Shareholders.

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Dividend Rights

There is no guarantee of any dividends or distributions by the Company. Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time decide to pay a dividend to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares. The Directors may rescind a decision to pay a dividend if they decide, before the payment date, that the Company's financial position no longer justifies the payment.

Winding Up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

Transfer of Shares

Shares in the Company are freely transferable, subject to formal requirements, and so long as the registration of the transfer does not result in a contravention of or failure to observe the provisions of a law of Australia and the transfer is not in breach of the Corporations Act or the Listing Rules.

Variation of Rights

The Company may, subject to the Corporations Act and with the sanction of a special resolution passed at a meeting of Shareholders, or with the written consent of the majority of Shareholders in the affected class, vary or abrogate the rights attaching to Shares.

5.2 Terms and Conditions of the New Options

The terms and conditions of the New Options (subject to Shareholder Approval) are described in Annexure A to this Prospectus.

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6. RISKS

Participants in the Offers should consider the investment in the context of their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each participant should consult their own stockbroker, solicitor, accountant or other professional adviser before deciding whether or not to invest in the New Options.

An investment in the New Options should be regarded as very speculative and involves many risks. The New Options carry no guarantee with respect to returns of capital or the market value of those New Options.

If any of the following risks actually occurs, our business, prospects, financial condition and results of operations could be materially and adversely affected, the trading price of the Shares could decline and you could lose all or part of your investment.

6.1 Speculative nature of investment

This Section 6 identifies some (but not all) of the major risks associated with an investment in the Company. There may be other risks which the Directors and/or management of the Company are unaware which may impact upon the Company, its operations and/or the value and performance of the New Options and the Company generally. This is not an exhaustive list of all the relevant risks which may apply and the risks set out below are not in order of importance. Many of the risks below are outside the control of the Company and its directors. These risks and other risks not specifically referred to below, may in the future materially adversely affect the value of the Company's shares and their performance.

Subscribing for New Options should be regarded as very speculative and involves many risks. The New Options carry no guarantee with respect to returns of capital or the market value of those securities.

Participants in the Offers should carefully consider and evaluate the Company, its assets and its business and whether the Company's Shares are suitable to acquire having regard to their own investment objectives and financial circumstances and taking into consideration the material risk factors, as set out below. Applicants should also read the Company's prior continuous disclosure announcement to the ASX market in order to fully appreciate the risks particular to an investment in the Company and in particular the risks faced by the Company in the continued development and proposed commercialisation of its intellectual property rights.

Any potential investor should be aware that subscribing for New Options involves various risks. The New Options to be issued carry no guarantee with respect to returns of capital or the market value of those shares. The Company's business is in the development and commercialisation of novel cancer clinical diagnostics designed to assess an individual’s cancer risk and to detect the presence of disease. The Company is currently commercialising the risk assessment platform branded as geneType in Australia and the USA. The Company plans to complete a commercial launch of its lead disease detection product being ColoSTAT®, a simple blood test for the detection of colorectal (bowel) cancer. The Company is also engaged in research and development of our platform technologies into other cancer risk assessment technologies, simple, blood-based cancer diagnostic tests composed of novel protein biomarkers and combinations of proteomic and genomic technologies to create entirely novel product platforms. An investment in the Company should therefore be considered very speculative.

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6.2 Business risks associated with the Company

Regulatory registration: The Company has announced that it intends to take a 2-step approach to market access that involves the initial use of regulatory paths in several geographies that allow the Company to offer commercial products through its own ISO15189-qualified laboratory and/or partnership with sophisticated laboratories that allow commercialisation following validation of the assay by that partner's development team. This path is called "in house IVD" and Laboratory Developed Tests (LDT) in Australia and the USA respectively. As a 2nd step, the Company will seek to obtain CE Mark and TGA registration for ColoSTAT® for the new IVDR standards for Australia, UK and EU and FDA approval for the USA. This will involve significant compliance, data and audit work to support the new applications to those regulatory authorities. There is a significant risk that the Company is unable to secure strategic partnerships and that the regulatory authorities do not accept ColoSTAT® dossiers as evidence for a de novo registration and for subsequent registrations for Genetype. Investors should note there is no guarantee the Company will obtain regulatory approval for ColoSTAT® or further approvals for Genetype

Commercialisation risks: While the Company believes it has a sound strategy for market entry to accelerate commercial sales of Genetype, there is still significant risks in the Company's commercialisation strategy of appointing appropriate agent, distributor or strategic partnerships to support the commercialisation of the product in Australia, USA and the United Kingdom. Furthermore, there is significant risks in the Company's commercialisation strategy of appointing appropriate agent, distributor or strategic partnerships to support the commercialisation of an approved ColoSTAT® product.

Sufficiency of funding: The Company has limited financial resources and will need to raise additional funds from time to time to finance the continued research, development and commercialisation of its technology / products and its other longer-term objectives.

The Company's technology / product development and commercialisation activities may never generate the projected revenue and the Company may never achieve profitability. The Company's ability to raise additional funds will be subject to, among other things, factors beyond the control of the Company and its Directors, including cyclical factors affecting the economy and share markets generally. The Directors can give no assurance that future funds can be raised by the Company on favourable terms, if at all. If for any reason the Company was unable to raise future funds, its ability to achieve its milestones or continue future development / commercialisation of its technology would be significantly affected.

Technology risk: The Company relies upon a range of hosting providers to maintain continuous operation of its technology platforms, servers and hosting services and the cloud-based environment in which it provides its products. There is a risk that these systems may be adversely affected by various factors to cause them to become unavailable. If a hosting provider ceased to offer its services to the Company, this could lead to disruption of service to the Company website and cloud infrastructure. This could lead to potential loss in revenues, as well as adversely affecting the Company's reputation, financial position and performance.

Compliance with Privacy Regulations: In the course of providing the Company's services, the Company will receive identifiable patient data and therefore has the obligations to comply with a series of regulations as to how that data is managed. The Company has an effective Privacy Policy in place but failure to comply with the relevant regulations could be serious. There is a risk that the Company may fail to fully comply with applicable privacy regulations (such as the Australian Privacy Act 1988 or HIPAA etc), due to insufficient data governance, lack of staff training, or inadequate technical safeguards.

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This could result in regulatory penalties, reputational damage, loss of customer trust, and potential legal action.

Development and commercialisation of intellectual property: The Company relies on its ability to develop and commercialise its intellectual property. A failure to develop and commercialise its intellectual property successfully would lead to a loss of opportunities and adversely impact on the operating results and financial position of the Company. Any third party developing superior technology with greater commercial appeal in the field may harm the future prospects of the Company. The Company's success depends, in part, on its ability to obtain, maintain and protect its intellectual property, including its patents. Actions taken by the Company to protect its intellectual property may not be adequate, complete or enforceable and may not prevent the misappropriation of its intellectual property and proprietary information or deter independent development of similar technologies by others.

Intellectual property: The Company's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. Securing rights in technology, manufacturing and patents is an important part of securing potential product value in the outcomes of medical device research, development and commercialisation. Competition in retaining and sustaining protection of technology and the complex nature of technologies can lead to patent disputes.

Because the patent position of medical device companies can be highly uncertain and frequently involves complex legal and factual questions, neither the breadth of claims allowed in medical device patents, nor their enforceability can be predicted. There can be no assurance that any patents which the Company may own, access or control will afford the Company commercially significant protection of its technology, its products or their commercial application, or that access to these patents will mean that the Company will be free to commercialise its product.

The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop technology or products to avoid the Company's patented technology. The Company does not guarantee that current submitted intellectual property, or future submitted intellectual property will be granted in the countries that it has been submitted. The Company's current patenting strategies do not cover all countries which may lead to competition arising in those markets.

Protection of intellectual property: The Company may also suffer damage if former employees infringe its intellectual property rights or assert their moral rights. The granting of a patent does not guarantee that the Company's intellectual property is protected and that others will not develop similar technologies that circumvent such patents. There can be no assurance that any patents Rhythm owns, controls or licences, whether now or in the future, will give Rhythm commercially significant protection of its intellectual property. Additionally, monitoring unauthorised use of the Company's intellectual property rights is difficult and can be costly. The Company may not be able to detect all unauthorised use of its intellectual property rights. Changes in laws in Australia and other jurisdictions in which Rhythm operates may adversely affect the Company's intellectual property rights.

Third party intellectual property: Other parties may develop and patent substantially similar or substitute products, processes, or technologies to those used by the Company, and other parties may allege that the Company's products incorporate intellectual property rights derived from third parties without their permission. Whilst the Company is not the subject of any claim that its products infringe the intellectual property rights of a third party, allegations of this kind may be received in the future and, if successful, injunctions may be granted against the Company which could materially affect the operation of the Company

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and the Company‘s ability to earn revenue, and cause disruption to the Company‘s services. The defence and prosecution of intellectual property rights lawsuits, proceedings, and related legal and administrative proceedings are costly and time-consuming, and their outcome is uncertain.

Infringement of third-party IP: If a third party accuses the Company of infringing its IP rights or if a third party commences litigation against the Company for the infringement of patent or other IP rights, the Company may incur significant costs in defending such action, whether or not it ultimately prevails. Costs that the Company incurs in defending third party infringement actions would also include diversion of management and technical personnel’s time. In addition, parties making claims against the Company may be able to obtain injunctive or other equitable relief that could prevent the Company from further developing discoveries or commercialising its products / technology. In the event of a successful claim of infringement against the Company, it may be required to pay damages and obtain one or more licenses from the prevailing third party. If it is not able to obtain these licenses at a reasonable cost, if at all, it could encounter delays in product introductions and loss of substantial resources while it attempts to develop alternative products / technology. Defence of any lawsuit or failure to obtain any of these licenses could prevent the Company or its partners from commercialising available products / technology and could cause it to incur substantial expenditure.

Research and Development: The Company's future success is dependent on the performance of the Company's product in both laboratory testing and in clinical trials and whether it proves to be an effective diagnostic test. While the results of its prospective clinical trial have been positive, more R&D is required to enable the product to meet increasingly rigorous regulatory hurdles and user requirements. There is no certainty the results will meet or surpass these requirements nor that the test will demonstrate any material benefit or advancement over existing technologies and methods. Additional clinical performance evaluation may be required, and the results of further trials and testing may require a change in strategy. This may include adding or removing biomarkers, algorithm refinement or adaptation to other testing platforms requiring further research and development adding cost and time to potential registration. The Company may change its clinical focus from time to time. This may be precipitated by either the results of technical verification, any additional clinical performance evaluations, or the results from other aspects of the overall research and development program. Potential product sales and revenues may be year/s away, and there is no guarantee that the Company’s products will be successful. There is no certainty that the components for the final product will be suitable or sufficiently stable to support longer term reliable and reproducible kit manufacture and performance, requiring further work. Additional R&D may be required to verify the suitability, stability and appropriateness of a variety of antibodies, reagents various proteins, cross reactivity with other cancers, materials, algorithm and software of the ColoSTAT® test kit to a level that meets new regulatory guidelines. Furthermore, while the Company has plans to continue to upgrade through improvement and expansion the Genetype portfolio, there is risk in the ability to complete this work and to maintain the competitiveness of Genetype.

Medical device and In Vitro Diagnostic development generally is often associated with a high failure rate. Positive results from key clinical trials cannot be assured. Some jurisdictions require clinical trials to be performed in their own populations and may not approve the commencement of any proposed clinical trials needing to be undertaken. Until the Company is able to provide the appropriate levels of clinical evidence for the ability of the Company’s product to improve outcomes in patients, the future success of the product in development remains speculative. Research and development risks include unpredictability of experimental outcomes, the vagaries of biological systems that can cause difficulties or delays in research and development and are key contributors to the

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inherent uncertainty that surrounds scientific development of novel medical devices and diagnostic tests more generally.

Misuse of data: Data collected through the usage of the Company's products may not be owned by the Company and the Company may have limited control of the usage or decision making made by the holders of that data. There is a risk that users may make decisions, including in relation to the treatment or management of an individual, based on the data that is outside the Company's recommended protocols.

Future product development: The Company has developed its IVD technologies and continues to invest in the R&D of these systems. There is no guarantee that the further development of these systems will be successful. There are a number of inherent risks associated with developing technology systems and related products. The Company gives no guarantee that development milestones will be achieved or that intellectual property will be developed into further products that are commercially exploitable.

Competition: The Company competes against other companies who are developing technologies which are aimed at competing with the Company's technology. The Company faces the risk that (amongst other things) existing competitors could gain market share through aggressive sales and marketing campaigns, product research and development or /price discounting, The Company may fail to anticipate and respond to changing opportunities, technology or customer requirements as quickly as its competitors or new market entrants into the industry could develop products which compete with the Company's products.

Commercial Risk: The Company may, from time to time, consider acquisition, licensing, partnership or other corporate opportunities for its product development programs. There can be no assurance that any such acquisition, licensing, partnership or corporate opportunities can be concluded on terms that are, or are believed by the Company to be, commercially acceptable. In the case of licensing and partnership opportunities, even if such terms are agreed there is a risk that the performance of distributors and the delivery of contracted outcomes by collaborators will not occur due to a range of unforeseen factors relating to environment, technology and market conditions.

Insurance and Uninsured Risks: Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high discounts or other reasons.

Stock Market Volatility: The price of Shares or the New Options may rise or fall depending upon a range of factors beyond the Company's control and which are unrelated to the Company's operational performance. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors. Investors who decide to sell their New Options after the Company's capital raising may not receive the entire amount of their original investment. The price of New Options listed on ASX may also be affected by multiple factors including the Company's financial performance and by changes in the business environment. The New Options carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX. No guarantee can be given that the Company's share price will be greater than the issue price.

Value of the New Options: The New Options that are being issued as part of the Offer are issued for no additional consideration or for nominal consideration but require the exercise price for each Option to be paid at the time of exercise. If the prevailing trading price of the Company's shares during the Option's exercise period is lower that the exercise price for the New Options, then it is likely that the New Options will not be exercised. In this case, for investors, the unexercised New Options will not have a value

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and will lapse on the respective expiry dates of the New Options. If the New Options are not exercised, or only some are exercised, then the Company may not receive the proceeds that would otherwise be generated if Option holders pay the Option exercise price. This possibility may reduce the amount of capital that the Company would receive if all of the New Options are exercised on or before the respective Option expiry dates.

Economic Risks: The Company is exposed to economic factors in the ordinary course of business. A number of economic factors / conditions, both domestic and global, affect the performance of financial markets generally, which could affect the price at which the Company's Shares trade on ASX. Trading prices can be volatile and volatility can be caused by general market risks such as those that have been mentioned. Shares in the Company may trade at or below the price at which they are currently trading on ASX including as a result of any of the factors that have been mentioned, and factors such as those mentioned may also affect the income, expenses and liquidity of the Company. Additionally, the stock market can experience price and volume fluctuations that may be unrelated or disproportionate to the operating performance of the Company.

Forward-Looking Statements: There can be no guarantee that the assumptions and contingencies on which any forward-looking statements, opinions and estimates contained in materials published by the Company are based will ultimately prove to be valid or accurate. The forward-looking statements, opinions and estimates depend on various factors, including known and unknown risks, many of which are outside the control of the Company. Actual performance of the Company may materially differ from forecast performance.

Future potential sales: There is a risk that, even after obtaining regulatory approvals, the Company's products/technologies/algorithm/software may not gain market acceptance among physicians, surgeons, payors, patients, governments, laboratories, hospitals and the medical community. The degree of market acceptance of the Company's approved products will depend on a variety of factors including:

i. Timing of market introduction, number and clinical profile of competitive products;

ii. The Company's ability to provide acceptable evidence of the safety and efficacy of its product and the ability to secure the support of key clinicians and physicians for its products;

iii. Cost-effectiveness compared to existing and new tests;

iv. Ability to obtain coverage, reimbursement and adequate payment from government bodies, health maintenance organisations and other third-party payers; and

v. Advances in other competing detection and diagnostic methods

Physicians, patients, payers or the medical community may be unwilling to accept, use or recommend the Company's products which would adversely affect its potential reviews and future profitability. The medical diagnostic industry is highly competitive and involves large, well established, and well-funded corporations. There may also be other aggressive, fast moving start-up companies that emerge in this space.

Manufacturing: Scale-up may present technical difficulties, or even not work at all. Technical difficulties could include the inability to produce medical devices that meet regulatory specifications or the production from manufacturing batches may be insufficient to conduct the clinical studies and/or laboratory based and/or clinical trial testing. Licensing and manufacturing agreements may be required, with no certainty that these will be completed in a timely manner or on appropriate commercial terms. Any unforeseen difficulty relating to manufacturing, scale up processes, replication of existing processing

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or the external sourcing of other key materials may negatively impact the Company's ability to generate profit in future and add to costs incurred to rectify and an unknown period of time.

Platform Expansion Activities are Innovative and remain at clinical stage technological development: The Company's platform technology expansion activities are at a clinical stage of development and further development is necessary. If the Company's proposed products are shown to be appropriate for human application or ineffective for its initial intended purposes, or have additional applications that may require further investigation, or the cost of commercial scale manufacture becomes too expensive, the value of the Company's technology platform and resulting value of its Shares may be materially harmed.

Product liability: As with all new products, even after the granting of new regulatory approvals, there is no assurance that unforeseen adverse events or defects will not arise. Adverse events could expose the Company to product liability claims or litigation, resulting in the removal of the regulatory approval for the relevant products and/or monetary damages being awarded against the Company. In such event, the Company's liability may exceed the Company's insurance coverage.

Reliance on key personnel: The Company currently employs a number of key management and scientific personnel. The Company's future depends on retaining and attracting suitably qualified personnel. The Company has included in its employment with key personnel, terms aimed at providing incentives attractive for the recruitment and retention of such personnel. It has also, as far as legally possible, established contractual mechanisms through employment and consultancy contracts to limit the ability of key personnel to join a competitor or compete directly with the Company. Despite these measures, however, there is no guarantee that the Company will be able to attract and retain suitably qualified personnel, and a failure to do so could materially and adversely affect the value of the Company's technology and resulting value of its Shares may be materially harmed.

Dependence on service providers: The Company intends to operate a significant amount of its key activities through a series of contractual relationships with licensees, independent contractors, manufacturers, suppliers and distributors. All of the Company's contracts carry a risk that the third parties do not adequately or fully comply with its' or their respective contractual rights and obligations. Such failure can lead to termination and/or significant damage to the Company's research, development and commercialisation efforts that may add time and additional costs.

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7. ADDITIONAL INFORMATION

7.1 Nature of the Prospectus

This Prospectus is a transaction specific prospectus issued under section 713 of the Corporations Act which allows the issue of a transaction specific prospectus in relation to offers of securities (or options to acquire such securities) where those securities are of a class which have been quoted for 3 months before the date of that prospectus.

7.2 Indemnification of Directors

To the extent permitted by law, the Company indemnifies every person who is or has been a Director or officer of the Company against reasonable legal costs incurred in defending an action for a liability incurred or allegedly incurred by the person as an officer of the Company.

7.3 Taxation

The acquisition of New Options and disposal of New Options will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to take independent financial advice about the consequences of acquiring New Options from a taxation viewpoint and generally.

The Directors consider that it is not appropriate to give advice regarding the taxation consequences associated with subsequent disposal of any New Options subscribed for under this Prospectus as it is not possible to provide a comprehensive summary of the possible taxation positions of participants in the Offers. The Directors recommend that all participants under the Offers consult their own professional tax advisers.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for the New Options under this Prospectus.

7.4 Continuous Disclosure and Documents Available for Inspection

This Prospectus is issued pursuant to section 713 of the Corporations Act.

Section 713 of the Corporations Act enables companies to issue transaction specific prospectuses where those companies are, and have been for a period of 3 months, disclosing entities.

The Company is a "disclosing entity" for the purposes of section 713 of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which requires it to disclose to ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company.

Outside the recent period of 3 months, in the last 12 months the Company has received no ASX queries regarding announcements.

Investors intending to participate in an Offer should refer to the announcements made by the Company to the ASX. This information is available from the ASX website, www.asx.com.au (ASX Code: RHY), and the Company's website, www.rhythmbio.com.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

Additionally, the Company is also required to prepare and lodge with ASX yearly and half yearly financial statements accompanied by a directors' statement and report and an audit

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review or report. These reports are released to ASX and published on the Company's and ASX's websites.

The Company will provide a copy of each of the following documents, free of charge, to any person who asks for it prior to the Closing Date:

a) the Annual Report of the Company for the financial year ended on 30 June 2024, being the annual financial report most recently lodged with ASIC by the Company;

b) the Half-Year Financial Report of the Company for the half-year ended 31 December 2024; and

c) any continuous disclosure notices given by the Company after the lodgement of the Annual Report referred to in paragraph a) above and before the lodgement of this Prospectus with ASIC. Such notices are listed below under the heading "ASX Releases" in Section 7.8.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

7.5 Purpose of the Prospectus

Section 707(3) of the Corporations Act generally requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5). However, the Company is precluded from issuing a 'cleansing' notice in respect of the New Options as they are not in a class of securities that were quoted at all times in the last 3 months.

Consequently, the Company has issued this Prospectus for the offer of New Options under the Placement Options Offer, Director Options Offer and Lead Manager Options.

This Prospectus has been issued to facilitate secondary trading of the New Options and the Shares to be issued on the exercise of the New Options.

7.6 Lead Manager Mandate

The Company engaged the services of CPS Capital Group Pty Ltd (**CPS**) to manage the Placement. Pursuant to the Lead Manager Mandate, the Company agreed:

a) to pay CPS a placement fee of 6.0% on all monies raised under the Placement;

b) to issue to CPS (or its nominees), subject to Shareholder Approval, 10,800,000 New Options at a nominal issue price of $0.00001 per Option, being the subject of the Lead Manager Offer; and

c) to grant the Lead Manager the first right to act as lead manager on any further capital raises conducted by the Company (excluding entitlement offers and share purchase plan offers) until 30 June 2026.

The Lead Manager Mandate otherwise contains terms and conditions considered standard for an agreement of this nature.

7.7 Details of Substantial Shareholders

Based on publicly available information as at the date of this Prospectus those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

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Shareholder	No of Shares	%
Otto Buttula & related entities – WebInvest Pty Ltd, Newfound Investments Pty Ltd <Newfound Super Fund A/c> and Catapult Investors Pty Ltd*.	36,384,575	12.8%
FIL Limited and its entities	24,811,804	8.5%

** Please note Mr Buttula's related entities have committed subject to shareholder approval to subscribe for an additional 2,955,555 New Shares and 2,955,555 New Options on the same terms as the Placement offer.*

7.8 ASX Releases

The ASX releases of the Company since lodgement of its most recent Annual Report for the financial year ended 30 June 2024 and prior to the lodgement of this Prospectus are listed below:

Date	ASX Announcement title
14 August 2025	Trading Halt
8 August 2025	Change in Substantial Holding – FIL Limited
6 August 2025	Response to ASX Price Query
4 August 2025	ColoSTAT Kits Deliver Breakthrough Results
1 August 2025	Notification of cessation of securities – RHY
1 August 2025	Notification regarding unquoted securities – RHY
31 July 2025	Jun 25 Quarterly Activities Report and Appendix 4C
24 July 2025	Genetype MSK Research Collaboration
17 July 2025	Strategic GeneType Pilot with Leading Australian Pathology
9 July 2025	Change of Director's Interest Notice – Otto Buttula
9 July 2025	Change in substantial holding – Otto Buttula
3 July 2025	Change in substantial holding
30 June 2025	FY2025 R&D Tax Incentive Loan Funding
24 June 2025	NATA Accreditation Awarded for Genetype Laboratory
23 June 2025	Ceasing to be a substantial holder
23 June 2025	Board Composition Update Succession Plan
19 June 2025	Overview of Genetype Presentation
11 June 2025	Genetype Publication Market Update
10 June 2025	Change in substantial holding – Michelle Wing
2 June 2025	Cleansing Notice
2 June 2025	Application for quotation of securities – RHY
2 June 2025	Investor Presentation
30 May 2025	Proposed issue of securities – RHY
26 May 2025	ColoSTAT Beta kit verification and validation update
15 May 2025	Breast Cancer Risk Study University of Melbourne
2 May 2025	Notification regarding unquoted securities – RHY
1 May 2025	Proposed issue of securities – RHY
24 April 2025	Quarterly Activities Report and Appendix 4C 31 March 2025
14 April 2025	RHY ISO13485 Recent Market Update
11 April 2025	Application for quotation of securities – RHY

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8 April 2025	Change in substantial holding
31 March 2025	RHY – Results of Meeting
31 March 2025	EGM – Investor Presentation
19 March 2025	RHY Genetype Commercial Sales
18 March 2025	Notification regarding unquoted securities – RHY
18 March 2025	Appointment of Chief Financial Officer
17 March 2025	Notification of cessation of securities – RHY
5 March 2025	RHY Investor Webinar
27 February 2025	RHY – EGM Notice of Meeting and Proxy Form
27 February 2025	Investor Webinar
21 February 2025	Half-Year Financial Report and Appendix 4D
12 February 2025	Becoming a substantial holder
4 February 2025	Genetype Commercial Integration Completion
23 January 2025	Quarterly Activities Report and Appendix 4C – Dec24
14 January 2025	About the Genetype Acquisition
24 December 2024	GTG: GTG completes sale of geneType business and assets
24 December 2024	Completion of Genetype Risk Assessment Portfolio Acquisition
24 December 2024	Notification regarding unquoted securities - RHY
23 December 2024	RHY Acquires Genetype Genetic Risk Assessment Business
20 December 2024	Trading Halt
20 December 2024	Pause in Trading
18 December 2024	Market Update – All End of CY24 Milestones Attained
17 December 2024	Change of Company Auditor
2 December 2024	Change in substantial holding – Otto Buttula
2 December 2024	Initial Director’s Interest Notice
2 December 2024	Board Changes Effected
27 November 2024	Application for quotation of securities - RHY
21 November 2024	Final Director's Interest Notice - Lou Panaccio
21 November 2024	Final Director's Interest Notice - Trevor Lockett
20 November 2024	2024 AGM Results
20 November 2024	2024 AGM Chairman's Address & Post AGM Presentation
20 November 2024	Board Composition Update - NED Resignations
19 November 2024	Proposed issue of securities - RHY
19 November 2024	Placement Issue Investor Presentation
19 November 2024	Placement Prospectus $
19 November 2024	Strong Demand in Share Placement to Raise $3.5 million
18 November 2024	Notification regarding unquoted securities - RHY
18 November 2024	Notification regarding unquoted securities - RHY
18 November 2024	Awarding of Employee Options and Loan Shares to Management
15 November 2024	Trading Halt
11 November 2024	New, Independent, Non-Executive Director to be Appointed
7 November 2024	Receipt of Research & Development Tax Incentive
24 October 2024	Market Presentation
24 October 2024	Appendix 4C and Market Update
18 October 2024	RHY 2024 AGM Nominations & Proxy Form

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7 October 2024	2nd Generation, ColoSTAT Multiplex Alpha Kit Outperforms
30 September 2024	Initial Director's Interest Notice - David Atkins
30 September 2024	Board Renewal / Composition Update
26 September 2024	Corporate Governance Statement
26 September 2024	RHY FY2024 Annual Report
24 September 2024	Platform Expansion – Gastric Cancer Diagnostic Test Update
10 September 2024	AGM date and closing date for director nominations
30 August 2024	Appendix 4G
30 August 2024	RHY Financial Report FY2024
30 August 2024	Appendix 4E
28 August 2024	Product and Market Update – Phase 2 Milestone
19 August 2024	Notification of cessation of securities - RHY
14 August 2024	FY2024 R&D Tax Incentive Loan Funding
7 August 2024	Change of Director's Interest Notice – Otto Buttula
7 August 2024	Change of Director's Interest Notice – Lou Panaccio
7 August 2024	Change of Director's Interest Notice – Trevor Lockett
1 August 2024	Notification of cessation of securities – RHY
29 July 2024	Jun 24 Quarterly Activities Report and Appendix 4C
12 July 2024	Bioshares Biotech Summit Presentation

The Company may make further ASX announcements after the date of this Prospectus. Copies of the abovementioned announcements (as well as any further announcements) will be available on the ASX website, www.asx.com.au under the Company's code "RHY". You are advised to refer to the ASX's website and the Company's website for announcements or updates relating to the Company.

7.9 Information excluded from continuous disclosure notices

As at the date of this Prospectus, there is no information that has not been disclosed under the continuous disclosure requirements of the Listing Rules and which the Board considers would reasonably require in order to assess the Company's assets and liabilities, financial position and prospects and the rights and liabilities attaching to New Options in the Company.

8. INTERESTS OF DIRECTORS

Other than as set out below or elsewhere in this Prospectus, no Director has or had within 2 years before the lodgement of this Prospectus with ASIC, any interest in:

a) the formation or promotion of the Company;
b) any property acquired or proposed to be acquired by the Company in connection with its promotion or formation or in connection with the offer of New Options; or
c) the offer of New Options, other than as Director Placement Participants;

and no amounts or benefits have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director:

d) to induce him or her to become, or to qualify him, as a Director; or
e) for services rendered by him or her in connection with the promotion or formation of the Company or the offer of New Options.

The current Directors' and their nominees' current shareholdings and interests in Shares and Options (prior to the Placement and the Offers the subject of this

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Prospectus) and the details of New Shares to be subscribed under the Placement together with entitlements to New Options that form part of the Director Options Offer, subject to Shareholder Approval, are as follows:

	Otto Buttula & Entities	Sue MacLeman & Entities	David Atkins & Entities	Gavin Fox-Smith & Entities
Current number of Shares	36,384,575	-	4,000,000 (unlisted loan funded @ $0.10)	-
Current percentage holding	12.5%	-	1.4%	-
Current number of Existing Options	5,425,001	200,000	4,000,000 (unlisted)	-
New Shares to be issued under Director share commitments	2,955,555		100,000	277,777
Entitlement to New Options under Director Options Offer	2,955,555		100,000	277,777
Maximum number of Shares following the Placement	39,340,130	-	4,100,000	277,777
Maximum number of Options following the Offers	8,380,556	200,000	4,100,000	277,777
Maximum percentage of Shares following the completion of the Placement and the Offers	12.1%	-	1.3%	0.08%

The cash-based remuneration currently paid (including superannuation and any cash bonus) to Directors or their nominees during the past two financial years preceding the lodgement of this Prospectus with ASIC is set out below:

Director	FY 2023 $	FY 2024 $
Mr Otto Buttula *(non-executive chairman, including in 2023 payment as an executive)*	182,325	177,600
Ms Sue MacLeman *(non-executive director)*	21,875	82,381
Dr Trevor Lockett *(being an executive director, non-executive from 15/12/23, resigned in November 2024)*	159,500	101,537
Mr Louis Panaccio *(non-executive director, resigned in November 2024)*	52,500	52,500

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Dr David Atkins *(CEO from 13/05/24 and Managing Director from 30/09/24)*	-	-

The Directors also received non-cash-based benefits under the Company's employee incentive scheme during this same 2-year period, which benefits are included in their securities listed in the shareholdings table above.

8.1 Related Party Transactions

There are no other related party transactions entered into that have not otherwise been disclosed in this Prospectus.

8.2 Restricted securities

The Company as at the date of this Prospectus does not have any of its issued securities classified as 'restricted securities' (as defined in the Listing Rules).

8.3 EXISTING OPTIONS

Code	Existing Options	Exercise price	Expiry date
RHYO	47,060,499	$0.20	31 March 2026
RHYAP	2,401,716	$0.20	31 March 2026
RHYAQ	2,000,000	$0.30	31 March 2028
RHYAN	200,000	$1.80	30 November 2025
RHYAS	375,000	$0.20	20 August 2026
RHYAT	375,000	$0.30	20 August 2028

The Board considers it is unlikely that any Existing Options will be exercised before the Closing Date. However, if any Existing Options are exercised before the Closing Date, any proceeds raised will be applied to the general working capital of RHY.

The New Options will be quoted options in the separate new quoted class with an expected ASX code of "RHYOA".

8.4 Litigation

To the best of the Directors' knowledge and belief, no litigation, mediation, conciliation or administrative proceeding is taking place, pending or threatened against the Company.

8.5 Estimated Costs of the Offers

If the Offers are fully subscribed, the expenses of the Offers (exclusive of GST and before any commissions paid by the Company) are estimated to be approximately as follows:

Expenses	$
Legal (in the preparation of this Prospectus)	25,000
Additional ASX listing fees and CHESS issue fees	6,000
Registry costs (including printing and postage)	9,000
ASIC lodgement fees	3,200
Total	**$43,200**

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** The Company may pay commission of up to 6% ex-GST (excluding management fees) of the amount subscribed by eligible new investors under the Offers introduced holders of an AFSL (or their authorised representatives). Any such commission costs would be paid from general working capital.*

8.6 Consents and Interests of Parties

Each of the parties referred to in this Section does not make, or purport to make, any statement in this Prospectus other than as specified in this Section and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than the reference to its name or a statement included in this Prospectus with the consent of that party as specified in this Section.

Automic Pty Ltd has given and not withdrawn its written consent to be named herein as the Share Registry to the Company in the form and context in which it is so named. Automic Pty Ltd does not make, or purport to make, any statement in this Prospectus and is not aware of any statement in this Prospectus which purports to be based on a statement made by it and makes no representation, expressed or implied, regarding and takes no responsibility for, any statements in or omissions from this Prospectus.

Acclime Corporate Services Australia Pty Ltd has given and not withdrawn its written consent to be named herein as the Company Secretary to the Company in the form and context in which it is so named. Acclime Corporate Services Australia Pty Ltd does not make, or purport to make, any statement in this Prospectus and is not aware of any statement in this Prospectus which purports to be based on a statement made by it and makes no representation, expressed or implied, regarding and takes no responsibility for, any statements in or omissions from this Prospectus.

CPS Capital Group Pty Ltd (**CPS**) has given and not withdrawn its written consent to be named herein as Lead Manager to the Company in the form and context in which it is so named. CPS Capital Group Pty Ltd does not make, or purport to make, any statement in this Prospectus and is not aware of any statement in this Prospectus which purports to be based on a statement made by it and makes no representation, expressed or implied, regarding and takes no responsibility for, any statements in or omissions from this Prospectus.

Other than as set out below or elsewhere in this Prospectus, all persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation of or distribution of this Prospectus do not have, and have not had in the 2 years before the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the offer of New Options (subject to Shareholder Approval) pursuant to this Prospectus; or
- the offer of New Options (subject to Shareholder Approval) pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the offer of New Options (subject to Shareholder Approval) issued pursuant to this Prospectus.

8.7 Electronic Prospectus

A copy of the Prospectus can be downloaded from the website of the Company at the Rhythm website: www.rhythmbio.com.

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8.8 **Target Market Determination**

In accordance with the obligations under the Corporations Act, the Company has determined the target market for the Offers of the New Options under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determinations (**TMD**) as set out on the Company's website https://rhythmbio.com/. By making application under an Offer, you warrant that you have read and understood the applicable TMD and that you fall within the target market set out in that TMD.

8.9 **Financial Forecasts**

The Directors have considered the applicable laws and do not believe that they have a reasonable basis to forecast future earnings, on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast.

8.10 **Directors' authorisation**

Each Director of the Company has given, and has not withdrawn, their consent to the lodgement of this Prospectus with ASIC.

9. DIRECTORS' STATEMENT

The Directors have made all reasonable enquiries in the preparation of this Prospectus and, on that basis, have reasonable grounds to believe that:

- any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in this Prospectus by persons other than Directors;

- other persons making the statement or statements in the Prospectus were competent to make such statements and that those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of New Options (subject to Shareholder Approval, if applicable) pursuant to this Prospectus.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors. Each of the Directors of the Company has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act and has not withdrawn that consent.

Otto Buttula
Non-Executive Chairman
Rhythm Biosciences Limited

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10. DEFINITIONS

In this Prospectus the following terms and abbreviations have the following meanings, unless otherwise stated or unless the context otherwise requires:

$ or AUD means Australian dollar;

AFSL Holders means a holder of an Australian Financial Services Licence;

Applicant refers to a person who submits an Application Form or makes payment pursuant to this Prospectus;

Application refers to the submission of an Application Form pursuant to this Prospectus;

Application Form means the Application Form accompanying this Prospectus

ASX means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context may require;

ASX Settlement Operating Rules means ASX Settlement Pty Limited's operating rules;

Board means the board of Directors;

Business Day has the meaning ascribed to it in the Listing Rules;

CHESS means Clearing House Electronic Subregister System;

Closing Date means the closing date of the Offers being 18 August 2025 (subject to the right of the Company to vary the date without notice);

Company or Rhythm means Rhythm Biosciences Limited ACN 619 459 335;

Company Secretary means Acclime Corporate Services Australian Pty Ltd ACN 150 499 442;

Constitution means the constitution of the Company;

Corporations Act means Corporations Act 2001 (Cth);

Directors means the directors of the Company;

Director Options Offer means the offer pursuant to this Prospectus to Director Placement Participants, subject to Shareholder Approval, of up to 3,333,332 New Options (with an exercise price of $0.20) for nil consideration on the basis of 1 New Option for every 1 New Share issued to Director Placement Participants under the Placement;

Director Placement Participants means a Director or their related entity, who subject to Shareholder Approval is participating in the Placement as announced to ASX on 18 August 2025;

Existing Options means the existing options issued by the Company as at the date of this Prospectus and detailed in Section 8.3 of this Prospectus;

IVDR means In Vitro Diagnostic Medical Device Regulations;

Lead Manager or CPS means CPS Capital Group Pty Ltd ABN 73 088 055 636 (AFSL 294848);

Lead Manager Offer means the offer pursuant to this Prospectus to the Lead Manager (or its nominee), subject to shareholder Approval, of 10,800,000 for $0.00001 per Option as partial consideration its capital raising and corporate advisory services in relation to the Placement;

Listing Rules means the listing rules of the ASX;

New Option means an option, subject Shareholder Approval and to the Option Terms, to purchase a Share with an expiry date of on or before 30 November 2027 and an exercise price of 20 cents per Option;

New Shares means the Shares proposed to be issued pursuant to the Placement;

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Offers means the Placement Options Offer, the Director Options Offer and the Lead Manager Offer;

Option means an option to acquire a Share;

Option Terms means the terms applicable to the New Options, a copy of which terms is attached as Annexure A to this Prospectus;

Placement means the placement to professional and sophisticated investors of up to 38,321,133 New Shares at an issue price of $0.09 per New Share together with 1 free attaching New Option (subject to Shareholder Approval) for every 1 New Share (with an exercise price of $0.20) to raise up to approximately $3,448,902 before costs, and an additional 3,333,332 New Shares to be issued to Director Placement Participants for $0.09 per Share to raise up to $300,000 before costs, as announced to ASX on 18 August 2025;

Placement Investor means a participant under the Placement and is invited to participate in the Placement Options Offer and meets the criteria set out in section 2.4 of this Prospectus (excluding any Director Placement Participants);

Placement Options Offer means the offer pursuant to this Prospectus to Placement Investors, subject to Shareholder Approval of up to 38,321,133 New Options (with an exercise price of $0.20) for nil consideration on the basis of 1 New Option for every 1 New Share issued to Placement Investors under the Placement;

Related Bodies Corporate has the meaning as provided in the Corporations Act 2001;

Relevant Interest has the same meaning as provided in the Corporations Act;

Share means a fully paid ordinary share in the capital of the Company;

Shareholder means a holder of Shares;

Shareholder Approval means the approval by the Company's shareholders at a general meeting expected to be held in November 2025:

a) under ASX Listing Rule 7.1 for the issue of New Options to Placement Investors under the Placement Options Offer;

b) under ASX Listing Rule 10.11 for the issue to Director Placement Participants of New Shares under the Placement and New Options under the Director Options Offer; or

c) under ASX Listing Rule 7.1 for the issue of New Options to the Lead Manager (or its nominees) under the Lead Manager Offer;

Share Registry means Automic Pty Ltd ACN 152 260 814; and

US Securities Act means the US Securities Act of 1933, as amended.

Please note that references in this Prospectus to "Sections" are to sections of this Prospectus.

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11. CORPORATE DIRECTORY

Directors

Mr Otto Buttula	Non-Executive Chairman
Ms Sue MacLeman	Non-Executive Director
Mr Gavin Fox-Smith	Non-Executive Director
Dr David Atkins	CEO and Managing Director

Company Secretaries

Mr Mark Liccardo
Acclime Corporate Services Pty Ltd

Registered office

Bio21 Institute
30 Flemington Road
Parkville VIC 3010

Share Registry

Automic Pty Ltd
Suite 5
Level 12
530 Collins Street
Melbourne VIC 3000

Telephone: 1300 288 664 (within Australia)
Internet: www.automicgroup.com.au
Email: hello@automicgroup.com.au

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Annexure A - Option Terms and Conditions

Each option (**Option**) entitles the holder (**Option Holder**) to subscribe for and be issued one fully paid ordinary share (**Share**) in **Rhythm Biosciences Limited** ACN 619 459 335 (**Company**) on the following terms:

1. Subject to clause 2 and any restrictions imposed by the ASX Limited (**ASX**), each Option is exercisable at any time after the date it is issued (**Issue Date**), until and including their expiry date, namely 5pm (AEDT) on 30 November 2027 (**Expiry Date**). Any Options not exercised by the Expiry Date will automatically lapse at 5pm on the Expiry Date.
2. The Options may be exercised for part or all of the Options held at a particular time by the Option Holder paying to the Company at its registered office prior to the Expiry Date the exercise price of A$0.20 per Option (**Exercise Price**).
3. On receipt by the Company of the payment of the Exercise Price, the Company must, within 4 Business Days and if the Shares are listed on the ASX within the time period prescribed by the Listing Rules of the ASX (ASX Listing Rules):
   (a) allot to the Option Holder one Share in the Company for each Option exercised by the Option Holder;
   (b) cause to be despatched to the Option Holder the relevant acknowledgement of issue, a holding statement or share certificate (as applicable) as soon as is reasonably practicable detailing the issue of the relevant Share/s; and
   (c) issue (if applicable) a new holding statement (or option certificate) for the balance of the Options that remain unexercised.
4. Shares allotted on the exercise of Options will rank equally in all respects with the then existing issued ordinary fully paid shares in the capital of the Company (except in respect to any dividends which shall have been declared but not yet distributed before the actual exercise of an Option) and will be subject to the provisions of the Constitution of the Company.
5. The Options are transferable in accordance with the ASX Listing Rules.
6. If any reorganisation (including consolidation, subdivision, reduction, return or cancellation) of the issued capital of the Company occurs before the expiry of any Options, the number of Options to which each Option Holder is entitled or the Exercise Price of his or her Options or both must be reorganised in accordance with the ASX Listing Rules applying to a reorganisation at the time of the reorganisation (which adjustment formula will apply even where the Company is not admitted to the ASX Official List).
7. An Option does not confer the right to participate in new issues of capital offered to holders of Shares during the currency of the Options without exercising the Options. However, the Company will use reasonable endeavours to see that for the purpose of determining Rights Entitlements to any such issue, the Option Holder is to receive at least 2 Business Days written notice from the Company of the pending closing or record date and sufficient time for the Option Holder to exercise the Options prior to that closing or record date in order to qualify for participation.
8. In the event of the liquidation of the Company, all unexercised Options will lapse upon the occurrence of that liquidation.
9. The Options do not provide any entitlement to dividends paid to ordinary shareholders.
10. The Options do not entitle the Option Holder to vote at any meeting of shareholders
11. To the extent (if any) that any of these Option Terms and Conditions are inconsistent with or contrary to the ASX Listing Rules, the ASX Listing Rules provisions will prevail and these Option Terms and Conditions are deemed to incorporate the relevant ASX Listing Rules provisions as an amendment to these terms; and
12. These Option Terms and Conditions are governed by the laws of Victoria. The parties submit to the non-exclusive jurisdiction of the courts of Victoria.

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