



ACN: 619 459 335

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

RHYTHM BIOSCIENCES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

The Directors of Rhythm Biosciences Limited (Rhythm, the Group, or the Consolidated Entity) present their report for the financial year ended 30 June 2025.

Directors

The Directors at any time during the year, or since the end of the financial year, were as follows:

	Mr Otto Buttula
	Dr David Atkins (appointed 30 September 2024)
	Ms Susan MacLeman
	Mr Gavin Fox-Smith (appointed 2 December 2024)
	Dr Trevor Lockett (resigned 20 November 2024)
	Mr Louis (Lou) Panaccio (resigned 20 November 2024)

Meetings of Directors

The following table sets out the number of Director meetings of the Company held during the financial year, and the number of meetings attended by each Director.

Director	Directors' Meetings	
	Held	Attended
Mr O Buttula	9	9
Dr D Atkins	7	7
Dr T Lockett	6	6
Mr L Panaccio	6	4
Ms S MacLeman	9	8
Mr G Fox-Smith	3	3

'Held' represents the number of meetings held during the time the Director held office during the year.

Principal Activities

Rhythm Biosciences Limited (ASX: RHY) is an innovative Australian, publicly listed medical diagnostics Company with a focus on delivering simple, affordable blood tests for the accurate detection of cancers, providing physicians with accurate and reliable diagnostic tools. Its ColoSTAT® product, which is nearing the commercialisation phase aims to provide a simple accurate and early detection test for colorectal cancer.

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Corporate Information

Rhythm, a Company limited by shares, is incorporated and domiciled in Australia. Rhythm has prepared a consolidated financial report incorporating the entities that it controlled during the financial year.

The registered office and operations of the Company are located at Bio21 Institute, 30 Flemington Road, Parkville Victoria, Australia, 3010.

Corporate Governance

Details on the Company's corporate governance procedures, policies and practices are at www.rhythmbio.com.

Results of Operations

The Group incurred a loss after income tax of \$3,829,371 for the year ended 30 June 2025 (2024: \$6,856,761) which reflects the research and development activity during the year. Highlights were as follows:

The current calendar year has been one of strong and positive progress for Rhythm Biosciences, as evidenced by recent ASX announcements. From an overhaul of the ColoSTAT® regulatory strategy, to having expanded our diagnostic product footprint through a key acquisition, the recent advancements achieved in such a compressed period have been remarkable.

In particular, we must thank our team's resilience and the collective belief in the transformative value Rhythm brings to diagnostics. Having laid positive foundations beginning in late 2023, with our new CEO, Dr David Atkins commencing in May 2024, the repurposed strategy for the Company is now poised for medium to long term success.

Key achievements over the past 20 months include:

- ✓ **ColoSTAT® Restructuring:** Legacy ColoSTAT® product issues have been addressed, with ColoSTAT® now positioned into a more manageable and sustainable commercial framework;
- ✓ **Genetype™ Acquisition:** This strategic acquisition has expanded our product offering and delivered our first commercial revenues to the Group;
- ✓ **Strategic Engagements:** Senior level discussions have been re-established with key distributors and laboratory partners, supporting future market access;
- ✓ **Board enhancement:** Mr Gavin Fox-Smith has joined the Board and will assume the role of Chair upon the upcoming retirement of Mr Otto Buttula. Gavin brings deep international med-tech expertise, particularly in diagnostics and bowel cancer detection strategies. Gavin currently serves as a Board Director of Bowel Cancer Australia; and
- ✓ **Clinical Performance:** Recent results for ColoSTAT® have demonstrated strong performance across the continuum of established colorectal stages – Stage I to IV, reinforcing its clinical potential.

These achievements reflect the Company's renewed focus and strategic clarity. We are now entering a new chapter, defined by continued innovation and strong execution.

With a committed leadership team, a clear strategy and the continued support of our shareholders, Rhythm is well-positioned to deliver diagnostic solutions that improve patient outcomes and efficiently impact the healthcare system in a meaningful way.

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Significant Changes in the State of Affairs

During the year the Company issued:

- 35,000,000 shares at 10 cents each from a placement, raising \$3,500,000 before costs; and
- 483,871 shares at 6.2 cents each to a consultant valued at \$30,000.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

After Reporting date Events

On 31 July 2025 the Company issued 500,000 Loan Funded Shares at \$0.10 (4-year non-recourse loan at 0% interest rate) to an employee. Vesting conditions related to these Loan Funded Shares not yet achieved are as follows:

- 50% upon remaining employed on 21 February 2026; and
- 50% upon remaining employed on 21 February 2027.

On 4 August 2025 the Company announced on the ASX an update surrounding "ColoSTAT® Delivers Breakthrough Results" which during the week commencing 4 August to 8 August the share price for Rhythm Biosciences achieved a 52-week high share price and a resulting market capitalisation of approx. \$60,000,000.

On 18 August 2025 the company announced a capital raise of \$3,748,902 through;

- Issuing 38,321,133 shares at 9 cents each from a placement, raising \$3,448,902 before costs (completed on 25 August 2025); and
- Directors contributing \$300,000 to the placement (included within the \$3,748,902 total raised), which is subject to shareholder approval at the FY25 AGM which will be held early November 2025; and
- Each share attracted a separate but related option at 1:1 shares/options, resulting in 41,654,465 options listed but subject to shareholder approval at the upcoming FY25 AGM which will be held early November 2025. These options will have a two year term and an exercise price of \$0.20c per option

There has been no other matters or circumstances which have arisen since 30 June 2025 that has significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2025, of the consolidated entity; or
- the results of those operations; or
- the state of affairs, in financial years subsequent to 30 June 2025, of the consolidated entity.

Environmental Issues

Rhythm's operations are subject to certain environmental regulations under the laws of the Commonwealth and State and in the United States.

The Directors are not aware of any breaches during the period covered by this report.

Dividends

No dividends were paid or declared since the start of the financial year. No recommendation for payment has been made.

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Likely Future Developments

Future Outlook

The Directors do not anticipate any unusual future events likely to significantly negatively impact the Group's operations, results, or state of affairs. Rhythm's global business model for diagnostic product development inherently carries risk due to the nature of technology innovation, competitor activity, shifts in global healthcare standards, reliance on commercial partnerships, and ongoing capital requirements. While management works to mitigate these risks, there can be no certainty that Rhythm's technology will achieve widespread adoption. The continually evolving global healthcare landscape may also present unforeseen challenges and opportunities.

Internal Risks

- **Personnel Risk:** The Group has minimized personnel risks by leveraging external consultants and outsourcing key functions. While personnel risks were significant in FY2025, targeted training and knowledge-sharing initiatives have diversified expertise and reduced these risks.
- **Cash Flow Risk:** Cash flow remains an area of focus. The Group expects to receive an R&D grant refund for FY2025, and a secured \$1,000,000 loan secured in June 2025 provides early access to this forecast refund. Management has undertaken cash flow planning and, if needed, can scale back operational activities to preserve liquidity. There is also a strong history of successfully raising additional capital.

External Risks

- **Supply Chain Risk:** Reliable access to raw materials is supported by established suppliers and proprietary recipes/algorithms, ensuring adequate materials for both current and anticipated markets. Plans are in place for global expansion of contract manufacturing (CMO) partners to mitigate supply chain vulnerabilities.
- **Market and Competition Risk:** Rhythm operates in highly competitive markets that are subject to rapid technological change and evolving clinical standards. Emerging competitor products, regulatory developments, or changes in healthcare policy could impact market opportunities.
- **Commercial Partnership and Adoption Risk:** Success is partly dependent on relationships with commercial partners, securing distribution channels, and convincing healthcare providers and payors of the clinical and economic value of Rhythm's products. Success of acquisitions, licensing, or partnerships is not assured; performance risk remains if partners/collaborators underperform.
- **Research & Development Risks:** Uncertainty in achieving technical, regulatory, or commercial outcomes from R&D. Clinical trial results may be inconclusive or require strategic changes, adding time and cost. Product components and performance may not meet regulatory or market standards.
- **Regulatory and Legal Risk:** The Group faces risks associated with product approval processes in various jurisdictions, compliance with changing regulatory standards, and the protection of intellectual property.
- **Global Economic and Geopolitical Risk:** Broader macroeconomic factors, such as currency fluctuations, political instability, or industry disruptions, may affect supply, demand, and Rhythm's ability to execute its strategy.

The financial statements as at 30 June 2025 have been prepared on the following basis:

- as at 30 June 2025, the consolidated entity had a cash position of \$1,397,208;
- a research and development refund for FY25, based on expenditure incurred, is expected to be received during October / November. A secured loan obtained for \$1,000,000 in June 2025 has provided early access to this forecast research and development refund;
- activities are focused on commercialising ColoSTAT® during FY26 H2 and in various geographies;
- the consolidated entity is still in the early stages of operations and can scale back activity if required for cashflow management purposes; and
- the forecast cash flows for the consolidated entity indicate that based on current cash on hand and expected inflows from research and development refunds and additional capital to be raised from investors, the consolidated entity is expected to maintain a positive cash position for at least the period of 12 months from the date the Directors approve the annual financial statements.

Summary

While the Directors are confident in the Group's prospects and ability to manage risk, external factors and execution risks remain inherent given the nature of the business and evolving market conditions. The business continues to focus on robust risk management practices and operational flexibility to maintain a positive trajectory.

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Directors and Company Secretaries

Names, qualifications and experience

Name:	Otto Buttula
Title:	Non-Executive Chairman
Experience and expertise:	Mr Buttula has had extensive experience and success in investment research, funds management, information and biotechnologies and has held directorships in a number of public companies. Mr Buttula's executive experience includes co-founder and CEO and Managing Director of IWL Ltd, an online financial services company that listed on the ASX in 1999. The company grew from a market capitalisation of \$48 million at listing before a takeover in 2007 by Commonwealth Bank of Australia Ltd for \$373 million. Mr Buttula also founded and was Managing Director of Investors Mutual, prior to which he was a co-founder and director of Lonsdale Securities Ltd. Following his completion of executive duties, Mr Buttula was Non-Executive Chairman of platform and stockbroking provider Investorfirst Ltd and led the acquisition of HUB24 Ltd (ASX: HUB). He has also served on the Board as a non-executive director and Head of Audit and Risk at Imugene Ltd (ASX: IMU) and as Chairman of HITIQ Ltd and OncoSil Ltd.
Other current directorships:	None
Former directorships:	HITIQ Limited (resigned 27 November 2023) OncoSil Limited (resigned 31 August 2023)
Interests in shares:	36,384,575 fully paid ordinary shares
Interests in options:	5,425,001 Options
Name:	Dr David Atkins
Title:	Managing Director and Chief Executive Officer
Experience and expertise:	Dr David Atkins is an accomplished global healthcare leader with global markets experience across a board range of life sciences and healthcare disciplines, having gained deep experience in R&D, product development and commercialisation across biotech, medical device, IVD and data-driven solutions in all global markets. Over the last 30 years, David has held national, regional and global roles across the Pharmaceutical, medical device and diagnostics sectors. David's responsibilities have covered all functions from discovery research through to sales and marketing in most key geographies. He has valuable experience in start-up ventures, scale-ups, turnarounds and high-growth enterprises. He has held senior leadership roles in smaller businesses including Congenica (UK), Veridex (US) and Gene Shears (Australia), and larger global businesses including Johnson & Johnson and Danaher. His expertise also includes clinical and molecular diagnostics, anatomic pathology, wound management, minimally invasive and general surgery, orthopaedics, sterilisation, aesthetics, and cell and gene therapy. Business leadership internationally includes the US, Canada, EU and Emerging Markets (Middle East, Africa, Asia, Latin America). Broad functional capability in sales and marketing, R&D pipelines, product developments, QRC and operations and business development, he has also successfully led seed, series B and series C financing as well as having operational experience in public markets. David has an MBA, Finance from Columbia Business School, USA, a Postgraduate Certificate in Pharmacology from UNSW, Australia, a PhD in Molecular Virology from John Innes Institute and a BSc in Biological Sciences from the University of East Anglia, UK.
Other current directorships:	None
Former directorships:	None
Interests in shares:	4,000,000 loan funded shares
Interests in options:	4,000,000 Options

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Directors and Company Secretaries (continued)

Names, qualifications and experience

Name:	Ms Susan MacLeman
Title:	Non-Executive Independent Deputy Chair
Experience and expertise:	Sue MacLeman has more than 30 years' experience as a pharmaceutical, biotechnology and medical technology executive having held senior roles in health administration, corporate, medical, commercial and business development. Sue has also served as CEO and Board member of several ASX, AIM and NASDAQ listed companies in the healthtech sector. She is a Non Executive Director on public, private and not for profit boards and is appointed to several academic , industry and government advisory boards and committees. Her broad commercial and technical experience is underpinned by a Bachelor of Pharmacy from the University of Queensland, a Master of Laws from Deakin University and a Master of Marketing from Melbourne Business School . She is also a member of the Commonwealth Govn National Research Infrastructure Advisory Group, NSW Govn Innovation and Productivity Council, Fellow and Non Executive Director of the Australian Academy of Technology and Engineering (ATSE) and Graduate of Australian Institute of Company Directors (AICD).
Other current directorships:	None:
Former directorships:	None
Interests in shares:	Nil
Interests in options:	200,000 Options
Name:	Mr Gavin Fox-Smith
Title:	Non-Executive Director
Experience and expertise:	Over his 38 year career Gavin has been a leader and champion of Medical Technology in Australia/NZ and Asia. He has also played lead Governance and Executive roles in Industry Bodies, Innovation Initiatives and Not for Profit Boards. Gavin is a strong advocate for Gender Equality and Indigenous Engagement. Gavin is Chair of ANDHealth (Australia's National Digital Health Initiative), Non Executive Director for Omnigon, Bowel Cancer Australia and SAN Foundation. Gavin is a proud member of the Champions of Change Coalition Health group and serves as an Ambassador for Rotary Oceania Medical Aid for Children (ROMAC). Most recently Gavin was CEO of Omnigon, a private Australian company in the Ostomy Care market. And previously Gavin was Managing Director Australia/NZ and Vice President Asia Pacific for Johnson & Johnson Medical Devices (now Med Tech), Chair of the Medical Technology Association of Australia, Governor of American Chamber of Commerce, Co-Founder/Chair of Macquarie Park Business Coalition (in partnership with United Way) and Australian Co-Chair of the Health Technology Sector Group of the Australia/NZ Leadership Forum. Gavin is a Graduate of the Australian Institute of Company Directors and has completed the AICD Boardroom Mastery program.
Other current directorships:	None
Former directorships:	None
Interests in shares:	Nil
Interests in options:	Nil
Name:	Dr Trevor Lockett (resigned 20 November 2024)
Title:	Former Non-Executive Director
Experience and expertise:	A molecular biologist by trade, Trevor Lockett received his PhD in biochemistry from the University of Adelaide and postdoctoral experience at the Rockefeller University in New York. With over 30 years of research experience, predominantly at the CSIRO, Trevor has led large, multidisciplinary research efforts in the areas of prostate cancer gene therapy, colorectal cancer prevention and the promotion of gastrointestinal health. In his role as Theme Leader, Colorectal Cancer and Gut Health, Trevor oversaw the research efforts leading to the technology that is to become ColoSTAT™.

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Name: Lou Panaccio (resigned 20 November 2024)
 Title: Former Non-Executive Director
 Experience and expertise: A chartered accountant with extensive management experience in business and healthcare services. Lou is currently on the boards of ASX listed companies Sonic Healthcare Limited and Avita Medical, Inc. Lou is also on the board of Unison Housing Ltd. Lou has more than twenty years' experience as a board member of both public and private, for profit and not for profit companies. Previously, Lou was the CEO of Melbourne Pathology and Monash IVF, and executive Chairman of Health Networks Australia.

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Mark Licciardo (appointed 6 January 2025) is the founder of Mertons Corporate Services, now part of Acclime Australia and is responsible for Acclime Australia's Listed Services Division. He is an ASX-experienced director and chair of public and private companies, with expertise in the listed investment, infrastructure, biotechnology and digital sectors. He currently serves as a director on ASX listed Frontier Digital Ventures (ASX:FDV) as well as a number of other unlisted public company boards and foreign-controlled entities and private companies. Mark holds a Bachelor of Business degree in accounting, a Graduate Diploma in Governance and is a Fellow of the Chartered Governance Institute, the Governance Institute of Australia and the Australian Institute of Company Directors.

Andrea Steele (resigned 6 January 2025)

James Barrie (resigned 6 January 2025)

DIRECTORS' REPORT – REMUNERATION REPORT (AUDITED)

Names and positions held by Directors and Key Management Personnel at any time during the financial year were:

Name	Position	Date Appointed to position
Mr Otto Buttula	Non-Executive Chairman	28 October 2019 (Executive Chairman from 1 December 2021 to 31 May 2024)
Dr Trevor Lockett	Non-Executive Director	1 June 2017 (previously Technical Director until 15 December 2023). (resigned 20 November 2024)
Mr Louis (Lou) Panaccio	Non-Executive Director	1 August 2017 (resigned 20 November 2024)
Ms Susan MacLeman	Non-Executive Director	31 January 2023
Mr Gavin Fox-Smith	Non-Executive Director	2 December 2024
Dr David Atkins	Managing Director and Chief Executive Officer	30 September 2024 (previously Chief Executive Officer from 13 May 2024)
Mr Todd Perkinson	Chief Financial Officer	18 March 2025
Mr Guy Carisbrooke	Financial Controller	21 September 2023 (Key Management Personnel member from 16 November 2023). (resigned 21 February 2025)

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Directors' and Key Management Personnel Interests (received and acquired) in Shares and Options

Directors' and Key Management Personnel's interests in the ordinary shares and options as at the date of this report are detailed below:

Name	Position	Number of Ordinary Shares	Number of Options	Number of Loan Funded Shares
Mr Otto Buttula	Non-Executive Chairman	36,384,575	5,425,001	-
Mr Gavin Fox-Smith	Non-Executive Director	-	-	-
Ms Susan MacLeman	Non-Executive Director	-	200,000	-
Dr David Atkins	Managing Director and Chief Executive Officer	-	4,000,000	4,000,000
Mr Todd Perkinson	Chief Financial Officer	-	-	750,000
		36,384,575	9,625,001	4,750,000

Remuneration Policy

The aim of the Company's remuneration policy is to align the interests of directors and employees with those of shareholders. To do this Rhythm sets remuneration levels that attract and retain highly skilled and experienced directors and employees; and motivates and rewards performance that advances the Company's strategic goals.

Remuneration Structure

The remuneration of Key Management Personnel and employees is structured in two parts:

- Fixed Remuneration, comprising: base salary, superannuation and other benefits in lieu of salary; and
- Variable Remuneration, may include: a short-term incentive bonus (cash) and a long-term incentive in the form of options under the ESOP or loan funded shares.

The Company aims to set the level of fixed remuneration at market levels for comparable jobs, in similarly structured and sized companies in the industry in which the Company operates. No advice from a remuneration consultant was sought during the financial year.

Short-Term Incentive Plan

The short-term incentive plan provides an incentive to employees to achieve an annual cash bonus on the achievement of corporate goals set at the beginning of each year. These corporate goals are clearly defined, drive shareholder value and can be objectively measured. The percentage of an employee's base salary that can be earned through the Short-Term Incentive Plan (STIP) is set by the Board for management personnel. At the end of the year the Board assesses the level of achievement of these corporate goals. Payments made pursuant to the STIP are at the discretion of the Board.

Long-Term Incentive Plan

The purpose of the long-term incentive plan is to align the interests of directors, management personnel and employees with those of the shareholders and provide reward for sustained achievement of the Group's strategic objectives. Rhythm's long-term incentive plan is implemented through the Employee Share Option Plan (ESOP) or loan funded shares.

Options

During the 2025 year, 1,700,000 (2024: 4,200,000) Options were issued to management personnel and employees. The fair value of employee share options was \$42,500 (2024: \$132,000). \$128,348 was expensed in the current financial year (2024: \$1,067,744 reversed) for options issued in the current and previous years. In addition, \$187,111 was expensed in the current financial year (2024: \$19,726) for loan funded shares. The options were issued for nil consideration and granted in accordance with performance guidelines established by the Board.

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The following ESOP Share Options arrangements existed at 30 June 2025:

Number of Options	Exercise Price (\$)	Grant Date	Vesting Conditions	Vesting Date	Expiry Date	Holder	Fair Value per Option at Grant Date
200,000	\$1.80	10.10.2023	Various (i)	Various (i)	30.11.2025	Director	\$0.06
2,000,000	\$0.20	13.05.2024	Employment	13.05.2025	13.05.2026	D Atkins	\$0.02
1,000,000	\$0.30	13.05.2024	Employment	13.05.2025	31.03.2028	D Atkins	\$0.04
1,000,000	\$0.30	13.05.2024	Employment	13.05.2026	31.03.2028	D Atkins	\$0.04
850,000	\$0.20	20.08.2024	n/a	20.08.2024	20.08.2026	Employees	\$0.02
850,000	\$0.30	20.08.2024	Employment	20.08.2025	20.08.2026	Employees	\$0.03
5,900,000	TOTAL ESOP OPTIONS						

(i) There are various performance and or service vesting conditions related to these options not yet achieved.

All options granted are in respect of ordinary shares in Rhythm Biosciences Limited and confer a right of one ordinary share for each option held.

Loan Funded Shares

During the 2025 year, remuneration also includes awarded incentives for 2,250,000 (2024: 4,000,000) Loan Funded Shares at \$0.10 each (4 year non-recourse loan at 0% interest rate). The fair value of loan funded shares was \$115,000 (2024: \$200,000). \$50,262 was expensed in the current financial year (2024: \$19,726). The loan funded shares were issued for nil consideration in accordance with performance guidelines established by the Board.

The following ESOP Loan Funded Share (LFS) arrangements existed at 30 June 2025:

Number	Issue Price (\$)	Grant Date	Vesting Conditions	Vesting Date	Expiry Date	Holder	Fair Value per LFS at Grant Date
2,000,000	\$0.10	13.5.2024	Employment	12.5.2025	12.5.2028	Dr Atkins	\$0.05
2,000,000	\$0.10	13.5.2024	Employment	12.5.2026	12.5.2028	Dr Atkins	\$0.05
400,000	\$0.10	18.7.2024	Employment	17.7.2025	17.7.2028	Employee	\$0.04
400,000	\$0.10	18.7.2024	Employment	17.7.2026	17.7.2028	Employee	\$0.04
100,000	\$0.10	20.8.2024	Employment	19.8.2025	19.8.2028	Employee	\$0.04
100,000	\$0.10	20.8.2024	Employment	19.8.2026	19.8.2028	Employee	\$0.04
250,000	\$0.10	16.12.2024	Employment	15.12.2025	15.12.2028	Employee	\$0.06
250,000	\$0.10	16.12.2024	Employment	15.12.2026	15.12.2028	Employee	\$0.06
375,000	\$0.10	14.3.2025	Employment	13.3.2026	13.3.2029	T Perkinson	\$0.06
375,000	\$0.10	14.3.2025	Employment	13.3.2027	13.3.2029	T Perkinson	\$0.06
6,250,000	TOTAL LOAN FUNDED SHARES						

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

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Expected Volatility	Dividend Yield	Risk-free Interest Rate*	Fair Value at Grant Date
** 26.07.2021	31.07.2024	\$0.93	\$1.80	100%	-	0.130%	\$0.4500
24.11.2021	31.07.2024	\$1.74	\$1.80	100%	-	1.010%	\$1.0200
31.12.2022	31.12.2025	\$1.02	\$1.80	100%	-	3.300%	\$0.5300
10.10.2023	30.11.2025	\$0.32	\$1.80	100%	-	3.970%	\$0.0600
13.05.2024	31.03.2026	\$0.079	\$0.20	100%	-	3.965%	\$0.0200
13.05.2024	31.03.2026	\$0.079	\$0.30	100%	-	3.965%	\$0.0400
*** 13.05.2024	31.03.2028	\$0.079	\$0.30	100%	-	3.965%	\$0.0400
*** 18.07.2024	18.07.2028	\$0.061	\$0.10	100%	-	3.982%	\$0.0400
20.08.2024	20.08.2026	\$0.064	\$0.20	100%	-	3.611%	\$0.0200
20.08.2024	20.08.2026	\$0.064	\$0.30	100%	-	3.603%	\$0.0300
*** 20.08.2024	20.08.2028	\$0.064	\$0.10	100%	-	3.603%	\$0.0400
*** 16.12.2024	16.12.2028	\$0.083	\$0.10	100%	-	3.923%	\$0.0600
*** 14.03.2025	14.03.2029	\$0.082	\$0.10	100%	-	3.766%	\$0.0600

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

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

*** Loan funded shares.

A share option plan has been established by the consolidated entity, whereby the consolidated entity may, at the discretion of the Board, grant options over ordinary shares in the Company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board. In addition, the Company has also issued loan funded shares pursuant to an employment agreement with the CEO.

Non-Executive Director Remuneration

The Board considers the level of remuneration necessary to attract and retain Directors with the skills and experience required by the Company at its stage of development. Non-executive Directors fees are paid within an aggregate limit which is approved by the shareholders from time to time. No retirement payments are made to Non-executive Directors.

Non-executive Directors' fees were set at \$52,500 per annum inclusive of superannuation. Effective 31 May 2024, Mr Buttula reverted to the role of Non-Executive Chairman on an annual salary of \$105,000 (exclusive of superannuation). Ms MacLeman received a salary of \$82,500 (inclusive of superannuation) per annum for her role as Deputy Chairman. Effective 2 December 2024, Ms MacLeman reverted to the role of Non-Executive Director. Dr Lockett ceased his executive role on 15 December 2023 and continued as a Non-Executive Director until resignation on 20 November 2024.

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Key Management Personnel Remuneration

Key Terms of the CEO's employment contract

The Company entered into an executive services agreement effective 13 May 2024 for Dr David Atkins as Chief Executive Officer (CEO). Dr Atkins annual remuneration consists of a fixed base remuneration of \$350,000 (exclusive of superannuation) per annum. In addition to his base, he is eligible to participate in:

- (i) up to 30% of that fixed base remuneration as a short-term incentive; and
- (ii) up to 20% of that fixed base remuneration as a long-term incentive - as described below.

Execution Equity Incentive (EEI)

Dr Atkins remuneration also includes awarded 'signing on' incentives:

- (i) 4,000,000 Loan Funded Shares at \$0.10 (4 year non-recourse loan at 0% interest rate);
- (ii) 2,000,000 Options, exercisable at \$0.20 (unlisted, expiry of 31 March 2026); and
- (iii) 2,000,000 Options, exercisable at \$0.30 (unlisted, expiry of 31 March 2026 and 31 March 2028).

Short-term incentive (STI)

Dr Atkins is entitled in addition to his fixed income (FI) to a target short-term incentive with a maximum opportunity capped at 30% of FI. Payment of any STI will be subject to the financial and non-financial performance of the Group, Dr Atkins performance against performance targets and priorities set by the Board in consultation with Dr Atkins, the rules of the short-term incentive plan and relevant market information.

Short-term incentive awards are treated as follows:

- (i) 50% will be paid in cash; and
- (ii) 50% will be deferred for two years in equity (on the terms of the Company's Omnibus Employee Incentive Plan).

Dividends, if any, will be paid on short-term equity (issued shares) incentives.

Unless the Board determines otherwise, Dr Atkins will forfeit any deferred short-term incentive if his employment ceases due to death, retirement, hardship, redundancy or other reason determined by the Board from time to time.

Long-term incentive (LTI)

Subject to any approval Rhythm considers necessary or appropriate, Dr Atkins will be entitled to participate in the Rhythm's Omnibus Employee Incentive Plan a long-term incentive scheme in accordance with the rules of the scheme and any applicable Rhythm policy. Dr Atkins will be entitled to an annual long-term incentive grant up to 20% of his FI. This is a four-year performance period. The number of equity incentive rights (66.67% Loan Funded Shares and 33.33% 3-year unlisted options) granted will be determined using Rhythm's share price (face value).

Dividends, if any, will be paid on long-term equity (issued shares) incentives.

If at any time approval of Dr Atkins participation in the Rhythm's Omnibus Employee Incentive Plan is sought but not obtained, he will be entitled to receive a cash payment equivalent in value to the long-term incentive that would have been granted had shareholder approval been obtained, subject to the same performance hurdles and timing for vesting (payment).

Dr Atkins will forfeit any cash long-term incentive if his employment is terminated by his resignation (unless approved by Rhythm or due to his death or illness), due to his misconduct, or if Rhythm determines that such action is necessary to protect the financial soundness of Rhythm or where adverse outcomes have arisen that reduce the original assessment of the performance generating the provision of the benefit.

If Dr Atkins employment is terminated by the provision of notice by Rhythm or by the provision of notice by Dr Atkins with Rhythm approval or due to his death or illness, at Rhythm's discretion he will forfeit either all or a pro rata portion of the cash long-term incentive taking into account his employment period as a portion of the performance period for the incentive.

Clawback Policy

Rhythm retains discretion to clawback some or all of any short or long term incentive awarded to Dr Atkins (if not already paid or vested) if Rhythm considers such award(s) would be an inappropriate benefit pursuant to the Rhythm Clawback Policy.

Termination

Rhythm may terminate Dr Atkins employment at any time on three months' notice or payment in lieu of notice. Dr Atkins may terminate his employment with Rhythm at any time on three months' notice or, at Rhythm's election, payment in lieu of notice. Dr Atkins employment may also be summarily terminated (without notice) by Rhythm in circumstances of his misconduct or long-term illness.

Restrictive covenant

Dr Atkins will be restrained for up to six months after termination of his employment with Rhythm from being engaged in competition with Rhythm, and from soliciting Rhythm employees or persuading people who do business with Rhythm to cease or reduce their business with Rhythm.

Key Terms of the CFO's employment contract

The Company entered into an executive services agreement effective 18 March 2025 for Mr Todd Perkinson as Chief Financial Officer (CFO) and Company Secretary to receive an annual salary of \$205,000 (exclusive of superannuation). The Company also issued Mr Perkinson 750,000 Loan Funded Shares at \$0.10 (4-year non-recourse loan at 0% interest rate). Mr Perkinson was also entitled to receive short-term incentives dependent upon performance, as assessed against key performance indicators.

RHYTHM BIOSCIENCES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2025

Details of the remuneration of Directors and Key Management Personnel for the 2025 financial year are provided below:

	Short-term Benefits			Long-term Benefits				% Performance Based
	Cash salary and fees (\$)	Bonus (v) (\$)	Annual Leave Provision (\$)	Long Service Leave Provision (\$)	Post-employment Superannuation (\$)	Equity-based compensation Shares and Options (\$)	Total (\$)	
EXECUTIVE DIRECTOR								
D Atkins	350,000	81,900	6,731	-	40,250	226,328	705,209	43.7
NON-EXECUTIVE DIRECTORS								
O Buttula	105,000	-	-	-	12,075	11,449	128,524	8.9
T Lockett (i)	18,311	-	-	-	2,106	2,862	23,279	12.3
S MacLeman	58,296	-	-	-	6,704	1,882	66,882	2.8
L Panaccio	18,311	-	-	-	2,106	859	21,276	4.0
G Fox-Smith (iv)	30,625	-	-	-	-	-	30,625	-
OTHER EXECUTIVES								
T Perkinson (ii)	53,615	-	4,124	-	6,166	9,986	73,891	13.5
G Carisbrooke (iii)	154,897	-	(4,272)	-	17,748	-	168,373	-
TOTAL	789,055	81,900	6,583	-	87,155	253,366	1,218,059	

- (i) Resigned 20 November 2024.
(ii) Appointed 18 March 2025.
(iii) Resigned 21 February 2025.
(iv) Appointed 2 December 2024.
(v) 50% will be paid in cash and 50% will be deferred for two years in equity (subject to shareholder approval on the terms of the Company's Omnibus Employee Incentive Plan) at 9 cents per share equalling 455,000 shares. The amount of \$81,900 represents 78% of the maximum bonus (\$105,000 which is 30% of his fixed salary) available to Mr Atkins.

RHYTHM BIOSCIENCES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2025

Details of the remuneration of Directors and Key Management Personnel for the 2024 financial year are provided below:

Details of the Remuneration of Directors and Key Management Personnel for the 2024 financial year are provided below:								
	Short-term Benefits			Long-term Benefits				% Performance Based
	Cash salary and fees (\$)	Bonus (\$)	Annual Leave Provision (\$)	Long Service Leave Provision (\$)	Post-employment Superannuation (\$)	Equity-based compensation Shares and Options (\$)	Total (\$)	
EXECUTIVE DIRECTORS								
O Buttula (i)	160,000	-	-	-	17,600	191,510	369,110	51.9
T Lockett	91,475	-	-	-	10,062	47,878	149,415	32.0
NON-EXECUTIVE DIRECTORS								
S MacLeman	74,217	-	-	-	8,164	5,359	87,740	6.1
L Panaccio	47,297	-	-	-	5,203	14,363	66,863	21.5
R David (ii)	23,649	-	-	-	2,601	(26,421)	(171)	-
OTHER EXECUTIVES								
D Atkins (iii)	49,359	-	3,706	-	5,429	32,877	91,371	36.0
P Smith (iv)	99,545	-	(14,480)	-	10,950	(260,334)	(164,319)	-
G Carisbrooke (v)	125,135	-	4,272	-	13,765	-	143,172	-
TOTAL	670,677	-	(6,502)	-	73,774	5,232	743,181	

- (i) Executive Chairman from 1 December 2021 to 31 May 2024
(ii) Resigned 28 December 2023.
(iii) Appointed 13 May 2024.
(iv) Resigned 15 November 2023.
(v) Employed from 21 September 2023 (Key Management Personnel member from 16 November 2023).

Share-Based Payments

No shares were issued to employees during the current or prior year, excluding Loan Funded Shares.

There were nil (2024: 1,350,000) ordinary shares issued during the financial year from the exercise of employee share options.

RHYTHM BIOSCIENCES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2025

Option Holdings

The number of options over ordinary shares in the Company held during and at the end of the financial year by each Director and Key Management Personnel, including related parties, are set out below (refer also to Note 17 for further details):

	Balance at Beginning of Year	Granted During Year	Exercised During Year	Lapsed	Upon Appointment /Resignation	Balance at End of Year	Vested and Exercisable at End of Year	Unvested at End of Year
T Lockett	445,650	-	-	(252,000)	(193,650)	-	-	-
O Buttula	6,425,001	-	-	(1,000,000)	-	5,425,001	5,425,501	-
S MacLeman	200,000	-	-	-	-	200,000	50,000	150,000
L Panaccio	209,500	-	-	(85,000)	(124,500)	-	-	-
D Atkins	4,000,000	-	-	-	-	4,000,000	-	4,000,000
T Perkinson	-	-	-	-	-	-	-	-
G Carisbrooke	-	750,000	-	-	(750,000)	-	-	-
G Fox-Smith	-	-	-	-	-	-	-	-
TOTAL	11,280,151	750,000	-	(1,337,000)	(1,068,150)	9,625,001	5,475,501	4,150,000

Shareholdings and Loan Funded Shares Holdings

The number of ordinary shares and loan funded shares in the Company held during and at the end of the 2025 financial year by each Director and Key Management Personnel of the Group, including related parties, are set out below.

	Balance at Beginning of Year	Share-based compensation	Acquired	Upon Resignation	Disposals and other transactions	Balance at End of Year
O Buttula	36,384,575	-	-	-	-	36,384,575
S MacLeman	-	-	-	-	-	-
L Panaccio	1,079,000	-	-	(1,079,000)	-	-
T Lockett	1,678,300	-	-	(1,678,300)	-	-
G Fox-Smith	-	-	-	-	-	-
D Atkins – Loan Funded Shares	4,000,000	-	-	-	-	4,000,000
T Perkinson – Loan Funded Shares	-	750,000	-	-	-	750,000
G Carisbrooke – Loan Funded Shares	-	1,000,000	-	(1,000,000)	-	-
TOTAL	43,141,875	1,750,000	-	(3,757,300)	-	41,134,575

RHYTHM BIOSCIENCES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2025

Additional information

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2025	2024	2023	2022	2021
Loss after income tax	\$3,829,371	\$6,856,761	\$8,217,557	\$8,793,521	\$6,612,148
Share price at the end of the financial year	\$0.054	\$0.06	\$0.41	\$1.15	\$0.89
Basic Loss per share (cents per share) for the year	1.39	3.00	3.79	4.19	3.57

Related Party Transactions

During the 2025 and 2024 financial years there were no transactions with related parties other than remuneration.

From time to time the Directors incur and are reimbursed for costs arising in fulfilling their duties, such as travel and accommodation charges.

This concludes the remuneration report, which has been audited.

Unissued Shares or Interests under Option

The Company has issued 47,060,499 listed Options with an exercise price of \$0.20 each expiring on 31 March 2026.

The following unlisted Unissued Shares or Interests under Option existed as at the date of this report:

Number of Options	Exercise Price (\$)	Grant Date	Vesting Conditions	Vesting Date	Expiry Date	Holder
200,000	\$1.80	10.10.2023	Various (i)	Various (i)	30.11.2025	S MacLeman
401,716	\$0.20	1.05.2025	n/a	1.05.2025	31.05.2026	Consultant
2,000,000	\$0.20	13.05.2024	Employment	13.05.2025	31.05.2026	D Atkins
1,000,000	\$0.30	13.05.2024	Employment	13.05.2025	31.03.2028	D Atkins
1,000,000	\$0.30	13.05.2024	Employment	13.05.2026	31.03.2028	D Atkins
375,000	\$0.20	20.08.2024	n/a	20.08.2024	20.08.2026	Employees
375,000	\$0.30	20.08.2024	Employment	20.08.2025	20.08.2028	Employees
5,351,716						

The following ESOP Loan Funded Share arrangements existed as at the date of this report:

Number	Issue Price (\$)	Grant Date	Vesting Conditions	Vesting Date	Expiry Date	Holder
2,000,000	\$0.10	13.5.2024	Employment	12.5.2025	12.5.2028	Dr Atkins
2,000,000	\$0.10	13.5.2024	Employment	12.5.2026	12.5.2028	Dr Atkins
1,375,000	\$0.10	Various	Employment	12 months	4 years	Employees
1,375,000	\$0.10	Various	Employment	24 months	4 years	Employees
6,750,000						

RHYTHM BIOSCIENCES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2025

Voting and comments made at the Company's 2024 Annual General Meeting

At the 2024 Annual General Meeting the 2024 Remuneration Report was voted on by shareholders with 42.17% of votes against the resolution. Changes to the Board and Key Management Personnel have occurred during the financial year ended 30 June 2025.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Indemnity and insurance of officers

The Company has paid a premium for Directors' and Officers' Liability (Management Liability) Insurance.

Under the Company's constitution:

- i. To the extent permitted by law and subject to the restrictions in sections 199A and 199B of the Corporations Act 2001, the Company indemnifies every person who is or has been an officer of the Company against any liability (other than for legal costs) incurred by that person as an officer of the Company.
- ii. To the extent permitted by law and subject to the restrictions in sections 199A and 199B of the Corporations Act 2001, the Company indemnifies every person who is or has been an officer of the Company against reasonable legal costs incurred in defending an action for a liability incurred by that person as an officer of the Company.

The Company insures its Directors, Company Secretary, and executive officers under a Management Liability Insurance policy. Under the Company's Management Liability Insurance Policy, the Company cannot release to any third party or otherwise publish details of the nature of the liabilities insured by the policy or the amount of the premium. Accordingly, the Company relies on section 300(9) of the Corporations Act 2001 to exempt it from the requirement to disclose the nature of the liability insured against and the premium amount of the relevant policy.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is set out on page 18.

Non-Audit Services

William Buck Audit (Vic) Pty Ltd were paid \$nil for non-audit services during the 2025 financial year.

There are no officers of the company who are former directors of William Buck Audit (Vic) Pty Ltd.

This report is made in accordance with a resolution of the Directors.



Otto Buttula
Non-Executive Chairman

Melbourne, Australia
Dated this 29th day of August 2025

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Rhythm Biosciences Limited

As lead auditor for the audit of Rhythm Biosciences Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

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

William Buck.

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A. A. Finnis

A. A. Finnis

Director

Melbourne, 29 August 2025

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RHYTHM BIOSCIENCES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	2025 (\$)	2024 (\$)
INCOME			
Income	3	3,326,241	1,742,426
EXPENSES			
Cost of goods sold		(224,894)	-
Employment related costs	4	(3,447,979)	(1,590,179)
Office and administration costs		(1,668,040)	(1,414,129)
Research and development costs		(1,383,873)	(2,345,560)
Acquisition costs		(167,319)	-
Depreciation and amortisation		(196,784)	(198,660)
Inventory impairment expense		-	(3,047,516)
Finance expense		(66,723)	(3,143)
LOSS BEFORE INCOME TAX		(3,829,371)	(6,856,761)
Income tax expense	5	-	-
LOSS AFTER TAX		(3,829,371)	(6,856,761)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(2,929)	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(3,832,300)	(6,856,761)
LOSS PER SHARE			
Basic and diluted loss per share (cents per share)	6	(1.42)	(3.00)

The financial statements should be read in conjunction with the accompanying notes.

RHYTHM BIOSCIENCES LIMITED
FINANCIAL STATEMENTS
AS AT 30 JUNE 2025

Consolidated Statement of Financial Position

	Notes	2025 (\$)	2024 (\$)
CURRENT ASSETS			
Cash and cash equivalents	15	1,397,208	709,496
Trade and other receivables		61,907	37,199
Other financial assets – term deposit		85,000	45,000
Prepayments		193,105	94,973
Inventories		74,359	-
TOTAL CURRENT ASSETS		1,811,579	886,668
NON-CURRENT ASSETS			
Intangible assets	7	849,152	354,102
Right-of-use assets		99,593	164,779
Plant and equipment		71,441	113,159
TOTAL NON-CURRENT ASSETS		1,020,186	632,040
TOTAL ASSETS		2,831,765	1,518,708
CURRENT LIABILITIES			
Trade and other payables	9	874,226	459,709
Provisions	10	179,404	23,782
Lease liabilities		105,356	78,351
Borrowings	11	1,000,000	
TOTAL CURRENT LIABILITIES		2,158,986	561,842
NON-CURRENT LIABILITIES			
Provisions	12	10,972	4,229
Lease liabilities		1,915	85,471
TOTAL NON-CURRENT LIABILITIES		12,887	89,700
TOTAL LIABILITIES		2,171,873	651,542
NET ASSETS		659,892	867,166

RHYTHM BIOSCIENCES LIMITED
FINANCIAL STATEMENTS
AS AT 30 JUNE 2025

Consolidated Statement of Financial Position (Continued)

	Notes	2025 (\$)	2024 (\$)
EQUITY			
Issued capital	13	37,753,596	34,448,096
Reserves	14	5,409,840	5,093,243
Accumulated losses		(42,503,544)	(38,674,173)
TOTAL EQUITY		659,892	867,166

The financial statements should be read in conjunction with the accompanying notes.

RHYTHM BIOSCIENCES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Consolidated Statement of Changes in Equity

	Issued Capital (\$)	Reserves (\$)	Accumulated Losses (\$)	Total (\$)
BALANCE AT 1 JULY 2023	31,550,602	6,141,261	(31,817,412)	5,874,451
Loss attributable to members	-	-	(6,856,761)	(6,856,761)
Total comprehensive income/(loss) for the year	-	-	(6,856,761)	(6,856,761)
<i>Transactions with owners in their capacity as owners:</i>				
Issued capital	3,015,416	-	-	3,015,416
Capital raising costs	(117,922)	-	-	(117,922)
Share-based payments expense/(reversal) (Note 17)	-	(1,048,018)	-	(1,048,018)
Total transactions with owners of the Company	2,897,494	(1,048,018)	-	1,849,476
BALANCE AT 30 JUNE 2024	34,448,096	5,093,243	(38,674,173)	867,166

BALANCE AT 1 JULY 2024	34,448,096	5,093,243	(38,674,173)	867,166
Loss attributable to members	-	-	(3,829,371)	(3,829,371)
Foreign currency translation	-	(2,929)	-	(2,929)
Total comprehensive income/(loss) for the year	-	(2,929)	(3,829,371)	(3,832,300)
<i>Transactions with owners in their capacity as owners:</i>				
Issued capital	3,500,000	-	-	3,500,000
Issued options	-	50	-	50
Capital raising costs	(224,500)	-	-	(224,500)
Share-based payments (reversal)/expense (Note 17)	30,000	319,476	-	349,476
Total transactions with owners of the Company	3,305,500	319,526	-	3,625,026
BALANCE AT 30 JUNE 2025	37,753,596	5,409,840	(42,503,544)	659,892

The financial statements should be read in conjunction with the accompanying notes.

RHYTHM BIOSCIENCES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Consolidated Statement of Cash Flows

	Notes	2025 (\$)	2024 (\$)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		22,181	-
Payments to suppliers and employees		(6,177,777)	(7,876,454)
Interest paid		(66,306)	(3,143)
Interest received		134,328	52,282
Research and development tax refund		3,166,287	1,690,144
NET CASH USED IN OPERATING ACTIVITIES	15	(2,921,287)	(6,137,171)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(23,210)	(82,281)
Payments for deposits		(40,000)	-
Payment for acquisition of business	8	(519,751)	-
NET CASH USED IN INVESTING ACTIVITIES		(582,961)	(82,281)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issues of shares and options		3,500,050	3,015,416
Costs of capital raising		(219,103)	(117,922)
Proceeds from borrowings		2,150,000	-
Repayment of borrowings		(1,150,000)	-
Repayment of lease liabilities		(88,987)	(92,727)
NET CASH FROM FINANCING ACTIVITIES		4,191,960	2,804,767
NET INCREASE/(DECREASE) IN CASH HELD		687,712	(3,414,685)
Cash and cash equivalents at beginning of financial year		709,496	4,124,181
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR		1,397,208	709,496

The financial statements should be read in conjunction with the accompanying notes.

RHYTHM BIOSCIENCES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2025

Note 1: Material Accounting Policy Information

The consolidated financial statements and notes represent those of Rhythm Biosciences Limited and Controlled Entities (the 'consolidated entity' or 'Group'). The separate financial statements of the parent entity, Rhythm Biosciences Limited ('the Company'), have not been presented within this financial report as permitted by amendments made to the Corporations Act 2001. The financial report covers the economic entities of Rhythm Biosciences Limited and its controlled entities as an economic entity for the year ended 30 June 2025. Comparatives are disclosed for the year ended 30 June 2025.

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency. The financial statements were authorised for issue on the date of the approval of the Directors' declaration by the Directors of the Company.

Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and comply with other requirements of the law. The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

Basis of Preparation

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated. The financial report has been prepared on an accruals basis and is based on historical costs.

Going Concern

The consolidated entity incurred an operating loss of \$3,829,371 (2024: \$6,856,761) and had cash outflows from operating activities of \$2,921,287 (2024: \$6,137,171) for the year ended 30 June 2025. The consolidated entity is in start-up phase and does not yet have a significant income stream. These conditions indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern.

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

- as at 30 June 2025, the consolidated entity had a cash position of \$1,397,208;
- a research and development refund for FY25, based on expenditure incurred, is expected to be received. A secured loan obtained for \$1,000,000 in June 2025 has provided early access to this forecast research and development refund;
- activities are focused on commercialising ColoSTAT® in various geographies;
- As disclosed in the financial report the Company has raised capital post year end and has the potential to raise additional capital from potential investors and debt type funding from financiers. The Directors are confident in the Company's ability to raise additional capital based on the Company's successful track record in doing so;
- the consolidated entity is still in the early stages of operations and is able to scale back activity if required for cashflow management purposes; and
- the forecast cash flows for the consolidated entity indicate that based on current cash on hand and expected inflows from research and development refunds and additional capital to be raised from investors, the consolidated entity is expected to maintain a positive cash position for at least the period of 12 months from the date the Directors approve the annual financial statements.

As a consequence of the above, the directors believe that, notwithstanding the consolidated entity's operating results for the year, the consolidated entity will be able to continue as a going concern for the foreseeable future and therefore, Directors consider it is appropriate to prepare the financial statements on a going concern basis.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

RHYTHM BIOSCIENCES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2025

Note 1: Material Accounting Policy Information (Continued)

Revenue Recognition

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

Government stimulus and research and development tax refund income is recognised when there is reasonable assurance that the eligibility conditions are met and that the grants will be received.

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'weighted average' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Plant & Equipment

The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including capitalised lease assets, is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Items of property, plant and equipment, are depreciated over their estimated useful lives.

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AS AT 30 JUNE 2025

Note 1: Material Accounting Policy Information (Continued)

Depreciation (continued)

The depreciation rates for each class of asset are:

Office Equipment	10%
Computer Equipment	33.3%
Laboratory Equipment	33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each end of reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Intangibles

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Product development costs are capitalised only when each of the following specific criteria has been satisfied:

- i. Technical feasibility of completing development of the product and obtaining approval by regulatory authorities.
- ii. Ability to secure a commercial partner for the product.
- iii. Availability of adequate technical, financial and other resources to complete development of the product, obtain regulatory approval and secure a commercial partner.
- iv. Reliable measurement of expenditure attributable to the product during its development.
- v. High probability of the product entering a major diagnostic market.

Capitalised development costs have a finite life and are amortised on a systematic basis over the period from when the product becomes available for use and ceases at the earlier of the date the asset is expected to exit the market or that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with AASB 5.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Other intangible assets

Other intangible assets comprise licences and are stated at cost less accumulated amortisation and impairment losses.

Employee Entitlements

Short-term and long-term employee benefits

A liability is recognised for benefits accruing to employees for wages and salaries and annual leave in the year the related service is rendered. Liabilities recognised in respect of short-term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date. Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

Share-based compensation

Equity-settled and cash-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares including loan funded shares that meet the criteria of options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

Note 1: Material Accounting Policy Information (Continued)

Employee Entitlements (continued)

Share-based compensation (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing or models that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

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Note 1: Material Accounting Policy Information (Continued)

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Financial Instruments

Recognition

Financial instruments are initially measured at fair value on transaction date, plus or minus transaction costs directly attributable to the acquisition. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets

Cash balances are recognised at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation. Lease liabilities have been recorded adopting an Incremental borrowing rate of 15% (2024: 15%).

Impairment

An 'expected credit loss' ('ECL') model is used to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted.

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RHYTHM BIOSCIENCES LIMITED
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Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates

Share-based payments

Rhythm operates an Employee Share Option Plan (ESOP). The non-cash expense of issuing these options is calculated using a Black-Scholes option pricing model. This model requires the input of a number of variables including an estimate of future volatility and a risk-free interest rate. The probability of meeting any vesting conditions is also required to be estimated. Refer to Note 17 to the financial statements.

Research and Development Tax Refund Income

Research and development tax refund income is recognised when there is reasonable assurance that the eligibility conditions are met and that the grants will be received. Significant judgement is required in determining the income tax refund eligibility. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The amounts recorded as revenue for the financial years ended 30 June 2025 and 2024 relate to tax refunds received in the same financial year following tax returns lodged claiming eligible expenditure incurred in the previous financial year.

Estimated Useful Lives of Other Intangible Assets

Other intangible assets comprise licences and are stated at cost less accumulated amortisation. Rhythm determines the estimated useful lives and related amortisation charges for its finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Business combinations

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Provision for Impairment of Inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account expected future sales, the ageing of inventories and other factors that affect inventory obsolescence.

Adoption of New and Revised Accounting Standards

During the current year, the Group has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

New Accounting Standards for Application in Future Periods

The Board has not yet assessed the impact of the new, but not yet mandatory, accounting standards issued by Australian Accounting Standards Board (AASB).

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RHYTHM BIOSCIENCES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
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Note 2: Parent Information

	2025 (\$)	2024 (\$)
STATEMENT OF FINANCIAL POSITION		
Current assets	1,383,466	1,114,815
Non-current assets	3,399,741	403,893
TOTAL ASSETS	4,783,207	1,518,708
Current liabilities	1,693,821	483,491
Non-Current Liabilities	10,972	168,051
TOTAL LIABILITIES	1,704,793	651,542
Issued Capital	37,753,596	34,448,096
Reserves	5,412,769	5,093,243
Accumulated losses	(40,087,951)	(38,674,173)
TOTAL EQUITY	3,078,414	867,166
STATEMENT OF COMPREHENSIVE INCOME	2025 (\$)	2024 (\$)
Total loss	(1,413,778)	(6,856,761)
TOTAL COMPREHENSIVE INCOME	(1,413,778)	(6,856,761)
<p>Guarantees The Parent Company has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of its subsidiary Vision Tech Pty Ltd. Further details of the Deed of Cross Guarantee and the subsidiary subject to the deed are set out in Note 26.</p> <p>Commitments and Contingent Liabilities At 30 June 2025, the Parent Company had no capital commitments and no contingent liabilities (2024: Nil).</p> <p>Significant Accounting Policies The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1, except for investments in subsidiaries which are accounted for at cost, less any impairment, in the parent entity.</p>		

RHYTHM BIOSCIENCES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2025

Note 3: Income

	2025 (\$)	2024 (\$)
Interest income	134,328	52,282
GeneType sales	25,126	-
Research and Development Tax Refund	3,166,287	1,690,144
Other sundry income	500	-
TOTAL	3,326,241	1,742,426

Note 4: Employment Related Costs

	2025 (\$)	2024 (\$)
Staff salaries and Director fees	2,498,476	2,097,522
Superannuation	226,640	238,696
Share-based payments expense (Refer to Note 17 for options and shares issued)	315,459	(1,048,018)
Other employment related expenses	407,404	301,979
TOTAL	3,447,979	1,590,179

Note 5: Income Tax

	2025 (\$)	2024 (\$)
Prima facie income tax benefit before income tax at 30% (2024: 25%)	1,148,811	1,714,190
Add/(subtract) tax effect:		
- Research and development claim	949,886	422,536
- Share based payments expense	(94,638)	262,005
- Other non-deductible expenditure	(9,370)	(14,010)
- Tax losses and temporary differences not brought to account	(1,994,689)	(2,384,721)
INCOME TAX EXPENSE	-	-

Tax losses of \$6,659,492 (2024: \$5,681,511) and temporary differences of \$313,777 (2024: \$86,857) have not brought to account on the basis that their recovery is not considered probable at reporting date.

RHYTHM BIOSCIENCES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
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Note 6: Loss Per Share

	2025 (\$)	2024 (\$)
The following reflects the income and share data used in the calculations of basic and diluted loss per share:		
Loss used in calculating basic and diluted earnings per share	(3,829,371)	(6,856,761)
	2025 No. of Shares	2024 No. of Shares
Weighted average number of ordinary shares used in calculating basic loss per share	269,251,633	228,296,917
Basic and diluted loss per share (cents)	(1.42)	(3.00)
Calculation of diluted loss per share Potential ordinary shares are considered to be antidilutive, therefore diluted loss per share is equivalent to the basic loss per share.		

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RHYTHM BIOSCIENCES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
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Note 7: Intangible Assets

	2025 (\$)	2024 (\$)
INTELLECTUAL PROPERTY		
Licences at cost (i)	600,000	600,000
Licences accumulated amortisation (i)	(281,869)	(245,898)
	318,131	354,102
GOODWILL		
GeneType acquisition	531,021	-
	849,152	354,102

	2025 (\$)	2024 (\$)
MOVEMENT IN CARRYING AMOUNTS - IP:		
Balance at the beginning of the year	354,102	390,073
Amortisation (i)	(35,971)	(35,971)
BALANCE AT THE END OF THE YEAR	318,131	354,102

(i) A licence was granted by the Commonwealth Scientific and Industrial Research Organisation ("CSIRO") on 23 August 2017 and is being amortised over a period of 17 years based on contract terms. This has been assessed as the expected useful life of the intangible asset.

	2025 (\$)	2024 (\$)
MOVEMENT IN CARRYING AMOUNTS - GOODWILL:		
Acquired	531,021	-
BALANCE AT THE END OF THE YEAR	531,021	-

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 3 year projection period approved by management, together with a terminal value. The following key assumptions were used in the discounted cash flow model:

- 20% pre-tax discount rate;
- 2.5% per annum terminal revenue growth rate (following the 3 year projection period); and
- 2.1% per annum inflation rate.

The discount rate of 20% pre-tax reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital adjusted for the risk free rate.

RHYTHM BIOSCIENCES LIMITED
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Note 8: Business Combination

On 23 December 2024, the consolidated entity acquired the Genetype risk assessment business assets for a cash consideration of \$519,751. The acquisition of the Genetype business and assets creates a diversified oncology business with significant growth potential.

Details of the provisional fair values of the assets and liabilities accounted for under Accounting Standard AASB 3 Business Combinations are set out below. The acquired business contributed revenues of \$25,126 and a loss after tax of \$1,211,618 for the period from 23 December 2024 to 30 June 2025. The business was under voluntary administration at the time of purchase and information on revenues and results since 1 July 2024 up until the date of purchase have not been made available.

Details as follows:

	23 December 2024
	\$
Inventories	87,050
Right-of-use asset	32,436
Provision for employee entitlements	(98,320)
Lease liability	(32,436)
Net assets/(liabilities) acquired	(11,270)
Goodwill	531,021
Cash consideration paid	519,751
Acquisition costs expensed to profit and loss	167,319

Note 9: Trade and Other Payables

	2025 (\$)	2024 (\$)
Trade creditors	529,573	211,609
Accruals	344,653	248,100
	874,226	459,709

Note 10: Provisions – current liabilities

	2025 (\$)	2024 (\$)
Employee entitlements - annual leave	120,472	23,782
Employee entitlements – long service leave	58,932	-
	179,404	23,782

RHYTHM BIOSCIENCES LIMITED
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AS AT 30 JUNE 2025

Note 11: Borrowings

	2025 (\$)	2024 (\$)
Loan – Endpoints Capital Pty Ltd	1,000,000	-
	1,000,000	-

On 30 June 2025, the Company announced on the ASX it entered into a secured loan facility agreement (Loan) to provide early access to \$1,140,000 (\$1,000,000 drawn down as at 30 June 2025) cash of its forecast FY25 R&D Tax Incentive (RDTI Rebate) expected to be received later in 2025.

The Loan is secured by and repayable out of the FY25 RDTI Rebate and attracts a fixed 1.25% per month interest rate. It matures on 31 December 2025, however, can be extended by agreement between the lender and Rhythm. This Loan is intended to be used in a bridging period prior to receiving the FY25 RDTI Rebate.

Note 12: Provisions – non-current liabilities

	2025 (\$)	2024 (\$)
Employee entitlements – long service leave	10,972	4,229
	10,972	4,229

Note 13: Issued Capital

	2025 (No.)	2024 (No.)	2025 (\$)	2024 (\$)
ORDINARY SHARES FULLY PAID				
Balance at the beginning of the year	252,596,750	219,792,589	34,448,096	31,550,602
Rights issue at 10 cents per share	-	27,454,161	-	2,745,416
Options exercised	-	1,350,000	-	270,000
Placement at 10 cents per share	35,000,000	-	3,500,000	-
Share based payment - consultant	483,871	-	30,000	-
Loan funded shares (unlisted)	2,250,000	4,000,000	-	-
Capital raising costs			(224,500)	(117,922)
BALANCE AT THE END OF THE YEAR	290,330,621	252,596,750	37,753,596	34,448,096

RHYTHM BIOSCIENCES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2025

Note 13: Issued Capital (continued)

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. Ordinary shares have no par value and the company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The consolidated entity would look to raise capital when an opportunity to invest further into development and commercialisation or in a business seen as value adding relative to the current Company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from 30 June 2024.

Note 14: Reserves

	2025 (\$)	2024 (\$)
Options reserve	50	-
Share-based payments reserve	5,412,719	5,093,243
Foreign currency reserve	(2,929)	-
BALANCE AT THE END OF THE YEAR	5,409,840	5,093,243

RHYTHM BIOSCIENCES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2025

Note 14: Reserves (continued)

	Notes	2025 (\$)	2024 (\$)
OPTIONS RESERVE			
Balance at the beginning of the year		-	-
Options issued		50	-
BALANCE AT THE END OF THE YEAR		50	-

Options reserve is used to record the value of options issued for cash consideration.

	Notes	2025 (\$)	2024 (\$)
SHARE BASED PAYMENTS RESERVE			
Balance at the beginning of the year		5,093,243	6,141,261
Share-based payments granted expense	17	9,500	4,000
Share-based payments expensed over vesting period	17	309,976	287,989
Share-based payments lapsed	17	-	(1,340,007)
BALANCE AT THE END OF THE YEAR		5,412,719	5,093,243

Share based payments reserve is used to record the value of equity benefits provided to Directors, employees and consultants as part of their remuneration.

	Notes	2025 (\$)	2024 (\$)
FOREIGN CURRENCY RESERVE			
Balance at the beginning of the year		-	-
Foreign currency movement		(2,929)	-
BALANCE AT THE END OF THE YEAR		(2,929)	-

Foreign currency reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

RHYTHM BIOSCIENCES LIMITED
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Note 15: Cash Flow Information

		2025 (\$)	2024 (\$)
a. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:			
Cash at bank		1,397,208	709,496
		1,397,208	709,496
b. Reconciliation of cash flow from operating activities with loss after income tax benefit			
Loss after income tax		(3,829,371)	(6,856,761)
NON-CASH ITEMS			
Depreciation and amortisation		196,874	198,660
Expense/(reversals) recognised in respect of equity-settled share-based payments		349,476	(1,048,018)
CHANGES IN ASSETS AND LIABILITIES			
Decrease/(Increase) in trade and other receivables		(11,072)	28,315
Decrease/(Increase) in prepayments		(99,324)	22,596
Decrease in inventories		12,691	2,766,682
(Decrease)/Increase in trade and other payables		395,484	(1,063,134)
(Decrease)/Increase in provision for employee entitlements		64,045	(185,511)
NET CASH USED IN OPERATING ACTIVITIES		(2,921,287)	(6,137,171)

Note 16: Related Party Transactions

Rhythm Biosciences Limited is the parent entity. Refer to Note 22 for details on the subsidiaries.

The names of each person holding the position of director of Rhythm Biosciences Limited during the year were Mr Otto Buttula, Dr David Atkins (appointed 30 September 2024), Dr Trevor Lockett (resigned 20 November 2024), Mr Lou Panaccio (resigned 20 November 2024), Mr Gavin Fox-Smith (appointed 2 December 2024) and Ms Susan MacLeman. Company secretaries were Ms Andrea Steele (resigned 6 January 2025), Mr James Barrie (resigned 6 January 2025) and Mr Mark Licciardo (appointed 6 January 2025).

During the 2025 and 2024 financial years there were no transactions with related parties other than remuneration as disclosed in the Remuneration Report.

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Note 17: Share-Based Payments

During the 2025 financial year the Company granted 1,700,000 options to employees as part of their remuneration. Vesting conditions related to these options not yet achieved are as follows:

- 50% upon remaining employed on 19 August 2025.

Mr Perkinson's remuneration also included 750,000 Loan Funded Shares at \$0.10 (4-year non-recourse loan at 0% interest rate). Vesting conditions related to these Loan Funded Shares not yet achieved are as follows:

- 50% upon remaining employed on 13 March 2026; and
- 50% upon remaining employed on 13 March 2027.

Employees' remuneration also included 800,000 Loan Funded Shares at \$0.10 (4-year non-recourse loan at 0% interest rate). Vesting conditions related to these Loan Funded Shares not yet achieved are as follows:

- 50% upon remaining employed on 17 July 2025; and
- 50% upon remaining employed on 17 July 2026.

Mr Carisbrooke remuneration also included 1,000,000 Loan Funded Shares at \$0.10 (4-year non-recourse loan at 0% interest rate). Vesting conditions related to these Loan Funded Shares not yet achieved are as follows:

- 50% upon remaining employed on 19 August 2025; and
- 50% upon remaining employed on 19 August 2026.

Employees' remuneration also included 200,000 Loan Funded Shares at \$0.10 (4-year non-recourse loan at 0% interest rate). Vesting conditions related to these Loan Funded Shares not yet achieved are as follows:

- 50% upon remaining employed on 19 August 2025; and
- 50% upon remaining employed on 19 August 2026.

Employees' remuneration also included 500,000 Loan Funded Shares at \$0.10 (4-year non-recourse loan at 0% interest rate). Vesting conditions related to these Loan Funded Shares not yet achieved are as follows:

- 50% upon remaining employed on 15 December 2025; and
- 50% upon remaining employed on 15 December 2026.

During the 2024 financial year the Company granted 4,200,000 options to key management personnel as part of their remuneration. Vesting conditions related to these options not yet achieved are as follows:

In respect to Ms MacLeman:

- 33.3% upon remaining employed on 30 November 2025.

In respect to Dr Atkins:

- 25% upon remaining employed on 12 May 2026.

Dr Atkins' remuneration also included 4,000,000 Loan Funded Shares at \$0.10 (4 year non-recourse loan at 0% interest rate). Vesting conditions related to these Loan Funded Shares not yet achieved are as follows:

- 50% upon remaining employed on 12 May 2026.

During the 2023 financial year the Company granted 10,950,000 options to key management personnel and other employees as part of their remuneration. Vesting conditions related to these options not yet achieved are as follows:

- 25% upon remaining employed on 31 December 2025.

RHYTHM BIOSCIENCES LIMITED
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Note 17: Share-Based Payments (continued)

Set out below are summaries of Options granted. Options include amounts that lapsed subsequent to reporting date as announced on the ASX. Unvested Options shall lapse upon employment termination without notice (with cause) or cessation.

An expense of \$315,459 (2024: \$1,048,018 expense reversal) for Options and loan funded shares is included in the Statement of profit or loss and other comprehensive income which arose as a result of service conditions not being met and consequently Options lapsing prior to the vesting date. Details are as follows:

Grant Date	Expiry Date	Exercise Price	Balance at Start of the Year	Granted	Lapsed	Exercised	Balance at End of the Year	Vested
26.07.2021	31.07.2024	\$1.80	212,500	-	(212,500)	-	-	-
26.07.2021	31.07.2024	\$1.80	1,000,000	-	(1,000,000)	-	-	-
24.11.2021	31.07.2024	\$1.80	1,450,000	-	(1,450,000)	-	-	-
10.01.2023	31.12.2025	\$1.80	3,000,000	-	(3,000,000)	-	-	-
10.10.2023	30.11.2025	\$1.80	200,000	-	-	-	200,000	66,666
13.05.2024	31.03.2026	\$0.20	2,000,000	-	-	-	2,000,000	2,000,000
13.05.2024	31.03.2028	\$0.30	2,000,000	-	-	-	2,000,000	1,000,000
20.08.2024	20.08.2026	\$0.20	-	850,000	-	-	850,000	850,000
20.08.2024	20.08.2028	\$0.30	-	850,000	-	-	850,000	-
TOTAL			9,862,500	1,700,000	(5,662,500)	-	5,900,000	3,916,666

RHYTHM BIOSCIENCES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2025

Note 17: Share-Based Payments (continued)

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

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Expected Volatility	Dividend Yield	Risk-free Interest Rate*	Fair Value at Grant Date
** 26.07.2021	31.07.2024	\$0.93	\$1.80	100%	-	0.130%	\$0.4500
24.11.2021	31.07.2024	\$1.74	\$1.80	100%	-	1.010%	\$1.0200
31.12.2022	31.12.2025	\$1.02	\$1.80	100%	-	3.300%	\$0.5300
10.10.2023	30.11.2025	\$0.32	\$1.80	100%	-	3.970%	\$0.0600
13.05.2024	31.03.2026	\$0.079	\$0.20	100%	-	3.965%	\$0.0200
13.05.2024	31.03.2026	\$0.079	\$0.30	100%	-	3.965%	\$0.0400
*** 13.05.2024	31.03.2028	\$0.079	\$0.30	100%	-	3.965%	\$0.0400
*** 18.07.2024	18.07.2028	\$0.061	\$0.10	100%	-	3.982%	\$0.0400
20.08.2024	20.08.2026	\$0.064	\$0.20	100%	-	3.611%	\$0.0200
20.08.2024	20.08.2026	\$0.064	\$0.30	100%	-	3.603%	\$0.0300
*** 20.08.2024	20.08.2028	\$0.064	\$0.10	100%	-	3.603%	\$0.0400
*** 16.12.2024	16.12.2028	\$0.083	\$0.10	100%	-	3.923%	\$0.0600
*** 14.03.2025	14.03.2029	\$0.082	\$0.10	100%	-	3.766%	\$0.0600

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

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

*** Loan funded shares.

A share option plan has been established by the consolidated entity, whereby the consolidated entity may, at the discretion of the Board, grant options over ordinary shares in the Company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board. In addition, the Company has also issued loan funded shares pursuant to an employment agreement with the CEO.

All options granted are in respect of ordinary shares in Rhythm Biosciences Limited and confer a right of one ordinary share for each option held.

RHYTHM BIOSCIENCES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2025

Note 17: Share-Based Payments (continued)

Movement in the number of share options on issue to Directors, employees and third parties:

	2025	2025	2024	2024
	Number of Options	Weighted Average Exercise Price (cents)	Number of Options	Weighted Average Exercise Price (cents)
Opening balance	9,862,500	117.14	12,920,000	158.60
Granted	1,700,000	25.00	4,200,000	32.38
Forfeited / Lapsed	(5,662,500)	180.00	(5,907,500)	170.18
Exercised	-	-	(1,350,000)	20.00
Outstanding at year-end	5,900,000	30.25	9,862,500	117.14
Exercisable at year-end	900,000	28.89	2,640,625	180.00

The fair value of issued share-based payments granted during the year pursuant to the ESOP in 2025 was calculated to be \$197,500 (2024: \$332,000). The total amount in the income statement is a share-based payments expense of \$315,459 (2024: \$1,048,018 reversal) for Options and Loan Funded Shares in the current and previous years.

The value of share options issued has been calculated by using a Black-Scholes option pricing model applying the following inputs:

	Employees	Employees
Options granted	850,000	850,000
Grant date	20.08.2024	20.08.2024
Exercise price	\$0.20	\$0.30
Underlying share price	\$0.064	\$0.064
Expiry date	20.08.2026	20.08.2028
Vesting period	N/A	12 mths
Expected share price volatility	100%	100%
Risk free interest rate	3.611%	3.603%
Fair value per option at grant date	\$0.02	\$0.03
Total fair value at grant date	\$17,000	\$25,500

The life of the options is based on the contracted expiry date.

The value of loan funded shares issued has been calculated by using a Black-Scholes option pricing model applying the following inputs:

	Employees	Employees	Employees	Employees
Loan funded shares granted	800,000	1,200,000	500,000	750,000
Grant date	18.07.2024	20.08.2024	16.12.2024	14.03.2025
Issue price	\$0.10	\$0.10	\$0.10	\$0.10
Underlying share price	\$0.061	\$0.064	\$0.083	\$0.082
Expiry date	18.07.2028	18.07.2028	18.07.2028	18.07.2028
Vesting period	various	various	various	various
Expected share price volatility	100%	100%	100%	100%
Risk free interest rate	3.982%	3.603%	3.923%	3.766%
Fair value per loan share at grant date	\$0.04	\$0.04	\$0.06	\$0.06
Total fair value at grant date	\$32,000	\$48,000	\$30,000	\$45,000

RHYTHM BIOSCIENCES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2025

Note 18: Financial Risk Management

The Group's financial instruments consist mainly of term deposits with banks, other receivables and trade payables.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Notes	2025 (\$)	2024 (\$)
FINANCIAL ASSETS			
Cash and cash equivalents		1,397,208	709,496
Trade and other receivables		61,907	37,199
Other financial assets – term deposits		85,000	45,000
		1,544,115	791,695
FINANCIAL LIABILITIES			
Trade and other Payables		874,226	459,709
		874,226	459,709

There are no impaired assets within trade and other receivables; these balances, and the balance of trade and other payables, are expected to be settled within 1 year.

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

Financial Risk Management Policies

The Board are responsible for, among other issues, monitoring and managing financial risk exposures of the Group. The Board monitors the Group's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk, and market risk. Discussions on monitoring and managing financial risk exposures are held regularly by the Board. The Board's overall risk management strategy seeks to ensure that the Group meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

The Group did not have any derivative instruments at 30 June 2025.

Specific Financial Risk Exposures and Management

The main risk the Group is exposed to through its financial instruments is liquidity risk.

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that members and counterparties to transactions are of sound creditworthiness.

Credit risk exposures

Cash reserves form the majority of the Group's financial assets. At 30 June 2025, cash was deposited with a large Australian bank in order to limit risk and ensure interest rate competitiveness.

RHYTHM BIOSCIENCES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2025

Note 18: Financial Risk Management (continued)

Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities; and
- only investing surplus cash with major financial institutions.

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. Exposure to interest rate risk arises on interest earned on cash and cash equivalents and term deposits.

The consolidated entity's cash and cash equivalents and term deposits were \$1,482,208 as at 30 June 2025 (2024: \$754,496). An official increase/decrease in interest rates of 100 (2024: 100) basis points would have an adverse/favourable effect on loss before tax of \$14,822 (2024: \$7,545) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts.

Variable rate instruments were cash held at financial Instruments of \$1,397,208 (2024: \$709,496). Fixed rate instruments were term deposits held at financial Institutions of \$85,000 (2024: \$45,000).

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. The Group is not exposed to price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's exposure to currency risk is minimal at present as the majority of transactions are in Australian dollars.

Note 19: Segment Reporting

In accordance with Australian Accounting Standard AASB 8 Operating Segments, the Company has determined that it has one reporting segment, consistent with the manner in which the business is managed. This is the manner in which the chief operating decision maker receives information for the purpose of resource allocation and assessment of performance. The Group operates predominantly in one business and geographical segment being the research and development of biosciences in Victoria, Australia and the United States of America.

Note 20: Key Management Personnel Compensation

The Key Management Personnel compensation included in employee expenses are as follows:

	Share-based payments (\$)	Short-term benefits (\$)	Termination benefits (\$)	Post-employment benefits (\$)	Other Long-term benefits (\$)	Total (\$)
2025						
Total compensation	253,366	877,538	-	87,155	-	1,218,059
2024						
Total compensation	5,232	664,175	-	73,774	-	743,181

Further details on the above remuneration is disclosed in the Remuneration Report in the Directors' report.

RHYTHM BIOSCIENCES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2025

Note 21: Auditor Remuneration

	2025 (\$)	2024 (\$)
REMUNERATION OF THE AUDITOR OF THE GROUP FOR:		
Auditing or reviewing the financial report	66,000	92,556
Other services: Taxation advice	-	13,100
	66,000	105,656

Note 22: Controlled Entities

Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%) 2025	Percentage Owned (%) 2024
Vision Tech Bio Pty Ltd	Australia	100%	100%
IchorDX Inc,	United States	100%	100%
Rhythm Biosciences UK Limited	United Kingdom	100%	100%
RHY GeneType Pty Ltd	Australia	100%	-

* Percentage of voting power in proportion to ownership

Note 23: Events Subsequent to Reporting Date

On 31 July 2025 the Company issued 500,000 Loan Funded Shares at \$0.10 (4-year non-recourse loan at 0% interest rate) to an employee. Vesting conditions related to these Loan Funded Shares not yet achieved are as follows:

- 50% upon remaining employed on 21 February 2026; and
- 50% upon remaining employed on 21 February 2027.

On 4 August 2025 the Company announced on the ASX an update surrounding “ColoSTAT® Delivers Breakthrough Results” which during the week commencing 4 August to 8 August the share price for Rhythm Biosciences achieved a 52-week high share price and a resulting market capitalisation of approx. \$60,000,000.

On 18 August 2025 the company announced a capital raise of \$3,748,902 through;

- Issuing 38,321,133 shares at 9 cents each from a placement, raising \$3,448,902 before costs (completed on 25 August 2025); and
- Directors contributing \$300,000 to the placement (included within the \$3,748,902 total raise), which is subject to shareholder approval at the FY25 AGM which will be held early November 2025; and
- Each share attracted a separate but related option at 1:1 shares/options, resulting in 41,654,465 options listed subject to shareholder approval at the upcoming FY25 AGM which will be held early November 2025. These options will have a two year term and an exercise price of \$0.20 per option.

There has been no other matters or circumstances which have arisen since 30 June 2025 that has significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2025, of the consolidated entity; or
- the results of those operations; or
- the state of affairs, in financial years subsequent to 30 June 2025, of the consolidated entity.

RHYTHM BIOSCIENCES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2025

Note 24: Commitments

There are no capital commitments for expenditure as at 30 June 2025 (2024: \$nil).

Note 25: Contingent Assets and Liabilities

The Group has no contingent assets or liabilities as at 30 June 2025 (2024: \$nil).

Note 26: Deed of Cross Guarantee

A Deed of Cross Guarantee was lodged with the ASIC on 18 April 2023 covering Rhythm Biosciences Limited and Vision Tech Pty Ltd. The consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position of the companies within the Deed are as stated below as at 30 June 2025.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	2025 (\$)	2024 (\$)
INCOME			
Income	3	3,301,115	1,742,426
EXPENSES			
Employment related costs	4	(2,846,133)	(1,590,179)
Office and administration costs		(1,538,455)	(1,414,129)
Research and development costs		(1,138,493)	(2,345,560)
Acquisition costs		(167,319)	-
Depreciation and amortisation		(186,871)	(198,660)
Inventory impairment expense		-	(3,047,516)
Finance expense		(66,723)	(3,143)
LOSS BEFORE INCOME TAX		(2,642,879)	(6,856,761)
Income tax expense	5	-	-
LOSS AFTER TAX		(2,642,879)	(6,856,761)
Other comprehensive income:		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(2,642,879)	(6,856,761)

RHYTHM BIOSCIENCES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2025

Consolidated Statement of Financial Position

	Notes	2025 (\$)	2024 (\$)
CURRENT ASSETS			
Cash and cash equivalents		1,171,156	709,496
Trade and other receivables		45,595	37,199
Other financial assets – term deposit		85,000	45,000
Prepayments		104,523	94,973
TOTAL CURRENT ASSETS		1,406,274	886,668
NON-CURRENT ASSETS			
Intangible assets		318,131	354,102
Other financial assets		2,023,316	-
Right-of-use assets		78,807	164,779
Plant and equipment		71,441	113,159
TOTAL NON-CURRENT ASSETS		2,491,695	632,040
TOTAL ASSETS		3,897,969	1,518,708
CURRENT LIABILITIES			
Trade and other payables		831,741	459,709
Provisions		120,472	23,782
Lease liabilities		85,471	78,351
Borrowings		1,000,000	
TOTAL CURRENT LIABILITIES		2,037,684	561,842
NON-CURRENT LIABILITIES			
Provisions		10,972	4,229
Lease liabilities		-	85,471
TOTAL NON-CURRENT LIABILITIES		10,972	89,700
TOTAL LIABILITIES		2,048,656	651,542
NET ASSETS		1,849,313	867,166

RHYTHM BIOSCIENCES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2025

Consolidated Statement of Financial Position (Continued)

	Notes	2025 (\$)	2024 (\$)
EQUITY			
Issued capital	13	37,753,596	34,448,096
Reserves	14	5,412,769	5,093,243
Accumulated losses		(41,317,052)	(38,674,173)
TOTAL EQUITY		1,849,313	867,166

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RHYTHM BIOSCIENCES LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2025

Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%)	Tax Residency
Vision Tech Bio Pty Ltd	Australia	100%	Australia
IchorDX Inc,	United States	100%	United States
Rhythm Biosciences UK Limited	United Kingdom	100%	United Kingdom
RHY GeneType Pty Ltd	Australia	100%	Australia

The parent entity is Rhythm Biosciences Ltd incorporated in and with a tax residency in Australia. In addition, all entities are a body corporate.

Basis of Preparation

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

Determination of Tax Residency

Section 295(3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently different interpretations that could be adopted and which could give rise to a different conclusion on residency.

Australian Tax Residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign Tax Residency

Where necessary, the consolidated entity has used independent tax advisors in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

RHYTHM BIOSCIENCES LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2025

The Directors declare that:

1. The financial statements and notes, as set out on pages 19 to 48 are in accordance with the Corporations Act 2001, and:
 - a. comply with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. give a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and of its performance for the year ended on that date;
2. The attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
3. The consolidated entity disclosure statement on page 49 is true and correct;
4. The Chief Executive Officer and Chief Finance Officer have provided the declarations as required by section 295A of the Corporations Act 2001 to the Company;
5. In the Directors' opinion, subject to the matters disclosed in note 1, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
6. Remuneration disclosures on pages 8 to 16 comply with section 300A of the Corporations Act 2001.
7. There are reasonable grounds to believe that the Company and the group entity identified in Note 26 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and group entity pursuant to ASIC Corporations (wholly owned Companies) Instrument 2016/785.

This declaration is made in accordance with a resolution of the Directors pursuant to section 295(5)(a) of the Corporations Act 2001.



Otto Buttula
Non-Executive Chairman

Melbourne, Australia
Dated 29th August 2025

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Independent auditor's report to the members of Rhythm Biosciences Limited

Report on the audit of the financial report

Our opinion on the financial report

In our opinion, the accompanying financial report of Rhythm Biosciences Limited (the Company) and its subsidiaries (the Group) is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What was audited?

We have audited the financial report of the Group, which comprises:

- the consolidated statement of financial position as at 30 June 2025,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information,
- the consolidated entity disclosure statement, and
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$3,829,371 and cash outflow from operations of \$2,921,287 during the year ended 30 June 2025. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Acquisition of Genetype Assets	Area of focus (refer also to notes 1 & 8)	How our audit addressed the key audit matters
	<p>On 23 December 2024, the Group acquired the business and assets of Genetic Technologies Limited for consideration of \$519,751.</p> <p>This acquisition has been accounted for using the acquisition method in accordance with AASB 3 Business Combinations and resulted in the recognition of goodwill of \$531,021.</p> <p>Given the level of judgment and estimation involved in determining the fair value of the identifiable assets acquired and liabilities assumed, this was considered a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none">— We read and understood the purchase agreement and held discussion with management to understand the key terms and conditions of the arrangement and evaluated the Group’s accounting in accordance with Australian Accounting Standards; and— We audited the Group’s determination of the fair value of identifiable assets acquired and liabilities assumed noting that there were no identifiable intangible assets acquired. This was assessed by managements independent expert and we assessed the reasonableness of this as part of our audit. <p>We also assessed the appropriateness of the financial statement disclosures in accordance with Australian Accounting Standards.</p>

**Carrying
value of
goodwill**

Area of focus

(refer also to notes 1 & 7)

Included on the statement of financial position is an intangible asset balance of \$849,152 as at 30 June 2025, which relates to goodwill of \$,531,021 and software assets totaling \$318,131. The entirety of the goodwill balance was created following the acquisition of Genetype as discussed above.

In accordance with *AASB 136 – Impairment of assets* the Group is required to, at least annually, perform an impairment assessment of goodwill and intangible assets that have an indefinite useful life. For intangible assets with finite useful lives, the Group is required to review these for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable, and at least annually, review whether there is any change in their expected useful lives.

Impairment is recognized when the carrying amount of the Cash Generating Unit ("CGU") exceeds its recoverable amount. As at 30 June 2025, the Group has not recorded an impairment charge.

The accounting treatment to determine the carrying value of intangible assets is complex and requires significant judgment and has been a key area of focus for our audit.

How our audit addressed the key audit matter

Our audit procedures included:

- A detailed evaluation of the Group's budgeting procedures upon which the forecast is based and testing the principles and integrity of the discounted future cash flow models;
- Assessing the appropriateness of the Group's Cash Generating Unit ("CGU") in line with how the Board and Chief Financial Decision Makers evaluate the performance of the Group;
- Testing the accuracy of the calculation derived from the forecast model and assessing key inputs to the calculations such as revenue growth, terminal growth, gross margins;
- Performing a review of the discount rate to confirm that the methodology used by the Group was appropriate;
- Performing sensitivity analysis on the model noting that any change in the assumptions used would change the recoverable amount calculated by the Group; and
- Performing market cross checks on comparing the Group's market capitalisation relative to its net asset position as at 30 June 2025.

We also considered the adequacy of the Group's disclosures in the notes to the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other matter

The financial report of the Group, for the year ended 30 June 2024, was audited by another auditor who expressed an unmodified opinion on that report on 30 August 2024. The unmodified opinion included a paragraph in respect of material uncertainty related to going concern.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report



Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of Rhythm Biosciences Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

Alan Finniss

A. A. Finniss
Director
Melbourne, 29 August 2025

RHYTHM BIOSCIENCES LIMITED

SHAREHOLDER INFORMATION

Rhythm Biosciences Ltd is quoted on the Australian Securities Exchange (ASX) under the ticker code RHY. The following information was extracted from the Company's records as at 12 August 2025 and is required by the ASX Listing Rules. Rhythm's securities are not quoted on any other securities exchange.

Twenty Largest Holders of Ordinary Shares

Rank	Shareholder	Number of fully paid ordinary	Percentage of total issued
1	CATAPULT INVESTORS PTY LTD	22,479,168	7.91
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	17,982,996	6.33
3	NEWFOUND INVESTMENTS PTY LTD	13,905,407	4.89
4	LOUMEA INVESTMENT PTY LTD	8,052,520	2.83
5	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	6,522,164	2.30
6	ROJO NERO CAPITAL PTY LTD	4,541,619	1.60
7	DC & PC HOLDINGS PTY LTD	4,465,567	1.57
8	FERNDAL SECURITIES PTY LTD	4,300,000	1.51
9	BNP PARIBAS NOMINEES PTY LTD	4,224,507	1.49
10	MR MARTIN PAUL BRESLIN <THE MPB A/C>	4,000,000	1.41
11	GIOKIR PTY LTD	3,661,470	1.29
12	MR MARTIN PAUL BRESLIN	3,175,000	1.12
13	MR MARK ANTHONY ROGERS & MR ARTHUR NICHOLAS VELISS	3,000,000	1.06
14	MR ADRIAN DARBY	2,512,328	0.88
15	COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION	2,500,000	0.88
16	FINCLEAR SERVICES NOMINEES PTY LIMITED	2,325,463	0.82
17	E & W NOMINEE PTY LTD	2,207,941	0.78
18	MS NATALIE LOUISE PATTERSON	2,200,000	0.77
19	MRS JOAN MARGARET MOLYNEUX & MRS WENDY ANNE HUTCHISON & MR JOHN EDWARD HUTCHISON	2,150,000	0.76
20	MR HSIEN MICHAEL SOO	2,134,442	0.75
	Total	116,340,592	40.95
	Balance of register	167,740,029	59.05
	Grand total	284,080,621	100.00

RHYTHM BIOSCIENCES LIMITED

SHAREHOLDER INFORMATION

Distribution Schedule

The following is a distribution schedule of the number of holders of fully paid ordinary shares in the Company, within the bands of holding specified by the ASX Listing Rules:

Range	No. of Shareholders	No. of Ordinary Shares	Percentage of total issued capital
100,001 and Over	339	230,842,820	81.26
10,001 to 100,000	1,257	45,135,555	15.89
5,001 to 10,000	582	4,660,183	1.64
1,001 to 5,000	1,083	2,988,202	1.05
1 to 1,000	957	453,861	0.16
Total	4,218	284,080,621	100.00

1,956 shareholders held less than a marketable parcel of fully paid ordinary shares.

Substantial Shareholdings Register

Shareholder	Number of fully paid ordinary shares	Percentage of total issued capital
OTTO BUTTULA INDIRECT ENTITIES	36,384,575	12.83%
FIL LIMITED	24,811,804	8.53%

A substantial holder is a shareholder who either alone or 'together with their associates' has an interest in 5% or more of the voting shares of the Company.

Listed Options Over Ordinary Shares

Rhythm Biosciences listed Options are quoted on the Australian Securities Exchange (ASX) under the ticker code RHYO. The Company has issued 47,060,499 listed Options with an exercise price of \$0.20 each expiring on 31 March 2026. The following information was extracted from the Company's records as at 12 August 2025 and is required by the ASX Listing Rules. Rhythm's securities are not quoted on any other securities exchange.

RHYTHM BIOSCIENCES LIMITED
SHAREHOLDER INFORMATION

Twenty Largest Holders of Listed Options

Rank	Shareholder	Number of Options	Percentage of total issued
1	NEWFOUND INVESTMENTS PTY LTD	2,831,250	6.02
2	MR SEAN ALEXANDER KENNEDY	2,750,000	5.84
3	WEBINVEST PTY LTD	2,593,751	5.51
4	MR SCOTT CRANK & MS LOLA CRANK	1,834,000	3.90
5	PAC PARTNERS SECURITIES PTY LTD	1,750,000	3.72
6	DC & PC HOLDINGS PTY LTD	1,566,667	3.33
7	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED	1,133,333	2.41
8	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,133,333	2.41
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,018,825	2.16
10	SP CAPITAL PTY LTD	1,000,000	2.12
11	RICHSHAM NOMINEES PTY LTD	945,000	2.01
12	MR BRIAN LEEDMAN & MRS NATASHA LEEDMAN	833,333	1.77
13	NETWEALTH INVESTMENTS LIMITED	813,507	1.73
14	ZERO NOMINEES PTY LTD	796,667	1.69
15	LEHAV PTY LTD	718,687	1.53
16	CPS CAPITAL NO 5 PTY LTD	705,000	1.50
17	HAB INVESTMENTS (AUST) PTY LTD	666,667	1.42
18	ALITIME NOMINEES PTY LTD	516,667	1.10
19	MR MARK ANTHONY ROGERS & MR ARTHUR NICHOLAS VELISS	500,000	1.06
20	JCR INVESTMENTS CO P/L	500,000	1.06
	Total	24,606,687	52.29
	Balance of register	22,453,812	47.71
	Grand total	47,060,499	100.00

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RHYTHM BIOSCIENCES LIMITED SHAREHOLDER INFORMATION

RHYO

Range	No. of Optionholders	No. of Options	Percentage of total issued Options
100,001 and Over	82	40,432,751	85.91%
10,001 to 100,000	152	5,976,817	12.70%
5,001 to 10,000	43	294,697	0.63%
1,001 to 5,000	127	310,187	0.66%
1 to 1,000	133	46,047	0.10%
Total	537	47,060,499	100.00%

Rhythm has granted unlisted options which entitles the holder to purchase one ordinary share in the Company at a predetermined price. No voting rights attach to options. Further details of options outstanding as at 12 August 2025 are provided below:

Share Option Type	Expiry Date	Number of Options	Number of Holders	Exercise Price \$
RHYAN	30/11/25	200,000	1	1.80
RHYAP	31/03/26	2,401,716	2	0.20
RHYAQ	31/03/28	2,000,000	1	0.30
RHYAS	20/08/26	375,000	5	0.20
RHYAT	20/08/28	375,000	5	0.30

Escrow Arrangements

There are no shares subject to mandatory escrow arrangements.

Voting Rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares:

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

RHYTHM BIOSCIENCES LIMITED CORPORATE DIRECTORY

Directors

Mr Otto Buttula
Dr David Atkins
Ms Susan MacLeman
Mr Gavin Fox-Smith

Company Secretary

Mr Mark Licciardo

Registered and Principal Office is located at:

Bio21 Institute
30 Flemington Road
Parkville VIC 3010

Auditor

William Buck
Level 20
181 Williams Street
Melbourne VIC 3000

Legal Advisers

K & L Gates
Level 25
525 Collins Street
Melbourne VIC 3000

Share Registry

Automic Registry Services
477 Collins Street
Melbourne VIC 3000

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