Rhythm Biosciences Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Rhythm Biosciences Limited
ABN:	59 619 459 335
Reporting period:	For the year ended 30 June 2026
Previous period:	For the year ended 30 June 2025

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2. Results for announcement to the market

		2026 $	2025 $
Other income from ordinary activities	Down 48% to	1,740,728	3,326,241
Loss from ordinary activities after tax attributable to the owners of Rhythm Biosciences Limited	Up 55% to	(5,930,076)	(3,829,371)
Comprehensive loss for the year attributable to the owners of Rhythm Biosciences Limited	Up 55% to	(5,939,433)	(3,832,300)

Dividends
There were no dividends paid, recommended or declared during the financial year.

Comments
The loss for the consolidated entity after providing for income tax was $5,930,076. Comments on activities during the year are included in the Financial Report.

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3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.73	(0.10)

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4. Control gained over entities

Not applicable.

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5. Loss of control over entities

Not applicable.

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6. Details of associates and joint venture entities

Not applicable.

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7. Audit qualification or review

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

The financial statements have been audited and an unqualified opinion has been issued.

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8. Attachments

Details of attachments (if any):

The Financial Report of Rhythm Biosciences Limited for the year ended 30 June 2026 is attached.

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9. Signed

Date: 27 August 2026

Gavin Fox-Smith
Non-Executive Chairman

RHYTHM BIOSCIENCES

ACN: 619 459 335

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2026

RHYTHM BIOSCIENCES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2026

The Directors of Rhythm Biosciences Limited (Rhythm, the Group, or the Consolidated Entity) present their report for the financial year ended 30 June 2026.

Directors

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

	Mr Gavin Fox-Smith
	Dr David Atkins
	Ms Susan MacLeman
	Mr Otto Buttula (resigned 5 November 2025)

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 G Fox-Smith	9	9
Dr D Atkins	9	9
Ms S MacLeman	9	9
Mr O Buttula	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.

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

FY2026 Summary: revenue $85,339 (first commercial sales); loss after tax $5.93m (up from $3.83m, mainly people and commercialisation costs); cash at 30 June $3.36m (up from $1.40m); operating cash outflow $5.23m; net assets $3.64m; shares on issue 364.1m.

FY2026 was the year in which Rhythm Biosciences moved from development to commercialisation. Both of the Group's diagnostic platforms — ColoSTAT® and geneType™ — recorded clinical sales during the year, underpinned by the laboratory accreditation, manufacturing and distribution arrangements needed to scale. Highlights were as follows:

- **ColoSTAT® commercialisation:** Following updated ISO 15189:2022 laboratory accreditation in December 2025 and NATA accreditation of the ColoSTAT® clinical testing service in March 2026, the consolidated entity completed its first commercial ColoSTAT® sale, validating the end-to-end commercial and logistical pathway and confirming readiness to scale.
- **Market access and distribution:** A services agreement with 4Cyte Pathology, executed in February 2026 and expanded twice during the year, established a growing network of patient collection sites across the eastern states. The ColoSTAT® Access Program enrolled its first physician participants in February 2026 and continued to attract clinician support through to year end.
- **Manufacturing and supply:** A commercial manufacturing agreement was secured in February 2026, providing scaled, quality-assured production of ColoSTAT® test kits ahead of anticipated volume growth.
- **Clinical evidence and regulatory progress:** Peer-reviewed publication of the ColoSTAT® clinical performance data provided independent validation of the test, and the National Health Service (NHS) in England commenced an evaluation of ColoSTAT® within its bowel cancer screening pathway — a significant step towards international market access.
- **geneType™ expansion:** The geneType™ portfolio recorded its first clinical sale in Southeast Asia under a new distribution agreement, and was strengthened by a US platform partnership with Cancer IQ, a scale-up partnership with the Australian Genome Research Facility, and the release of an enhanced colorectal cancer risk assessment test that supports ColoSTAT® targeting.
- **Board and funding:** Mr Gavin Fox-Smith was appointed Chair at the November 2025 Annual General Meeting following the retirement of Mr Otto Buttula. The consolidated entity strengthened its balance sheet through the August 2025 placement and the underwritten exercise of RHYO options, completed in April 2026.

These achievements mark the transition from a development-stage business to a commercial diagnostics enterprise. Rhythm enters FY2027 with both products commercially available, an expanding collection-site footprint and a clear operational focus on converting clinical interest into sustained test volumes.

Significant Changes in the State of Affairs

During the year ended 30 June 2026, the company issued 73,729,237 shares. Refer to note 13 to the financial statements for details.

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

After Reporting date Events

On 26 August 2026, the Company announced on the ASX the appointment of Ms Maureen Baker and Mr Carl Stubbings as Non-Executive Directors effective 27 August 2026. The appointment is not yet effective at the time of the approval and signing of the financial report.

There has been no other matters or circumstances which have arisen since 30 June 2026 that has significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2026, of the consolidated entity; or
- the results of those operations; or
- the state of affairs, in financial years subsequent to 30 June 2026, 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.

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 minimised personnel risks by leveraging external consultants and outsourcing key functions. While personnel risks were significant in FY2026, 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 FY2026. 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. Contract manufacturing (CMO) partners 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 and Development Risk:** 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 2026 have been prepared on the following basis:

- as at 30 June 2026, the consolidated entity had a cash position of $3,355,261;
- a research and development refund for FY26, based on expenditure incurred, is expected to be received.
- activities are focused on further commercialising ColoSTAT® in various geographies;
- the Company 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 research and development expenditure and other 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.

Directors and Company Secretary

Names, qualifications and experience

Name	Mr Gavin Fox-Smith
Title:	Non-Executive Chairman
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:	277,777 ordinary shares, 750,000 loan funded shares
Interests in options:	1,027,777 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 broad 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:	100,000 ordinary shares, 409,500 deferred shares, 4,583,501 loan funded shares
Interests in options:	2,566,820 Options

Directors and Company Secretary (continued)

Names, qualifications and experience

Name:	Ms Susan MacLeman
Title:	Non-Executive Director
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 Government National Research Infrastructure Advisory Group, NSW Government 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:	450,000 loan funded shares
Interests in options:	450,000 Options
Name	Otto Buttula (resigned 5 November 2025)
Title:	Former 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' 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.

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 Gavin Fox-Smith	Non-Executive Chairman	2 December 2024 (Chairman from 5 November 2025)
Ms Susan MacLeman	Non-Executive Director	31 January 2023
Dr David Atkins	Managing Director and Chief Executive Officer	30 September 2024 (previously Chief Executive Officer from 13 May 2024)
Mr Otto Buttula	Former Non-Executive Chairman	28 October 2019 (Executive Chairman from 1 December 2021 to 31 May 2024) Resigned 5 November 2025.
Mr Todd Perkinson	Former Chief Financial Officer	18 March 2025 (resigned 19 December 2025)

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 Deferred Shares	Number of Loan Funded Shares
Mr Gavin Fox-Smith	Non-Executive Director	277,777	1,027,777	-	750,000
Ms Susan MacLeman	Non-Executive Director	-	450,000	-	450,000
Dr David Atkins	Managing Director and Chief Executive Officer	100,000	2,566,820	409,500	4,583,501
		377,777	**4,044,597**	**409,500**	**5,783,501**

Remuneration Policy

The aim of the consolidated entity'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 Employee Incentive Omnibus Plan (EIOP) or loan funded shares.

The consolidated entity 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 consolidated entity 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 Incentive Omnibus Plan (EIOP) or loan funded shares.

Options

During the 2026 year, 4,398,070 (2025: 1,700,000) Options were issued to management personnel and employees. The fair value of employee share options was $92,942 (2025: $42,500). $60,109 was expensed in the current financial year (2025: $128,348 reversed) for options issued in the current and previous years. The options were issued for nil consideration and granted in accordance with performance guidelines established by the Board.

The following EIOP Share Options arrangements existed at 30 June 2026:

Number of Options	Exercise Price ($)	Grant Date	Vesting Conditions	Vesting Date	Expiry Date	Holder	Fair Value per Option at Grant Date
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
375,000	$0.20	20.08.2024	n/a	20.08.2024	20.08.2026	Employees	$0.02
375,000	$0.30	20.08.2024	Employment	20.08.2025	20.08.2028	Employees	$0.03
466,820	$0.25	5.11.2025	Various	Various	10.11.2028	D Atkins	$0.03
450,000	$0.20	5.11.2025	Various	Various	30.11.2027	S MacLeman	$0.02
750,000	$0.20	5.11.2025	Various	Various	30.11.2027	G Fox-Smith	$0.02
1,350,000	$0.20	1.12.2025	Employment	12 months	30.11.2027	Employees	$0.02
1,350,000	$0.20	1.12.2025	Employment	24 months	30.11.2027	Employees	$0.02
31,250	$0.20	19.12.2025	n/a	19.12.2025	30.11.2027	Employees	$0.03
7,148,070	**TOTAL EIOP 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 2026 year, remuneration also includes awarded incentives for 4,283,501 (2025: 2,250,000) Loan Funded Shares at $0.10 each (4 year non-recourse loan at 0% interest rate). The fair value of loan funded shares was $227,551 (2025: $115,000). $154,941 was expensed in the current financial year (2025: $50,262) for loan funded shares issued in the current and previous years. The loan funded shares were issued for nil consideration in accordance with performance guidelines established by the Board.

The following EIOP Loan Funded Share (LFS) arrangements existed at 30 June 2026:

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	Employees	$0.04
400,000	$0.10	18.7.2024	Employment	17.7.2026	17.7.2028	Employees	$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
250,000	$0.10	31.7.2025	Employment	30.7.2026	30.7.2029	Employee	$0.03
250,000	$0.10	31.7.2025	Employment	30.7.2027	30.7.2029	Employee	$0.03
1,000,000	$0.10	1.12.2025	Employment	30.11.2026	30.11.2029	Employees	$0.06
1,000,000	$0.10	1.12.2025	Employment	30.11.2027	30.11.2029	Employees	$0.05
145,875	$0.10	5.11.2025	n/a	Various	4 years	D Atkins	$0.05
437,626	$0.10	5.11.2025	Various	Various	4 years	D Atkins	$0.06
112,500	$0.10	5.11.2025	n/a	Various	4 years	S MacLeman	$0.05
337,500	$0.10	5.11.2025	Various	Various	4 years	S MacLeman	$0.06
187,500	$0.10	5.11.2025	n/a	Various	4 years	G Fox-Smith	$0.05
562,500	$0.10	5.11.2025	Various	Various	4 years	G Fox-Smith	$0.06
9,783,501	**TOTAL LOAN FUNDED SHARES**						

Deferred Shares

During the 2026 year, remuneration also includes awarded incentives for 409,500 (2025: nil) Deferred Shares at $0.10 each with an escrow period of 2 years. The fair value of deferred shares was $36,855 (2025: $nil) and was expensed in the current financial year (2025: $nil). The deferred shares were issued for nil consideration in accordance with performance guidelines established by the Board.

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
13.05.2024	31.03.2026	$0.079	$0.20	100%	-	3.965%	$0.02
13.05.2024	31.03.2026	$0.079	$0.30	100%	-	3.965%	$0.04
** 13.05.2024	31.03.2028	$0.079	$0.30	100%	-	3.965%	$0.04
** 18.07.2024	18.07.2028	$0.061	$0.10	100%	-	3.982%	$0.04
20.08.2024	20.08.2026	$0.064	$0.20	100%	-	3.611%	$0.02
20.08.2024	20.08.2028	$0.064	$0.30	100%	-	3.603%	$0.03
** 20.08.2024	20.08.2028	$0.064	$0.10	100%	-	3.603%	$0.04
** 16.12.2024	16.12.2028	$0.083	$0.10	100%	-	3.923%	$0.06
** 14.03.2025	14.03.2029	$0.082	$0.10	100%	-	3.766%	$0.06
** 31.7.2025	30.7.2029	$0.056	$0.10	Various	-	3.365%	$0.03
5.11.2025	30.11.2028	$0.090	$0.25	Various	-	3.611%	$0.03
5.11.2025	30.11.2027	$0.090	$0.20	Various	-	3.611%	$0.02
** 5.11.2025	30.11.2029	$0.090	$0.10	83%	-	3.667%	$0.05
** 5.11.2025	30.11.2029	$0.090	$0.10	Various	-	3.667%	$0.06
1.12.2025	30.11.2027	$0.086	$0.20	Various	-	3.805%	$0.02
** 1.12.2025	30.11.2029	$0.086	$0.10	92%	-	3.873%	$0.06
** 1.12.2025	30.11.2029	$0.086	$0.10	91%	-	3.873%	$0.05
19.12.2025	30.11.2027	$0.097	$0.20	100%	-	4.012%	$0.03

* The risk-free interest rate is based on the Australian Government bond yield (Reserve Bank of Australia website) at the grant date.
** 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 consolidated entity 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) until resignation on 5 November 2025. 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. Effective 5 November 2025, Mr Fox-Smith was appointed to the role of Non-Executive Chairman on an annual salary of $105,000 (inclusive of superannuation).

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 increased to $362,250 from 1 July 2025 (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 included 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). On 2 November 2025, the Chair agreed to vary the CEO's employment contract to increase his long-term incentive from 20% to 30% of his FI for the 2025/26 financial year.
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 former 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) 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. Mr Perkinson resigned effective 19 December 2025.

Details of the remuneration of Directors and Key Management Personnel for the 2026 financial year are provided below:

	Short-term Benefits			Long-term Benefits				
	Cash salary and fees ($)	Bonus ($)	Annual Leave Provision ($)	Long Service Leave Provision ($)	Post-employment Superannuation ($)	Equity-based compensation Shares and Options ($)	Total ($)	% Performance Based
EXECUTIVE DIRECTOR								
D Atkins	370,372	50,000	14,601	3,828	45,735	78,069	562,605	22.8
NON-EXECUTIVE DIRECTORS								
O Buttula (i)	36,313	-	-	-	4,358	-	40,671	-
S MacLeman	46,875	-	-	-	5,625	12,857	65,357	19.7
G Fox-Smith	78,672	-	-	-	8,391	21,428	108,491	19.8
OTHER EXECUTIVES								
T Perkinson (ii)	115,013	-	(4,124)	-	13,363	(9,048)	115,204	-
TOTAL	**647,245**	**50,000**	**10,477**	**3,828**	**77,472**	**103,306**	**892,328**	

(i) Resigned 5 November 2025.
(ii) Resigned 19 December 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				
	Cash salary and fees ($)	Bonus (v) ($)	Annual Leave Provision ($)	Long Service Leave Provision ($)	Post-employment Superannuation ($)	Equity-based compensation Shares and Options ($)	Total ($)	% Perform-ance Based
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.

Share-Based Payments

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

There were nil (2025: nil) ordinary shares issued during the financial year from the exercise of employee share options.

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	Acquired During Year	Lapsed	Upon Appointment /Resignation	Balance at End of Year	Vested and Exercisable at End of Year	Unvested at End of Year
O Buttula	5,425,001	-	-	-	(5,425,001)	-	-	-
S MacLeman	200,000	450,000	-	(200,000)	-	450,000	112,500	337,500
D Atkins	4,000,000	466,820	100,000	(2,000,000)	-	2,566,820	2,116,705	450,115
T Perkinson	-	-	-	-	-	-	-	-
G Fox-Smith	-	750,000	277,777	-	-	1,027,777	465,277	562,500
TOTAL	**9,625,001**	**1,666,820**	**377,777**	**(2,200,000)**	**(5,425,001)**	**4,044,597**	**2,694,482**	**1,350,115**

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 2026 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 - Loan Funded Shares	-	450,000	-	-	-	450,000
G Fox-Smith	-	-	277,777	-	-	277,777
G Fox-Smith - Loan Funded Shares	-	750,000	-	-	-	750,000
D Atkins	-	-	100,000	-	-	100,000
D Atkins – Loan Funded Shares	4,000,000	583,501	-	-	-	4,583,501
D Atkins – Deferred Shares	-	409,500	-	-	-	409,500
T Perkinson – Loan Funded Shares	750,000	-	-	(750,000)	-	-
TOTAL	**41,134,575**	**2,193,001**	**377,777**	**(37,134,575)**	**-**	**6,570,778**

Additional information

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

	2026	2025	2024	2023	2022
Loss after income tax	$5,930,076	$3,829,371	$6,856,761	$8,217,557	$8,793,521
Share price at the end of the financial year	$0.091	$0.054	$0.06	$0.41	$1.15
Basic Loss per share (cents per share) for the year	1.77	1.42	3.00	3.79	4.19

Related Party Transactions

During the 2026 and 2025 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

There are 64,621,132 listed Options (ASX Code: RHYOA) with an exercise price of $0.20 each and an expiry date of 30 November 2027 at the date of this report.

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
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	$0.30	20.08.2024	Employment	20.08.2025	20.08.2028	Employees
466,820	$0.25	5.11.2025	Various	Various	10.11.2028	D Atkins
450,000	$0.20	5.11.2025	Various	Various	30.11.2027	S MacLeman
750,000	$0.20	5.11.2025	Various	Various	30.11.2027	G Fox-Smith
1,350,000	$0.20	1.12.2025	Employment	12 months	30.11.2027	Employees
1,350,000	$0.20	1.12.2025	Employment	24 months	30.11.2027	Employees
31,250	$0.20	19.12.2025	n/a	19.12.2025	30.11.2027	Employees
6,773,070						

The following EIOP 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	D Atkins
2,000,000	$0.10	13.5.2024	Employment	12.5.2026	12.5.2028	D Atkins
2,000,000	$0.10	Various	Employment	12 months	4 years	Employees
2,000,000	$0.10	Various	Employment	24 months	4 years	Employees
583,501	$0.10	5.11.2025	Various	Various	4 years	D Atkins
450,000	$0.10	5.11.2025	Various	Various	4 years	S MacLeman
750,000	$0.10	5.11.2025	Various	Various	4 years	G Fox-Smith
9,783,501						

The following EIOP Deferred Shares arrangements existed as at the date of this report:

Number	Issue Price ($)	Grant Date	Vesting Conditions	Vesting Date	Escrow Date	Holder
409,500	$0.10	5.11.2025	n/a	5.11.2025	4.11.2027	D Atkins

Voting and comments made at the Company's 2025 Annual General Meeting

At the 2025 Annual General Meeting the 2025 Remuneration Report was voted on by shareholders with 97.06% of votes in favour of the resolution.

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 2026 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.

Gavin Fox-Smith

Gavin Fox-Smith
Non-Executive Chairman

Melbourne, Australia
Dated this 27th day of August 2026

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 review of Rhythm Biosciences Limited for the year ended 30 June 2026, 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
Director
Melbourne, 27 August 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	2026 ($)	2025 ($)
INCOME			
Income	3	1,740,728	3,326,241
EXPENSES			
Cost of goods sold		(359,958)	(224,894)
Employment related costs	4	(3,932,164)	(3,447,979)
Office and administration costs		(2,021,905)	(1,668,040)
Research and development costs		(1,039,935)	(1,383,873)
Acquisition costs		-	(167,319)
Depreciation and amortisation		(189,283)	(196,784)
Inventory impairment		(52,759)	-
Finance expense		(74,800)	(66,723)
LOSS BEFORE INCOME TAX		**(5,930,076)**	**(3,829,371)**
Income tax expense	5	-	-
LOSS AFTER TAX		**(5,930,076)**	**(3,829,371)**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(9,357)	(2,929)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(5,939,433)**	**(3,832,300)**
LOSS PER SHARE			
Basic and diluted loss per share (cents per share)	6	(1.77)	(1.42)

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

Consolidated Statement of Financial Position

	Notes	2026 ($)	2025 ($)
CURRENT ASSETS			
Cash and cash equivalents	15	3,355,261	1,397,208
Trade and other receivables		64,274	61,907
Other financial assets – term deposit		85,000	85,000
Prepayments		236,635	193,105
Inventories		16,297	74,359
TOTAL CURRENT ASSETS		**3,757,467**	**1,811,579**
NON-CURRENT ASSETS			
Intangible assets	7	813,181	849,152
Right-of-use assets		163,362	99,593
Plant and equipment		42,839	71,441
TOTAL NON-CURRENT ASSETS		**1,019,382**	**1,020,186**
TOTAL ASSETS		**4,776,849**	**2,831,765**
CURRENT LIABILITIES			
Trade and other payables	9	637,431	874,226
Provisions	10	232,683	179,404
Lease liabilities		86,848	105,356
Borrowings	11	85,298	1,000,000
TOTAL CURRENT LIABILITIES		**1,042,260**	**2,158,986**
NON-CURRENT LIABILITIES			
Provisions	12	21,525	10,972
Lease liabilities		75,834	1,915
TOTAL NON-CURRENT LIABILITIES		**97,359**	**12,887**
TOTAL LIABILITIES		**1,139,619**	**2,171,873**
NET ASSETS		**3,637,230**	**659,892**

Consolidated Statement of Financial Position (Continued)

	Notes	2026 ($)	2025 ($)
EQUITY			
Issued capital	13	44,958,462	37,753,596
Reserves	14	7,112,388	5,409,840
Accumulated losses		(48,433,620)	(42,503,544)
TOTAL EQUITY		**3,637,230**	**659,892**

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

Consolidated Statement of Changes in Equity

	Issued Capital ($)	Reserves ($)	Accumulated Losses ($)	Total ($)
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)
Transactions with owners in their capacity as owners:				
Issued capital	3,500,000	-	-	3,500,000
Issued Options	-	50		50
Capital raising costs	(224,500)	-	-	(224,500)
Share-based payments 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**

BALANCE AT 1 JULY 2025	**37,753,596**	**5,409,840**	**(42,503,544)**	**659,892**
Loss attributable to members	-	-	(5,930,076)	(5,930,076)
Foreign currency translation	-	(9,357)	-	(9,357)
Total comprehensive income/(loss) for the year	-	(9,357)	(5,930,076)	(5,939,433)
Transactions with owners in their capacity as owners:				
Issued capital	9,200,832	-	-	9,200,832
Capital raising costs	(1,995,966)	1,460,000	-	(535,966)
Share-based payments expense (Note 17)	-	251,905	-	251,905
Total transactions with owners of the Company	7,204,866	1,711,905	-	8,916,771
BALANCE AT 30 JUNE 2026	**44,958,462**	**7,112,388**	**(48,433,620)**	**3,637,230**

Consolidated Statement of Cash Flows

	Notes	2026 ($)	2025 ($)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		72,898	22,181
Payments to suppliers and employees		(6,883,427)	(6,177,777)
Interest paid		(74,800)	(66,306)
Interest received		76,442	134,328
Research and development tax refund		1,575,900	3,166,287
NET CASH USED IN OPERATING ACTIVITIES	**15**	**(5,232,987)**	**(2,921,287)**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(25,797)	(23,210)
Proceeds from sale of plant and equipment		3,047	-
Payments for deposits		-	(40,000)
Payment for acquisition of business	8	-	(519,751)
NET CASH USED IN INVESTING ACTIVITIES		**(22,750)**	**(582,961)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issues of shares and options		9,025,831	3,500,050
Costs of capital raising		(535,965)	(219,103)
Proceeds from borrowings		-	2,150,000
Repayment of borrowings		(1,166,854)	(1,150,000)
Repayment of lease liabilities		(107,271)	(88,987)
NET CASH FROM FINANCING ACTIVITIES		**7,215,741**	**4,191,960**
NET INCREASE/(DECREASE) IN CASH HELD		**1,960,004**	**687,712**
Cash and cash equivalents at beginning of financial year		1,397,208	709,496
Effects of movement in exchange rates on cash held		(1,951)	-
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR		**3,355,261**	**1,397,208**

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

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 2026. 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 $5,930,076 (2025: $3,829,371) and had cash outflows from operating activities of $5,232,987 (2025: $2,921,287) for the year ended 30 June 2026. 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 2026, the consolidated entity had a cash position of $3,355,261;
- a research and development refund for FY26, based on expenditure incurred, is expected to be received.
- activities are focused on further commercialising ColoSTAT® in various geographies;
- the Company 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 research and development expenditure and other 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.

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.

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.

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% (2025: 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.

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 Incentive Omnibus Plan (EIOP). 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 2026 and 2025 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).

Note 2: Parent Information

	2026 ($)	2025 ($)
STATEMENT OF FINANCIAL POSITION		
Current assets	3,591,726	1,383,466
Non-current assets	904,444	3,399,741
TOTAL ASSETS	**4,496,170**	**4,783,207**
Current liabilities	763,367	1,693,821
Non-Current Liabilities	95,573	10,972
TOTAL LIABILITIES	**858,940**	**1,704,793**
Issued Capital	44,958,462	37,753,596
Reserves	7,124,674	5,412,769
Accumulated losses	(48,445,906)	(40,087,951)
TOTAL EQUITY	**3,637,230**	**3,078,414**
STATEMENT OF COMPREHENSIVE INCOME	2026 ($)	2025 ($)
Total loss	(8,357,955)	(1,413,778)
TOTAL COMPREHENSIVE INCOME	**(8,357,955)**	**(1,413,778)**

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 Bio Pty Ltd. Further details of the Deed of Cross Guarantee and the subsidiary subject to the deed are set out in Note 26.

Commitments and Contingent Liabilities
At 30 June 2026, the Parent Company had no capital commitments and no contingent liabilities (2025: Nil).

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.

Note 3: Income

	2026 ($)	2025 ($)
Interest income	76,442	134,328
Sales revenue	85,339	25,126
Research and Development Tax Refund	1,575,900	3,166,287
Other sundry income	3,047	500
TOTAL	**1,740,728**	**3,326,241**

Note 4: Employment Related Costs

	2026 ($)	2025 ($)
Staff salaries and Director fees	3,039,173	2,498,476
Superannuation	298,153	226,640
Share-based payments expense (Refer to Note 17 for options and shares issued)	251,905	315,459
Other employment related expenses	342,933	407,404
TOTAL	**3,932,164**	**3,447,979**

Note 5: Income Tax

	2026 ($)	2025 ($)
Prima facie income tax benefit before income tax at 30% (2025: 30%)	1,779,022	1,148,811
Add/(subtract) tax effect:		
- Difference in overseas company income tax rates	(89,623)	-
- Research and development claim	472,770	949,886
- Share based payments expense	(75,571)	(94,638)
- Other non-deductible expenditure	(9,440)	(9,370)
- Tax losses and temporary differences not brought to account	(2,077,158)	(1,994,689)
INCOME TAX EXPENSE	-	-

Tax losses of $7,799,703 (2025: $6,659,492) and temporary differences of $627,049 (2025: $313,777) have not been brought to account on the basis that their recovery is not considered probable at reporting date.

Note 6: Loss Per Share

	2026 ($)	2025 ($)
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	(5,930,076)	(3,829,371)
	2026 No. of Shares	**2025 No. of Shares**
Weighted average number of ordinary shares used in calculating basic loss per share	334,234,479	269,251,633
Basic and diluted loss per share (cents)	(1.77)	(1.42)
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.		

Note 7: Intangible Assets

	2026 ($)	2025 ($)
INTELLECTUAL PROPERTY		
Licences at cost (i)	600,000	600,000
Licences accumulated amortisation (i)	(317,840)	(281,869)
	282,160	318,131
GOODWILL		
GeneType acquisition	531,021	531,021
	813,181	**849,152**

Note 7: Intangible Assets (continued)

	2026 ($)	2025 ($)
MOVEMENT IN CARRYING AMOUNTS - IP:		
Balance at the beginning of the year	318,131	354,102
Amortisation (i)	(35,971)	(35,971)
BALANCE AT THE END OF THE YEAR	**282,160**	**318,131**

(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.

MOVEMENT IN CARRYING AMOUNTS - GOODWILL:		
Acquired	531,021	531,021
BALANCE AT THE END OF THE YEAR	**531,021**	**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 for the Group's single Cash Generating Unit (“CGU”). The following key assumptions were used in the discounted cash flow model:

- 20% pre-tax discount rate (30 June 2025: 20% pre-tax);
- 2.5% per annum terminal revenue growth rate (following the 3 year projection period) (30 June 2025: 2.5%); and
- 3.8% per annum inflation rate (30 June 2025: 2.1%).

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.

Sensitivity disclosures
The value in use calculation is most sensitive to movements in revenue growth and discount rate. An impairment charge would be recognised if the following assumptions are not met;

- Revenue growth falls below 170% per year in the three-year forecast period.
- The discount rate increases to 20.75% (pre-tax)

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

	2026 ($)	2025 ($)
Trade creditors	332,878	529,573
Accruals	304,553	344,653
	637,431	**874,226**

Note 10: Provisions – current liabilities

	2026 ($)	2025 ($)
Employee entitlements - annual leave	168,785	120,472
Employee entitlements – long service leave	63,898	58,932
	232,683	**179,404**

Note 11: Borrowings

	2026 ($)	2025 ($)
Loans	85,298	1,000,000
	85,298	**1,000,000**

Note 12: Provisions – non-current liabilities

	2026 ($)	2025 ($)
Employee entitlements – long service leave	21,525	10,972
	21,525	**10,972**

Note 13: Issued Capital

	2026 (No.)	2025 (No.)	2026 ($)	2025 ($)
ORDINARY SHARES FULLY PAID				
Balance at the beginning of the year	290,330,621	252,596,750	37,753,596	34,448,096
Placement at 10 cents per share	-	35,000,000	-	3,500,000
Placement at 9 cents per share	41,654,465	-	3,748,903	-
Share based payment - consultants	1,747,126	483,871	175,000	30,000
Loan funded shares (unlisted)	3,943,001	2,250,000	-	-
Options exercised at 20 cents per share	26,384,645	-	5,276,929	-
Capital raising costs – share based payments			(1,460,000)	-
Capital raising costs			(535,966)	(224,500)
BALANCE AT THE END OF THE YEAR	**364,059,858**	**290,330,621**	**44,958,462**	**37,753,596**

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 2025.

Note 14: Reserves

	2026 ($)	2025 ($)
Options reserve	50	50
Share-based payments reserve	7,124,624	5,412,719
Foreign currency reserve	(12,286)	(2,929)
BALANCE AT THE END OF THE YEAR	**7,112,388**	**5,409,840**

Note 14: Reserves (continued)

	Notes	2026 ($)	2025 ($)
OPTIONS RESERVE			
Balance at the beginning of the year		50	-
Options issued		-	50
BALANCE AT THE END OF THE YEAR		**50**	**50**

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

	Notes	2026 ($)	2025 ($)
SHARE BASED PAYMENTS RESERVE			
Balance at the beginning of the year		5,412,719	5,093,243
Share-based payments granted expense	17	1,460,000	9,500
Share-based payments expensed over vesting period	17	261,891	309,976
Share-based payments lapsed	17	(9,986)	-
BALANCE AT THE END OF THE YEAR		**7,124,624**	**5,412,719**

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	2026 ($)	2025 ($)
FOREIGN CURRENCY RESERVE			
Balance at the beginning of the year		(2,929)	-
Foreign currency movement		(9,357)	(2,929)
BALANCE AT THE END OF THE YEAR		**(12,286)**	**(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.

Note 15: Cash Flow Information

	Notes	2026 ($)	2025 ($)
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		3,355,261	1,397,208
		3,355,261	**1,397,208**
b. Reconciliation of cash flow from operating activities with loss after income tax benefit			
Loss after income tax		(5,930,076)	(3,829,371)
NON-CASH ITEMS			
Depreciation and amortisation		189,283	196,874
Inventory impairment		52,759	-
Profit on sale of plant and equipment		(3,047)	-
Expense/(reversals) recognised in respect of equity-settled share-based payments		426,905	349,476
CHANGES IN ASSETS AND LIABILITIES			
Decrease/(Increase) in trade and other receivables		(16,003)	(11,072)
Decrease/(Increase) in prepayments		(43,530)	(99,324)
Decrease in inventories		5,303	12,691
(Decrease)/Increase in trade and other payables		21,587	395,484
(Decrease)/Increase in provision for employee entitlements		63,832	64,045
NET CASH USED IN OPERATING ACTIVITIES		**(5,232,987)**	**(2,921,287)**

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 (resigned 5 November 2025), Dr David Atkins, Mr Gavin Fox-Smith and Ms Susan MacLeman. Company secretary was Mr Mark Licciardo.

During the 2026 and 2025 financial years there were no transactions with related parties other than remuneration as disclosed in the Remuneration Report.

Note 17: Share-Based Payments

During the 2026 financial year the Company granted 2,700,000 Options at an exercise price of 20 cents and an expiry date of 30 November 2027 to employees as part of their remuneration. Vesting conditions related to these options not yet achieved are as follows:
- 50% upon remaining employed on 30 November 2026; and
- 50% upon remaining employed on 30 November 2027.

Employee remuneration also included 2,000,000 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 30 November 2026; and
- 50% upon remaining employed on 30 November 2027.

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 30 November 2026; and
- 50% upon remaining employed on 30 November 2027.

Dr David Atkins remuneration included 466,820 Options at an exercise price of 25 cents and an expiry date of 10 November 2028. Vesting conditions related to these Options not yet achieved are as follows:
- 25% upon achieving $1.5 million revenue by June 2027;
- 25% upon achieving $0.15 million in revenue in 3 other countries by June 2027; and
- 25% upon remaining employed on 10 November 2028.

Dr David Atkins remuneration also included 583,501 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:
- 25% upon achieving $1.5 million revenue by June 2027;
- 25% upon achieving $0.15 million in revenue in 3 other countries by June 2027; and
- 25% upon remaining employed on 4 November 2029.

Mr Gavin Fox-Smith remuneration included 750,000 Options at an exercise price of 20 cents and an expiry date of 30 November 2027. Vesting conditions related to these Options not yet achieved are as follows:
- 25% upon achieving $1.5 million revenue by June 2027;
- 25% upon achieving $0.15 million in revenue in 3 other countries by June 2027; and
- 25% upon remaining employed on 30 November 2027.

Mr Gavin Fox-Smith 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:
- 25% upon achieving $1.5 million revenue by June 2027;
- 25% upon achieving $0.15 million in revenue in 3 other countries by June 2027; and
- 25% upon remaining employed on 4 November 2029.

Ms Sue MacLeman remuneration included 450,000 Options at an exercise price of 20 cents and an expiry date of 30 November 2027. Vesting conditions related to these Options not yet achieved are as follows:
- 25% upon achieving $1.5 million revenue by June 2027;
- 25% upon achieving $0.15 million in revenue in 3 other countries by June 2027; and
- 25% upon remaining employed on 30 November 2027.

Ms Sue MacLeman remuneration also included 450,000 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:
- 25% upon achieving $1.5 million revenue by June 2027;
- 25% upon achieving $0.15 million in revenue in 3 other countries by June 2027; and
- 25% upon remaining employed on 4 November 2029.

Note 17: Share-Based Payments (continued)

During the 2025 financial year the Company granted 800,000 Loan Funded Shares at $0.10 (4-year non-recourse loan at 0% interest rate) to employees as part of their remuneration. Vesting conditions related to these Loan Funded Shares not yet achieved are as follows:

- 50% upon remaining employed on 17 July 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 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 2026.

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.

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 $251,905 (2025: $315,459) for Options, loan funded shares and deferred shares is included in the Statement of profit or loss and other comprehensive income. Details for Options movements 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
10.10.2023	30.11.2025	$1.80	200,000	-	(200,000)	-	-	-
13.05.2024	31.03.2026	$0.20	2,000,000	-	(2,000,000)	-	-	-
13.05.2024	31.03.2028	$0.30	2,000,000	-	-	-	2,000,000	2,000,000
20.08.2024	20.08.2026	$0.20	850,000	-	(475,000)	-	375,000	375,000
20.08.2024	20.08.2028	$0.30	850,000	-	(475,000)	-	375,000	375,000
5.11.2025	10.11.2028	$0.25	-	466,820	-	-	466,820	116,705
5.11.2025	30.11.2027	$0.20	-	1,200,000	-	-	1,200,000	300,000
1.12.2025	30.11.2027	$0.20	-	2,700,000	-	-	2,700,000	-
19.12.2025	30.11.2027	$0.20	-	31,250	-	-	31,250	31,250
TOTAL			**5,900,000**	**4,398,070**	**(3,150,000)**	**-**	**7,148,070**	**3,197,955**

Note 17: Share-Based Payments (continued)

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

	2026 Number of Options	2026 Weighted Average Exercise Price (cents)	2025 Number of Options	2025 Weighted Average Exercise Price (cents)
Opening balance	5,900,000	30.25	9,862,500	117.14
Granted	4,398,070	20.53	1,700,000	25.00
Forfeited / Lapsed	(3,150,000)	31.67	(5,662,500)	180.00
Outstanding at year-end	**7,148,070**	**23.65**	**5,900,000**	**30.25**
Exercisable at year-end	3,197,955	27.61	900,000	28.89

The fair value of issued share-based payments granted during the year pursuant to the EIOP in 2026 was calculated to be $357,348 (2025: $197,500). The total amount in the income statement is a share-based payments expense of $251,905 (2025: $315,459) 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:

	Directors	**Directors**	**Employees**	**Employees**
Options granted	466,820	1,200,000	2,700,000	31,250
Grant date	5.11.2025	5.11.2025	1.12.2025	19.12.2025
Exercise price	$0.25	$0.20	$0.20	$0.20
Underlying share price	$0.09	$0.09	$0.086	$0.097
Expiry date	10.11.2028	30.11.2027	30.11.2027	30.11.2027
Vesting period	various	various	various	n/a
Expected share price volatility	various	various	various	100%
Risk free interest rate	3.611%	3.611%	3.805%	4.012%
Fair value per option at grant date	$0.03	$0.02	$0.02	$0.03
Total fair value at grant date	$14,005	$24,000	$54,000	$938

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:

	Directors	**Directors**	**Employees**	**Employees**	**Employees**
Loan funded shares granted	445,875	1,337,626	500,000	1,000,000	1,000,000
Grant date	5.11.2025	5.11.2025	31.7.2025	1.12.2025	1.12.2025
Issue price	$0.10	$0.10	$0.10	$0.10	$0.10
Underlying share price	$0.09	$0.09	$0.056	$0.086	$0.086
Expiry date	4.11.2029	4.11.2029	31.7.2029	30.11.2029	30.11.2029
Vesting period	various	various	various	various	various
Expected share price volatility	various	various	various	92%	91%
Risk free interest rate	3.667%	3.667%	3.365%	3.873%	3.873%
Fair value per loan share at grant date	$0.05	$0.06	$0.03	$0.06	$0.05
Total fair value at grant date	$22,294	$80,258	$15,000	$60,000	$50,000

The value of deferred shares issued has been calculated by using the share price at grant date. Arising from the 2025 bonus to Dr Atkins 50% will be deferred for two years in equity following shareholder approval on the terms of the Company's Omnibus Employee Incentive Plan at 9 cents per share equalling 409,500 shares.

Note 18: Financial Risk Management

The Group's financial instruments consist mainly of term deposits with banks, trade and 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	2026 ($)	2025 ($)
FINANCIAL ASSETS			
Cash and cash equivalents		3,355,261	1,397,208
Trade and other receivables		64,274	61,907
Other financial assets – term deposits		85,000	85,000
		3,504,535	**1,544,115**
FINANCIAL LIABILITIES			
Trade and other Payables		637,431	874,226
		637,431	**874,226**

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 2026.

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 2026, cash was deposited with a large Australian bank in order to limit risk and ensure interest rate competitiveness.

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 $3,440,261 as at 30 June 2026 (2025: $1,482,208). An official increase/decrease in interest rates of 100 (2025: 100) basis points would have an adverse/favourable effect on loss before tax of $34,403 (2025: $14,822) 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 institutions of $3,355,261 (2025: $1,397,208). Fixed rate instruments were term deposits held at financial institutions of $85,000 (2025: $85,000).

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 consolidated entity 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 being the development and commercialisation of cancer diagnostic tests 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 ($)	Total ($)
2026						
Total compensation	103,306	707,722	-	77,472	3,828	**892,328**
2025						
Total compensation	253,366	877,538	-	87,155	-	**1,218,059**

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

Note 21: Auditor Remuneration

	2026 ($)	2025 ($)
REMUNERATION OF THE AUDITOR OF THE GROUP FOR:		
Auditing or reviewing the financial report	64,682	66,000
	64,682	**66,000**

Note 22: Controlled Entities

Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%) 2026	Percentage Owned (%) 2025
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%	100%

** Percentage of voting power in proportion to ownership*

Note 23: Events Subsequent to Reporting Date

On 26 August 2026, the Company announced on the ASX the appointment of Ms Maureen Baker and Mr Carl Stubbings as Non-Executive Directors effective 27 August 2026. The appointment is not yet effective at the time of the approval and signing of the financial report.

There have been no other matters or circumstances that have arisen since 30 June 2026 that have significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2026, of the consolidated entity; or
- the results of those operations; or
- the state of affairs, in financial years subsequent to 30 June 2026, of the consolidated entity.

Note 24: Commitments

There are no capital commitments for expenditure as at 30 June 2026 (2025: $nil).

Note 25: Contingent Assets and Liabilities

The Group has no contingent assets or liabilities as at 30 June 2026 (2025: $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 Bio 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 2026.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	2026 ($)	2025 ($)
INCOME			
Income	3	1,660,596	3,301,115
EXPENSES			
Cost of goods sold		(18,163)	-
Employment related costs	4	(2,736,233)	(2,846,133)
Office and administration costs		(1,680,959)	(1,538,455)
Research and development costs		(722,621)	(1,138,493)
Acquisition costs		-	(167,319)
Depreciation and amortisation		(170,761)	(186,871)
Finance expense		(72,803)	(66,723)
Other financial assets impairment		(3,387,910)	-
LOSS BEFORE INCOME TAX		**(7,128,854)**	**(2,642,879)**
Income tax expense	5	-	-
LOSS AFTER TAX		**(7,128,854)**	**(2,642,879)**
Other comprehensive income:		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(7,128,854)**	**(2,642,879)**

Consolidated Statement of Financial Position

	Notes	2026 ($)	2025 ($)
CURRENT ASSETS			
Cash and cash equivalents		3,295,130	1,171,156
Trade and other receivables		48,104	45,595
Other financial assets – term deposit		85,000	85,000
Prepayments		179,485	104,523
TOTAL CURRENT ASSETS		**3,607,719**	**1,406,274**
NON-CURRENT ASSETS			
Intangible assets		282,160	318,131
Other financial assets		591,237	2,023,316
Right-of-use assets		142,159	78,807
Plant and equipment		42,839	71,441
TOTAL NON-CURRENT ASSETS		**1,058,395**	**2,491,695**
TOTAL ASSETS		**4,666,114**	**3,897,969**
CURRENT LIABILITIES			
Trade and other payables		548,108	831,741
Provisions		232,683	120,472
Lease liabilities		67,222	85,471
Borrowings		85,298	1,000,000
TOTAL CURRENT LIABILITIES		**933,311**	**2,037,684**
NON-CURRENT LIABILITIES			
Provisions		21,525	10,972
Lease liabilities		74,048	-
TOTAL NON-CURRENT LIABILITIES		**95,573**	**10,972**
TOTAL LIABILITIES		**1,028,884**	**2,048,656**
NET ASSETS		**3,637,230**	**1,849,313**

Consolidated Statement of Financial Position (Continued)

	Notes	2026 ($)	2025 ($)
EQUITY			
Issued capital	13	44,958,462	37,753,596
Reserves	14	7,124,674	5,412,769
Accumulated losses		(48,445,906)	(41,317,052)
TOTAL EQUITY		**3,637,230**	**1,849,313**

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.

The Directors declare that:

1. The financial statements and notes, as set out on pages 19 to 47 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 2026 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 48 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 7 to 15 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.

Gavin Fox-Smith

Gavin Fox-Smith
Non-Executive Chairman

Melbourne, Australia
Dated 27th August 2026

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

Report on the audit of the financial report

Opinion

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 2026 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 2026,

— 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.

William Buck
ACCOUNTANTS & ADVISORS

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 $5,930,076 and cash outflow from operations of $5,232,987 during the year ended 30 June 2026. 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.

Carrying value of goodwill	Area of focus (refer also to notes 1, 2 & 7)	How our audit addressed the key audit matter
	Included on the statement of financial position is an intangible asset balance of $813,181 as at 30 June 2026, which relates to goodwill of $,531,021 and software assets totaling $282,160. The entirety of the goodwill balance was created following the acquisition of Genetype. 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 2026, the Group has not recorded an impairment charge.	Our audit procedures included: — A detailed evaluation of the Group's budgeting procedures upon which the forecast is based and assessing the methodology and testing he mathematical accuracy of the discounted future cash flow models; — Assessing the appropriateness of the Group's Cash Generating Unit ('CGU') consistent with how management monitors the business and makes decisions regarding the allocation of resources; — Testing the accuracy of the calculation derived from the impairment model and agreeing forecast cash-flows to board approved budgets; — 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

WilliamBuck
ACCOUNTANTS & ADVISORS

	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.	— Performing market cross checks on comparing the Group's market capitalisation relative to its net asset position as at 30 June 2026. 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 2026 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.

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.

William Buck
ACCOUNTANTS & ADVISORS

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 2026, 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 2026.

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

A. A. Finnis
Director
Melbourne, 27 August 2026

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 20 August 2026 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	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,688,611	7.54%
2	CATAPULT INVESTORS PTY LTD	22,479,168	6.35%
3	NEWFOUND INVESTMENTS PTY LTD <NEWFOUND SUPERANNUATION A/C>	16,016,518	4.53%
4	DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	13,255,000	3.75%
5	CITICORP NOMINEES PTY LIMITED	7,759,890	2.19%
6	ROJO NERO CAPITAL PTY LTD	7,713,851	2.18%
7	MR MARTIN PAUL BRESLIN <THE MPB A/C>	6,022,222	1.70%
8	MR MARTIN PAUL BRESLIN	4,100,000	1.16%
9	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	3,856,796	1.09%
10	GIOKIR PTY LTD	3,661,470	1.03%
11	MR GUY PHILIP SIGSTON	3,300,000	0.93%
12	ANGKOR IMPERIAL RESOURCES PTY LTD <TURKISH BREAD S/F A/C>	3,300,000	0.93%
13	LOUMEA INVESTMENT PTY LTD	3,198,861	0.90%
14	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	3,186,942	0.90%
15	MR ADRIAN DARBY	3,114,895	0.88%
16	ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	3,057,751	0.86%
17	MR MARK ANTHONY ROGERS & MR ARTHUR NICHOLAS VELISS	3,000,000	0.85%
18	MR PHILLIP GEORGE LASKARIS	2,836,474	0.80%
19	COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION	2,500,000	0.71%
20	MRS JOAN MARGARET MOLYNEUX & MRS WENDY ANNE HUTCHISON & MR JOHN EDWARD HUTCHISON <HUTCHISON FAMILY SUPER A/C>	2,450,000	0.69%
	Total	**143,927,639**	**40.67%**
	Balance of register	**209,939,218**	**59.33%**
	Grand total	**353,866,857**	**100.00**

The table above excludes 9,783,501 loan funded shares and 409,500 deferred shares, which are unquoted.

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
1 to 1,000	915	424,528	0.12%
1,001 to 5,000	1,045	2,939,662	0.83%
5,001 to 10,000	623	4,971,963	1.41%
10,001 to 100,000	1,284	45,975,862	12.99%
100,001 and Over	452	299,554,842	84.65%
Total	**4,319**	**353,866,857**	**100.00**

2,042 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	11.29%
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. Details disclosed are as at the date of the substantial shareholder notices filed on the ASX.

Listed Options Over Ordinary Shares

Rhythm Biosciences listed Options are quoted on the Australian Securities Exchange (ASX) under the ticker code RHYOA. The Company has issued 64,621,132 listed Options with an exercise price of $0.20 each expiring on 30 November 2027. The following information was extracted from the Company's records as at 20 August 2026 and is required by the ASX Listing Rules. Rhythm's securities are not quoted on any other securities exchange.

Twenty Largest Holders of Listed Options

Rank	Shareholder	Number of Options	Percentage of total issued
1	CITICORP NOMINEES PTY LIMITED	5,000,000	7.74%
2	MR MARTIN PAUL BRESLIN <THE MPB A/C>	4,032,731	6.24%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,775,560	5.84%
4	ROJO NERO CAPITAL PTY LTD	3,451,007	5.34%
5	ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	3,208,333	4.96%
6	NEWFOUND INVESTMENTS PTY LTD <NEWFOUND SUPERANNUATION A/C>	2,566,436	3.97%
7	DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	2,200,000	3.40%
8	SPARK PLUS PTE LTD	1,750,000	2.71%
9	MR PHILLIP GEORGE LASKARIS	1,500,000	2.32%
10	LIDO CORPORATION PTY LTD <THE LIDDY FAMILY A/C>	1,376,800	2.13%
11	MR SCOTT CRANK & MS LOLA CRANK <GAMBATTE SUPER FUND A/C>	1,300,000	2.01%
12	ANGKOR IMPERIAL RESOURCES PTY LTD <TURKISH BREAD S/F A/C>	1,282,412	1.98%
13	RICHSHAM NOMINEES PTY LTD	1,210,000	1.87%
14	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	1,175,968	1.82%
15	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	1,111,120	1.72%
16	MR MARTIN PAUL BRESLIN	1,110,150	1.72%
17	ALITIME NOMINEES PTY LTD	1,095,000	1.69%
18	WEBINVEST PTY LTD <OLSB UNIT A/C>	1,054,594	1.63%
19	RBTN INVESTMENTS PTY LTD	1,000,000	1.55%
20	ROMFAL SIFAT PTY LTD <THE FIZMAIL FAMILY A/C>	928,826	1.44%
	Total	**40,128,937**	**62.10%**
	Balance of register	**24,492,195**	**37.90%**
	Grand total	**64,621,132**	**100.00**

RHYOA

Range	No. of Optionholders	No. of Options	Percentage of total issued Options
1 to 1,000	1	869	0.00%
1,001 to 5,000	2	8,459	0.01%
5,001 to 10,000	5	35,806	0.06%
10,001 to 100,000	44	2,688,960	4.16%
100,001 and Over	84	61,887,038	95.77%
Total	**136**	**64,621,132**	**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 20 August 2026 are provided below:

Share Option Type	Expiry Date	Number of Options	Number of Holders	Exercise Price $
RHYAQ	31/03/28	2,000,000	1	0.30
RHYAT	20/08/28	375,000	5	0.30
RHYAU	10/11/28	466,820	1	0.25
RHYAV	30/11/27	3,931,250	15	0.20

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.

Directors

Mr Gavin Fox-Smith
Dr David Atkins
Ms Susan MacLeman

Company Secretary

Mr Mark Licciardo

Registered and Principal Office is located at:

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Legal Advisers

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Share Registry

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