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Rhythm Bio \$9m IPO For Colostat Bowel Cancer Blood Test

Rhythm Bio says it hopes to raise \$9,000,000 in an initial public offer at 20 cents a share to list on the ASX to develop its Colostat blood test for bowel cancer.

Rhythm Bio chief executive officer Dr Trevor Lockett told Biotech Daily that the Melbourne-based company hoped to develop the blood test to be comparable or better than the current faecal immunochemical test (FIT) screening assay.

The Rhythm Bio prospectus said that Colostat was designed to be a simple blood test as well as cost effective, minimally invasive and another option for those currently unwilling to screen, using the faecal test.

The prospectus said that the test could be easily run by laboratories, with minimal training or need for new infrastructure and would be comparable to, if not better than, the current FIT tests in detecting early stage colorectal cancers.

Dr Lockett said that the prototype test was achieving more than 70 percent in sensitivity on retrospective sample testing which he expected would improve significantly.

Dr Lockett said the funds would cover a prospective trial and the company hoped to take the completed test to European regulatory approval, followed by Australia and the US.

The prospectus said that the Colostat blood test was expected to achieve greater patient participation and compliance than faecal tests and could be used as a triage for positive results to prioritize urgency for colonoscopy follow-up.

The company said the immunoassay, biochemical test had the potential to detect colorectal cancer at all stages and would measure the presence or concentration of multiple protein biomarkers for colorectal cancer.

Rhythm Bio said that beginning in 2003, Commonwealth Scientific and Industrial Research Organisation staff identified 68 proteins reported to vary in concentration in the blood of patients with and without colorectal cancer.

The company said that assisted by funding from the National Health and Medical Research Council, the CSIRO evaluated the 68 biomarkers across five studies and reduced it to a lead panel of “just a few” biomarkers.

Rhythm Bio said that the studies found that when certain combinations of these protein biomarkers were measured in a blood sample and their concentrations weighted using an algorithm, a colorectal cancer risk score could be determined.

“It is this patented process that forms the basis for the Colostat technology,” Rhythm Bio said.

The company said the board comprised chairman Shane Tanner, with directors Dr Lockett, Lou Panaccio and David White.

Rhythm Bio said the offer would close on November 22 and the company expected to list under the ASX code RHY on December 13, 2017 with a post-listing market cap of \$20,150,000.

The company said that the lead manager for the offer was Taylor Collison.

The prospectus is available at: <https://www.rhythmbio.com/prospectus/>.