ARTHEx Biotech Announces Closing of €42 M Series B Financing

to Advance ATX-01, its Novel Treatment for Myotonic Dystrophy Type 1 (DM1)

The ArthemiR™ trial, a Phase I-IIa study of ATX-01 in DM1, is expected to initiate in 2H2023

Round led by Columbus Venture Partners, with participation of European Innovation Council (EIC), Hadean Ventures, Sound Bioventures, and existing investors Invivo Capital, AdBio Partners, and CDTI

Valencia, Spain, May 3rd, 2023 – ARTHEx Biotech S.L., a clinical-stage biotechnology company focused on developing innovative medicines through the modulation of microRNAs announced the closing of its €42 million Series B financing round led by Columbus Venture Partners, with participation from new investors, the European Innovation Council (EIC), Hadean Ventures, and Sound Bioventures. Existing investors Invivo Capital, AdBio Partners, and the Centre for the Development of Industrial Technology (CDTI) through its Innvierte program, also participated in the financing.

The Series B proceeds will be used to advance its lead compound, ATX-01, an antimiR designed to target microRNA 23b (miR-23b), to a Phase I/IIa clinical trial for the treatment of Myotonic Dystrophy Type 1 (DM1). miR-23b is known to be associated with regulating the expression of MBNL protein involved in the pathogenesis of DM1, a devastating, rare neuromuscular disorder that causes muscle weakness and other life-limiting complications. There are currently no disease-modifying treatments for DM1, which affects at least 40,000 people in the U.S and 70,000 in Europe.

In connection with the financing, ARTHEx' present Chairman of the Board of Directors, Dr. Frédéric Legros, has been appointed Chief Executive Officer.

"I am excited to lead ARTHEx Biotech with our accomplished executive team, board of directors and investor syndicate, who share our commitment to developing innovative medicines for debilitating diseases. This will be a pivotal year as we prepare to initiate our Phase I/IIa ArthemiR™ study of lead compound ATX-01 for DM1, in the second half of 2023," said Dr. Legros. "We believe that the market opportunity for a novel DM1 therapy is very attractive, given the limited number of companies in the clinic and the lack of an approved therapeutic agent."

"This financing enables us to translate the Company's foundational scientific work into the clinic, and we have tremendous confidence in our approach to unlock new therapeutical potential with microRNAs. We are pioneering approaches that preferentially deliver microRNA modulators to disease-affected tissues in a number of serious, disabling and life limiting conditions. We are thrilled to advance the development of ATX-01 for DM1, where we believe we have the potential to be best-in-class driven by its dual mechanism of action and I am committed to continued expansion and strengthening of the ARTHEx' pipeline, which

is based on the foundational technology discovered and developed over decades in my lab," said Dr. Beatriz Llamusí, CSO and co-founder of ARTHEx Biotech.

"The foundational technology of microRNA modulation at ARTHEx shows great promise in identifying new ways to treat disease, by blocking or activating key disease-driving targets, and Columbus Venture Partners recognized the uniqueness of the approach with ATX-01. We are pleased to support the Company and join its high-quality investor syndicate," said Jose Mesa, partner at Columbus Venture Partners. "We believe we have a tremendous opportunity to develop a novel therapy in DM1, an orphan disease with a significant number of patients across the world. We are pleased to be working with Fred, Beatriz and the outstanding team at ARTHEx and look forward to supporting the company through its next phase of growth. I also want to thank Beatriz for her tremendous work in growing and leading ARTHEx to this pivotal phase in the company's history. We look forward to her continued contributions as CSO as we progress."

About ATX-01

ARTHEx is developing innovative medicines based on the modulation of microRNA. ATX-01 is an antimiR designed to target microRNA 23b (miR-23b), which is associated with regulating the expression of MBNL protein involved in the pathogenesis of DM1. It has been demonstrated in human DM1 myoblast cell lines that ATX-01 has a unique, dual mechanism of action which targets toxic DMPK and MBNL proteins. Toxic DMPK and reduced levels of MBNL have been identified as the genetic cause of DM1. In December 2022, ARTHEx announced the achievement of key regulatory milestones for the ATX-01 development program, including receiving Orphan Drug Designation for ATX-01 in DM1 from both the US and European authorities.

ATX-01 was discovered through ARTHEx' in-house discovery engine, which is designed to identify and optimize novel microRNA modulators and ensure their preferential delivery to targeted tissues, for the treatment of diseases in which microRNAs are involved in the disease pathogenesis.

About Myotonic Dystrophy Type 1 (DM1)

Myotonic dystrophy type 1 (DM1) is a highly disabling disease affecting more than one million people worldwide. The condition affects muscles and other tissues (causing respiratory problems, fatigue, hypersomnia, cardiac abnormalities, severe gastrointestinal complications, and cognitive and behavioral impairment). Most commonly, it manifests during adulthood, although DM1 can develop at birth in a congenital form, or during childhood. Although signs and symptoms vary among affected individuals, sadly, with progression of the disease, DM1 patients experience a reduction in the ability to perform activities of daily living. Moreover, patients have a significantly shortened lifespan and there is currently no approved treatment to slow the progression of the disease.

About ARTHEx Biotech

ARTHEx Biotech is a clinical-stage biotechnology company focused on developing innovative medicines through the modulation of microRNAs. The Company's lead investigational compound, ATX-01, is advancing into clinical development for the treatment of myotonic dystrophy type 1 (DM1), a rare progressive muscle wasting disease. ARTHEx is also advancing its in-house discovery engine to identify and develop microRNA modulators for other disorders with high unmet medical needs, including genetically-driven diseases like DM1. The Company headquarters is in Valencia, Spain.

For more information, please visit www.arthexbiotech.com and engage with us on LinkedIn.

About Dr. Frédéric Legros

Before joining ARTHEx Biotech as Executive Chairman in November 2022, he served as Chief Operating Officer of Dynacure, a company he co-founded in 2016. Prior to launching Dynacure, Dr. Legros was Vice President and Corporate Head of Business Development of Valneva SE, a biotech company listed on the French stock exchange, from 2008 to 2016. Dr Legros studied biotechnology and received his Ph.D. in molecular biology from University of Paris 7. He also holds a business degree from NEOMA Business School, France.

Company Contact

Frédéric Legros

Executive Chairman and CEO

flegros@arthexbiotech.com

+33679495790

Investor and Media Contact

Amy Conrad

Juniper Point

amy@juniper-point.com
+1 858-366-3243