

<Press Release>

Metagen Therapeutics Completes Series A Financing Raising a Total of 1.7 Billion Yen

Yamagata, Japan, June 15, 2023–Metagen Therapeutics (President & CEO: Taku Nakahara), a company focusing on drug discovery and development based on intestinal microbiome-based therapeutics for various diseases, has completed its Series A funding in 2 rounds, raising a total of 1.7 billion yen. Sparx Asset Management, Nippon Venture Capital, Mizuho Capital and SMBC Venture Capital have joined the 1st round investors of JIC Venture Growth Investments, a type of sovereign wealth fund in Japan, JAFCO, Japan's largest venture capital company, Fast Track Initiative and Keio Innovation Initiative.

With the closing of the 2nd round, Metagen Therapeutics has raised a total amount of 1.93 billion yen since its inception.

◆Purpose of Financing

There has been a growing movement to utilize intestinal bacteria in the medical field in recent years. In countries such as Australia and USA, "Fecal Microbiota Transplantation (FMT)" has been implemented as a medical procedure, and in April 2023, U.S. FDA approved the world's first stool-derived oral formulation for a microbiome drug.

With the latest financing, Metagen Therapeutics aims to achieve 3 goals.

The construction and operation of an intestinal microbiota bank, research and development of Microbiota Drug Discovery Programs, and the social implementation of FMT.

By establishing an intestinal microbiota bank in Japan we will be able to connect patients and donors, which in turn will support and promote the social implementation of FMT, and from there help develop internationally competitive microbiome drugs that originates from Japan.

◆Use of Funds

1.Development and operation of the intestinal microbiota bank

- Development of registration system for intestinal microbiota donor candidates
- Operation of intestinal microbiota bank (in accordance with institutional guidelines)
 - Donor recruitment/online interview, donor eligibility evaluation, intake of stool donations, manufacturing/assessment/storage of intestinal microbiota solution

- Establishing process regarding preparation and quality control for intestinal microbiota solution

2.Promotion of basic and clinical research for clinical application of FMT (such as joint research related to immune checkpoint inhibitors)

3. Research and development of intestinal microbiota drug discovery program (including probiotics)

■ **Message from investors**

Sparks Asset Management Co.,Ltd.

Mr. Mitsuhiro Ito, Next Generation Growth Investment Division

FMT therapy has recently been studied mainly overseas, and its social implementation is awaited in Japan as a new treatment method for various diseases including ulcerative colitis. We hope that Metagen Therapeutics, with its abundant intestinal microbiota data accumulated through years of clinical research and advanced bioinformatics technology, will lead the promotion of microbiome medicine and drug discovery and serve as gospel for many patients.

Nippon Venture Capital Co.

Ms. Yuko Kitaoka and Ms. Sayuri Okamoto, Investment Division

It is with great pleasure to be here with Metagen Therapeutics, which is engaged in the research and development of innovative medical and pharmaceutical products such as the social implementation of FMT and microbiome drug discovery, as well as with its many investors. We are very much looking forward to seeing the excellent team led by Mr. Nakahara make a significant contribution to further develop microbiome science and the practical application of new medical and pharmaceutical products.

Mizuho Capital Co.,Ltd.

Mr. Keisuke Omori, Investment Manager

Metagen Therapeutics is a bio-venture company with Japan's leading research and development capabilities in intestinal microbiota transplantation and microbiome drug discovery. With the increasing number of regulatory approvals for microbiome drugs overseas, we expect to see the creation of innovative medicine and pharmaceutical products based on microbiome science originating from Japan. We, together with our excellent management team led by President Nakahara, CMO Ishikawa, and CSO Terauchi, will continue to support this company with all our resources.

SMBC Venture Capital.

Mr. Masakazu Komahashi, Investment Sales Dept.

Microbiomes are believed to be involved in various diseases other than inflammatory bowel disease, and the development of therapies is attracting worldwide attention. It is a new modality, and we expect to face many challenges in its implementation in society, but with the science and enthusiasm of the Metagen Therapeutics team, I believe we will be able to overcome these challenges. As a leading company in microbiome therapy development, we look forward to bringing therapies to patients as soon as possible.

Message from Taku Nakahara, President and CEO, Metagen Therapeutics

June 15th marks the final close of our Series A funding round, raising a total of 1.7 billion yen. We are very grateful for the deep trust and support of our top-tier investors, including FTI, JAFCO, and KII, who have supported us since the Seed and Pre-A rounds, JIC-VGI, who participated in the Series A First Close in April, and SPARX, NVCC, Mizuho Capital, and SMBC Venture Capital, who joined us at this final close.

This funding will provide a powerful boost to expand the impact of microbiome medicine and drug discovery from Japan to the rest of the world, working to fulfill our mission of “Living up to the hopes of patients through microbiome science”. Intestinal microbiome therapy is entering a new phase globally, with the approval of stool-derived oral formulations in the United States. We are determined not to miss this trend and renew our strong determination to bring advanced treatments to patients in Japan as soon as possible.

What is a microbiome?

A microbiome refers to the community of bacteria present throughout the human body including the intestines, skin and mouth. There are known to be approximately 40 trillion* bacterial cells in the human intestine, and in recent years, it has become evident to have significant impact on human health.

* Sender, R., Fuchs, S. & Milo, R. Revised Estimates for the Number of Human and Bacteria Cells in the Body. *PLoS Biol.* 14, e1002533 (2016)

What is FMT?

FMT refers to the transplantation of intestinal microbiota from the stool of healthy individuals into the intestines of patients using a colonoscope. This is a medical technology and procedure that improves the imbalance of the microbiota, or dysbiosis. Clinical research began in 2014, and Juntendo University has accumulated a track record of FMT in more than 200 patients** with ulcerative colitis, publishing research

papers and case studies internationally in a number of top journals.

**https://www.juntendo.ac.jp/hospital/clinic/shokaki/about/treatment/intestinal_microbiota1.html

What is the Intestinal Microbiota Bank?

The intestinal microbiota bank is a system that recruits and screens potential intestinal microbiota donors, prepares intestinal microflora solution to be transplanted into patients when performing FMT, and delivers solutions to medical institutions. The intestinal microbiota bank also serves as a foundation for research and development of pharmaceuticals using intestinal bacteria.

About Metagen Therapeutics

Metagen Therapeutics (MGTx) is a biotech startup founded by researchers of Juntendo University, Keio University and Tokyo Institute of Technology in 2020 with the mission of "Living up to the hopes of patients through microbiome science". MGTx has been accelerating its drug discovery and development work on intestinal microbiome-based therapeutics for various diseases such as cancer, ulcerative colitis, and Parkinson's disease. It aims for social impact through medical care and drug discovery.

For more information, go to <https://www.metagentx.com> or follow us on LinkedIn at <https://www.linkedin.com/company/metagentx/>.

For press inquiries or investor inquiries, please email: pr@metagentx.com

<Company Profile>

Company name: Metagen Therapeutics Inc. (MGTx)

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Representative: Taku Nakahara, President and CEO

Date of establishment: January 17, 2020

Company description: Drug discovery and medical business through microbiota therapeutics