Ascletis Pharma Inc.
歌禮製藥有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1672)

VOLUNTARY ANNOUNCEMENT

ASCLETIS ANNOUNCES DOSING OF THE FIRST COHORT OF HEALTHY SUBJECTS IN THE FXR AGONIST ASC42 BRIDGING STUDY FOR CHRONIC HEPATITIS B INDICATION IN CHINA

- *This bridging study to select doses for the Phase II trial in China in patients with chronic hepatitis B (CHB)*

- *ASC42 clinical trials are being conducted in the U.S. and China for non-alcoholic steatohepatitis (NASH) and CHB*

The board of directors (the "**Board**") of Ascletis Pharma Inc. (the "**Company**") is pleased to announce the dosing of the first cohort of healthy subjects in the ASC42 bridging study in China for CHB indication. ASC42 is an in-house developed, novel non-steroidal, selective, potent FXR agonist with best-in-class potential.

On June 7, 2021, the Company announced that China National Medical Products Administration (NMPA) had approved the Investigational New Drug (IND) application for ASC42 to conduct clinical trials in China for CHB indication.

On June 16, 2021, the Company announced ASC42 positive topline results of safety and pharmacodynamic biomarkers from the U.S. Phase I trial of NASH indication of Gannex Pharma Co., Ltd. (甘萊製藥有限公司), a wholly-owned subsidiary of the Company. The data indicated that there were no pruritus observed during 14-day treatment of the once-daily human therapeutic dose of 15 mg and no treatment-emergent alanine aminotransferase (ALT) and aspartate aminotransferase (AST) elevations during 14-day, once daily treatment with 15 mg.

Based on the pharmacokinetic data from the ASC42 Phase I trial in 64 healthy subjects in the U.S., the bridging study in China is a randomized, placebo-controlled, double-blind single-ascending dose (5 mg and 15 mg) study in 30 healthy subjects receiving ASC42 or matching placebo (ClinicalTrials.gov Identifier: NCT04679129). The objective of the bridging study is to select doses for the upcoming Phase II trial in China in patients with CHB.

As an FXR agonist, ASC42 has unique mechanism of action against hepatitis B virus (HBV): ASC42 inhibits the transcription of HBV cccDNA into HBV RNA, which in turn inhibits the translation of HBV RNA into HBsAg. ASC42 may also reduce HBV cccDNA stability. Both in vitro primary human hepatocyte (PHH) cells and in vivo AAV/HBV mouse studies demonstrated that ASC42 significantly inhibited serum hepatitis B surface antigen (HBsAg) and HBV pregenomic RNA (pgRNA), indicating that ASC42 has therapeutic potential to functionally cure CHB.

Cautionary Statement required by Rule 18A.05 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited: We cannot guarantee that we will be able to ultimately commercialize ASC42 successfully.

By order of the Board
Ascletis Pharma Inc.
歌禮製藥有限公司
Jinzi Jason WU
Chairman

Hangzhou, the People's Republic of China
July 13, 2021

As at the date of this announcement, the Board comprises Dr. Jinzi Jason WU and Mrs. Judy Hejingdao WU, as executive Directors; and Dr. Yizhen WEI, Mr. Jiong GU and Ms. Lin HUA, as independent non-executive Directors.