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

VOLUNTARY ANNOUNCEMENT

GANNEX ANNOUNCES FIRST PATIENT DOSED IN PHASE II CLINICAL TRIAL OF ASC42, AN FXR AGONIST, FOR PRIMARY BILIARY CHOLANGITIS

– *Gannex is expected to complete the Phase II trial in 100 patients by the end of 2022.*

– *Gannex intends to soon start a Phase III trial in China, the U.S. and European Union after the completion of the Phase II study in China.*

– *An epidemiology study in China in 2010 showed that there were approximately 656,000 PBC patients in China including 440,000 in females over age 40. An epidemiology study in the U.S. indicated that there were approximately 120,000 PBC patients in the U.S. in 2014.*

The board of directors (the "**Board**") of Ascletis Pharma Inc. (the "**Company**" or "**Ascletis**") announces today the first patient dosed in the Phase II clinical trial of ASC42 to treat patients with primary biliary cholangitis (PBC). ASC42 is a drug candidate of Gannex Pharma Co., Ltd. (甘萊製藥有限公司, "**Gannex**"), a wholly-owned subsidiary of the Company.

The Phase II study (ClinicalTrials.gov Identifier: NCT05190523) consists of three ASC42 active treatment arms (5 mg, 10 mg and 15 mg) and one placebo control arm at the ratio of 1:1:1:1 and is expected to enroll a total of 100 patients who have an inadequate response to or are unable to tolerate Ursodeoxycholic acid (UDCA). The treatment duration is 12 weeks and the study is expected to be completed by the end of 2022.

The protocol of Phase III clinical trial in 210 PBC patients was approved in November 2021 by China National Medical Products Administration (NMPA). After the completion of the Phase II clinical trial, Gannex will soon initiate the Phase III trial after the communications with China NMPA in terms of drug registration related matters such as Chemistry, Manufacturing and Control (CMC) and toxicology studies.

ASC42 is an in-house developed, novel non-steroidal, selective, potent Farnesoid X receptor (FXR) agonist with best-in-class potential and global intellectual property. The data from the U.S. Phase I trial of ASC42 indicated there was no pruritus observed during 14-day treatment of the once-daily human therapeutic dose of 15 mg and FXR target engagement biomarker Fibroblast Growth Factor 19 (FGF19) increased 1,780% on Day 14 of treatment with 15 mg dose. Furthermore, mean low density lipoprotein cholesterol (LDL-C) values remained within the normal range during 14-day, once-daily treatment with 15 mg.

UDCA is the only drug which is approved in China for PBC and approximately 40% of PBC patients have an inadequate response to or are unable to tolerate UDCA[1]. Obeticholic Acid (OCA), which is not approved in China, is the only approved medicine in the U.S. for PBC patients who have an inadequate response to or are unable to tolerate UDCA. However, there are significantly increased pruritus rates and LDL-C levels in patients with OCA treatment. Absence of pruritus and mean LDL-C values within the normal range at the therapeutic dose makes ASC42 a potential best-in-class PBC drug candidate. Gannex intends to soon start a Phase III trial in China, the U.S. and European Union after the completion of the Phase II study in China.

An epidemiology study in China in 2010 showed that there were approximately 656,000 PBC patients in China including 440,000 in females over age 40[2]. An epidemiology study in the U.S. indicated that there were approximately 120,000 PBC patients in the U.S. in 2014[3].

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1 Lindor K D, Bowlus C L, Boyer J, et al. Primary Biliary Cholangitis: 2018 Practice Guidance from the American Association for the Study of Liver Diseases [J]. Hepatology 2019, 69(1): 394-419. DOI: 10.1002/hep.30145.

2 Chinese Rheumatology Association (中華醫學會風濕病學分會), "Recommendations for diagnosis and treatment of primary biliary cholangitis in China (2021)" (原發性膽汁性膽管炎診療規範(2021)) [J]. Zhonghua Nei Ke Za Zhi. (中華內科雜誌), 2021, 60(8): 709-15. DOI: 10.3760/cma.j.cn112138-20210520-00360.

3 Lu M, Zhou Y, Haller I V, et al. Increasing Prevalence of Primary Biliary Cholangitis and Reduced Mortality With Treatment [J]. Clin Gastroenterol Hepatol 2018, 16(8): 1342-50 e1. DOI: 10.1016/j.cgh.2017.12.033.

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
April 10, 2022

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.