July 6, 2017

# Conatus Announces Effectiveness of Exclusive License for Global Development and Commercialization of Emricasan with Receipt of $7 Million Payment

SAN DIEGO, July 06, 2017 (GLOBE NEWSWIRE) -- Conatus Pharmaceuticals Inc. (Nasdaq:CNAT) today announced that its exclusive license with Novartis for the global development and commercialization of emricasan has become effective under terms of the Option, Collaboration and License Agreement signed in December 2016. The license became effective on July 5, 2017, upon Conatus' receipt of a $7 million payment, which followed U.S. Federal Trade Commission review and expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, with respect to the Agreement. Emricasan, Conatus' first-in-class, orally-active pan-caspase inhibitor, has demonstrated activity across a broad spectrum of liver diseases, and is currently being evaluated in four Phase 2b clinical trials as a potential treatment for liver cirrhosis and fibrosis caused by nonalcoholic steatohepatitis (NASH) or hepatitis C virus (HCV) infection.

With the secured and anticipated funding provided under the Novartis agreement, along with the retained net proceeds from an underwritten public offering of its common stock completed in May 2017, Conatus believes that current financial resources are sufficient to maintain operations and ongoing clinical development activities through the end of 2019, as well as to fund anticipated pipeline expansion activities. Conatus is now projecting a balance of cash, cash equivalents and marketable securities of between $55 million and $65 million at year-end 2017, compared with a balance of $77.0 million at year-end 2016.

"We are very pleased to advance to effective license status in our collaboration with Novartis," said Conatus co-founder, President and Chief Executive Officer, Steven J. Mento, Ph.D., "and we look forward to working together on emricasan's development, both as a single agent for NASH cirrhosis and as a component of potential drug combinations for NASH fibrosis. In parallel, we are advancing toward a planned announcement later in 2017 of independent pipeline development opportunities aimed at building additional long-term value for our shareholders beyond emricasan."

**Emricasan Clinical Development**
Conatus is conducting three randomized, double-blind, placebo-controlled Phase 2b EmricasaN, a Caspase inhibitOR, for Evaluation (ENCORE) clinical trials designed to evaluate emricasan treatment in various NASH patient populations:

- ENCORE-LF (for Liver Function), initiated in the second quarter of 2017, in approximately 210 patients with decompensated NASH cirrhosis, with top-line results expected in 2019;
- ENCORE-NF (for NASH Fibrosis), initiated in the first quarter of 2016, in approximately 330 patients with NASH fibrosis, with top-line results expected in the first half of 2019; and
- ENCORE-PH (for Portal Hypertension), initiated in the fourth quarter of 2016, in approximately 240 patients with compensated or early decompensated NASH cirrhosis and severe portal hypertension, with top-line results expected in 2018 followed by an integrated 6-month treatment extension period for clinical outcomes.

Conatus is conducting a fourth randomized, double-blind, placebo-controlled Phase 2b clinical trial in POLT-HCV-SVR patients:

- POLT-HCV-SVR, initiated in the second quarter of 2014, in approximately 60 post-orthotopic liver transplant (POLT) recipients with liver fibrosis or cirrhosis post-transplant as a result of recurrent HCV infection who have successfully achieved a sustained viral response (SVR) following HCV antiviral therapy, with top-line results expected in the first half of 2018.

Results from the four ongoing emricasan clinical trials are expected to support the design of Phase 3 clinical efficacy and safety trials.

**About Conatus Pharmaceuticals**
Conatus is a biotechnology company focused on the development and commercialization of novel medicines to treat liver disease. In collaboration with Novartis, Conatus is developing its lead compound, emricasan, for the treatment of patients with chronic liver disease. Emricasan is a first-in-class, orally active pan-caspase inhibitor designed to reduce the activity of enzymes that mediate inflammation and apoptosis. Conatus believes that by reducing the activity of these enzymes, caspase inhibitors have the potential to interrupt the progression of a variety of diseases. For additional information, please

visit www.conatuspharma.com.

**Forward-Looking Statements**
This press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts contained in this press release are forward looking statements, including statements regarding:  the sufficiency of current and anticipated financial resources; the projected year-end cash balance; future development of emricasan as a single agent or in combination products; the details of and the timelines to announce results from the ENCORE-LF, ENCORE-NF, ENCORE-PH and POLT-HCV-SVR clinical trials; plans to announce pipeline development opportunities in 2017 and the ability of such opportunities to generate long-term value for shareholders; the ability of results from ongoing trials to support the design of Phase 3 clinical trials; and caspase inhibitors' potential to interrupt the progression of a variety of diseases. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions. These forward-looking statements speak only as of the date of this press release and are subject to a number of risks, uncertainties and assumptions, including those risks described in Conatus' prior press releases and in the periodic reports it files with the Securities and Exchange Commission. The events and circumstances reflected in Conatus' forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Except as required by applicable law, Conatus does not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

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