

August 6, 2020



Cocrystal Pharma Reports Second Quarter 2020 Financial Results and Provides Updates on Antiviral Programs

– COVID-19 program in preclinical development; Discussions with potential strategic partners ongoing –

– Merck collaboration to discover and develop influenza A/B antiviral agents progresses –

BOTHELL, WA, Aug. 06, 2020 (GLOBE NEWSWIRE) -- [Cocrystal Pharma, Inc.](#) (NASDAQ: COCP), ("Cocrystal" or the "Company"), a clinical stage biotechnology company discovering and developing novel antiviral therapeutics, today announced its financial results for the quarter ended June 30, 2020 and provided program updates.

Recent Highlights

- Expanded license with Kansas State University Research Foundation ("KSURF") for rights to additional broad-spectrum antiviral compounds to treat Coronavirus infections.
- Publication by collaborators of data demonstrating potent *in vitro* inhibition against Coronavirus in *Science Translational Medicine* Journal.
- Appointed Roger D. Kornberg, Ph.D., a Nobel Laureate to its Board of Directors.

"We have continued to move our antiviral programs forward. We are encouraged by our preclinical studies of COVID-19 inhibitors," commented Dr. Gary Wilcox, Chairman and Chief Executive Officer of Cocrystal. "With a foundation of strong fundamentals, we believe Cocrystal is poised to build shareholder value."

Development Programs Overview

COVID-19 Coronavirus Program:

Aggressively pursuing the development of novel antiviral compounds for the treatment of coronavirus infections using our established proprietary drug discovery platform.

The compounds licensed from KSURF have demonstrated *in vitro* anti-SARS-CoV-2 activity responsible for the COVID-19 pandemic, and *in vivo* efficacy in MERS-CoV-infected animal models. Cocrystal initiated its preclinical studies of COVID-19 inhibitors during the second quarter and is currently developing additional COVID-19 inhibitors utilizing its proprietary platform technology. The Company is in discussions with potential strategic partners.

Influenza A/B Inhibitors: Merck Collaboration

Exclusive license and collaboration agreement with Merck to discover and develop proprietary influenza A/B antiviral agents.

Cocrystal's exclusive license and collaboration agreement with Merck Sharp & Dohme Corp. ("Merck") to discover and develop proprietary influenza A/B antiviral agents is ongoing. Merck has funded the collaborative influenza A/B program and could potentially provide up to \$156 million in milestone payments as the collaboration proceeds through clinical and commercial development, plus royalties following commercialization.

CC-42344: Influenza A Program:

Novel, broad spectrum influenza antivirals that are specifically designed to be effective against pandemic and seasonal influenza A strains of the influenza virus and to have a high barrier to resistance due to its novel mechanism of action.

The Company's lead molecule in development, CC-42344, is currently being evaluated in IND-enabling studies for the treatment of influenza. CC-42344 has shown excellent antiviral activity against influenza A strains, including avian pandemic strains and Tamiflu® resistant strains, and shows a favorable pharmacokinetic and safety profile.

CC-31244: Hepatitis C Program:

Potential best-in-class pan-genotypic inhibitor of NS5B polymerase for the ultra-short combination treatment of hepatitis C infection.

The final study report of Cocrystal's U.S. Phase 2a clinical trial evaluating CC-31244 combination therapy for the ultrashort treatment of hepatitis C virus ("HCV") infected individuals has been completed and confirms the previously released data that it is effective and well tolerated. Partnering efforts continue for the Company's fully owned ultrashort treatment of HCV.

Norovirus Program:

Developing inhibitors targeting Norovirus RNA-dependent RNA polymerase and protease.

Cocrystal continues to identify and develop non-nucleoside polymerase inhibitors using its proprietary structure-based drug design technology platform. Cocrystal recently entered into license agreements with KSURF to further develop proprietary broad-spectrum protease inhibitors to treat Norovirus and Coronavirus infections.

Summary of Financial Results for Q2 2020

As of June 30, 2020, Cocrystal had approximately \$19,365,000 cash on hand.

Revenue recorded for the three and six months ended June 30, 2020 was \$554,000 and \$1,015,000, respectively, compared with \$592,000 and \$5,670,000 for the three and six months ended June 30, 2019, respectively. The revenue for the six months ended June 30, 2019 included \$4,368,000 as consideration in exchange for conveyance of intellectual property rights at the signing of the Merck Collaboration Agreement executed on January 2, 2019.

General and administrative expenses for the three and six months ended June 30, 2020 was \$2,028,000 and \$3,167,000, respectively, compared with \$1,051,000 and \$2,374,000 for the three and six months ended June 30, 2019, respectively. The increase for the three and six months ended June 30, 2020 compared to the three months ended June 30, 2019 was primarily due to litigation costs, insurance increases and executive compensation.

Total research and development expenses for the three and six months ended June 30, 2020 was \$1,976,000 and \$3,259,000, respectively, compared with \$1,091,000 and \$1,969,000 for the three and six months ended June 30, 2019, respectively. The increase for the three and six months ended June 30, 2020 compared to the three months ended June 30, 2019 was primarily due to increases in COVID-19 and Influenza programs.

Net loss for the three and six months ended June 30, 2020 was \$3,495,000 and \$5,485,000, respectively, compared with a net loss of \$1,515,000 and a net income of \$1,456,000 for the three and six months ended June 30, 2019, respectively, as a result of revenue and expenses described above.

About Cocrystal Pharma, Inc.

Cocrystal Pharma, Inc. is a clinical stage biotechnology company discovering and developing novel antiviral therapeutics that target the replication process of influenza viruses, hepatitis C viruses, coronaviruses and noroviruses. Cocrystal employs unique structure-based technologies and Nobel Prize winning expertise to create first- and best-in-class antiviral drugs. For further information about Cocrystal, please visit www.cocrystalpharma.com.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements related to expected results of our collaboration with Merck, including the potential future milestone payments of up to \$156,000,000 and royalties in connection with the collaboration; and the results of any partnering discussions relating to any of our programs. The words "believe," "proceeds," "may," "estimate," "continue," "anticipate," "intend," "should," "plan," "could," "target," "potential," "is likely," "will," "expect" and similar expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events. Some or all of the events anticipated by these forward-looking statements may not occur. Important factors that could cause actual results to differ from those in the forward-looking statements include, but are not limited to, the risks arising from the impact of the COVID-19 pandemic on our Company, including supply chain disruptions, our continued ability to proceed with our programs, the national and global economy, our reliance on certain third parties, our reliance on continuing collaboration with Merck under the collaboration agreement, the future results of preclinical and clinical studies, general risks arising from clinical trials, receipt of regulatory approvals, development of effective treatments and/or vaccines by competitors. Further information on our risk factors is contained in our filings with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2019, as updated and supplemented by the Quarterly Report on Form 10-Q for the quarter ended June 30, 2020. Any forward-looking statement made by us herein speaks only as of the date on which it is made. Additional factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

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