November 9, 2016

Cocrystal Pharma Announces Filing 2016 Third Quarter Financial Statements and Provides Company Update

BOTHELL, WA and ATLANTA, GA -- (Marketwired) -- 11/09/16 -- Cocrystal Pharma, Inc. (OTCQB: COCP), a company focused on developing novel antiviral therapeutics for human diseases, today announced the filing of its financial statements for the quarter ending September 30, 2016 and provided an update on its preclinical and clinical programs.

2016 Third Quarter Financial Results

Research and Development (R&D) expense during the second quarter was $2.09 million compared to $2.18 million for the same period in 2015. The $0.09 million decrease was due primarily to a decrease in stock-based compensation and somewhat offset by an increase in pre-clinical and clinical costs. For the nine months ended September 30, 2016, R&D expense was $7.80 million compared to $5.75 million for the nine months ended September 30, 2015. The increase of $2.05 million was due to a $1.62 million increase in pre-clinical and clinical costs as we ramped up a phase I trial in 2016, a $0.20 million increase in professional fees for consulting services engaged to support our Phase I clinical trial, and $0.23 million in compensation and other operating costs.

During the third quarter of 2016, Selling, General and Administrative (SG&A) reflected negative expense of ($0.20) million compared to $1.44 million for the same period in 2015. The $1.64 million decrease was due to a $1.52 million decline in stock-based compensation and lower personnel costs, down $0.24 million, offset by higher operating costs of $0.12 million. General and administrative expenses were $3.60 million for the nine months ended September 30, 2016, compared with $3.90 million for the nine months ended September 30, 2015. The decrease of $0.30 million was due to a $1.62 million decrease in stock-based compensation, offset by increased personnel costs of $0.32 million, increased professional fees of $0.57 primarily for expenses related to ongoing legal proceedings and other operating expenses of $0.73 million.

In September, the Company closed on proceeds of $4,008,201 in a private placement offering of 9,776,100 shares of the Company's common stock at a purchase price of $0.41 per share. The purchasers included three members of the Company's board of directors, including Chairman Dr. Raymond F. Schinazi, Interim Chief Executive Officer Dr. Gary Wilcox, and Dr. David Block. In addition, OPKO Health, Inc., of which the Company's director Dr. Phillip Frost is Chairman and Chief Executive Officer, invested in the Offering.

Research and Development Update

During the three months ended September 30, 2016, the Company focused on its research and development efforts and continued its clinical trials for our Non-Nucleoside HCV Polymerase Inhibitor (NNI) CC-31244, which began in April 2016.

- Hepatitis C -- CC-31244 (Pan-genotypic NNI). On November 7, 2016, the Company announced positive interim data from a randomized, double-blind Phase Ia/Ib study of CC-31244, a pan-genotypic, potent NS5B non-nucleoside inhibitor (NNI), for the treatment of chronic hepatitis C virus (HCV) infection. The study is designed to evaluate CC-31244's safety/tolerability and pharmacokinetics, including food effect and antiviral activity.

  The study includes two groups: Group A (single ascending doses, and multiple doses in healthy volunteers), and Group B (multiple doses in HCV infected individuals). The study has dosed a total of 42 healthy volunteers with single (20, 50, 100, 200 and 400 mg) and multiple doses of CC-31244 at 200 and 400 mg for 7 days. Four HCV GT1 infected patients have been dosed with 400 mg once daily for 7 days. Initial data from the once daily 400 mg dosing study show that CC-31244 had a substantial and durable antiviral effect with an average HCV RNA viral load decline from baseline of 3 logs by Day 4. The average viral load did not return to baseline levels even at 6 days post last dose. In addition, no viral breakthrough was observed during the treatment period. No serious adverse event was reported. To date, CC-31244 appears to be safe and well tolerated in both healthy and HCV-infected subjects.
- Hepatitis C -- CC-2850 (Pan-genotypic nucleoside inhibitor). We have generated additional pre-clinical in vitro and in vivo data for comparison with Sofosbuvir.
- Hepatitis C -- CC-2069 (Pan-genotypic NS5A inhibitor). We have obtained additional preclinical in vitro data for CC-2069. We are nearing completion of the synthesis of non-GMP and GMP batches of CC-2069.
- Hepatitus C -- Helicase. We have continued preclinical studies on several helicase inhibitors and have conducted in vitro combination studies with HCV DAAs (Direct-Acting Antivirals).
- Influenza. We are developing novel broad spectrum inhibitors of the influenza A polymerase enzyme. Our inhibitors target an enzyme complex essential to influenza viral replication and transcription, and have shown excellent in vitro potency and pharmacokinetic properties. Our lead molecule is now being tested in pre-clinical toxicology studies.
- Norovirus. We have continued to identify and test nucleoside and non-nucleoside polymerase inhibitors.

Corporate Update

In July, Cocrystal announced that Dr. Gary Wilcox will assume the role of interim Chief Executive Officer. Mr. Jeffrey Meckler stepped down as Chief Executive Officer and from the Board to pursue other interests. In addition, Dr. Douglas Mayers, the Chief Medical Officer at Cocrystal, also resigned. Dr. Luz Pascual, Vice President Clinical Development, continues to oversee the ongoing clinical programs.

About Cocrystal Pharma

Cocrystal is a clinical stage biotechnology company seeking to discover novel antiviral therapeutics as treatments for serious and/or chronic viral diseases. Cocrystal employs unique technologies and Nobel Prize winning expertise to create first- and best-in-class antiviral drugs. These technologies, including our nucleoside chemistry expertise and market-focused approach to drug discovery are designed to efficiently deliver small molecule therapeutics that are safe, effective and convenient to administer. The company has identified promising, preclinical stage antiviral compounds for several unmet medical needs,

including hepatitis, influenza and norovirus infections. Cocrystal has previously received strategic investments from Teva Pharmaceuticals, OPKO Health (NYSE: OPK), Brace Pharmaceutical, LLC, and The Frost Group.

For further information about Cocrystal, please refer towww.cocrystalpharma.com. Forward Looking Statements To the extent that statements contained in this press release are not descriptions of historical facts regarding Cocrystal, they are forward-looking statements reflecting the current beliefs and expectations of management including statements regarding development plans for treatments related to Hepatitis C. Forward-looking statements in this release involve substantial risks and uncertainties that could cause or clinical development programs, performance or future results to differ significantly from what is expressed or implied by the forward-looking statements. For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to the business of the Company in general, see filings Cocrystal has made with the Securities and Exchange Commission.

Source: Cocrystal Pharma