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

BOTHELL, WA and ATLANTA, GA -- (Marketwired) -- 08/10/16 -- 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 June 30, 2016 and provided an update on its pre-clinical and clinical programs.

2016 Second Quarter Financial Results

Research and Development (R&D) expense during the second quarter was \$2.37 million compared to \$1.95 million for the same period in 2015. The \$0.42 million increase was due primarily to higher pre-clinical and clinical costs as the Company ramped up a phase I clinical trial. For the six months ended June 30, 2016, R&D expense was \$5.71 million compared to \$3.51 million for the six months ended June 30, 2015. The increase of \$2.2 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 \$0.34 million increase in professional fees for consulting services engaged to support initiation of a Phase I clinical trial, and \$0.24 million in compensation and other operating costs.

During the second quarter of 2016, Selling, General and Administrative (SG&A) expense was \$1.83 million compared to \$1.89 million for the same period in 2015. The \$0.06 million decrease was due to a \$0.3 million decline in compensation costs and an increase in legal costs and other operating expenses of \$0.24 million. General and administrative expenses were \$3.83 million for the six months ended June 30, 2016, compared with \$2.53 million for the six months ended June 30, 2015. The increase of \$1.3 million was due to a \$0.53 million increase in compensation-related costs primarily related to stock options and additions of key executive staff, increased professional fees of \$0.60 million primarily for expenses related to ongoing legal proceedings and other operating expenses of \$0.17 million.

Research and Development Update

During the last three months, the Company focused on its research and development efforts and commenced clinical trials for our Non-Nucleoside HCV Polymerase Inhibitor (NNI) CC-31244.

- Hepatitis C -- CC-31244. Our first in-human study began in April, 2016. This is a Phase 1a safety study. Four of the five dose groups have completed and dosing in the final group has commenced.
- Hepatitis C -- CC-2850. Our former back-up nucleoside inhibitor, CC-2850, has a better pre-clinical profile than our previous lead candidate, CC-1845. Therefore, we have initiated scaling-up synthesis of CC-2850 for further preclinical evaluation.

- Hepatitis C -- CC-2069. We have obtained additional preclinical *in vitro* data for CC-2069, our NS5A pan-genotypic inhibitor. We have initiated non-GMP and GMP synthesis of CC-2069.
- Influenza -- We are developing novel inhibitors of the influenza polymerase enzyme designed to be effective against all strains of influenza A viruses. Current candidates target an enzyme complex essential to influenza viral replication, and have shown acceptable *in vitro* potency and pharmacokinetic properties.
- Norovirus. We have continued to identify and test nucleoside and non-nucleoside polymerase inhibitors.

About Cocystal Pharma

Cocystal is a clinical stage biotechnology company seeking to discover novel antiviral therapeutics as treatments for serious and/or chronic viral diseases. Cocystal 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. Cocystal has previously received strategic investments from Teva Pharmaceuticals, OPKO Health (NYSE: OPK), Brace Pharmaceutical, LLC, and The Frost Group. For further information about Cocystal, please refer to www.cocystalpharma.com. Forward Looking Statements To the extent that statements contained in this press release are not descriptions of historical facts regarding Cocystal, 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 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 Cocystal has made with the Securities and Exchange Commission.

Forward Looking Statements

To the extent that statements contained in this press release are not descriptions of historical facts regarding Cocystal, 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 Cocystal has made with the Securities and Exchange Commission.

Source: Cocystal Pharma, Inc.