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Cocrystal Pharma Reports 2017 Financial Results and Provides Corporate Overview and Business Outlook

–Company successfully completes uplisting to the NASDAQ Capital Market –

–Company positioned to achieve clinical and regulatory milestones over the course of 2018–

ATLANTA, GA and BOTHELL, WA, March 22, 2018 (GLOBE NEWSWIRE) -- [Cocrystal Pharma, Inc.](#) (NASDAQ: COCP), ("Cocrystal" or the "Company"), a clinical stage biotechnology company discovering and developing novel antiviral therapeutics that target the replication machinery of hepatitis viruses, influenza viruses and noroviruses, announced today its financial results for the year ended December 31, 2017 and provided a corporate overview and business outlook for 2018.

Recent Corporate Highlights

- Successfully completed requirements and up-listing on the Nasdaq Capital Market;
- Received \$2.0M in convertible notes from current investors; and
- Received \$1.4M pursuant to terms of an agreement and resolved all outstanding claims from a previously reported litigation.

[Gary Wilcox, Vice Chairman and Interim Chief Executive Officer](#) of Cocrystal, commented, "The recent successful up-listing on the Nasdaq Capital Market, provides us with what we believe to be an enormous opportunity and avenue to maximize visibility among a broader base of investors, ultimately positioning the Company for both near and long-term success and building shareholder value. We fully intend to build on this positive momentum as we expect to achieve a number of value-driving milestones in the near term, including the advancement of our lead program, CC-31244, into a Phase 2a study for the treatment of hepatitis C and entering into the clinical phase with our novel influenza inhibitor CC-42344. We believe we have firmly positioned Cocrystal for a transformational 2018."

Clinical Programs Overview

CC-31244: Pan-Genotypic Non-Nucleoside Inhibitor for the Treatment of Hepatitis C

[CC-31244](#), the Company's lead product in development, is an investigational, oral, potent, broad-spectrum NNI with high barrier to drug resistance designed and developed using the Company's proprietary structure-based drug discovery technology, currently being evaluated for the treatment of hepatitis C ("HCV"). It is a highly potent, selective pan-genotypic non-nucleoside inhibitor that is active against all genotypes (1-6) with low level

cytotoxicity in multiple cell types.

In August 2017, the Company [announced positive data from the Phase 1a/1b trial of CC-31244 for the treatment of chronic hepatitis C infection](#). This randomized, placebo-controlled, double-blind Phase 1a/1b study evaluated single and multiple ascending doses of CC-31244 for safety/tolerability, pharmacokinetics, and antiviral activity in HCV-infected patients. In Phase 1a, 30 healthy volunteers received single doses (20-400 mg) of CC-31244, and 12 healthy volunteers received repeated doses of CC-31244 (either 200 or 400 mg) for 7 days. In Phase 1b, 15 patients with HCV genotype-1 infection received CC-31244 for 7 days (6, 400 mg daily; 6, 600 mg daily; 3, 200 mg twice daily). Eighteen subjects received placebo during the study.

As reported, there were no dose-limiting adverse events, study discontinuations due to adverse events, or serious adverse events. Viral load data showed that CC-31244 administered once daily (400 mg or 600 mg) or twice daily (200 mg) for 7 days had a substantial and durable antiviral effect, with an average HCV RNA viral load decline from baseline of 1000-fold by Day 4. Interestingly, the average viral load at 6 days after the last dose persisted in the range of 100-fold below baseline. HCV genotype 1b cell-based replicon assays using combinations of CC-31244 with other classes of HCV drugs showed additive and synergistic effects of CC-31244, providing important information for ultra-short therapy cocktail regimen. The Company remains on track for the Phase 2a study of CC-31244, and it expects to commence patient dosing in this study in Q2 2018.

Dr. Wilcox added, “We believe the future of the multi-billion-dollar hepatitis C market is shorter duration treatment and that our compound partnered with current pharmaceutical compounds may significantly reduce treatment time and play an important role in the shift of this treatment paradigm.”

Expected Near-Term CC-31244 Clinical Program Milestones:

- Commence patient enrollment in Phase 2a study evaluating CC-31244 for the treatment of HCV in Q2 2018;
- Commence patient dosing in CC-31244 Phase 2a study in Q2 2018;
- Complete CC-31244 Phase 2a study in Q3 2018; and
- Announce topline results from CC-31244 HCV Phase 2a study in Q4 2018.

CC-42344: Influenza A PB2 Inhibitor

In addition to the Company’s HCV clinical program, Cocrystal is developing novel, broad spectrum influenza antivirals that are specifically designed to be effective against all strains of the influenza virus and to have a high barrier to resistance due to the way it targets the virus. Cocrystal’s uniquely developed lead molecules target the influenza polymerase complex, an essential enzyme with several highly conserved regions common to all influenza strains, enabling the inhibitors to be active against all strains of the influenza virus including pandemic strains.

CC-42344 is a highly potent PB2 inhibitor and shows a favorable pharmacokinetic and safety profile. This lead molecule is currently being evaluated in preclinical IND-enabling studies for the treatment of influenza and the Company expects to initiate a Phase 1 study

in Q4 2018.

Sam Lee, Ph.D., President of Cocrystal, commented, "Using our unique drug discovery platform we developed a novel PB2 inhibitor, CC-42344 and demonstrated excellent *in vitro* and *in vivo* efficacy in an animal model. Our wholly owned CC-42344 product candidate has shown very promising results in our preclinical program and we are on track to commence our Phase 1 clinical program this year."

Expected Near-Term CC-42344 Clinical Program Milestones:

- Complete preclinical IND-enabling studies; and
- Initiate Phase 1 study evaluating CC-42344 for the treatment of influenza in Q4 2018.

Summary of Financial Results for 2017

For the year ended December 31, 2017, the Company reported a net loss of \$613,000 compared to a net loss of \$74,874,000 for 2016. This net loss for the year was due to losses from ongoing operations, offset by income tax benefits. The 2016 losses were primarily due to an impairment loss of \$92,396,000 on IPR&D, \$13,400,000 from ongoing operations, \$1,177,000 impairment on our mortgage note, offset by a \$29,394,000 deferred tax benefit associated with the impairment charge incurred on our IPR&D asset.

Total research and development expenses were \$5,822,000 for the year ended December 31, 2017, compared with \$101,679,000 for the year ended December 31, 2016. This decrease of \$95,857,000 is primarily the result of recognizing an impairment loss on IPR&D of \$ 92,396,000 in 2016. General and administrative expenses were \$2,440,000 for the year ended December 31, 2017, compared with \$4,140,000 for the year ended December 31, 2016.

As of December 31, 2017, the Company had \$2.1 million cash. Based on current projections, the Company believes it has sufficient funds through the second quarter of 2018.

About Cocrystal Pharma, Inc.

Cocrystal Pharma, Inc. is a clinical stage biotechnology company discovering and developing novel antiviral therapeutics that target the replication machinery of hepatitis viruses, influenza viruses, and noroviruses. Cocrystal employs unique structure-based technologies and Nobel Prize winning expertise to create first- and best-in-class antiviral drugs. CC-31244 is a Phase 2a ready broad-spectrum novel non-nucleoside replication inhibitor of HCV. Phase 1b studies in HCV infected patients showed the largest reduction in viral load of any non-nucleoside inhibitor tested to date. The next step for CC-31244 is clinical trials as part of a cocktail for ultra-short therapy of 2 to 4 weeks. The lead candidate for influenza has advanced to IND-enabling studies. It is effective in animal models against both the pandemic and seasonal strains of influenza. In addition, the Company has a pipeline of promising early preclinical programs. Two private investors own approximately 60% of the Company, including the Frost Group. OPKO Health, Inc., Brace Pharma Capital, LLC and Teva Pharmaceuticals Industries, Ltd. are corporate

investors. For further information about Cocrystal, please visit www.cocrystalpharma.com.

Forward-Looking Statements

This press release contains forward-looking statements including our expectations regarding approval by Nasdaq, the commencement of a Phase 2a study, our achievement of milestones in 2018 and our future success. The words "believe," "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 meeting the Nasdaq initial listing requirements, the availability of products manufactured by third parties, obtaining regulatory approval and the ability of the clinical research company conducting the study to recruit subjects. Further information on our risk factors is contained in our filings with the SEC, including our Form 10-K for the year ended December 31, 2016. Any forward-looking statement made by us herein speaks only as of the date on which it is made. 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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