Zacks Small-Cap Research
Sponsored – Impartial - Comprehensive

July 19, 2024
David Bautz, PhD
(312) 265-9471
dbautz@zacks.com

scr.zacks.com
10 S. Riverside Plaza, Chicago, IL 60606

Cocrystal Pharma, Inc. (COCP-NASDAQ)

COCP: Phase 1 Single-Ascending Dose Cohort of CDI-988 Shows it is Safe and Well Tolerated…

Based on our probability adjusted DCF model that takes into account potential future revenues of CC-42344 and CDI-988, COCP is valued at $7/share. This model is highly dependent upon continued clinical success of both programs and will be adjusted accordingly based on future clinical results.

Current Price (07/19/24)	$2.35
Valuation	**$7.00**

OUTLOOK

On July 18, 2024, Cocrystal Pharma, Inc. (COCP) reported favorable safety and tolerability results from the single-ascending dose (SAD) cohorts of the Phase 1 study of CDI-988, the company's pan-viral protease inhibitor that is being developed as a treatment of norovirus and coronavirus. The single center, randomized, double blind Phase 1 trial is evaluating the safety, tolerability, and pharmacokinetics of CDI-988 compared to placebo in healthy adults in doses ranging from 100 mg to 600 mg. The results showed that all participants completed the study with no discontinuations and there were no serious adverse events or severe treatment-emergent adverse events. In addition, there were no significant observations noted in laboratory assessments, physical exams, or electrocardiograms. The company is currently manufacturing drug product for the multiple ascending dose (MAD) cohorts of the study with enrollment expected to begin in the fourth quarter of 2024.

SUMMARY DATA

52-Week High	**$3.14**
52-Week Low	**$1.40**
One-Year Return (%)	**-13.92**
Beta	**1.41**
Average Daily Volume (sh)	**26,338**
Shares Outstanding (mil)	**10**
Market Capitalization ($mil)	**$24**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**7**
Insider Ownership (%)	**26**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2024 Estimate	**-1.2**
P/E using 2025 Estimate	**-1.2**

Risk Level	**Above Avg.**
Type of Stock	**Small-Value**
Industry	**N/A**

ZACKS ESTIMATES

Revenue
(In millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	0 A	0 A	0 A	0 A	0 A
2024	0 A	0 E	0 E	0 E	0 E
2025					0 E
2026					0 E

Earnings per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	-$0.64 A	-$0.41 A	-$0.41 A	-$0.44 A	-$1.86 A
2024	-$0.39 A	-$0.56 E	-$0.59 E	-$0.62 E	-$2.15 E
2025					-$2.44 E
2026					-$2.58 E

© Copyright 2024, Zacks Investment Research. All Rights Reserved.

WHAT'S NEW

Business Update

No Safety or Tolerability Issues for CDI-988 in SAD Cohorts

On July 18, 2024, Cocrystal Pharma, Inc. (COCP) reported favorable safety and tolerability results from the single-ascending dose (SAD) cohorts of the Phase 1 trial of CDI-988, the company's broad-spectrum antiviral inhibitor of 3CL viral proteases. CDI-988 is being developed as a treatment for both noroviruses and coronaviruses.

The Phase 1, single center, randomized, double blind trial is evaluating the safety, tolerability, and pharmacokinetics (including a food-effect cohort) of orally administered CDI-988 compared to placebo in healthy adults. Doses of CDI-988 from 100 mg to 600 mg were evaluated in the SAD cohorts. The results of the study showed that all participants completed the trial with no discontinuations. In addition, there were no serious adverse events or severe treatment-emergent adverse events reported. Lastly, no clinically significant observations were seen in laboratory assessments, physical exams, or electrocardiograms. These results justify moving the compound into the multiple-ascending dose (MAD) portion of the Phase 1 study and the company is currently manufacturing drug product for MAD cohorts. We anticipate subject enrollment beginning in the fourth quarter of 2024.

There are no approved therapies for norovirus infection, which is the most common cause of acute gastroenteritis. According to the Centers for Disease Control (CDC), there are an estimated 685 million cases and 200,000 deaths caused by norovirus infection each year worldwide. In the U.S., norovirus infection causes over 2 million outpatient clinical visits annually and approximately 100,000 hospitalizations. In addition to potentially being utilized as a norovirus therapy, CDI-988 may be tested as a prophylactic to be used in population dense areas to prevent norovirus outbreaks (e.g., cruise ships, nursing homes, day cares, military installations).

Conclusion

We're pleased to see that CDI-988 was well tolerated in the first-in-human Phase 1 SAD trial and we look forward to its advancement into the MAD portion of the study later in 2024. We remind investors that we continue to anticipate topline results from the company's Phase 2a human challenge study of CC-42344 in the second half of 2024. Now that CDI-988 has cleared the first hurdle in its development we have slightly increased our probability of approval which has increased our valuation to $7 per share.

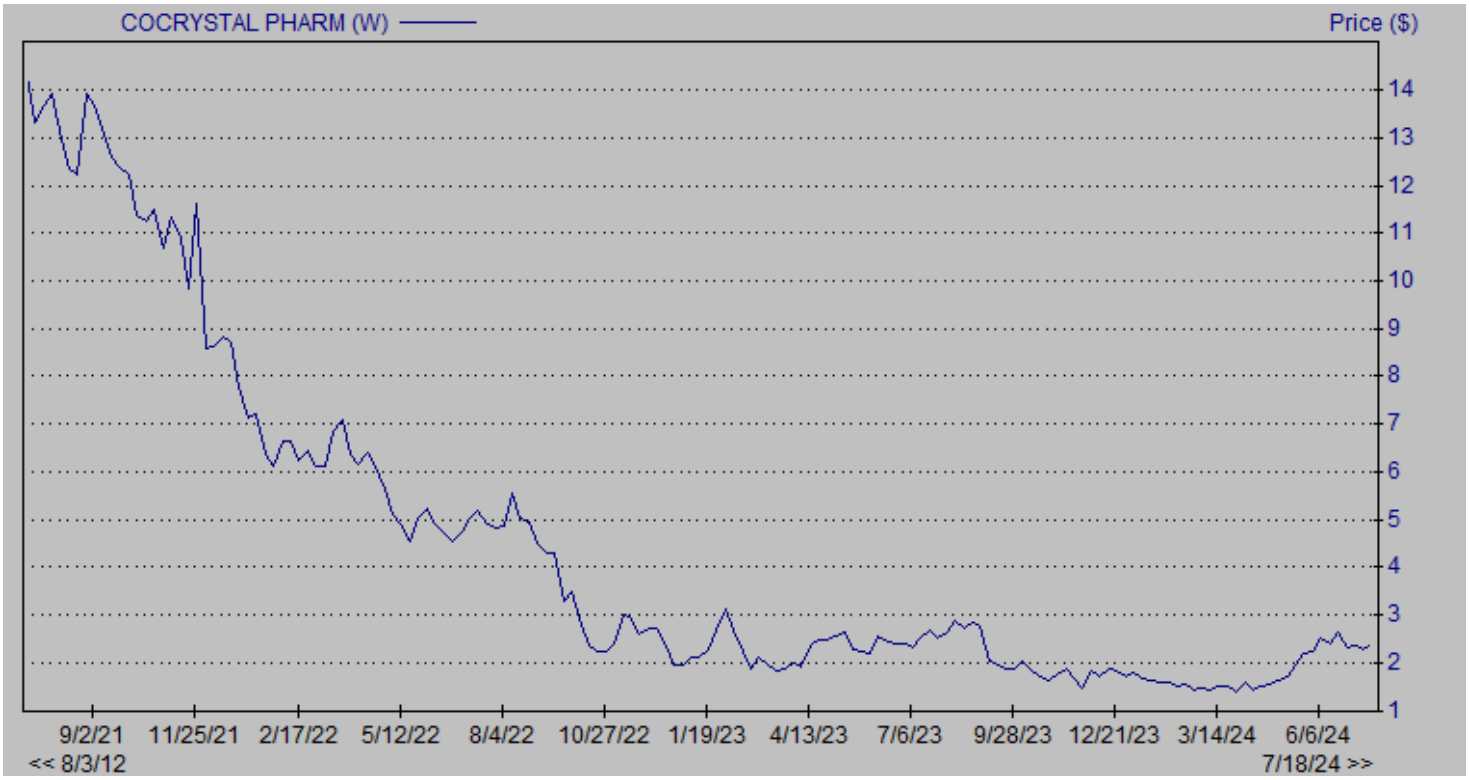
PROJECTED FINANCIALS

Cocrystal Pharma, Inc.	2023 A	Q1 A	Q2 E	Q3 E	Q4 E	2024 E	2025 E	2026 E
CC-42344	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
CDI-988	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Other Income	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total Revenues	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
Cost of revenues	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Research & Development	$15.2	$3.0	$4.2	$4.4	$4.5	$16.1	$18.0	$19.0
General & Administrative	$6.0	$1.2	$1.6	$1.7	$1.9	$6.4	$6.9	$7.3
Legal Settlement	($2.6)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Impairments	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Other (Income) Expense	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Operating Income	($18.6)	($4.2)	($5.8)	($6.1)	($6.4)	($22.5)	($24.9)	($26.3)
Non-Operating Expenses (Net)	$0.6	$0.2	$0.1	$0.1	$0.1	$0.5	$0.0	$0.0
Pre-Tax Income	($18.0)	($4.0)	($5.7)	($6.0)	($6.3)	($22.0)	($24.9)	($26.3)
Income Taxes	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Net Income	**($18.0)**	**($4.0)**	**($5.7)**	**($6.0)**	**($6.3)**	**($22.0)**	**($24.9)**	**($26.3)**
Net Margin	-	-	-	-	-	-	-	-
Reported EPS	**($1.86)**	**($0.39)**	**($0.56)**	**($0.59)**	**($0.62)**	**($2.15)**	**($2.44)**	**($2.58)**
YOY Growth	-	-	-	-	-	-	-	-
Basic and Diluted Shares Outstanding	9.7	10.2	10.2	10.2	10.2	10.2	10.2	10.2

Source: Zacks Investment Research, Inc. *David Bautz, PhD*

© Copyright 2024, Zacks Investment Research. All Rights Reserved.

HISTORICAL STOCK PRICE



Source: Zacks SCR

© Copyright 2024, Zacks Investment Research. All Rights Reserved.

DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research ("Zacks SCR"), a division of Zacks Investment Research ("ZIR"), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

ANALYST DISCLOSURES

I, David Bautz, PhD, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.
Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer includes the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per-client basis and are subject to the number and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer's business.
SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover. SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

CANADIAN COVERAGE

This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer. Therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.