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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: Norovirus Challenge Study Planned for 2025…

Based on our probability adjusted DCF model that takes into account potential future revenues of CC-42344 and CDI-988, COCP is valued at $8/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 (04/01/25)	$1.42
Valuation	**$8.00**

OUTLOOK

On March 31, 2025, Cocrystal Pharma, Inc. (COCP) announced financial results for 2024 and provided a business update. Following the release of favorable safety and tolerability results for CDI-988, the company's novel, broad-spectrum protease inhibitor being developed for the treatment of noroviruses and coronaviruses, we anticipate topline results from the high-dose healthy volunteer cohort in the second quarter of 2025 and for a human challenge study as a norovirus treatment and prophylaxis later in 2025. Cocyrstal's Phase 2a influenza human challenge study of CC-42344, the company's development candidate for the treatment of pandemic and seasonal influenza A infections, is continuing after the company reported a lower than expected influenza infection rates among study participants.

SUMMARY DATA

52-Week High	**$3.25**
52-Week Low	**$1.40**
One-Year Return (%)	**-5.33**
Beta	**2.21**
Average Daily Volume (sh)	**17,268**
Shares Outstanding (mil)	**10**
Market Capitalization ($mil)	**$14**
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 2025 Estimate	**-0.7**
P/E using 2026 Estimate	**-0.6**

Risk Level	**High**
Type of Stock	**Small-Value**
Industry	**N/A**

ZACKS ESTIMATES

Revenue
(In millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	0 A	0 A	0 A	0 A	0 A
2025	0 E	0 E	0 E	0 E	0 E
2026					0 E
2027					0 E

Earnings per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	-$0.39 A	-$0.52 A	-$0.49 A	-$0.32 A	-$1.72 A
2025	-$0.41 E	-$0.44 E	-$0.45 E	-$0.36 E	-$1.65 E
2026					-$1.42 E
2027					-$1.20 E

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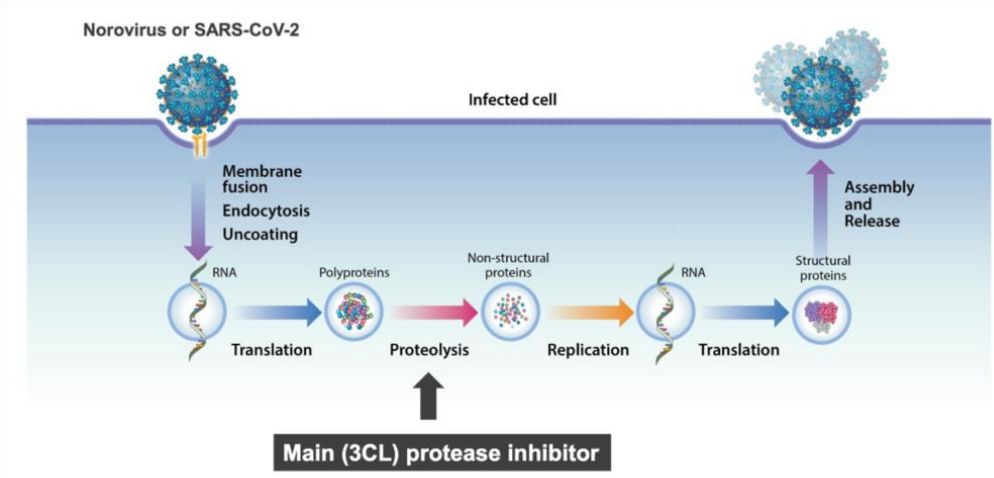
Business Update

Update on CDI-988

On January 8, 2025, Cocrystal Pharma, Inc. (COCP) announced results from the Phase 1 trial of CDI-988 for the prophylaxis and treatment of norovirus, coronavirus, and other viral infections. The results showed the drug had a favorable safety and tolerability profile for dosing up to 800 mg per day for 10 consecutive days. The company also announced that an additional cohort that will receive a dose of 1,200 mg and a shorter treatment duration of five consecutive days and we anticipate those results in the second quarter of 2025. In addition, Cocrystal is planning to initiate a human challenge study in norovirus-infected individuals to evaluate CDI-988 as a treatment and prophylaxis later in 2025.

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 December 2024 alone, there were a reported 900 cruise ship passengers sickened from norovirus outbreaks. 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).

CDI-988 was developed using Cocrystal's proprietary drug discovery platform technology. It binds to a highly conserved region in the active site of noroviruses and coronaviruses 3CL viral proteases and exhibits pan-viral activity against pandemic norovirus and coronavirus strains.



Source: Cocrystal Pharma, Inc.

Phase 2a Trial of CC-42344 Extended

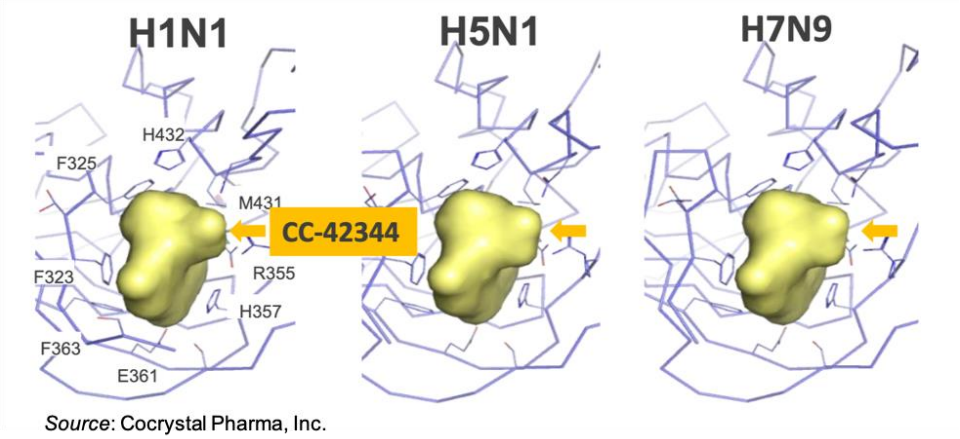
In December 2024, Cocrystal announced that the Phase 2a clinical trial of its oral PB2 inhibitor, CC-42344, will be extended due to unexpectedly low infection rates among trial participants that were challenged with a H3N2 influenza strain. The Phase 2a trial initiated in December 2023 and completed enrollment in May 2024 with 78 total participants. It is a single center study being conducted in the U.K. designed to test the safety, tolerability, pharmacokinetics (PK), antiviral activity, and clinical measurements of CC-42344.

The results of the trial showed that CC-42344 had a favorable safety and tolerability profile as no participants had serious adverse events or discontinued the trial due to drug-related adverse events, however due to the low infectivity rate the virology results were not interpretable. The company will be working with the contract

research organization to amend the trial protocol to help ensure that there is a higher infectivity rate during the rest of the study. We anticipate the protocol amendment will be completed in time to continue the trial in mid-2025.

Background on CC-42344

CC-42344 is a broad-spectrum inhibitor of pandemic and seasonal strains of influenza A. It targets subunit PB2, which along with PA and PB1 forms the RNA-dependent RNA polymerase. This enzyme is essential for viral replication in cells by replicating the viral RNA segments and transcribing their genes, which makes it an attractive target for therapeutic intervention. The following figure shows CC-42344 binding to the highly conserved active site of the PB2 protein in different influenza strains.



Source: Cocrystal Pharma, Inc.

Binding to this conserved active site leads to broad-spectrum antiviral activity against multiple Influenza A strains, including both pandemic and seasonal strains. The following table shows the strains that CC-42344 is active against, which includes strains that are resistant to oseltamivir and baloxavir.

Influenza Serotype	Strain	CC-42344 EC_{50} (nM)
H1N1	A/PR/8/34	1
Pandemic H1N1	California/04/2009	0.5
H1N1	A1/Denver/1/57	3
H1N1	A/Fort Monmouth/1/47	2
H1N1	A/NY/18/09	5
H3N2	A/AICHI/2/68	0.2
Highly pathogenic Avian H5N1	Duck/MN/1524/81	<3.2
Highly pathogenic Avian H5N1	Hong Kong/213/2003	4.5
Highly pathogenic Avian H5N1	Thailand/16/2004	<3.2
Highly pathogenic Avian H7N7	Netherlands/219/2013	5.6
Highly pathogenic Avian H7N9	Anhui/1/2013	<3.2
H1N1- Oseltamivir resistant	A/HK/2369/09 H274Y	9
H3N2-Oseltamivir resistant	A/Wuhan/395/95	0.5
H1N1- Baloxavir resistant (I38T)	A/PR/8/34 I38T	0.5

Source: Cocrystal Pharma, Inc.

Financial Update

On March 31, 2025, Cocrystal announced financial results for 2024. As expected, the company did not report any revenues in 2024. R&D expenses in 2024 were $12.5 million, compared to $15.2 million in 2023. The decrease was primarily due to timing of clinical study costs. G&A expenses in 2024 were $5.3 million, compared to $6.0 million in 2023. The decrease was primarily due to a reduction of insurance costs and other general and administrative expenses.

As of December 31, 2024, Cocrystal had approximately $9.9 million in cash and cash equivalents. We anticipate the company needing to complete a financing at some point in 2025. As of March 31, 2025, Cocrystal had approximately 10.2 million shares outstanding and, when factoring in stock options, warrants, and restricted stock, a fully diluted share count of 11.0 million shares.

Conclusion

Cocrystal has a number of milestones upcoming in 2025, including data from the high-dose cohort of the Phase 1 trial of CDI-988, which we expect in the second quarter of 2025. In addition, we anticipate additional details on the planned human norovirus challenge study to evaluate CDI-988 as both a treatment and prophylaxis therapy, which is planned for later in 2025. Lastly, we anticipate updates regarding the Phase 2a challenge study of CC-42344. With no changes to our model our valuation remains at $8 per share.

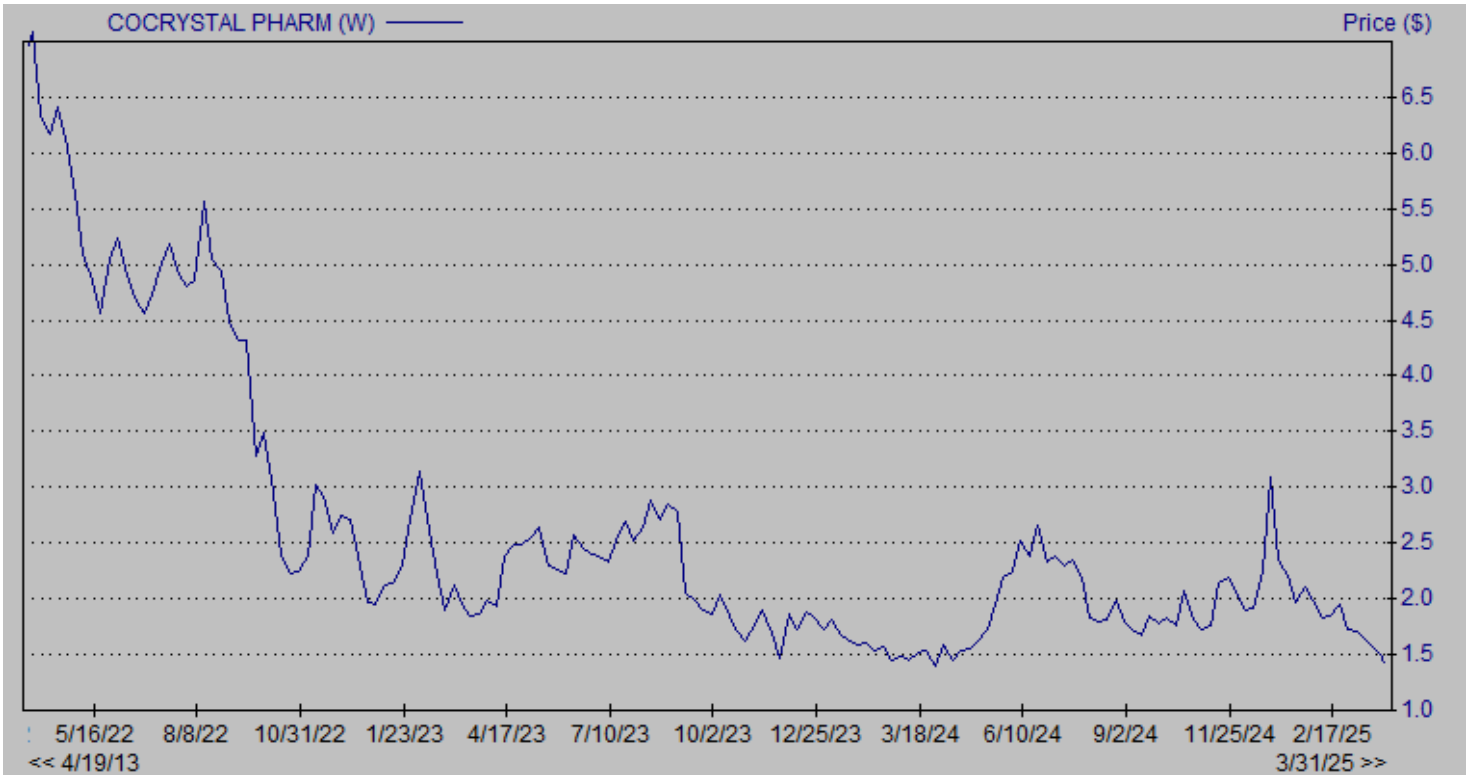
PROJECTED FINANCIALS

Cocrystal Pharma, Inc.	2024 A	Q1 E	Q2 E	Q3 E	Q4 E	2025 E	2026 E	2027 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	$12.5	$3.0	$3.2	$3.2	$3.3	$12.7	$13.0	$13.4
General & Administrative	$5.3	$1.4	$1.4	$1.5	$1.5	$5.8	$6.0	$6.3
Other (Income) Expense	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Operating Income	($17.9)	($4.4)	($4.6)	($4.7)	($4.8)	($18.5)	($19.0)	($19.7)
Non-Operating Expenses (Net)	$0.4	$0.2	$0.1	$0.1	$0.1	$0.5	$0.5	$0.5
Pre-Tax Income	($17.5)	($4.2)	($4.5)	($4.6)	($4.7)	($18.0)	($18.5)	($19.2)
Income Taxes	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Net Income	**($17.5)**	**($4.2)**	**($4.5)**	**($4.6)**	**($4.7)**	**($18.0)**	**($18.5)**	**($19.2)**
Net Margin	-	-	-	-	-	-	-	-
Reported EPS	**($1.72)**	**($0.41)**	**($0.44)**	**($0.45)**	**($0.36)**	**($1.65)**	**($1.42)**	**($1.20)**
YOY Growth	-	-	-	-	-	-	-	-
Basic and Diluted Shares Outstanding	10.2	10.2	10.2	10.2	13.0	10.9	13.0	16.0

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

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Source: Zacks SCR

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