UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 001-38418

COCRYSTAL PHARMA, INC.
(Exact name of registrant as specified in its charter)

Delaware	**35-2528215**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*
19805 North Creek Parkway Bothell, WA	**98011**
(Address of Principal Executive Office)	*(Zip Code)*

Registrant's telephone number, including area code: **(786) 459-1831**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Sec.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐No ☒

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock	COCP	The Nasdaq Stock Market LLC (The Nasdaq Capital Market)

As of August 12, 2021, the number of outstanding shares of the registrant's common stock, par value $0.001 per share, was97,468,755.

COCRYSTAL PHARMA, INC.

FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2021

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Part I – FINANCIAL INFORMATION

COCRYSTAL PHARMA, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

	June 30, 2021 (unaudited)	December 31, 2020
Assets		
Current assets:		
Cash	$ 67,062	$ 33,010
Restricted cash	50	50
Accounts receivable	-	556
Prepaid expenses and other current assets	225	399
Total current assets	67,337	34,015
Property and equipment, net	539	591
Deposits	46	46
Operating lease right-of-use assets, net (including $10 to related party)	403	498
Goodwill	19,092	19,092
Total assets	$ 87,417	$ 54,242
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 2,138	$ 1,080
Current maturities of finance lease liabilities	33	39
Current maturities of operating lease liabilities (including $10 to related party)	157	178
Derivative liabilities	51	61
Total current liabilities	2,379	1,358
Long-term liabilities:		
Finance lease liabilities	21	34
Operating lease liabilities	269	345
Total long-term liabilities	290	379
Total liabilities	2,669	1,737
Commitments and contingencies		
Stockholders' equity:		
Common stock, $0.001 par value; 100,000 shares authorized as of June 30, 2021 and December 31, 2020, respectively; 97,469 and 70,439 shares issued and outstanding as of June 30, 2021 and December 31, 2020, respectively	98	71
Additional paid-in capital	336,117	297,342
Accumulated deficit	(251,467)	(244,908)
Total stockholders' equity	84,748	52,505
Total liabilities and stockholders' equity	$ 87,417	$ 54,242

See accompanying notes to condensed consolidated financial statements.

COCRYSTAL PHARMA, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(in thousands, except per share data)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Revenues:				
Collaboration revenue	$ -	$ 554	$ -	$ 1,015
	-	554	-	1,015
Operating expenses:				
Research and development	2,747	1,976	4,324	3,259
General and administrative	1,081	2,028	2,242	3,167

Total operating expenses	3,828	4,004	6,566	6,426
Loss from operations	(3,828)	(3,450)	(6,566)	(5,411)
Other income (expense):				
Interest expense, net	(2)	(2)	(3)	(4)
Change in fair value of derivative liabilities	9	(43)	10	(70)
Total other income (expense), net	7	(45)	7	(74)
Net loss	$ (3,821)	$ (3,495)	$ (6,559)	$ (5,485)
Net loss per common share, basic and diluted	$ (0.04)	$ (0.07)	(0.08)	(0.12)
Weighted average number of common shares outstanding, basic and diluted	87,069	52,141	79,116	46,930

See accompanying notes to condensed consolidated financial statements.

COCRYSTAL PHARMA, INC.

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited)
(in thousands)

	Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Equity
Balance as of December 31, 2020	70,439	$ 71	$ 297,342	$ (244,908)	$ 52,505
Stock-based compensation	-	-	219	-	219
Sale of common stock, net of transaction costs	1,030	1	2,071	-	2,072
Net loss	-	-	-	(2,738)	(2,738)
Balance as of March 31, 2021	71,469	$ 72	$ 299,632	$ (247,646)	$ 52,058
Stock-based compensation	-	-	78	-	78
Sale of common stock, net of transaction costs	26,000	26	36,407	-	36,433
Net loss	-	-	-	(3,821)	(3,821)
Balance as of June 30, 2021	97,469	$ 98	$ 336,117	$ (251,467)	$ 84,748

	Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Equity
Balance as of December 31, 2019	35,150	$ 36	$ 260,932	$ (235,260)	$ 25,708
Stock-based compensation	-	-	107	-	107
Sale of common stock, net of transaction costs	16,991	17	16,589	-	16,606
Net loss	-	-	-	(1,990)	(1,990)
Balance as of March 31, 2020	52,141	$ 53	$ 277,628	$ (237,250)	$ 40,431
Stock-based compensation	-	-	119	-	119
Net loss	-	-	-	(3,495)	(3,495)
Balance as of June 30, 2020	52,141	$ 53	$ 277,747	$ (240,745)	$ 37,055

See accompanying notes to condensed consolidated financial statements.

COCRYSTAL PHARMA, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Six months ended June 30,	
	2021	2020
Operating activities:		
Net loss	$ (6,559)	$ (5,485)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	92	68
Amortization of right of use assets	95	88
Stock-based compensation	297	226
Payments on operating lease liabilities	(97)	(87)
Change in fair value of derivative liabilities	(10)	70
Changes in operating assets and liabilities:		
Accounts receivable	556	52
Prepaid expenses and other current assets	174	24
Deposits	-	15
Accounts payable and accrued expenses	1,058	641
Net cash used in operating activities	(4,394)	(4,388)

Investing activities:		
Purchases of property and equipment	(40)	(220)
Net cash used in investing activities	(40)	(220)
Financing activities:		
Payments on finance lease liabilities	(19)	(101)
Proceeds from sale of common stock, net of transaction costs	38,505	16,606
Net cash provided by financing activities	38,486	16,505
Net increase in cash and restricted cash	34,052	11,897
Cash and restricted cash at beginning of period	33,060	7,468
Cash and restricted cash at end of period	$ 67,112	$ 19,365

See accompanying notes to condensed consolidated financial statements.

COCRYSTAL PHARMA, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Organization and Business

Cocrystal Pharma, Inc. ("we", the "Company" or "Cocrystal"), a clinical stage biopharmaceutical company incorporated in Delaware, has been developing novel technologies and approaches to create first-in-class or best-in-class antiviral drug candidates since its initial funding in 2008. Our focus is to pursue the development and commercialization of broad-spectrum antiviral drug candidates that will transform the treatment and prophylaxis of viral diseases in humans. By concentrating our research and development efforts on viral replication inhibitors, we plan to leverage our infrastructure and expertise in these areas.

The Company's activities since inception have principally consisted of acquiring product and technology rights, raising capital, and performing research and development. Successful completion of the Company's development programs, obtaining regulatory approvals of its products and, ultimately, the attainment of profitable operations is dependent on future events, including, among other things, its ability to access potential markets, secure financing, develop a customer base, attract, retain and motivate qualified personnel, and develop strategic alliances. Through June 30, 2021, the Company has primarily funded its operations through equity offerings.

In June 2021, the Company opened a wholly owned foreign subsidiary in Australia named Cocrystal Pharma Australia, Ltd ("Cocrystal Australia") with the objective to operate clinical trials. The Company adopted the US dollar as the functional currency of Cocrystal Australia.

2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP") for interim financial information, the instructions to Form 10-Q and Article 10 of Regulation S-X set forth by the Securities and Exchange Commission ("SEC"). They do not include all of the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The results of operations for the interim periods presented are not necessarily indicative of the results of operations for the entire fiscal year. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2020 filed on March 17, 2021 ("Annual Report").

Principles of Consolidation

The consolidated financial statements include the accounts of Cocrystal Pharma, Inc. and its wholly owned subsidiaries: RFS Pharma, LLC, Cocrystal Discovery, Inc., Cocrystal Pharma Australia Pty Ltd. and Cocrystal Merger Sub, Inc. Intercompany transactions and balances have been eliminated.

Segments

The Company operates in only one segment. Management uses cash flows as the primary measure to manage its business and does not segment its business for internal reporting or decision-making.

Use of Estimates

Preparation of the Company's consolidated financial statements in conformance with U.S. GAAP requires the Company's management to make estimates and assumptions that impact the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities in the Company's consolidated financial statements and accompanying notes. The significant estimates in the Company's consolidated financial statements relate to the valuation of equity awards and derivative liabilities, recoverability of deferred tax assets, estimated useful lives of fixed assets, and forecast assumptions used in the valuation of goodwill. The Company bases estimates and assumptions on historical experience, when available, and on various factors that it believes to be reasonable under the circumstances. The Company evaluates its estimates and assumptions on an ongoing basis, and its actual results may differ from estimates made under different assumptions or conditions.

Concentrations of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash deposited in accounts held at two U.S. financial institutions, which may, at times, exceed federally insured limits of $250,000 for each institution where accounts are held. At June 30, 2021 and December 31, 2020, our primary operating account held approximately $67,062,000 and $33,010,000, respectively, and our collateral account balance was $50,000 at a different institution. The Company has not experienced any losses in such accounts and believes it is not exposed to significant risks thereof.

Fair Value Measurements

FASB Accounting Standards Codification ("ASC") 820 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principles and

enhances disclosures about fair value measurements. Fair value is defined under ASC 820 as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

Level 1 — quoted prices in active markets for identical assets or liabilities.

Level 2 — other significant observable inputs for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 — significant unobservable inputs that reflect management's best estimate of what market participants would use to price the assets or liabilities at the measurement date.

The Company categorizes its cash and restricted cash as Level 1 fair value measurements. The Company categorizes its warrants potentially settleable in cash as Level 2 fair value measurements. The warrants potentially settleable in cash are measured at fair value on a recurring basis and are being marked to fair value at each reporting date until they are completely settled or meet the requirements to be accounted for as component of stockholders' equity. The warrants are valued using the Black-Scholes option pricing model as discussed in Note 7 – Warrants.

At June 30, 2021 and December 31, 2020, the carrying amounts of financial assets and liabilities, such as cash, accounts receivable, other assets, and accounts payable and accrued expenses approximate their fair values due to their short-term nature. The carrying values of notes payable approximate their fair values due to the fact that the interest rates on these obligations are based on prevailing market interest rates.

The Company's derivative liabilities are considered Level 2 measurements.

Goodwill

In November 2014, goodwill was recorded in connection with the acquisition of RFS Pharma.

We evaluate goodwill for impairment annually, as of November 30, or more frequently when events or circumstances indicate that impairment may have occurred. As part of the impairment evaluation, we may elect to perform an assessment of qualitative factors. If this qualitative assessment indicates that it is more likely than not that the fair value of the reporting unit's goodwill is less than its carrying value, we then would proceed with the quantitative impairment test to compare the fair value to the carrying value and record an impairment charge if the carrying value exceeds the fair value.

Fair value is typically estimated using an income approach based on the present value of future discounted cash flows. The significant estimates in the discounted cash flow model primarily include the discount rate, and rates of future revenue and expense growth and/or profitability of the acquired assets. In performing the impairment test, the Company considered, among other factors, the Company's intention for future use of acquired assets, analyses of historical financial performance and estimates of future performance of Cocrystal's product candidates.

At June 30, 2021, the Company had goodwill of $19,092,000. The Company completed its annual impairment test in November 2020, and at that time determined the fair value of its reporting unit, under both the Company's Nasdaq market capitalization and an income approach analysis; both methods were less than the carrying value as of December 31, 2020; therefore, management did not consider goodwill to be impaired.

Based on management's assessment at June 30, 2021, no impairment of Goodwill is required.

Long-Lived Assets

The Company regularly reviews the carrying value and estimated lives of its long-lived assets, including property and equipment, to determine whether indicators of impairment may exist which warrant adjustments to carrying values or estimated useful lives. The determinants used for this evaluation include management's estimate of the asset's ability to generate positive income from operations and positive cash flow in future periods as well as the strategic significance of the assets to the Company's business objective. Should an impairment exist, the impairment loss would be measured based on the excess of the carrying amount over the asset's fair value.

Research and Development Expenses

All research and development costs are expensed as incurred.

Revenue Recognition

The Company recognizes revenue from research and development arrangements. In accordance with Accounting Standards Codification ("ASC") Topic 606-*Revenue from Contracts with Customers* ("Topic 606"), revenue is recognized when a customer obtains control of promised goods or services. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for these goods and services.

In November 2018, the FASB issued ASU 2018-18, *Collaborative Arrangements (Topic 808): Clarifying the Interaction between Topic 808 and Topic 606*. This ASU provides guidance on whether certain transactions between collaborative arrangement participants should be accounted for as revenue under Topic 606 when the collaborative arrangement participant is a customer in the context of a unit of account. Accordingly, this amendment added unit of account guidance in Topic 606 when an entity is assessing whether the collaborative arrangement, or a part of the arrangement, is within the scope of Topic 606. In addition, the amendment provides certain guidance on presenting the collaborative arrangement transaction together with Topic 606.

On January 2, 2019, the Company entered into an Exclusive License and Research Collaboration Agreement (the "Collaboration Agreement") with Merck to discover and develop certain proprietary influenza A/B antiviral agents. Under the terms of the Collaboration Agreement, Merck will fund research and development for the program, including clinical development, and will be responsible for worldwide commercialization of any products derived from the collaboration.

The Company recognized revenue for the six months ended June 30, 2020 of $1,015,000 resulting from the Merck Collaboration Agreement. Since the Company completed its primary research responsibilities under the Collaboration Agreement in January 2021, there was no revenue during the six months ended June 30, 2021. As of December 31, 2020, there was a receivable of $556,000 from Merck, which was collected during the quarter ended March 31, 2021. As of June 30, 2021, there was no accounts receivable due from Merck.

Income Taxes

The Company accounts for income taxes under the asset and liability method. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using enacted tax rates and laws that are expected to be in effect when the differences are expected to be recovered or settled. Realization of deferred tax assets is dependent upon future taxable income. A valuation allowance is recognized if it is more likely than not that some

portion or all of a deferred tax asset will not be realized based on the weight of available evidence, including expected future earnings. The Company recognizes an uncertain tax position in its financial statements when it concludes that a tax position is more likely than not to be sustained upon examination based solely on its technical merits. Only after a tax position passes the first step of recognition will measurement be required. Under the measurement step, the tax benefit is measured as the largest amount of benefit that is more likely than not to be realized upon effective settlement. This is determined on a cumulative probability basis. The full impact of any change in recognition or measurement is reflected in the period in which such change occurs. The Company elects to accrue any interest or penalties related to income taxes as part of its income tax expense.

As of June 30, 2021, the Company assessed its income tax expense based on its projected future taxable income for the year ended December 31, 2021 and therefore recorded no amount for income tax expense for the six months ended June 30, 2021. In addition, the Company has significant deferred tax assets available to offset income tax expense due to net operating loss carry forwards which are currently subject to a full valuation allowance based on the Company's assessment of future taxable income. Refer to our Annual Report on Form 10-K for the year ended December 31, 2020 for more information.

Stock-Based Compensation

The Company recognizes compensation expense using a fair value-based method for costs related to stock-based payments, including stock options. The fair value of options awarded to employees is measured on the date of grant using the Black-Scholes option pricing model and is recognized as expense over the requisite service period on a straight-line basis.

Use of the Black-Scholes option pricing model requires the input of subjective assumptions including expected volatility, expected term, and a risk-free interest rate. The Company estimates volatility using a blend of its own historical stock price volatility as well as that of market comparable entities since the Company's common stock has limited trading history and limited observable volatility of its own. The expected term of the options is estimated by using the Securities and Exchange Commission Staff Bulletin No. 107's *Simplified Method for Estimate Expected Term.* The risk-free interest rate is estimated using comparable published federal funds rates.

Share Issuance Costs

The Company accounts for direct and incremental costs related to the issuance of its capital stock as a reduction in the proceeds from such issuances.

Common Stock Purchase Warrants and Other Derivative Financial Instruments

We classify as equity any contracts that require physical settlement or net-share settlement or provide us a choice of net-cash settlement or settlement in our own shares (physical settlement or net-share settlement) provided that such contracts are indexed to our own stock as defined in ASC 815-40, *Contracts in Entity's Own Equity.* We classify as assets or liabilities any contracts that require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside our control) or give the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement). We assess classification of our common stock purchase warrants and other freestanding derivatives at each reporting date to determine whether a change in classification between assets and liabilities is required.

Net Income (Loss) per Share

The Company accounts for and discloses net income (loss) per common share in accordance with FASB ASC Topic 260,*Earnings Per Share*. Basic income (loss) per common share is computed by dividing income (loss) attributable to common stockholders by the weighted average number of common shares outstanding. Diluted net income (loss) per common share is computed by dividing net income (loss) attributable to common stockholders by the weighted average number of common shares that would have been outstanding during the period assuming the issuance of common stock for all potential dilutive common shares outstanding. Potential common shares consist of shares issuable upon the exercise of stock options and warrants and the conversion of convertible notes payable.

The following table sets forth the number of potential common shares excluded from the calculations of net loss per diluted share because their inclusion would be anti-dilutive (in thousands):

	June 30,	
	2021	2020
Outstanding options to purchase common stock	1,439	1,801
Warrants to purchase common stock	243	243
Total	1,682	2,044

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU No. 2016-13, Credit Losses - Measurement of Credit Losses on Financial Instruments ("ASC 326"). The standard significantly changes how entities will measure credit losses for most financial assets, including accounts and notes receivables. The standard will replace today's "incurred loss" approach with an "expected loss" model, under which companies will recognize allowances based on expected rather than incurred losses. Entities will apply the standard's provisions as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. The standard is effective for interim and annual reporting periods beginning after December 15, 2019. The adoption of ASU 2016-13 is not expected to have a material impact on the Company's financial position, results of operations, and cash flows.

Other recent authoritative guidance issued by the FASB (including technical corrections to the ASC), the American Institute of Certified Public Accountants, and the Securities and Exchange Commission ("SEC") did not, or are not expected to, have a material impact on the Company's consolidated financial statements and related disclosures.

3. Property and Equipment

Property and equipment are recorded at cost and depreciated over the estimated useful lives of the underlying assets (three to five years) using the straight-line method. As of June 30, 2021, and December 31, 2020, property and equipment consists of (in thousands):

	June 30, 2021	December 31, 2020
Lab equipment	$ 1,532	$ 1,498
Finance lease right-of-use lab equipment, net	80	92
Computer and office equipment	126	120
Total property and equipment	1,738	1,710
Less: accumulated depreciation and amortization	1,199	1,119
Property and equipment, net	$ 539	$ 591

Total depreciation and amortization expense was $47,000 and $92,000 for the three and six months ended June 30, 2021, which includes amortization expense of $5,979 and $11,958 related to finance lease right-of-use lab equipment, respectively. For additional finance leases information, refer to Note 9 – Commitments and Contingencies.

4. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following (in thousands) as of:

	June 30, 2021	December 31, 2020
Accounts payable	$ 939	$ 657
Accrued compensation	134	126
Accrued other expenses	1,065	297
Total accounts payable and accrued expenses	$ 2,138	$ 1,080

Accounts payable and accrued other expenses contain unpaid general and administrative expenses and costs related to research and development that have been billed and estimated unbilled, respectively, as of period-end.

5. Common Stock

The Company had 100,000,000 shares of common stock, $0.001 par value per share, authorized as of June 30, 2021 and December 31, 2020, respectively. The Company had 97,469,000 and 70,439,000 shares issued and outstanding as of June 30, 2021 and December 31, 2020, respectively.

On August 6, 2021, the Company filed with the Delaware Secretary of State a Certificate of Amendment to the Certificate of Incorporation pursuant to which the number of shares of common stock the Company is authorized to issue was increased from 100,000,000 shares to 150,000,000 shares. The Certificate of Amendment was effective upon filing.

The holders of common stock are entitled to one vote for each share of common stock held.

On January 31, 2020, the Company closed a registered direct public offering of its common stock totaling 3,492,063 shares of common stock at a purchase price per share of $0.63 for aggregate net proceeds to the Company of approximately $1.5 million, after deducting fees payable to the placement agent and other estimated offering expenses payable by the Company.

On February 28, 2020, the Company closed a registered direct public offering of its common stock totaling 8,461,540 shares of common stock at a purchase price per share of $1.30 for aggregate net proceeds to the Company of approximately $10.1 million, after deducting fees payable to the placement agent and other estimated offering expenses payable by the Company.

On March 10, 2020, the Company closed a registered direct public offering of its common stock totaling 5,037,038 shares of common stock at a purchase price per share of $1.35 for aggregate net proceeds to the Company of approximately $5.0 million, after deducting fees payable to the placement agent, lock-up settlement fee and other estimated offering expenses payable by the Company.

On July 1, 2020, the Company entered into an At-The-Market Offering Agreement ("ATM Agreement") with H.C. Wainwright & Co., LLC ("Wainwright"), pursuant to which the Company may issue and sell over time and from time to time, to or through Wainwright, up to $10,000,000 of shares of the Company's common stock. During January 2021, the Company sold 1,030,000 shares of common stock under the ATM Agreement and received net proceeds of approximately $2,072,000.

On May 7, 2021, the Company closed an underwritten public offering of 26,000,000 shares of the Company's common stock at a public offering price of $1.54 per share pursuant to an underwriting agreement with Wainwright. The Company received approximately $36.4 million in net proceeds from the offering, after deducting underwriting discounts and offering expenses.

6. Stock Based Awards

Equity Incentive Plans

The Company adopted an equity incentive plan in 2007 (the "2007 Plan"). The 2007 Plan has expired and the Company no longer issues any awards under the 2007 Plan. As of June 30, 2021, there are 18,808 of outstanding incentive stock options granted under the 2007 Plan that are eligible to purchase shares of the Company's common stock at an exercise price equal to no less than the fair market value of such stock on the date of grant. The maximum term of options granted under the 2007 Plan was ten years.

The Company adopted a second equity incentive plan in 2015 (the "2015 Plan") under which 10,000,000 shares of common stock have been reserved for issuance to employees, and nonemployee directors and consultants of the Company. Recipients of incentive stock options granted under the 2015 Plan shall be eligible to purchase shares of the Company's common stock at an exercise price equal to no less than the estimated fair market value of such stock on the date of grant. The maximum term of options granted under the 2015 Plan is ten years. On June 16, 2021, the Company's stockholders voted to approve an amendment to the 2015 Plan to increase the number of shares of common stock authorized for issuance under the 2015 Plan from 5,000,000 to 10,000,000 shares. As of June 30, 2021, 8,580,000 options remain available for future grants under the 2015 Plan.

The following table summarizes stock option transactions for the 2007 Plan and 2015 Plan, collectively, for the six months ended June 30, 2021 (in thousands, except per share amounts):

	Number of Shares Available for Grant	Total Options Outstanding	Weighted Average Exercise Price	Aggregate Intrinsic Value
Balance at December 31, 2020	2,263	1,780	$ 2.53	$ 29
Increase in authorized options	5,000			
Exercised				
Granted	-	-	-	-
Expired	976	-	-	-
Cancelled	341	(341)	2.15	-

Balance at June 30, 2021	8,580	1,439	$ 2.62	-

The Company did not grant any options during the three and six months ended June 30, 2021, nor the three and six months ended June 30, 2020.

The Company accounts for share-based awards to employees and nonemployees directors and consultants in accordance with the provisions of ASC 718,*Compensation—Stock Compensation.*, and under the recently issued guidance following FASB's pronouncement, ASU 2018-07, *Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting.* Under ASC 718, and applicable updates adopted, share-based awards are valued at fair value on the date of grant and that fair value is recognized over the requisite service, or vesting, period. The Company values its equity awards using the Black-Scholes option pricing model, and accounts for forfeitures when they occur. For the three and six months ended June 30, 2021 and 2020, equity-based compensation expense recorded was $78,000 and $119,000 and $297,000 and $226,000, respectively.

As of June 30, 2021, there was approximately $754,000 of total unrecognized compensation expense related to non-vested stock options that is expected to be recognized over a weighted average period of 1.1 years. For options granted and outstanding, there were 1,438,639 options outstanding which were fully vested or expected to vest, with an aggregate intrinsic value of $0, a weighted average exercise price of $2.62 and weighted average remaining contractual term of 7.4 years at June 30, 2021. For vested and exercisable options, outstanding shares totaled 571,176, with an aggregate intrinsic value of $0. These options had a weighted average exercise price of $4.14 per share and a weighted-average remaining contractual term of 5.5 years at June 30, 2021.

The aggregate intrinsic value of outstanding and exercisable options at June 30, 2021 was calculated based on the closing price of the Company's common stock as reported on The Nasdaq Capital Market on June 30, 2021 of $1.25 per share less the exercise price of the options. The aggregate intrinsic value is calculated based on the positive difference between the closing fair market value of the Company's common stock and the exercise price of the underlying options.

Common Stock Reserved for Future Issuance

The following table presents information concerning common stock available for future issuance (in thousands) as of:

	June 30, 2021	June 30, 2020
Stock options issued and outstanding	1,439	1,801
Warrants outstanding	243	243
Total	1,682	2,044

7. Warrants

The following is a summary of activity in the number of warrants outstanding to purchase the Company's common stock for the six months ended June 30, 2021 (in thousands):

	Warrants Accounted for as: Equity	**Warrants Accounted for as: Liabilities**		
	May 2018 Warrants	October 2013 Warrants	January 2014 Warrants	Total
Outstanding, December 31, 2020	84	26	133	243
Exercised	-	-	-	-
Granted	-	-	-	-
Expired	-	-	-	-
Outstanding, June 30, 2021	84	26	133	243
Expiration date:	October 27, 2022	October 24, 2023	January 16, 2024	

Warrants Classified as Liabilities

Liability-classified warrants consist of warrants issued by Biozone in connection with equity financings in October 2013 and January 2014, which were assumed by the Company in connection with its merger with Biozone in January 2014. Warrants accounted for as liabilities have the potential to be settled in cash or are not indexed to the Company's own stock.

The estimated fair value of outstanding warrants accounted for as liabilities is determined at each balance sheet date. Any decrease or increase in the estimated fair value of the warrant liability since the most recent balance sheet date is recorded in the condensed consolidated statement of operations as changes in fair value of derivative liabilities.

The fair value of the warrants classified as liabilities is estimated using the Black-Scholes option-pricing model with the following inputs as of June 30, 2021:

	October 2013 Warrants	January 2014 Warrants
Strike price	$ 15.00	$ 15.00
Expected dividend yield	0.00%	0.00%
Contractual term (years)	2.3	2.5
Cumulative volatility	129.03%	125.81%
Risk-free rate	0.11%	0.13%
Value	$ 0.30	$ 0.32

The fair value of the warrants classified as liabilities is estimated using the Black-Scholes option-pricing model with the following inputs as of December 31, 2020:

	October 2013 Warrants	January 2014 Warrants
Strike price	$ 15.00	$ 15.00
Expected dividend yield	0.00%	0.00%
Contractual term (years)	2.8	3.0
Cumulative volatility	119.18%	116.65%
Risk-free rate	0.16%	0.18%
Value	$ 0.36	$ 0.38

The Company estimates volatility using a blend of its own historical stock price volatility as well as that of market comparable entities since the Company's common stock has limited trading history and limited observable volatility of its own. The expected life assumption is based on the remaining contractual terms of the warrants. The risk-free rate is based on the zero-coupon rates in effect at the balance sheet date. The dividend yield used in the pricing model is zero, because the Company has no present intention to pay cash dividends.

8. Licenses and Collaborations

Merck Sharp & Dohme Corp.

On January 2, 2019, the Company entered into an Exclusive License and Research Collaboration Agreement (the "Collaboration Agreement") with Merck to discover and develop certain proprietary influenza A/B antiviral agents. Under the terms of the Collaboration Agreement, Merck funds research and development for the program, including clinical development, and will be responsible for worldwide commercialization of any products derived from the collaboration. Cocrystal is eligible to receive payments related to designated development, regulatory and sales milestones with the potential to earn up to $156,000,000, as well as royalties on product sales. Merck can terminate the Collaboration Agreement at any time prior to the first commercial sale of the first product developed under the Collaboration Agreement, in its sole discretion, without cause.

Kansas State University Research Foundation

Cocrystal entered into a License Agreement with Kansas State University Research Foundation (the "Foundation") on February 18, 2020 to further develop certain proprietary broad-spectrum antiviral compounds for the treatment of Norovirus and Coronavirus infections.

Pursuant to the terms of the License Agreement, the Foundation granted the Company an exclusive royalty bearing license to practice under certain patent rights, under patent applications covering antivirals against coronaviruses, caliciviruses, and picornaviruses, and related know-how, including to make and sell therapeutic, diagnostic and prophylactic products.

The Company agreed to pay the Foundation a one-time non-refundable license initiation fee of $80,000 under the License Agreement, and annual license maintenance fees. The Company also agreed to make certain future milestone payments, dependent upon the progress of clinical trials, regulatory approvals, and initiation of commercial sales in the United States and certain countries outside the United States.

9. Commitments and Contingencies

Commitments

In the ordinary course of business, the Company enters into non-cancelable leases to purchase equipment and for its facilities, including related party leases (see Note 10 – Transactions with Related Parties). Leases are accounted for as operating leases or finance leases, in accordance with ASC 842, *Leases*.

Operating Leases

The Company leases office space in Miami, Florida and research and development laboratory space in Bothell, Washington under operating leases that expire on August 31, 2021 and January 31, 2024, respectively. For operating leases, the weighted average discount rate is 8.0% and the weighted average remaining lease term is 2.5 years.

The following table summarizes the Company's maturities of operating lease liabilities, by year and in aggregate, as of June 30, 2021 (in thousands):

2021 (excluding the six months ended June 30, 2021)	$	97
2022		178
2023		183
Thereafter		15
Total operating lease payments		473
Less: present value discount		(47)
Total operating lease liabilities	$	426

The operating lease liabilities summarized above do not include variable common area maintenance (CAM) charges, which are contractual liabilities under the Company's Bothell, Washington lease. CAM charges for the Bothell, Washington facility are calculated annually based on actual common expenses for the building incurred by the lessor and proportionately billed to tenants based on leased square footage. For six months ended June 30, 2021 and 2020, approximately $39,000 and $41,000 of variable lease expense (CAM) was included in general and administrative operating expenses on the condensed consolidated statements of operations, respectively.

The minimum lease payments above include the amounts that would be paid if the Company maintains its Bothell lease for the five-year term, starting February 2019. The Company has the right to terminate this lease after three years on January 31, 2022, by giving prior notice at least nine months before the early termination date and by paying a termination fee equal to the sum of unamortized leasing commissions and reimbursement for tenant improvements provided by the landlord amortized at 8.0% over the extended term.

On September 1, 2018, the Company entered into a lease agreement with a limited liability company controlled by Dr. Phillip Frost, a director and a principal shareholder of the Company (see Note 10 – Transactions with Related Parties). The lease term is three years with an optional three-year extension. On an annualized basis, straight-line rent expense is approximately $58,000, including fixed and estimable fees and taxes.

For the six months ended June 30, 2021 and 2020, operating lease expense, excluding short-term leases, finance leases and CAM charges, totaled approximately $14,000 and $149,000, respectively, of which $29,000 in each period was to a related party.

Finance Leases

In November 2018, the Company entered into lease agreements to acquire lab equipment with 36 monthly payments of $1,000 payable through November 21, 2021. In April, 2020, the Company entered into lease agreements to acquire lab equipment with 36 monthly payments of $2,000 payable through March 31, 2023. For finance leases, the weighted average discount rate is 8.0% and the weighted average remaining lease term is 1.8 years.

The following table summarizes the Company's maturities of finance lease liabilities, by year and in aggregate, as of June 30, 2021 (in thousands):

2021 (excluding the six months ended June 30, 2021)	$	21

2022	29
2023	7
Total finance lease payments	57
Less: present value discount	(3)
Total finance lease liabilities	$ 54

The leased lab equipment is depreciable over five years and is presented net of accumulated depreciation on the condensed consolidated balance sheets under property and equipment. As of June 30, 2021, total right-of-use lab equipment and accumulated depreciation recognized under finance leases is $211,000 and $131,000, respectively, and depreciation expense for the three months ended June 30, 2021 was $6,000. As of December 31, 2020, total right-of-use assets lab equipment exchanged for finance lease liabilities was $211,000 and accumulated depreciation for lab equipment under finance leases was $119,000.

At June 30, 2021, the aggregate outstanding balance of finance lease liabilities, current and long-term, is $54,000 and the Company expects to pay future interest charges of $3,477 over the remaining finance lease terms. For the six months ended June 30, 2021, the Company paid $19,880 and $2,620 in principal and interest, respectively, totaling financing cash out flows of $19,880, net of interest expense, for amount included in the measurement of lease liabilities for finance leases. For the six months ended June 30, 2020, the Company paid $101,000 and $4,000 in principal and interest, respectively, totaling financing cash out flows of $105,000, net of interest expense, for amount included in the measurement of lease liabilities for finance leases. At December 31, 2020, the aggregate outstanding balance of finance lease liabilities, current and long-term, was $74,000 and the Company expects to pay future interest charges of $7,000 over the remaining finance lease terms.

Contingencies

Liberty Insurance Underwriters Inc. filed suit against us in federal court in Delaware seeking a declaratory judgment that there was no insurance coverage for any settlement, judgment, or defense costs in the class and derivative litigation, that the monies totaling approximately $1 million it paid to the Company in connection with the SEC investigation were not covered by insurance, and for recoupment of the monies already paid. We have retained counsel to defend us which has filed an answer to the complaint denying its material allegations, as well as a counterclaim against Liberty for breach of contract, declaratory judgment, bad faith and violation of the Washington State Consumer Protection Act, alleging among other things that Liberty wrongfully denied the Company's claims for coverage of the class and derivative litigations, and seeking money damages. The case has been set for trial in July, 2022.

In November 2017, Lee Pederson, a former Biozone lawyer, filed a lawsuit in the U.S. District Court in Minnesota against co-defendants the Company, Dr. Phillip Frost, OPKO Health, Inc. and Brian Keller alleging that defendants engaged in wrongful conduct related to Biozone, including causing Biozone to enter into an allegedly improper licensing agreement and engaged in alleged market manipulation ("Pederson I"). On September 13, 2018, the United States District Court granted the Company and its co-defendants' motion to dismiss Pederson's amended complaint in Pederson I for lack of personal jurisdiction in Minnesota. On October 11, 2018, Pederson filed a notice of appeal with the United States Court of Appeals for the Eighth Circuit. The plaintiff's appeal was denied and the dismissal of Pederson I affirmed in March 2020. Meanwhile, in July 2019, Lee Pederson had filed another lawsuit in the U.S. District Court in Minnesota against co-defendants the Company, Dr. Frost, and Daniel Fisher ("Pederson II"). In his complaint in Pederson II, Pederson alleges tortious interference by the Company and Dr. Frost with an alleged collaboration agreement between Mr. Pederson and Mr. Fisher. In Pederson II, Mr. Pederson seeks damages in the amount of $800,000 or such other amount as may be determined at trial. Pederson II had previously been stayed by the court, pending disposition of Pederson I. With that first lawsuit having been dismissed and appeal denied, the stay was lifted in Pederson II, and the Company and all other defendants in that case filed Motions to Dismiss the (then amended) complaint. On November 19, 2020 the Magistrate Judge recommended dismissal of Pederson II, and further recommended that Pederson be restricted from filing any other actions in the District of Minnesota against defendants on the same or similar allegations as those in Pederson II, and on January 4, 2021 the District Court Judge adopted those recommendations and ordered dismissal of Pederson II. On February 1, 2021 Pederson filed a Notice of Appeal from the order of dismissal of Pederson II in the Eighth Circuit, and that appeal remains pending.

On May 19, 2020, A.G.P./Alliance Global Partners ("AGP"), which had previously acted as the Company's underwriter, placement agent and sales agent in connection with the Company's registered and exempt equity offerings, filed a lawsuit against the Company in the United States District Court for the Southern District of New York alleging violation of a lock-up provision under the Placement Agent Agreement, dated January 28, 2020 (the "Placement Agent Agreement"), by and between the Company and AGP. AGP seeks (i) damages estimated in the complaint to be in excess of $1 million and attorneys' fees, and (ii) declaratory relief. The Company has answered the complaint and discovery has been initiated.

While the Company intends to defend itself vigorously from the claims in the aforementioned disputes, it is unable to predict the outcome of these legal proceedings. Any potential loss as a result of these legal proceedings cannot be reasonably estimated. As a result, the Company has not recorded a loss contingency for any of the aforementioned claims.

COVID-19

Our administrative and finance activities are fully functional out of our Miami, Florida location and our research laboratory in Bothell, Washington remains open for essential operations while meeting COVID-19 quarantine challenges. Our scientists are also able to continue working remotely and we remain committed to meeting our corporate and development milestones throughout the year. We have experienced delays in our supply chain and with service partners as a result of the COVID-19 pandemic. Also because of the unknown impact from the COVID-19 pandemic, it may have unanticipated material adverse effects on us in a number of ways including:

- If our scientists and other personnel (or their family members) are infected with the virus, it may hamper our ability to engage in ongoing research activities;
- Similarly, we rely on third parties who can be similarly impacted;
- If these third parties are affected by COVID-19, they may focus on other activities which they may devote their limited time to other priorities rather than to our joint research;
- We may experience a shortage of laboratory materials which would impact our research activities;
- As a result of the continuing impact of the virus, we may fail to get access to third party laboratories which would impact our research activities; and
- We may sustain problems due to the serious short-term and possible longer term serious economic disruptions as our economy faces unprecedented uncertainty.

10. Transactions with Related Parties

In September 2018, the Company leased administrative offices from a limited liability company owned by one of the Company's directors and principal shareholder, Dr. Phillip Frost. The operating lease term is three years with an optional three-year extension. On an annualized basis, straight-line lease expense, including taxes and fees, for this location is approximately $58,000. In September 2018, the Company paid a lease deposit of $4,000 and total amounts paid in connection with this operating lease were $30,000 and $34,000 for the six months ended June 30, 2021 and 2020, respectively.

11. Subsequent Events

In July 2021, the Company by its compensation committee granted 1,042,000 stock options effective as of July 16, 2021. This action taken by the Board it has approved the Company 2015 Equity Incentive Plan. The Company granted the stock options to Directors, Executives, employees, and consultants. The options are ten-year incentive stock options exercisable at $1.11 per share and vesting as follows: one-half will vest on the one-year anniversary of the grant date and the remainder will vest in eight equal quarterly installments on the last day of March, June, September and December, with the first such quarterly installment vesting on September 30, 2022.

On August 6, 2021, the Company filed with the Delaware Secretary of State a Certificate of Amendment to the Certificate of Incorporation pursuant to which the number of shares of common stock the Company is authorized to issue was increased from 100,000,000 shares to 150,000,000 shares. The Certificate of Amendment was effective upon filing.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Cocrystal Pharma, Inc. (the "Company" or "Cocrystal") is a clinical stage biotechnology company seeking to discover and develop novel antiviral therapeutics as treatments for serious and/or chronic viral diseases. We employ unique structure-based technologies and Nobel Prize winning expertise to create first- and best-in-class antiviral drugs. These technologies are designed to efficiently deliver small molecule therapeutics that are safe, effective and convenient to administer. We have identified promising preclinical and early clinical stage antiviral compounds for unmet medical needs including Influenza virus, Coronavirus, Hepatitis C virus ("HCV"), and Norovirus infections.

Impact of COVID-19 Pandemic

COVID-19 is caused by a coronavirus called severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). Coronaviruses are a large family of viruses that are common in people and many different species of animals, including camels, cattle, cats, and bats. Rarely, animal coronaviruses can infect people and then spread between people. This occurred with Middle East respiratory syndrome coronavirus (MERS-CoV) and severe acute respiratory syndrome coronavirus (SARS-CoV), and now with the virus that causes COVID-19.

We have experienced delays in our supply chain and with contract service organizations (CROs) and contract development and manufacturing organizations (CDMOs) as a result of the COVID-19 pandemic. The consequences of the COVID-19 pandemic and the impact on the national and global economy continues to evolve and the full extent of the impact is uncertain as of the date of this filing.

Research and Development Update

During the six months ended June 30, 2021, the Company focused its research and development efforts primarily in three areas:

Influenza

We have several preclinical candidates under development for the treatment of influenza infection. CC-42344, a novel PB2 inhibitor, has been selected as a preclinical lead. This candidate binds to a highly conserved PB2 site of influenza polymerase complex (PB1: PB2: PA) and exhibits a novel mechanism of action. CC-42344 showed excellent antiviral activity against influenza A strains, including avian pandemic strains and Tamiflu and Xofluza resistant strains, and has favorable pharmacokinetic and drug resistance profiles. We have completed preclinical IND enabling studies and plan to initiate a Phase 1 study in the third quarter of 2021.

On January 2, 2019, the Company entered into an Exclusive License and Research Collaboration Agreement (the "Collaboration Agreement") with Merck Sharp & Dohme Corp. ("Merck") to discover and developed certain proprietary influenza A/B antiviral agents that are effective against both influenza A and B strains

In January 2021, we announced that we completed all research obligations under the Collaboration Agreement, and that Merck is now solely responsible for further preclinical and clinical development of the influenza A/B antiviral compounds that were discovered using Cocrystal's unique structure-based technologies. Merck is continuing development of the compounds under the terms of our Collaboration Agreement.

Coronavirus

In December 2020, we announced the selection of CDI-45205 as the lead compound for further preclinical development against SARS-CoV-2, that causes COVID-19.

CDI-45205 was one of the broad-spectrum protease inhibitors that were obtained from Kansas State University Research Foundation ("KSURF") under an exclusive license agreement announced in April 2020. That agreement provides Cocrystal with an exclusive, royalty-bearing license to develop and commercialize therapeutic, diagnostic and prophylactic products against coronaviruses, caliciviruses and picornaviruses based on antivirals discovered by KSURF. See "Collaborations – Kansas State University Research Foundation." The Company believes these protease inhibitors have the ability to inhibit the inactive SARS-CoV-2 polymerase replication enzymes into an active form. CDI-45205 showed good bioavailability in mouse and rat pharmacokinetic studies via intraperitoneal injection, and also no cytotoxicity against a variety of human cell lines.

The Company recently demonstrated a strong synergistic effect with the FDA-approved COVID-19 medicine remdesivir. Additionally, a proof-of-concept animal study demonstrated that daily injection of CDI-45205 exhibited favorable *in vivo* efficacy in MERS-CoV-2 infected mice. CDI-45205 and several analogs showed potent *in vitro* activity against the SARS-CoV-2 Delta (India/B.1.617.2) and Gamma (Brazil/P.1) variants. Cocrystal previously announced that CDI-45205 and analogs exhibited broad-spectrum activity against the SARS-CoV-2 Alpha (United Kingdom/B.1.1.7) and Beta (South African/B.1.351) variants, surpassing the activity observed with the Wuhan strain.

The Company has initiated scale-up synthesis and process chemistry development. We are working toward pre-IND status with CDI-45205 and plan to initiate an IND-enabling study in the first half of 2022 with CDI-45205, for intranasal/pulmonary delivery.

In addition to CDI-45205, the Company has leveraged its antiviral development expertise by using its proprietary technology and drug discovery platform to launch two additional COVID-19 programs, novel SARS-CoV-2 3CL protease inhibitors and replication inhibitors. The Company anticipates identifying another SARS-CoV-2 preclinical 3CL lead for oral administration this year and to initiate an IND-enabling study in the first half of 2022.

Norovirus Infections

We continue to identify and develop non-nucleoside polymerase and protease inhibitors using the Company's proprietary structure-based drug design technology platform. In addition, we now have exclusive rights to norovirus protease inhibitors for use in humans obtained in the license from Kansas State University Research Foundation (see under Collaborations below). We expect to complete proof-of-concept animal study by the end of 2021.

Results of Operations for the Three and Six Months Ended June 30, 2021 compared to the Three and Six Months Ended June 30, 2020

Revenue

There was no revenue during three and six months ended June 30, 2021, compared with $554,000 and $1,015,000 for the three and six months ended June 30, 2020, respectively. The revenue in 2020 was from the Collaboration Agreement with Merck that has transitioned from reimbursed research and development at the Company to

Merck for continued evaluation for clinical development (See Note 8 – Licenses and Collaborations in the notes to the condensed consolidated financial statements under Item I, above, for more information). We do not expect to generate any revenues in 2021, except to the extent we receive any milestone payments under our Collaboration Agreement.

Research and Development Expense

Research and development expense consist primarily of compensation-related costs for our employees dedicated to research and development activities and for our Scientific Advisory Board members, as well as lab supplies, lab services, and facilities and equipment costs related to our research and development programs.

Total research and development expenses for the three months ended June 30, 2021 and 2020 was $2,747,000 and $1,976,000, respectively. The increase of $771,000 was primarily due increases in COVID-19 and influenza programs advancement.

Total research and development expenses for the six months ended June 30, 2021 and 2020 was $4,324,000 and $3,259,000, respectively. The increase of $1,065,000 was primarily due increases in COVID-19 and influenza programs advancement.

We expect research and development expenses to continue increase in 2021 as we advance our pandemic influenza A (CC-42344) into clinical trials this year and progress our pre-clinical COVID-19 program towards clinical development.

General and Administrative Expense

General and administrative expense includes compensation-related costs for our employees dedicated to general and administrative activities, legal fees, audit and tax fees, consultants and professional services, and general corporate expenses.

General and administrative expenses for the three months ended June 30, 2021 and 2020 was $1,081,000 and $2,028,000, respectively. The decrease of $947,000 was primarily due to reduced professional fees further described below.

General and administrative expenses for the six months ended June 30, 2021 and 2020 was $2,242,000 and $3,167,000, respectively. The decrease of $925,000 was primarily due to reduced professional fees resulting from the conclusion of certain previously reported legal matters.

Interest Expense, Net

Interest expense for the three months ended June 30, 2021 and 2020 was $2,000. Interest expense for the six months ended June 30, 2021 and 2020 was $3,000 and $4,000, respectively. The decrease for the six months ended June 30, 2021 was due to changes in the finance lease agreements.

Other Income/(Expense)

In accordance with U.S. GAAP, we record other income or expense based upon the computed change in fair value of our outstanding warrants that are accounted for as liabilities. The fair value of our outstanding warrants is inversely related to the fair value of the underlying common stock; as such, an increase in the price of our common stock during a given period generally results in other expense. Conversely, a decrease in the price of our common stock generally results in other income. The change in the fair value of derivative liabilities for the six months ended June 30, 2021 and 2020 was $10,000 and ($70,000), respectively.

Income Taxes

No income tax benefit or expense was recognized for the three and six months ended June 30, 2021 and 2020. The Company's effective income tax rate was 0.0% for the three and six months ended June 30, 2021 and 2020. As a result of the Company's cumulative losses, management has concluded that a full valuation allowance against the Company's net deferred tax assets is appropriate.

Net Loss

As a result of the above factors, for the three and six months ended June 30, 2021 was $3,821,000 and $6,559,000, respectively, compared with a net loss of $3,495,000 and $5,485,000 for the three and six months ended June 30, 2020, respectively, as a result of revenue and expenses described above.

Liquidity and Capital Resources

Net cash used by operating activities was $4,394,000 for the six months ended June 30, 2021 compared with net cash used by operating activities of $4,388,000 for the same period in 2020. This was primarily due to reduction of expenditures related to the Collaboration Agreement with Merck during the six months ended June 30, 2021 as the program transitioned expenditures to Merck.

Net cash used for investing activities was approximately $40,000 for the six months ended June 30, 2021 compared with $220,000 net cash used for the same period in 2020. For the six months ended June 30, 2021 the level of investments decreased compared to June 30, 2020 due to finalization of laboratory expansion.

Net cash provided by financing activities totaled $38,486,000 for the six months ended June 30, 2021 compared with $16,505,000 for the same period in 2020. This decrease was primarily due to sufficient capital needs during the six months ended June 30, 2021, which resulted in reduced equity offerings as compared to the six months ended June 30, 2020.

The Company has not yet established an ongoing source of revenue sufficient to cover its operating costs. The Company had $67,112,000 cash on June 30, 2021 and believes this is sufficient to maintain planned operations for at least the next 36 months.

We have focused our efforts on research and development activities, including through collaborations with suitable partners. We have been profitable on a quarterly basis, but have never been profitable on an annual basis. We have no products approved for sale and have incurred operating losses and negative operating cash flows on an annual basis since inception.

The Company's interim consolidated financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

Historically, public and private equity offerings have been our principal source of liquidity. During the six months ended June 30, 2021, the Company had the following offerings of its Common Stock.

The Company is party to the At-The-Market Offering Agreement, dated July 1, 2020 ("ATM Agreement") with H.C. Wainwright & Co., LLC ("Wainwright"), pursuant to which the Company may issue and sell over time and from time to time, to or through Wainwright, up to $10,000,000 of shares of the Company's common stock. During January 2021, the Company sold 1,030,000 shares of its common stock pursuant to the ATM Agreement for net proceeds of approximately $2,072,000. There were no sales under the ATM Agreement during the three months ended June 30, 2021.

On May 4, 2021, the Company entered into an underwriting agreement with H.C. Wainwright & Co., LLC, pursuant to which the Company agreed to issue and sell 26,000,000 shares of the Company's common stock at a public offering price of $1.54 per share, less underwriting discounts and commissions (the "Offering"). The Company received approximately $36.4 million in net proceeds from the Offering, after deducting underwriting discounts and estimated offering expenses. The Offering closed on May 7, 2021.

As the Company continues to incur losses, achieving profitability is dependent upon the successful development, approval and commercialization of its product candidates, and achieving a level of revenues adequate to support the Company's cost structure. The Company may never achieve profitability, and unless and until it does, the Company will continue to need to raise additional capital. Management intends to fund future operations through additional private or public equity offerings and through arrangements with strategic partners or from other sources. There can be no assurances, however, that additional funding will be available on terms acceptable to the Company, or at all, and any equity financing may be very dilutive to existing shareholders.

Cautionary Note Regarding Forward-Looking Statements

This report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the future effectiveness of our product candidates, our plans for the future development of preclinical and clinical drug candidates, the expected time of achieving certain value driving milestones in our programs, including the planned initiation of the Phase 1 Influenza A study in the third quarter of 2021, the expected identification of an additional SARS-CoV-2 preclinical 3CL lead for oral administration in 2021, the expected initiation of two IND-enabling studies in the COVID-19 program in the first half of 2022, the anticipated completion of proof-of-concept animal study in our norovirus program by the end of 2021, our expectations regarding future operating results, and future liquidity. 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 and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs.

The results anticipated by any or all of these forward-looking statements might not occur. Important factors that could cause actual results to differ from those in the forward-looking statements include the risks and uncertainties the impact of the COVID-19 pandemic on our Company, our collaboration partners, CROs, CMOs, and on the national and global economy, including raw material and test animal shortages and other supply chain disruptions and other business interruptions, the ability of our CROs to recruit volunteers for, and to proceed with, clinical trials, possible delays resulting from the lockdown in Australia, the cooperation of the FDA in accelerating development in our COVID-19 program, the achievement by Merck of certain milestones under the Collaboration Agreement, our ability to successfully identify, enter into and maintain additional strategic collaborations for further development of our product candidates, future results of planned research and, if successful, clinical trials, general risks arising from clinical trials, receipt of regulatory approvals, development of effective treatments and/or vaccines by competitors, including as part of the programs financed by the U.S. government, and any additional costs related to unfavorable future outcome of pending litigation or any unanticipated claims. Further information on our risk factors is contained in our filings with the SEC, including our Annual Report on Form 10-K for the year ended December 31, 2020. We undertake no obligation to publicly update or revise any forward-looking statements, whether as the result of new information, future events or otherwise.

Critical Accounting Policies and Estimates

In our Annual Report on Form 10-K for the year ended December 31, 2020, we disclosed our critical accounting policies and estimates upon which our financial statements are derived.

Accounting estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from these estimates

Goodwill. As of June 30, 2021, the Company had a goodwill of $19,092,000. Goodwill is tested at least annually for impairment or when events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable, by assessing qualitative factors or performing a quantitative analysis in determining whether it is more. The Company's last annual impairment assessment was on November 30, 2020.

Readers are encouraged to review these disclosures in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 in conjunction with the review of this report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act") as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures as of June 30, 2021 were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

Changes in Internal Control over Financial Reporting

There were no material changes in our internal controls over financial reporting or in other factors that could materially affect, or are reasonably likely to affect, our internal controls over financial reporting during the quarter ended June 30, 2021. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company is a party to, or otherwise involved in, legal proceedings arising in the normal course of business. During the reporting period, except as set forth below, there have been no material changes to the description of legal proceedings set forth in our Annual Report on Form 10-K for the year ended December 31, 2020.

ITEM 1.A RISK FACTORS

None.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

All recent sales of unregistered securities have been previously reported.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The exhibits listed in the accompanying "Exhibit Index" are filed or incorporated by reference as part of this Form 10-Q.

EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed or Furnished Herewith
		Form	Date	Number	
3.1	Certificate of Incorporation, as amended				Filed
3.2	Amended and Restated Bylaws	8-K	2/19/21	3.1	
10.1	Consulting and Scientific Advisory Board Agreement, dated April 13, 2021 with Roger Kornberg				Filed
31.1	Certification of Principal Executive Officer (302)				Filed
31.2	Certification of Principal Executive Officer (302)				Filed
31.3	Certification of Principal Financial Officer (302)				Filed
32.1	Certification of Principal Executive and Principal Financial Officer (906)				Furnished*
101.INS	XBRL Instance Document				Filed
101.SCH	XBRL Taxonomy Extension Schema Document				Filed
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document				Filed
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document				Filed
101.LAB	XBRL Taxonomy Extension Label Linkbase Document				Filed
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document				Filed
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				Filed

* This exhibit is being furnished rather than filed and shall not be deemed incorporated by reference into any filing, in accordance with Item 601 of Regulation S-K.

Copies of this report (including the financial statements) and any of the exhibits referred to above will be furnished at no cost to our shareholders who make a written request to our Corporate Secretary at Cocrystal Pharma, Inc., 4400 Biscayne Blvd, Suite 101, Miami, FL 33137.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Cocrystal Pharma, Inc.

Dated: August 16, 2021

By: */s/ Sam Lee*
Sam Lee
President and Co-Interim Chief Executive Officer
(Principal Executive Officer)

Dated: August 16, 2021

By: */s/ James Martin*
James Martin
Chief Financial Officer and Co-Interim Chief Executive Officer
(Principal Financial Officer)

Exhibit 3.1

CERTIFICATE OF INCORPORATION
OF
COCRYSTAL PHARMA, INC.

(Conformed copy incorporating all amendments through August 6, 2021)

1. The name of the corporation is Cocrystal Pharma, Inc. (the "Company").

2. The address of its registered office in the State of Delaware, County of New Castle, is 3411 Silverside Road, Rodney Building #104, Wilmington, Delaware 19810. The name of its registered agent at such address is Corporate Creations Network, Inc.

3. The nature of the business or purposes to be conducted or promoted are to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law.

4. The total number of shares of stock of all classes and series the Company shall have authority to issue is 155,000,000 shares consisting of (i) 150,000,000 shares of common stock, par value of $0.001 per share and (ii) 5,000,000 shares of preferred stock, par value $0.001 with such rights, preferences and limitations as may be set from time to time by resolution of the board of directors and the filing of a certificate of designation as required by the Delaware General Corporation Law.

As of the close of business on January 18, 2018 (4:01 p.m. Eastern Daylight Time) (the ''Reverse Split Date''), each 30 shares of common stock issued and outstanding immediately prior to the Reverse Split Date (referred to in this paragraph as the ''Old Common Stock'') automatically and without any action on the part of the holder thereof will be reclassified and changed into one share of new common stock, par value $.001 per share (referred to in this paragraph as the ''New Common Stock''), subject to the treatment of fractional share interests as described below. Each holder of a certificate or certificates that immediately prior to the Reverse Split Date represented outstanding shares of Old Common Stock (the ''Old Certificates'') will be entitled to receive, upon surrender of such Old Certificates to the Company for cancellation, a certificate or certificates (the ''New Certificate'', whether one or more) representing the number of whole shares of the New Common Stock into which and for which the shares of the Old Common Stock formerly represented by such Old Certificates so surrendered are reclassified under the terms hereof. From and after the Reverse Split Date, Old Certificates shall represent only the right to receive New Certificates pursuant to the provisions hereof. No certificates or scrip representing fractional share interests in New Common Stock will be issued. In lieu of any such fractional shares of New Common Stock, each shareholder with a fractional share will be entitled to receive, upon surrender of Old Certificates to the Company for cancellation, an amount in cash equal to the product obtained by multiplying (i) the average of the closing trading prices (as adjusted to reflect the reverse stock split) of the Company's common stock, as reported on the OTCQB, during the 20 consecutive trading days ending on the trading day immediately prior to the filing of this Certificate of Amendment and (ii) such fractional interest. If more than one Old Certificate shall be surrendered at one time for the account of the same shareholder, the number of full shares of New Common Stock for which New Certificates shall be issued shall be computed on the basis of the aggregate number of shares represented by the Old Certificates so surrendered. In the event that the Company determines that a holder of Old Certificates has not tendered all his, her or its certificates for exchange, the Company shall carry forward any fractional share until all certificates of that holder have been presented for exchange. The Old Certificates surrendered for exchange shall be properly endorsed and otherwise in proper form for transfer. From and after the Reverse Split Date, the amount of capital represented by the shares of the New Common Stock into which and for which the shares of the Old Common Stock are reclassified under the terms hereof shall be an amount equal to the product of the number of issued and outstanding shares of New Common Stock and the $0.001 par value of each such share.

5. The name and mailing address of the incorporator is as follows:

Michael D. Harris
1645 Palm Beach Lakes Blvd.
Suite 1200
West Palm Beach, FL 33401

6. The name and mailing address of each person who is to serve as a director until the first annual meeting of the shareholders or until a successor is elected and qualified, is as follows:

Name	Mailing Address
Dr. Gary Wilcox	4018 Via Laguna Santa Barbara, CA 93110

7. The Company is to have perpetual existence. In furtherance and not in limitation of the powers conferred by statute, the board of directors is expressly authorized to make, amend, alter or repeal the bylaws of the Company.

8. Elections of directors need not be by written ballot unless the bylaws of the Company shall so provide.

Meetings of shareholders may be held within or without the State of Delaware as the bylaws may provide. The books of the Company may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the bylaws of the Company.

9. The Company reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon shareholders herein are granted subject to this reservation.

10. No director of this Company shall be personally liable to the Company or its shareholders for monetary damages for breach of fiduciary duty as a director. Nothing in this paragraph shall serve to eliminate or limit the liability of a director (a) for any breach of the director's duty of loyalty to this Company or its shareholders, (b) for acts or omissions not in good faith or which involves intentional misconduct or a knowing violation of law, (c) under Section 174 of the Delaware General Corporation Law, or (d) for any transaction from which the director derived an improper personal benefit. If the Delaware General Corporation Law is amended after approval by the shareholders of this article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Company shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended.

Any repeal or modification of the foregoing paragraph by the shareholders of the Company shall not adversely affect any right or protection of a director of the Company existing at the time of such repeal or modification.

11. (a) Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding (except as provided in Section 11 (f)) whether civil, criminal or administrative, (a "Proceeding"), or is contacted by any governmental or regulatory body in connection with any investigation or inquiry (an "Investigation"), by reason of the fact that he or she is or was a director or executive officer (as such term is utilized pursuant to interpretations under Section 16 of the Securities Exchange Act of 1934) of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a

partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans (an "Indemnitee"), whether the basis of such Proceeding or Investigation is alleged action in an official capacity or in any other capacity as set forth above shall be indemnified and held harmless by the Company to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than such law permitted the Company to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such Indemnitee in connection therewith and such indemnification shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the Indemnitee's heirs, executors and administrators. The right to indemnification conferred in this Section shall be a contract right and shall include the right to be paid by the Company the expenses incurred in defending any such Proceeding in advance of its final disposition (an "Advancement of Expenses"); provided, however, that an Advancement of Expenses shall be made only upon delivery to the Company of an undertaking, by or on behalf of such Indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such Indemnitee is not entitled to be indemnified for such expenses under this Section or otherwise (an "Undertaking").

(b) If a claim under paragraph (a) of this Section is not paid in full by the Company within 60 days after a written claim has been received by the Company, except in the case of a claim for an Advancement of Expenses, in which case the applicable period shall be 20 days, the Indemnitee may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim. If successful in whole or in part in any such suit or in a suit brought by the Company to recover an Advancement of Expenses pursuant to the terms of an Undertaking, the Indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In

(i) any suit brought by the Indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the Indemnitee to enforce a right to an Advancement of Expenses) it shall be a defense that, and

(ii) any suit by the Company to recover an Advancement of Expenses pursuant to the terms of an Undertaking the Company shall be entitled to recover such expenses upon a final adjudication that,

the Indemnitee has not met the applicable standard of conduct set forth in the Delaware General Corporation Law. Neither the failure of the Company (including its board of directors, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such suit that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Company (including its board of directors, independent legal counsel, or its shareholders) that the Indemnitee has not met such applicable standard of conduct or, in the case of such a suit brought by the Indemnitee, be a defense to such suit. In any suit brought by the Indemnitee to enforce a right hereunder, or by the Company to recover an Advancement of Expenses pursuant to the terms of an undertaking, the burden of proving that the Indemnitee is not entitled to be indemnified or to such Advancement of Expenses under this Section or otherwise shall be on the Company.

(c) The rights to indemnification and to the Advancement of Expenses conferred in this Section shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, this certificate of incorporation, bylaw, agreement, vote of shareholders or disinterested directors or otherwise.

(d) The Company may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Company or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Company would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

(e) The Company may, to the extent authorized from time to time by the board of directors, grant rights to indemnification and to the Advancement of Expenses, to any employee or agent of the Company to the fullest extent of the provisions of this Section with respect to the indemnification and Advancement of Expenses of directors, and executive officers of the Company.

(f) Notwithstanding the indemnification provided for by this Section 11, the Company's bylaws, or any written agreement, such indemnity shall not include any Advancement of Expenses incurred by such Indemnitees relating to or arising from any Proceeding in which the Company asserts a direct claim against an Indemnitee, or an Indemnitee asserts a direct claim against the Company, whether such claim is termed a complaint, counterclaim, crossclaim, third-party complaint or otherwise. Following the termination of any Proceeding referred to in this Section 11(f), the Company may provide indemnification in accordance with this Section 11, the Company's bylaws, any written agreement or the Delaware General Corporation Law.

12. This Certificate of Incorporation and the internal affairs of the Company shall be governed by and interpreted under the laws of the State of Delaware, excluding its conflict of laws principles. Unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer (or affiliate of any of the foregoing) of the Company to the Company or the Company's shareholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or the Company's Certificate of Incorporation or Bylaws, or (iv) any other action asserting a claim arising under, in connection with, and governed by the internal affairs doctrine.

I, THE UNDERSIGNED, being the incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the Delaware General Corporation Law, do make this certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 21st day of November, 2014.

/s/ Michael Harris

Michael D. Harris

Exhibit 10.1

CONSULTING AND SCIENTIFIC ADVISORY BOARD AGREEMENT

This Agreement, dated as of April 13, 2021, is made and entered into by and between Cocrystal Discovery, Inc., a Delaware corporation (the "Company") and Roger Kornberg, an individual whose principal residence is in California ("Advisor").

1. Services

1.1 Scope of Services. During the Term (as defined below), Advisor will serve as a consultant to the Company and chairman of the Company's Scientific Advisory Board ("SAB").of Cocrystal Pharma, Inc., the Company's parent. In connection therewith, Advisor will, as reasonably requested by the Company:

(a) meet with other SAB members and employees of the Company to review the goals of the Company and develop strategies for achieving them;

(b) provide advice, feedback, theories, techniques and improvements for the Company's research and product development programs;

(c) provide advice and observations regarding drug issues, including, but not limited to, feasibility, clinical need, economics and regulatory effects and requirements;

(d) provide suggestions for new potential clinical indications and research opportunities for the Company;

(e) provide advice for and participate in the recruitment of the Company's scientific staff; and

(f) perform such duties that are established by mutual agreement of the Company and its SAB members.

Advisor will perform the foregoing services ("Services") faithfully, diligently and to the best of Advisor's skill and ability.

1.2 Meetings. Advisor will (a) attend at least one SAB meeting in person each calendar year at a location specified by the Company, and (b) participate in a reasonable number of other SAB meetings by telephone. All SAB meetings will be scheduled by mutual agreement of the Company and the members of the SAB.

1.3 Time Commitment. The parties presently estimate that Advisor will be spending approximately 6 days per calendar year (full time equivalent) in providing the Services. If travel time to attend meetings adds significantly to the overall time spent on the Company's matters, such travel time will be separately addressed by the parties.

1.4 Relationship of the Parties. Advisor is an independent contractor, not an employee or agent, of the Company. Advisor has no authority to obligate the Company by contract or otherwise. Advisor will not be eligible for any employee benefits. The Company will not make deductions from any amounts payable to Advisor for taxes. Advisor will be responsible for and will pay all taxes related to the receipt of payments hereunder and will give reasonable proof in supporting documents, if reasonably requested, to verify the payment of such taxes.

2. Compensation and Payment

2.1 Retainer. The Company will pay Advisor an annual cash retainer of $75,000 (the "Retainer"), paid quarterly in arrears, in consideration for Advisor's performance of the Services.

2.2 Reimbursable Expenses. The Company will reimburse Advisor for reasonable travel and other out-of-pocket expenses incurred by Advisor in providing the Services, which expenses have been approved in advance by the Company. In accordance with the Company's reimbursement policies, Advisor will provide to the Company an itemized expense voucher, together with receipts or other reasonable evidence or substantiation of expenses.

2.3 Invoices and Payment. Advisor will promptly submit invoices for amounts payable under Section 2.1 and for reimbursable expenses under Section 2.2. The Company will pay the amount properly due and payable under each of Advisor's invoices within thirty (30) days after the Company's receipt and validation of a properly submitted and correct invoice.

3. Proprietary Rights and Nondisclosure

3.1 Advisor recognizes that Advisor will be exposed to, have access to and be engaged in the development of information (including all tangible and intangible manifestations) regarding the business, technology and intellectual property of the Company and Cocrystal Pharma, Inc., the Company's parent. All of this information, except information that (a) is the subject of a patent, patent application, copyright, trademark or trade secret owned by Advisor before the date of this Agreement and not conveyed or licensed to the Company, (b) is in the public domain before the date of this Agreement or comes into the public domain after the date of this Agreement through no fault of Advisor or (c) is received by Advisor without an obligation of confidentiality from an unrelated third party that is not under an obligation of confidentiality to the Company and that has a legal right to disclose it, is collectively referred to as the "Proprietary Information."

3.2 During the Term and thereafter, Advisor will keep in confidence and trust all Proprietary Information and will not use or disclose any Proprietary Information or anything related thereto to any third party without the prior written consent of the Company, except as required in performing the Services.

3.3 If Advisor is required to disclose any Inventions (as defined in Section 3.5) to any research or academic institution with which Advisor is affiliated pursuant to its applicable guidelines or policies, Advisor will notify the Company in writing and specify the nature of such disclosure 30 days before making such disclosure. Advisor represents and warrants that Advisor has no such disclosure obligations to any research or academic institution with which Advisor is affiliated, except as noted and described in Schedule A. Upon request, Advisor will provide the Company with copies of any such applicable guidelines or policies.

3.4 Advisor will submit to the Company any proposed publication (written or oral) that contains any discussion relating to the Company, the Services or the Proprietary Information. Advisor will not publish, submit for publication or make an oral presentation of the proposed publication without the Company's prior written consent.

3.5 Advisor will promptly disclose to the Company in writing any and all inventions, developments or materials, whether or not patentable or registerable under copyright or similar statutes, authored, made or conceived of or reduced to practice or learned by Advisor, either alone or jointly with others, during the Term in the course of or as a result of performing the Services ("Inventions"). Advisor hereby assigns to the Company for no additional consideration Advisor's entire right, title and interest in and to the Inventions (and all proprietary rights with respect thereto). Advisor will execute all documents and perform all acts, at the Company's expense, reasonably necessary to pursue, prosecute, maintain, enforce and defend any patents, patent applications, copyrights, trademarks and other rights to the Inventions.

3.6 For purposes of this Agreement, any copyrightable work authored in the course of performance of the Services under this Agreement will be deemed "work made for hire" under federal copyright law, and all ownership rights to such work belong and are hereby assigned to the Company.

4. Nondisclosure of Third-Party Information

Advisor understands that the Company has received and will receive from third parties information that is confidential or proprietary ("Third-Party Information") and that is subject to restrictions on the Company regarding its use and disclosure. During the Term and thereafter, Advisor will hold the Third-Party Information in confidence and will not disclose or use Third-Party Information except as permitted by the agreement between the Company and the relevant third party, unless expressly authorized in writing to act otherwise by an officer of the Company.

5. Prior Inventions

Inventions, if any, patented or unpatented, that Advisor made before the date of this Agreement are excluded from the scope of this Agreement, except to the extent they are unpatented and disclosed to the Company without an explicit limitation on use or, whether or not patented, included in the work furnished to the Company by Advisor.

6. Representations, Warranties, and Covenants

Advisor represents and warrants to the Company that (a) Advisor's performance of this Agreement and the Services does not and will not breach or conflict with any agreement to which Advisor is or becomes a party, and that Advisor has obtained any and all necessary approvals or consents necessary to perform Advisor's obligations hereunder, (b) Advisor is not required to disclose any Inventions to any third party pursuant to any agreement except as noted and described in Schedule A, (c) Advisor is not currently providing services in the field of structure-based antiviral drug discovery ("Field") to any other entity and is not an officer, employee or investor (direct or indirect) in any other company engaged in the Field except as set forth in Schedule A, (d) Advisor will not perform services in the Field for any other entity or be an officer, employee or investor (direct or indirect) in any other entity engaged in the Field during the Term without advising the Company of the name of such entity and the nature of the services to be provided prior to or within 10 days following commencement of such services, (e) during the Term and for one year after the expiration or termination of the Agreement, Advisor will not personally or through others recruit, solicit or induce any employee, advisor, consultant, corporate partner, supplier or customer of the Company to terminate their relationship with the Company, (f) Advisor will comply with all federal, state and local laws applicable to the performance of the Services under this Agreement, (g) all Services will be performed in a timely, workmanlike manner and with professional diligence and skill in accordance with the terms of this Agreement, (h) Advisor will not knowingly infringe or misappropriate the rights of any third party in the performance of this Agreement or the Services, and (i) Advisor has received information about the Company and is knowledgeable about the Company and its scientific business plan.

7. Term and Termination

7.1 Term. Unless sooner terminated or extended pursuant to this Section 7, the term of this Agreement will terminate three years from the date of this Agreement ("Term"), and may be renewed by mutual agreement of the parties; provided, however, that this Agreement may be terminated by either party for any reason upon thirty days prior written notice without further obligation or liability.

7.2 Termination. Either party may terminate the Term upon ten (10) days' written notice.

7.3 Effect of Termination. The obligations set forth in Sections 3 through 8 will survive any termination of the Agreement. Upon expiration or termination of the Agreement or at any other time upon request, Advisor will promptly deliver to the Company all documents and other materials of any nature (and all copies thereof) pertaining to the Services, together with all documents and other items (and all copies thereof) containing or pertaining to any Proprietary Information, and will not retain copies of any such documents, materials or items.

8. Miscellaneous.

8.1 Notices. All notices given hereunder will be given in writing, will refer to this Agreement and will be personally delivered, sent by registered or certified mail (return receipt requested), or by e-mail to the intended recipient at the appropriate e-mail address as follows:

If to the Company:

Cocrystal Pharma, Inc.
19805 North Creek Road
Bothell, WA 98011
Attn: Sam Lee
Email: _____

With a copy to:

Cocrystal Pharma, Inc.
4400 Biscayne Blvd
Miami, FL 33137
Attn: Jim Martin
Email: _____

If to Advisor: Roger Kornberg

_____

_____

Email: _____

Either party may change such address by giving the other party notice of such change in accordance with this Section 8.1.

8.2 Assignment. The parties' rights and obligations under this Agreement will bind and inure to the benefit of their respective successors, heirs, executors, administrators and

permitted assigns. Because the nature of the Services is personal, no assignment of Advisor's rights or delegation of Advisor's duties under this Agreement (by contract, operation of law, or otherwise) may be made and any attempted assignment or delegation by Advisor will be void, without the prior written consent of the Company.

8.3 Governing Law. This Agreement is governed by the laws of the state of Washington (regardless of its choice-of-law provisions to the contrary). Advisor irrevocably consents to the jurisdiction and venue of the state and federal courts located in King County, Washington in connection with any action relating to this Agreement.

8.4 Severability. If any provision of this Agreement is held to be invalid or unenforceable to any extent, this Agreement will continue in full force and effect and such provision will be deemed amended to conform to applicable laws and to accomplish the intentions of the parties.

8.5 Waiver. Any waiver, modification or amendment of any provision of this Agreement will be effective only if in writing and signed by the parties to this Agreement.

8.6 Entire Agreement. This Agreement constitutes the parties' final, exclusive and complete understanding and agreement with respect to the subject matter hereof, and supersedes all prior and contemporaneous understandings and agreements relating to the subject matter hereof.
The parties hereto have executed this Agreement as of the date first above written.

COMPANY		ADVISOR	
By:	*/s/ Jim Martin*	*/s/ Roger Kornberg*	
		Roger Kornberg	
Print:	Jim Martin		
Title:	CFO/Secretary		

Schedule A

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Sam Lee, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cocrystal Pharma, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 16, 2021

/s/ Sam Lee

Sam Lee
President and Co- Interim Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, James Martin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cocrystal Pharma, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 16, 2021

/s/ James Martin

James Martin
Co-Interim Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.3

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, James Martin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cocrystal Pharma, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 16, 2021

/s/ James Martin

James Martin
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Cocrystal Pharma, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2021, as filed with the Securities and Exchange Commission on the date hereof, I, Sam Lee, certify, pursuant to 18 U.S.C. Sec.1350, as adopted pursuant to Sec.906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The quarterly report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and

2. The information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Sam Lee
Sam Lee
President and Co- Interim Chief Executive Officer
(Principal Executive Officer)

Dated: August 16, 2021

In connection with the quarterly report of Cocrystal Pharma, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2021, as filed with the Securities and Exchange Commission on the date hereof, I, James Martin, certify, pursuant to 18 U.S.C. Sec.1350, as adopted pursuant to Sec.906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The quarterly report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and

2. The information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James Martin
James Martin
Chief Financial Officer and Co- Interim Chief Executive Officer
(Principal Financial Officer)

Dated: August 16, 2021