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

FORM 10-K

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

For the fiscal year ended: **December 31, 2025**

OR

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

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: **(877) 262-7123**

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, par value $0.001 per share	COCP	The Nasdaq Stock Market LLC (The Nasdaq Capital Market)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

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 (§ 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, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the closing price as of the last business day of the registrant's most recently completed second fiscal quarter, June 30, 2025, was approximately $11.6 million.

The number of shares outstanding of the registrant's common stock, as of March 24, 2026, was approximately 13,785,759 shares.

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PART I

Item 1. Business.

Overview

Cocrystal Pharma, Inc. (the "Company" or "Cocrystal") is a clinical-stage biotechnology company discovering and developing novel antiviral therapeutics as treatments for serious and/or chronic viral diseases. We employ unique structure-based technologies and Nobel Prize winning expertise with the goal of creating viable antiviral drugs. These technologies are designed to efficiently deliver small molecule therapeutics that are safe, effective, and convenient to administer. We have identified promising discovery, preclinical and clinical stage antiviral compounds for unmet medical needs caused by RNA viruses including influenza virus, norovirus, coronaviruses (including SARS-CoV-2 & MERS-CoV), respiratory virus infections and hepatitis C virus ("HCV") infections.

The Company operates as one business entity.

Cocrystal Technology

We are developing small molecule antiviral therapeutics that inhibit the essential viral replication function of RNA viruses causing acute and chronic viral diseases. Our goals include treating and preventing influenza virus, norovirus, and coronavirus infections by discovering and developing direct-acting antiviral drug candidates targeting required steps in the viral replication process. To discover and design these direct-acting antiviral drug candidates, we use a proprietary platform comprising computational chemistry, medicinal chemistry, X-ray crystallography and our extensive know-how. We determine the structures of cocrystals containing the inhibitors bound to the viral enzyme or protein to guide our structure-based drug design. We also use advanced computational methods to screen and design product candidates using proprietary high-resolution cocrystal structural information. In designing the candidates, we seek to anticipate and avert potential viral mutations leading to resistance. By designing and selecting drug candidates that interrupt the viral replication process and specific binding characteristics, we seek to develop drugs that are effective against both the virus and possible mutants of the virus and have reduced off-target interactions that may cause undesirable clinical side effects.

The successful application of our approach requires extensive knowledge of viruses and drug targets. In addition, knowledge and experience in the fields of structural biology, pharmacology, virology, and enzymology are required. We developed our proprietary structure-based drug design under the guidance of Dr. Roger Kornberg, our Chief Scientist and Chairman of both our Scientific Advisory Board ("SAB") and Board of Directors (the "Board"), who received the Nobel Prize in Chemistry in 2006. Our drug discovery process focuses on the highly conserved regions of the viral drug target enzymes and inhibitor-enzyme interactions at the atomic level. Additionally, we have developed proprietary chemical libraries consisting of non-nucleoside inhibitors, metal-binding inhibitors, and drug-like fragments. Our drug discovery process is different from traditional, empirical, medicinal chemistry approaches that often require iterative high-throughput compound screening and lengthy hit-to-lead processes. We will continue developing preclinical and clinical drug candidates using our proprietary drug discovery technology.

The Company's proprietary technology integrates several powerful and specialized computational techniques for drug design:

(1) Selection of viral drug targets amenable to broad-spectrum antiviral drug development and essential for viral genome replication;

(2) Atomic resolution 3-D structure determination of drug-binding pockets;

(3) In-depth computational analysis of conserved drug-binding pockets and critical molecular interactions between antiviral inhibitors and amino acid residues of the target molecule's drug-binding pocket;

(4) Cocrystal structure determinations to inform hit identification, hit-to-lead, and lead optimization processes;

(5) Molecular modeling and computer-guided lead discovery to support rational chemical modifications based on structure-activity relationships, or SAR, of candidate inhibitor compounds;

(6) Knowledge of enzymatic mechanisms to guide the design of drugs with exceptional affinity, specificity, and broad-spectrum activity; and

(7) Platforms for rapid identification of antiviral enzyme inhibitors showing broad-spectrum antiviral activity.

We have applied these techniques to develop antiviral inhibitors of four important viruses: influenza virus, coronavirus, norovirus and HCV.

Market-Driven Product Profiles

In all of our programs our goal is to develop best-in-class broad-spectrum antiviral drugs with high-barrier-to-drug resistance. An ideal product for an antiviral therapy would have at least the following characteristics:

(1) High barrier to viral resistance;

(2) Effective against all viral subtypes that cause disease;

(3) Novel mechanism of action for therapeutic and/or prophylactic treatments;

(4) Favorable safety and tolerability profile; and

(5) Multiple routes of administration including oral, inhalation, and/or injection.

Even at the discovery stage of drug development, we select compounds with these factors in mind. Furthermore, we believe our technology is capable of delivering therapies that satisfy all of these key factors, as detailed below.

High barrier to drug resistance: Drug resistance is a major obstacle to developing effective antiviral therapies. Viruses can reproduce rapidly and in enormous quantities in infected human cells. During viral replication, random changes in the viral genome, called mutations, develop. If such a mutation occurs in a region of the viral genome that is targeted by a given antiviral therapy, that therapy may not be effective against the mutated virus. These mutated or "resistant" viruses can freely infect and multiply even in individuals who have received drug treatment. In some cases, resistant virus strains may even predominate. For example, in the 2009 swine influenza pandemic, the predominant strain was resistant to the best available therapies. During the COVID-19 pandemic outbreak newly emergent mutated coronaviruses were identified, resulting in the ineffectiveness of some vaccines and therapeutics. For example, the Omicron variant that arose as the dominant strain of COVID-19 in late 2021 until COVID-19 diminished in the winter of 2022 displayed increased resistance to available vaccines and treatments, resulting in the limitation or suspension of emergency use authorizations (EAU) by the FDA for certain therapeutic products. In early 2024, a new strain of COVID-19 named JN.1 became the predominant strain of the virus in circulation and was believed to be either more transmissible or better at evading the immune system than other circulating variants. As of late 2025, the prevalent variants of COVID-19 were KP.3.1.1, LP.8.1, NB1.8.1, XFG, and BA.3.2, four of which emerged in 2025. These five variants are variants under monitoring (VUM) by the World Health Organization as of February 2026 due to their increasing prevalence globally.

The Company's focus on viral drug targets inhibiting replication proteins can potentially overcome the obstacle of viral resistance. We identify and target critical residues of viral drug targets that are essential for function, and therefore, sensitive to change. A mutation in these critical residues is likely to inactivate or slow down the replication processes and, in turn, render the virus incapable of replicating. Because such mutations cannot propagate, the virus cannot effectively develop resistance to the enzyme inhibitors we employ. We test the effectiveness of our compounds against existing drug-resistant variants and select compounds with the highest barrier to resistance.

Broadly effective against major strains responsible for a viral disease and multiple indications: For any given viral disease, there are different strains of viruses that cause the disease. For example, there are three types of influenza viruses, A, B, and C. Influenza A and B viruses are significant human respiratory pathogens that cause seasonal flu and hospitalizations, with influenza A viruses being solely responsible for past influenza pandemics. Influenza C is a subtype of the influenza virus that tends to cause only mild illness and is not responsible for seasonal or pandemic infections. Our goal is to design and develop drug candidates that will be effective on the broadest possible range of viruses causing the disease.

Many antiviral drugs available today are effective only against certain strains of a given virus and less effective or not effective at all against other strains. To address this problem, we are developing drug candidates that specifically target viral enzymes involved in viral replication. Despite the various strains of virus that may exist, the active site of these enzymes required for viral replication is essentially highly conserved among all strains of a given virus. By targeting these highly conserved regions of the replication enzymes and proteases, our antiviral compounds are designed and tested to be effective against major virus strains. Replication enzymes and proteases are generally conserved not only among subtypes of a given virus but also among many different viruses, creating an opportunity for the development of broad-spectrum antiviral drugs and pan-viral drugs.

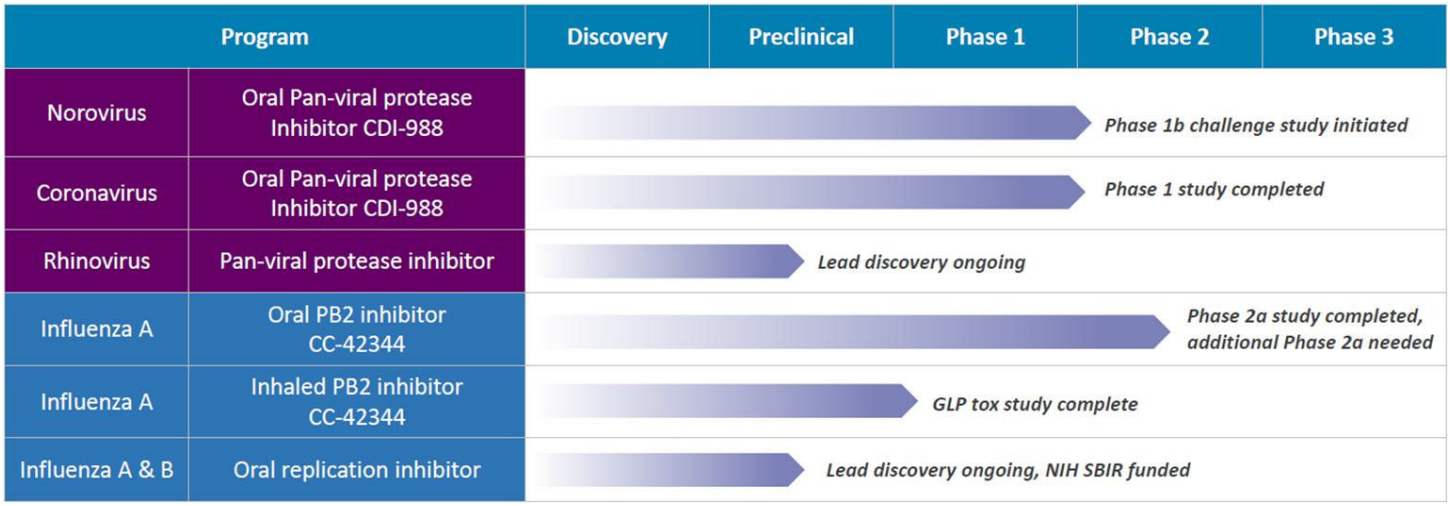
Fast onset of action: As viruses can reproduce rapidly and in enormous quantities in human cells, antiviral drugs are needed with faster onset of viral load reduction resulting in shorter treatment time.

Safety and tolerability: All drugs potentially have side effects, also referred to as adverse effects. These usually result from a drug's ability to interact and/or interfere the physiological functions of human proteins, causing undesirable effects. When this interaction is intentional (i.e., part of the drug's mechanism of action), the adverse effects are classified as on-target effects. When this interaction is unintentional (i.e., resulting from the drug's interaction with an unintended human molecule), the effects are called off-target effects. Our inhibitors target viral replication enzymes, which are generally unique to viruses. Because the targets are viral, not human, minimal adverse effects may be the result. During the discovery phase, we evaluate candidate compounds for potential cross-reactivity with human replication enzymes and attempt to eliminate those compounds that are cross-reactive with human homologous proteins.

Ease of administration: We select compounds for development that can be administered orally, preferably once daily in pill-form, or by inhalation or injection.

Research and Development Update

During the 12 months ended December 31, 2025 the Company continued to focus its research and development efforts primarily in three areas.



Influenza Program

We have several candidates under development for the treatment of influenza infection. CC-42344, a novel PB2 inhibitor, was selected as a preclinical lead as an oral or inhaled treatment of pandemic and seasonal influenza A. 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 *in vitro* antiviral activity against influenza A strains, including avian pandemic strains and Tamiflu® and Xofluza® resistant strains, and has favorable pharmacokinetic and drug resistance profiles.

In addition to oral candidate of CC-42344, inhaled CC-42344 is being developed for the potential prophylactic treatment of pandemic and seasonal influenza infections. Dry powder inhalation development and toxicology studies have been evaluated.

In December 2023 we received authorization from the United Kingdom Medicines and Healthcare Products Regulatory Agency (MHRA) to conduct a Phase 2a human challenge study with oral CC-42344 as a potential treatment for pandemic and seasonal influenza A. This randomized, double-blind, placebo-controlled study was designed to evaluate the safety, tolerability, viral and clinical measurements of healthy subjects infected with the influenza A virus dosed with oral CC-42344 treatment. While in the Phase 2a study CC-42344 demonstrated favorable safety and tolerability profile and no serious adverse events ("SAEs") or drug-related discontinuations by study participants, due to unexpectedly low influenza infection among study participants, management determined that the low infectivity obtained in this study hindered antiviral data analysis. A dispute has arisen with the United Kingdom clinical research organization (the "CRO") that performed the Phase 2a study. The Company contends that the CRO breached its agreement in a number of respects and is requesting that the CRO refund the $6,309,000 it was paid or redo the study. The CRO has implicitly denied liability and is seeking to recover an additional approximately $600,000 from the Company. As of the date of this Report, it appears that the Company will seek to arbitrate the dispute as required under the agreement with the CRO. See the risk factor entitled "We face significant risks and uncertainties surrounding our Influenza A program following an initial Phase 2a study which failed to yield scientifically viable results relating to the product candidate's efficacy" beginning on page 14. Subject to resolution of this issue or our raising capital to conduct another study, we plan to continue development of oral CC-42344 as a treatment for pandemic and seasonal influenza A.

In June 2024 we reported the potential efficacy of CC-42344 against the new Texas avian flu strain from *in vitro* studies with the recently published genome sequence for H5N1. Using our proprietary structure-based platform technology, the Company reported a high-resolution cocrystal structure of this avian PB2 protein complexed with CC-42344 and confirmed that CC-42344 binds to its highly conserved PB2 region. The *in vitro* data using purified Texas avian H5N1 PB2 protein further showed *in vitro* affinity of CC-42344 similar to that of previous data using pandemic avian and seasonal influenza A PB proteins.

We also continue developing novel broad-spectrum influenza antivirals targeting replication enzymes of seasonal and pandemic influenza A and B strains.

Norovirus and Coronavirus Programs

We developed the novel protease inhibitor CDI-988 as an oral pan-viral treatment of noroviruses and coronaviruses, including SARS-CoV-2 and its variants. CDI-988 was specifically designed and developed using our proprietary structure-based drug discovery platform technology as a broad-spectrum antiviral inhibitor to a highly conserved region in the active site of noroviruses, coronaviruses and other 3CL viral proteases. We believe CDI-988 represents
the only oral pan-viral antiviral in development for the treatment and prevention of viral gastroenteritis caused by noroviruses, and coronaviruses, including SARS-CoV-2 and its variants.

Oral CDI-988 was clinically evaluated for safety, tolerability and pharmacokinetics including a food-effect cohort in healthy volunteers in a single-center, randomized, double-blind, placebo-controlled Phase 1 study conducted in Australia.

In July 2024 we announced favorable safety and tolerability results from the single-ascending dose (SAD) cohorts of the Phase 1 study with CDI-988. Study participants in the SAD cohorts received CDI-988 in doses ranging from 100 mg to 600 mg. All participants completed the study with no discontinuations. There were no serious adverse events ("SAEs") or severe treatment-emergent adverse events. No clinically significant observations were noted in laboratory assessments, physical exams or electrocardiograms.

In September 2024 we initiated dosing of the first subjects in the multiple-ascending dose (MAD) portion of the Phase 1 study with CDI-988. Topline Phase 1 study safety and tolerability SAD results and testing of 800 mg for 10 consecutive days were reported in January 2025 indicating favorable safety and tolerability results. We also announced that an additional cohort with a higher dose of 1,200 mg and a shorter treatment duration of five consecutive days would be conducted to further assess CDI-988's safety, tolerability and pharmacokinetics. In August 2025 we presented favorable safety and tolerability Phase 1 data from all CDI-988 doses, including the high-dose 1200 mg cohort, at the 2025 Military Health System Research Symposium (MHSRS).

In September 2025 we received a Study May Proceed Letter from the FDA to conduct a Phase 1b challenge study in the U.S. evaluating CDI-988 as a norovirus preventive and treatment. In December 2025, we received Institutional Review Board approval from Emory University School of Medicine, the clinical study site for the Phase 1b trial, and announced that subject screening for the study was underway. In February 2026, we announced commencement of the Phase 1b challenge study at Emory University School of Medicine. The study's primary efficacy endpoint is to assess the reduction in incidence of clinical symptoms, while the secondary efficacy endpoint focuses on the reduction in viral shedding and disease severity. The study will also assess the safety and pharmacokinetic profile of CDI-988.

Therapeutic Targets

Influenza: A worldwide public health problem, including the potential for pandemic Avian Flu.

Influenza is a severe respiratory illness caused primarily by influenza A or B virus. Influenza A viruses are the only influenza viruses known to cause influenza pandemics. Each year there are approximately 1 billion cases of seasonal influenza worldwide, with 3-5 million severe illnesses and up to 650,000 deaths, according to the World Health Organization ("WHO"). On average about 8% of the U.S. population contracts influenza each season, according to the Centers for Disease Control and Prevention ("CDC"). In addition to the health risk, influenza is responsible for approximately $10.4 billion in direct medical costs in the U.S. annually, according to the National Institutes of Health ("NIH").

Currently approved antiviral treatments for influenza are effective but burdened with significant viral resistance. Strains of influenza virus resistant to the approved treatments oseltamivir phosphate (Tamiflu®), zanamavir (Relenza®) and baloxavir marboxil (Xofluza®) have appeared and in some cases are predominant. For example, the predominant strain of the 2009 swine influenza pandemic was resistant to oseltamivir. Oseltamivir inhibits influenza neuraminidase enzymes, which are not highly conserved between viral strains. According to the WHO, approximately 16% of the H1N1 isolates circulating worldwide were oseltamivir resistant. Also, treatment-emergent resistance to recently approved baloxavir has been observed during clinical trials and the potential transmission of resistant influenza variants could significantly diminish baloxavir effectiveness.

Coronavirus: COVID-19 continues to be a global health concern fueled by an emergence of new strains.

COVID-19 is a global health concern responsible for more than 777 million reported cases globally, including more than 7 million deaths, as of February 2026, according to data reported by the WHO.

Coronaviruses (CoV) are a large family of RNA viruses that historically have been associated with illness ranging from mild symptoms similar to the common cold to more severe respiratory disease. Infection with the novel SARS-CoV-2 has been associated with a wide range of responses, from no symptoms to more severe disease that has included pneumonia, severe acute respiratory syndrome, kidney failure, and death. The incubation period for SARS-CoV-2 is believed to be within 14 days after exposure, with most illness occurring within about five days after exposure. SARS-CoV-2, like other RNA viruses, is prone to mutate over time, resulting in the emergence of multiple variants. Adaptive mutations in the viral genome can alter the virus's pathogenic potential. Even a single amino acid exchange can drastically affect a virus's ability to evade the immune system and complicate the vaccine and antibody therapeutics development against the virus. Based on the recent epidemiological update by the WHO, five SARS-CoV-2 VOCs (variants of concern) have been identified since the beginning of the pandemic. Also, as demonstrated in the Delta, Omicron and other variants, some variations allow the virus to spread more easily and make it resistant to the treatments and vaccines.

On October 22, 2020, the U.S. Food and Drug Administration ("FDA") approved the antiviral drug Veklury® (remdesivir) for the treatment of COVID-19 requiring hospitalization. Remdesivir is a nucleotide prodrug that inhibits viral replication and was previously evaluated in clinical trials for Ebola treatment in 2014. On May 25, 2023, the FDA approved Paxlovid™ (nirmatrelvir tablets and ritonavir tablets, co-packaged for oral use) for the treatment of mild-to-moderate COVID-19 in adults who are at high risk for progression to severe COVID-19, including hospitalization or death. For certain hospitalized adults with COVID-19, the FDA has also approved Olumiant® (baricitinib) and Actemra® (tocilizumab). In addition, the FDA issued emergency use authorization (EUA) for several antibody and antiviral therapeutics, including and Lagevrio™ (molnupiravir).

We continue pursuing the development of novel antiviral compounds for the treatment of coronavirus infections using our established proprietary drug discovery platform. By targeting the viral replication enzymes and protease, we believe it is possible to develop an effective treatment for all coronavirus diseases including COVID-19, Severe Acute Respiratory Syndrome (SARS), and Middle East Respiratory Syndrome (MERS).

Norovirus: A worldwide public health problem responsible for close to 90% of the global epidemic, non-bacterial outbreaks of gastroenteritis with no effective treatment or vaccine.

Norovirus is a very common and highly contagious virus that causes symptoms of acute gastroenteritis among people of all ages including nausea, vomiting, stomach pain and diarrhea as well as fatigue, fever and dehydration. Norovirus infection can be significantly more severe and prolonged in specific risk groups including infants, children, the elderly and people with immunodeficiency. In immunosuppressed patients, chronic norovirus infection can lead to a debilitating illness with extended periods of nausea, vomiting and diarrhea. Norovirus outbreaks occur most commonly in semi-closed communities and have become notorious for their occurrence in hospitals, nursing homes, childcare facilities, cruise ships, schools, disaster relief sites and military settings. In the U.S. alone, noroviruses are responsible for an estimated 21 million cases annually, including 109,000 hospitalizations, 465,000 emergency department visits and an estimated 900 deaths, according to the CDC. The NIH estimates the annual burden to the United States at $10.6 billion. Noroviruses are responsible for up to 1.1 million hospitalizations and 218,000 deaths annually in children in the developing world.

There is currently no effective treatment or effective vaccine for norovirus, and the ability to curtail outbreaks is limited. We are developing a novel norovirus antiviral candidate for the prophylactic and therapeutic treatment of norovirus infection that is currently in a Phase 1b human challenge clinical study. A few companies have been developing vaccines and are in stages of clinical testing, including Vaxart Pharmaceutical, Moderna, Hillevax, Takeda Pharmaceuticals, Anhui Zhifei Longcom Biopharmaceutical (China) and National Vaccine and Serum Institute (China).

By targeting viral replication enzymes and a viral protease, we believe it is possible to develop an effective treatment for all genogroups of norovirus. Also, because of the significant unmet medical need and the possibility of chronic norovirus infection in immunocompromised individuals, new antiviral therapeutic and prophylactic approaches may warrant an accelerated path to market. We are developing inhibitors of the RNA-dependent RNA polymerase and protease of norovirus. These enzymes are essential to viral replication and are highly conserved between all noroviras genogroups. Therefore, an inhibitor of these enzymes might be an effective treatment or short-term prophylactic agent, when administered during a cruise or nursing home stay, for example. We have developed X-ray quality norovirus polymerase and protease crystals and have identified promising inhibitors. We are implementing our proprietary drug discovery platform technology and approaches that have proven successful in our other antiviral programs.

Hepatitis C: A large competitive market with opportunity for shorter treatment regimens.

HCV is a highly competitive and changing market. Since 2014, several combinations of direct-acting antiviral agents ("DAAs") have been approved for the treatment of HCV infection. These include Harvoni® (sofosbuvir/ledipasvir) 12 weeks of treatment, Viekira Pak™ (ombitasvir/paritaprevir/ritonavir, dasabuvir) 12 weeks of treatment, Epclusa® (sofosbuvir/velpatasvir) 12 weeks of treatment, Zepatier™ (elbasvir/grazoprevir) 12 weeks of treatment and Mavyret® (glecaprevir/pibrentasvir) eight weeks of treatment. We believe the next improvements in HCV treatment will be ultra-short combination oral treatments of four to six weeks, which is the goal of our program.

We anticipate a significant global HCV market opportunity that will persist through at least 2036, given the large prevalence of HCV infection worldwide. The 2024 World Health Organization Global Hepatitis Report estimates that 50 million people worldwide have chronic HCV infections with about 1 million new infections occurring per year and an estimated 3.2 million adolescents and children with chronic HCV infection.

We are targeting the viral NS5B polymerase with a non-nucleoside inhibitor ("NNI"), which could be developed as part of an all-oral, pan-genotypic combination regimen. Our focus is on developing what is now called ultrashort treatment regimens from four to six weeks in length. Combining CC-31244 with different classes of approved direct-acting antivirals ("DAAs") has the potential to change the paradigm of treatment for HCV by shortening the duration of treatment. Combination strategies with approved drugs could allow us to expand CC-31244 into the HCV antiviral therapeutic area globally and could lead to a high and fast cure rate, to improved compliance, and to reduced treatment duration. To our knowledge no competing company has yet developed a short HCV treatment of less than 8 weeks with a high (>95%) sustained virologic response (SVR) at week 12.

CC-31244, an HCV NNI, is a potential best in class pan-genotypic inhibitor of NS5B polymerase for the treatment of HCV. We completed a randomized, double-blinded Phase 1a/b study in healthy volunteers and HCV-infected subjects in Canada in September 2016, with favorable safety results. We completed a Phase 2a study in HCV genotype 1 subjects in the U.S. in 2017. HCV-infected subjects treated with CC-31244 had a rapid and marked decline in HCV RNA levels, and slow viral rebound after treatment. Results of this study suggest that CC-31244 could be an important component in a shortened duration all-oral HCV combination therapy. In 2017, we completed the Phase 2a final study report as filed with the FDA.

We have been seeking a partner for further clinical development of CC-31244 since completing a Phase 2a study.

Intellectual Property

Our success depends, in part, upon our ability to protect our core technology. To establish and protect our proprietary rights, we rely on a combination of patents, patent applications, trademarks, copyrights, trade secrets and know-how, license agreements, confidentiality procedures, non-disclosure agreements with third parties, employee disclosure and invention assignment agreements, and other contractual rights.

Our patent portfolio consists of issued patents and pending applications in the areas primarily related to the treatment of disease associated with influenza A, influenza A/B, and norovirus/coronaviruses and HCV.

In our influenza A program, our patent portfolio consists of several patent families, that are being prosecuted in the U.S. and various foreign countries. We have a family that is directed to the clinical candidate, CC-42344, which has been granted in several jurisdictions, including the US, China, EPO, India, and Taiwan, and pending in several others. Assuming all necessary annuities or maintenance fees are paid during the lifetime of these patents, their natural term will extend to 2038, absent any available patent term extensions that may be available. Other patent families in this program cover drug products and combination therapies, which are being prosecuted in the U.S. and various foreign countries, including Australia, Brazil, EPO, Israel, India, Japan, Korea, Mexico, and Taiwan. Assuming all necessary annuities or maintenance fees are paid during the lifetime of these patents (or applications once granted), their natural term will extend to 2039, absent any available patent term extensions that may be available.

In our influenza A/B program, our patent portfolio consists of a number of patent families pending in the U.S. and various foreign countries. Aspects of this program were developed in collaboration with Merck, which is legally protecting the intellectual property of the collaboration compounds. We have at least four patent families pending for influenza A/B therapeutics, filed in various jurisdictions including the US, Canada, EPO, Japan, Korea, and Mexico. Assuming all necessary annuities or maintenance fees are paid during the lifetime of these patents (or applications once granted), their natural term will extend to 2039 or 2041, absent any available patent term extensions that may be available.

In our norovirus and coronavirus programs, our patent portfolio consists of three pending families are being prosecuted in the U.S. and various foreign countries. We have two families that are directed to the clinical candidate CDI-988 and structural brethren, which are pending in the U.S. and jurisdictions such as Australia, Brazil, Canada, China, Eurasia, EPO, Indonesia, Israel, India, Japan, Korea, Mexico, Malaysia, New Zealand, Philippines, Singapore, Thailan, Taiwan, and South Africa. Assuming all necessary annuities or maintenance fees are paid during the lifetime of these applications once granted, their natural term will extend to 2041 and 2042, absent any available patent term extensions that may be available.

In our HCV program, our patent portfolio consists of several patent families, with granted patents in the U.S. and several foreign countries. Assuming all necessary annuities or maintenance fees are paid during the lifetime of these patents, their natural term will extend to 2036, absent any available patent term extensions that may be available.

Business-Competition

The biotechnology and pharmaceutical industries are subject to intense and rapidly changing competition as companies seek to develop new technologies and proprietary products. We face worldwide competition from larger biotechnology and pharmaceutical companies, universities and other academic or research institutions and government agencies that are developing and commercializing pharmaceutical products similar to our product candidates that target the viruses we are seeking to treat. We know of several companies that have marketed or are developing products for the treatment of influenza, coronavirus, norovirus and HCV, including Roche, Gilead Sciences, Inc. (“Gilead”), Merck, Janssen Pharmaceuticals, Inc., Bristol-Myers Squibb, Toyama Chemical Co., Shionogi/Roche and Abbvie, Inc. Their products are widely considered effective. Further, in the wake of the global COVID-19 pandemic a number of third parties, including large biotechnology and pharmaceutical companies such as Pfizer Inc., Moderna, Inc., Janssen Pharmaceuticals, Inc., and academic institutions began conducting research aimed at development of an effective treatment for, or a vaccine against, COVID-19. As a result of these efforts, a number of vaccines and treatments for COVID-19 have been commercialized under FDA approval, or under the FDA’s emergency use authorization, although certain of these approvals or authorizations are limited to specified circumstances. At least four treatments and five vaccines for COVID-19 have received FDA approval. Many of the companies developing products for the viral diseases that are the focus of our programs have substantially greater financial resources, including government funding, expertise and capabilities than we do and have existing products in significantly more advanced stages of development. Additionally, viral mutations can lead to new strains or variants of a virus that may be more resistant to products we develop when compared to those of competitors. See “Risk Factors” for more information on the risks we face with respect to our competition.

To date, we have not fully developed, received regulatory approval for or commercialized any of our product candidates. Our ability to compete will depend, to a great extent, on the speed in which we and our collaborators can develop safe and effective product candidates, complete effective clinical testing and advance through regulatory approval processes, and coordinate with third parties to produce and distribute the resulting products in sufficient commercial quantities to create and maintain a market for such products at favorable costs and prices. If we do complete development of and obtain regulatory approval to market any product candidate, we anticipate that the competition we would face with respect to such product would be based on a combination of a number of factors including efficacy, safety, reliability, availability, price, patent position, and other factors.

Government Regulation

Government authorities extensively regulate the research, development, testing, manufacturing and commercialization of drug products. Any product candidates we develop must be approved by the U.S. Food and Drug Administration ("FDA") before they may be legally marketed in the U.S., and by the appropriate foreign regulatory agencies before they may be legally marketed in other countries. The clinical testing of product candidates to establish their safety and efficacy in humans is subject to substantial statutory and regulatory requirements with which we must comply.

In addition to the U.S. requirements such as those enforced by the FDA with respect to safety and efficacy of research, testing, development and production, we also must comply with applicable laws and regulations of any foreign jurisdictions in which we operate. For example, our research and development efforts in Australia for CDI-988, our lead norovirus and coronavirus product candidate, subject us to the Australian government's laws and regulations pertaining to the research and development, including clinical testing on human subjects, of therapeutic product candidates. Further, our research and development efforts in the United Kingdom for CC-42344 subject us to similar laws and regulations in the United Kingdom.

Our presence in foreign countries has also subjected us to more general laws applicable to operations abroad, such as the U.S. Foreign Corrupt Practices Act (the "FCPA") and comparable legislation and regulation in foreign jurisdictions. In general, the FCPA prohibits U.S. corporations and their representatives from offering, promising, authorizing or making payments to any foreign government official, government staff member, political party or political candidate to obtain or retain business abroad. The scope of the FCPA includes interactions with certain healthcare professionals in many countries. Other countries have enacted similar anti-corruption laws and/or regulations. Further, because of our reliance on one or more clinical research organizations ("CROs") and clinical manufacturing organizations ("CMOs") with respect to our research and development activities both in the U.S. and in foreign jurisdictions, we may have limited control over compliance with such requirements in certain instances.

Human Capital

As of December 31, 2025, we employed 10 full-time employees. Of these full-time employees, eight are engaged in clinical advancement and research and development activities. In addition, we have contracts with CROs, CMOs and consultants to provide chemistry, toxicology, preclinical, clinical, and regulatory work on our programs, including in both preclinical and clinical studies for our product candidates.

Available Information

Our corporate website is www.cocrystalpharma.com. We make available on our website under "Investors – SEC Filings" access to our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statements on Schedule 14A and amendments to those materials filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), free of charge.

ITEM 1A. RISK FACTORS

You should carefully consider the risks described below, as well as other information contained in this Annual Report on Form 10-K (this "Report"), including the consolidated financial statements and the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations." The occurrence of any of the events discussed below could significantly and adversely affect our business, prospects, results of operations, financial condition, and cash flow.

Summary Risk Factors

Our business is subject to numerous risks and uncertainties that you should consider before investing in our common stock. The following is a summary of the principal risk factors we face:

- we have had a history of losses and may not generate sustained positive cash flow sufficient to fund our operations and research and development programs;
- there is substantial doubt about our ability to continue as a going concern;
- our need for, and ability to obtain, additional financing when needed on favorable terms, or at all;
- delays or complications in conducting clinical trials, including our Phase 2a study for oral CC-42344 for our Influenza program which we determined must be redone due to an insufficient infection rate;
- other challenges we face in furthering our research and development efforts, including advancing our product candidates in clinical studies and effectively procuring and working with third party collaborators and regulators in the furtherance thereof;
- risks related to our development efforts, including the risk that clinical studies may not yield favorable results, or that earlier clinical results of effectiveness and safety may not be adequate, reproducible or indicative of future results;
- the risks inherent in developing, obtaining regulatory approvals for and commercializing new, commercially viable and competitive products and treatments, including evolving regulatory requirements, public health recommendations and market acceptance;
- our research and development activities may not result in commercially viable products;
- our ability to manage our growth and our expanded operations;
- the performance of our third-party distribution partners, licensees and manufacturers over which we have limited control, including the ability of our CROs to recruit volunteers for clinical studies;
- changes in regulation and policies in the U.S. and other countries, including a reduction in government spending on healthcare and potential delays within government agencies such as the FDA which may result from ongoing efforts to reduce the size of the federal government and spending by the Trump Administration;
- increased competition, including the possibility that competitors may develop effective and/or less costly treatments or vaccines, including as part of programs financed by the U.S. government;
- our success is dependent on the involvement and continued efforts of our Chairman and Co-Chief Executive Officers;
- the information technology systems that we rely on may be subject to unauthorized tampering, cyberattack or other data security or privacy incidents that could impact our billing processes or disrupt our operations;
- failure to maintain the security of patient-related information;
- our ability to obtain and maintain intellectual property protection for our products;
- our ability to defend our intellectual property rights with respect to our products;
- our ability to operate our business without infringing the intellectual property rights of others;
- our ability to attract and retain key scientific and management personnel;
- failure to obtain and maintain regulatory approval for our products and services;
- legal, economic, political, regulatory, currency exchange, and other risks associated with international operations;
- the possibility of a recession or other adverse consequences in the U.S. or other countries which could result from external factors such as Federal Reserve interest rates, the imposition of tariffs and the possibility of trade wars, increases in unemployment rates, wars and geopolitical conflicts and other ongoing or future events which could adversely impact our ability to access capital on favorable terms or at all and further our research and development efforts; and
- disruptions to operations, including impact on employees, vendors, facilities or technology, or on the industry or economy, from uncontrollable events such as geopolitical conflicts.

RISK FACTORS

RISK RELATED TO OUR FINANCIAL CONDITION

Because there is substantial doubt as to the Company's ability to continue as a going concern, we may not be successful and our ability to continue our operations is in doubt unless we can access sufficient working capital within the timeframe needed.

The Company has limited capital and substantial accumulated deficit as of the date of this Report. We do not have sufficient working capital and cash flows for continued operations for at least the next 12 months. As a result, management has concluded, and our independent registered public accounting firm has agreed with our conclusion that there is substantial doubt regarding our ability to continue as a going concern for a period of at least 12 months beyond the filing of this Annual Report on Form 10-K. Our continued existence is dependent upon our obtaining the necessary capital to meet our expenditures, and we can provide no assurance that we will be able to raise adequate capital to meet our future working capital needs.

RISKS RELATED TO OUR BUSINESS

We have never generated revenue from product sales, and all of our product candidates are currently in the preclinical and early clinical stage, and we may continue to incur significant losses for the foreseeable future and never generate revenue from product sales.

We are still in the process of researching and developing product candidates, and to-date have not completed development of, obtained regulatory approval for or commercialized any products. Because of the need to complete clinical trials, establish safety and efficacy and obtain regulatory approval, which is an expensive and time-consuming process, we do not anticipate generating revenue from product sales for at least four years and will continue to sustain considerable losses. We may develop a partnership that could generate income sooner, but there is no guarantee that will be achievable.

We had an accumulated deficit of $342.2 million from inception through December 31, 2025 and expect to continue losing money in the future. We may never achieve income from operations or have positive cash flow from operations.

As an early-stage drug development company, our focus is on developing product candidates, obtaining regulatory approvals and commercializing pharmaceutical products. As a result, we have accumulated losses of $342.2 million from inception through December 31, 2025, expect losses to continue, and have never generated revenue from product sales. We will need to raise additional capital in the near future to fund our operations and research and development programs for the next 12 months. There can be no assurance that we will ever generate income from operations or have positive cash flow from operations.

Because we have yet to generate any revenue from product sales on which to evaluate our potential for future success and to determine if we will be able to execute our business plan, it is difficult to evaluate our prospects and the likelihood of success or failure of our business.

Our ability to generate revenue from product sales and achieve profitability depends on our ability, alone or with partners, to successfully complete the development of, obtain the regulatory approvals for and commercialize pharmaceutical product candidates. We have no pharmaceutical product candidates that have generated any commercial revenue, do not expect to generate revenues from the commercial sale of pharmaceutical products for foreseeable future, and might never generate revenues from the sale of pharmaceutical products. Our ability to generate revenue and achieve profitability will depend on, among other things, the following:

- identifying and validating new therapeutic strategies;
- entering into and maintaining collaborations and relationships with large pharmaceutical or biotechnology companies;
- completing our research and preclinical development of pharmaceutical product candidates;
- initiating and completing clinical trials for pharmaceutical product candidates;
- seeking and obtaining regulatory marketing approvals for pharmaceutical product candidates that successfully complete clinical trials;

- establishing and maintaining supply and manufacturing relationships with third parties;
- launching and commercializing pharmaceutical product candidates for which we obtain regulatory marketing approval with a partner or, if launched independently, successfully establishing a sales force, marketing and distribution infrastructure;
- maintaining, protecting, enforcing, defending and expanding our intellectual property portfolio; and
- attracting, hiring and retaining qualified personnel.

Because of the numerous risks and uncertainties associated with pharmaceutical product development, we cannot predict the timing or amount of increased expenses and when we will be able to achieve or maintain profitability, if ever. Our expenses could increase beyond expectations if we are required by regulatory agencies to perform additional unanticipated studies and trials.

Even if one or more pharmaceutical product candidates we independently develop is approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved pharmaceutical product candidate. Moreover, even if we can generate revenues from the sale of any approved pharmaceutical products, we may not become profitable and may need to obtain additional funding to continue operations.

Because early-stage drug development requires major capital investment and is subject to various challenges, as we continue to incur operating losses, we will need to raise additional capital or form strategic partnerships to support our research and development activities in the future, which activities may not result in the results desired or further our business.

We are still in the early stages of preclinical and clinical development of our product candidates and have no products approved for commercial sale or presently in clinical trials. However, our ability to conduct clinical trials in a cost-effective manner and within the desired timeframes remains subject to uncertainties, supply chain shortages, and potential difficulties in obtaining adequate participant enrollments, infection rates or other study criteria. For example, see the risk factor below entitled “We face significant risks and uncertainties surrounding our Influenza A program following an initial Phase 2a study which failed to yield scientifically viable results relating to the product candidate’s efficacy.” These and other challenges or events that may arise in the future with respect to our research and development efforts could materially adversely effect our operations and financial position, cause reputational harm or damage our relationships with key or prospective collaborators or have other adverse consequences on us and our business.

Further, developing pharmaceutical products, including conducting preclinical studies and clinical trials, is capital-intensive. As a rule, research and development expenses increase substantially as we advance our product candidates toward clinical programs. As we seek to advance our products through clinical trials, we will need to raise additional capital to support our operations and/or form partnerships, in addition to our existing collaborative alliances, which may give substantial rights to a partner. Such funding or partnerships may not be available to us on acceptable terms, or at all. Moreover, any future financing may be very dilutive to our existing stockholders.

As we move lead compounds through toxicology and other preclinical studies, also referred to as nonclinical studies, we have and we will be required to file an IND or its equivalent in foreign countries, and as we conduct clinical development of product candidates, we may have adverse results that may cause us to consume additional capital. Our partners may not elect to pursue the development and commercialization of our product candidates subject to our respective agreements with them. These events may increase our development costs more than we expect. We may need to raise additional capital or otherwise obtain funding through strategic alliances if we initiate clinical trials for new product candidates other than programs currently partnered. We will require additional capital to obtain regulatory approval for, and to commercialize, product candidates.

In securing additional financing, such additional fundraising efforts may divert our management's attention from our day-to-day activities, which may adversely affect our ability to develop and commercialize product candidates. We cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. If we cannot raise additional capital when required or on acceptable terms, we may be required to:

- accept terms that restrict our ability to issue securities, incur indebtedness, or otherwise raise capital in the future, or restrict our ability to pay dividends or engage in acquisitions;
- significantly delay, scale back or discontinue the development or commercialization of any product candidates;
- seek strategic alliances for research and development programs at an earlier stage than otherwise would be desirable or on terms less favorable than might otherwise be available; or
- relinquish or license on unfavorable terms, our rights to technologies or any product candidates we otherwise would seek to develop or commercialize ourselves.

If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we will be prevented from pursuing development and commercialization efforts, which will have a material adverse effect on our business, operating results and prospects or may render the Company unable to continue operations.

We face significant risks and uncertainties surrounding our Influenza A program following an initial Phase 2a study which failed to yield scientifically viable results relating to the product candidate's efficacy.

In December 2024, the Company's management determined that a Phase 2a study conducted for the Company's CC-42344 Influenza A product candidate exhibited an inadequately low infectivity rate among participants which hindered antiviral data analysis. Ultimately management has determined that a new Phase 2a study would be necessary to further pursue research and development of this product candidate. A dispute has arisen with the CRO that performed the study, in which the Company contends that the CRO breached its agreement in a number of respects and is requesting that the CRO refund the $6,309,000 it was paid or redo the study. The CRO has implicitly denied liability and is seeking to recover an additional approximately $600,000 from the Company. As of the date of this Report, it appears that the Company will seek to arbitrate the dispute as required under the agreement with the CRO. This development has resulted in considerable delays in the development of our Influenza A program. While we cannot predict the ultimate outcome of these developments, we expect that we will need to conduct a new trial and obtain data that can be used to continue our development of our CC-42344 Influenza A candidate, which development has and will continue to be delayed as a result. Further, our investments in the initial Phase 2a trial process, including the $6,309,000 million we already paid the CRO, could prove to be all or partially lost as a result. For example, we may be unable to recoup all or a significant portion of the amounts we previously paid the CRO. Even if the CRO agrees to conduct a new study at no or a reduced cost, we will still have been delayed in our efforts with respect to the product candidate, and have incurred and will likely continue to incur additional expenses in excess of what were originally incurred and contemplated, as a result of these events, and similar or other issues could arise with any subsequent study or continuance. Further, if we are unable to reach a favorable resolution with the CRO, we would need to raise capital to fund a new study. These developments have created significant risks and uncertainties with respect to CC-42344's use for Influenza A.

RISKS RELATED TO THE DISCOVERY, DEVELOPMENT AND COMMERCIALIZATION OF PRODUCT CANDIDATES

Our programs are in the early clinical stage and we face significant competition from major companies who have developed vaccines or treatments. If we fail to gain market share because our competitors develop and successfully commercialize effective vaccines or therapies or if we fail to obtain or maintain FDA authorization or to otherwise account for uncertainties surrounding the virus, our business and future prospects could be materially and adversely affected.

We have committed substantial financial and other resources to our influenza A, norovirus and coronaviruses programs. While the approval or authorization of certain of these competitive offerings are limited to specified circumstances or patients, given the uncertainties in our ability to fully develop a viable therapeutic product, the substantial amount of time and resources that would be necessary to complete development and obtain regulatory approval, and the growing number of competitive offerings, we may ultimately be unable to produce a product that is commercially viable or is able to generate material revenue.

Even if we do obtain FDA authorization for a therapeutic product, the FDA may subsequently rescind or limit such authorization as more information about the product, including its efficacy and side effects, becomes available. Further, this virus is highly mutative and a number of variants have already arisen, and any treatment we are able to develop and commercialize will therefore remain subject to the risk that a mutation will occur that produces a strain or strains of the virus to which such treatment has a diminished effect or is ineffective. For example, newer variants of the virus can be more resistant to treatments that were effective against prior variants of the virus. If we do develop a treatment that is effective against a current variant, a later variant may arise that reduces or eliminates the product's efficacy before we are able to commercialize it. Further, if this occurs, one or more competitors' products may be more effective against new variants than ours, resulting in a diminished market for our products. If we are unable to timely advance our programs, or if we fail to gain or maintain a market share as a result of our competitors developing and successfully commercializing vaccines and effective therapies more quickly than we do, our business and future prospects could be materially and adversely affected.

If we form strategic alliances which are unsuccessful or are terminated, we may be unable to develop or commercialize certain product candidates and we may be unable to generate revenues from our development programs.

We will likely need to use third-party alliance partners for financial, scientific, manufacturing, marketing and sales resources for the clinical development and commercialization of certain of our product candidates. These strategic alliances, if we are able to enter into them, will likely constrain our control over development and commercialization of our product candidates, especially once a candidate has reached the stage of clinical development. Our ability to recognize revenues from successful strategic alliances may be impaired by several factors including:

- a partner may shift its priorities and resources away from our programs due to a change in business strategies, or a merger, acquisition, sale or downsizing of its company or business unit;
- a partner may cease development in therapeutic areas which are the subject of our strategic alliances;
- a partner may change the success criteria for a program or product candidate delaying or ceasing development of such program or candidate;
- a significant delay in initiation of certain development activities by a partner could also delay payment of milestones tied to such activities, impacting our ability to fund our own activities;
- a partner could develop a product that competes, either directly or indirectly, with an alliance product;
- a partner with commercialization obligations may not commit sufficient financial or human resources to the marketing, distribution or sale of a product;
- a partner with manufacturing responsibilities may encounter regulatory, resource or quality issues and be unable to meet demand requirements;
- a partner may exercise its rights under the agreement to terminate a strategic alliance, including termination without cause;
- a dispute may arise between us and a partner concerning the research, development or commercialization of a program or product candidate resulting in a delay in milestones, royalty payments or termination of a program and possibly resulting in costly litigation or arbitration which may divert management attention and resources; and
- a partner may use our proprietary information or intellectual property to invite litigation from a third-party or fail to maintain or prosecute intellectual property rights possibly jeopardizing our rights in such property.

We expect to rely on third parties to conduct some or all aspects of our compound formulation, research and preclinical testing, if those third parties do not perform satisfactorily our business and future prospects would be materially and adversely affected.

We do not expect to independently conduct all aspects of our drug discovery activities, compound formulation research or preclinical testing of product candidates. We rely and expect to continue to rely on third parties to conduct some aspects of our preclinical testing and on third-party CROs to conduct clinical trials. This reliance can materially delay our research and developments efforts, and increase the costs of undertaking them. For example, in the past certain of our CROs experienced staffing shortages and other issues due to the outbreak of Omicron variant cases of COVID-19, resulting in delays and increased costs in researching our product candidates. We have also experienced material delays and cost increases in general throughout the pandemic caused by pandemic-related difficulties faced by our CROs and CMOs. Further, any disputes that may arise from our arrangements with CROs or CMOs may result in additional unexpected expenses and force our management to allocate their limited time to seeking a resolution to the problem, which could materially adversely affect our operations.

If these third parties terminate their engagements, we will need to enter into alternative arrangements which would delay our product development activities. Our reliance on these third parties for research and development activities will reduce our control over these activities but will not relieve us of our responsibilities. If in the future, we elect to develop and commercialize any product candidates on our own, we will remain responsible for ensuring that each of our IND-enabling preclinical studies and clinical trials are conducted under the respective study plans and trial protocols. If these third parties do not successfully carry out their contractual duties, meet expected deadlines or conduct our studies under regulatory requirements or our stated study plans and protocols, we will not be able to complete, or may experience delays in completing, the necessary clinical trials and preclinical studies to enable us or our partners to select viable product candidates for IND submissions and will not be able to, or may be delayed in our efforts to, successfully develop and commercialize such product candidates.

Because we intend to rely on third-party manufacturers to produce our preclinical and clinical supplies, and commercial supplies of any approved product candidates, we will be subject to a variety of risks.

Our reliance on third-party manufacturers to develop products and our anticipated reliance on third-party manufacturers to produce products we may develop in the future entail risks to which we would not be subject if we supplied the materials needed to develop and manufacture our product candidates ourselves, including:

- supply chain shortages including as may be caused by ongoing wars or geopolitical conflicts;
- the inability to meet any product specifications and quality requirements consistently;
- a delay or inability to procure or expand sufficient manufacturing capacity;
- discontinuation or recall of reagents, test kits, instruments, and other items used by us in the development, testing, and potential commercialization of products;
- manufacturing and product quality issues related to scale-up of manufacturing;
- costs and validation of new equipment and facilities required for scale-up;
- a failure to comply with cGMP and similar foreign standards;
- the inability to negotiate manufacturing agreements with third parties under commercially reasonable terms;
- the possibility of breach or termination or nonrenewal of manufacturing agreements with third parties in a manner that is costly or damaging to us;
- the reliance on a few sources, and sometimes, single sources for raw materials, such that if we cannot secure a sufficient supply of these product components, we cannot manufacture and sell product candidates in a timely fashion, in sufficient quantities or under acceptable terms;
- the lack of qualified backup suppliers for any raw materials currently purchased from a single source supplier;
- operations of our third-party manufacturers or suppliers could be disrupted by conditions unrelated to our business or operations, including the bankruptcy of the manufacturer or supplier;
- carrier disruptions or increased costs beyond our control;
- misappropriation of our proprietary technology for the purpose of manufacturing a “generic” version of our product or sale of our product to organizations that distribute and sell counterfeit goods, including drugs; and
- failing to deliver products under specified storage conditions and in a timely manner.

These events could lead to clinical study delays or failure to obtain regulatory approval or impact our ability to successfully commercialize future products. Some of these events could be the basis for regulatory actions or litigation, including injunction, recall, seizure or total or partial suspension of production.

Because we expect to rely on limited sources of supply for the drug substance and drug product of product candidates, any disruption in the chain of supply may cause a delay in developing and commercializing these product candidates.

Part of our business plan envisions establishing manufacturing relationships with a limited number of suppliers to manufacture raw materials, drug substances, and the drug product of any product candidate for which we are responsible for preclinical or clinical development. Each supplier may require licenses to manufacture such components if such processes are not owned by the supplier or in the public domain. As part of any marketing approval, a manufacturer and its processes must be qualified by the FDA or foreign regulatory authorities prior to commercialization. If supply from the approved vendor is interrupted, there could be a significant disruption in commercial supply. An alternative vendor would need to be qualified through a New Drug Application ("NDA") or marketing authorization supplement, which could cause further delay or increased costs. The FDA or other regulatory agencies outside of the United States may also require additional studies if a new supplier is relied upon for commercial production.

These factors could cause the delay of clinical trials, regulatory submissions, required approvals or commercialization of our product candidates, cause us to incur higher costs and prevent us from commercializing our products successfully. Furthermore, if our suppliers fail to deliver the required commercial quantities of drug substance or drug product on a timely basis and at commercially reasonable prices, and we are unable to secure one or more replacement suppliers capable of production at a substantially equivalent cost, our clinical trials may be delayed, or we could lose potential revenue.

If third party manufacturing issues arise, it could increase product and regulatory approval costs or delay commercialization.

As third parties scale up manufacturing of product candidates and conduct required stability testing, product, packaging, equipment and process-related issues may require refinement or resolution to proceed with any clinical trials and obtain regulatory approval for commercial marketing. We or the manufacturers may identify significant impurities or stability problems, which could cause discontinuation or recall by us or our manufacturers, increased scrutiny by regulatory agencies, delays in clinical programs and regulatory approval, significant increases in our operating expenses, or failure to obtain or maintain approval for product candidates or any approved products.

Since we expect to continue to rely on third parties to conduct, supervise and monitor our clinical trials, if those third parties fail to perform in a satisfactory manner and one that meets applicable regulatory, scientific and safety requirements, it may materially harm our business.

We will rely on CROs and clinical trial sites to ensure the proper and timely conduct of our clinical trials. While we establish agreements governing the activities of such CROs and clinical trial sites, we or our partners will have limited influence over their actual performance. Nevertheless, we or our partners will be responsible for ensuring that each of our clinical trials is conducted in accordance with its protocol, and that all legal, regulatory and scientific standards are met. Our reliance on the CROs does not relieve us of our regulatory responsibilities.

We, our partners and our CROs must comply with current Good Clinical Practices ("cGCPs"), as defined by the FDA and the International Conference on Harmonization, for conducting, recording and reporting the results of IND-enabling preclinical studies and clinical trials, to ensure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of clinical trial participants are protected. The FDA enforces these cGCPs through periodic inspections of trial sponsors, principal investigators, and clinical trial sites. If we or our CROs fail to comply with cGCPs, the clinical data generated in our clinical trials may be deemed unreliable and the FDA or other regulators may require us to perform additional clinical trials before approving any marketing applications. Our clinical trials will require a sufficiently large number of test subjects to evaluate the safety and effectiveness of a product candidate. If our CROs fail to comply with these regulations or fail to recruit a sufficient number of patients, fail to recruit properly qualified patients or fail to properly record or maintain patient data, we may be required to repeat such clinical trials, which would delay the regulatory approval process.

Our contracted CROs will not be our employees, and we cannot control whether they devote sufficient time and resources to our clinical and nonclinical programs. These CROs may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials, or other drug development activities that could harm our competitive position. If our CROs do not successfully carry out their contractual duties or obligations, fail to meet expected deadlines, or if the quality or accuracy of the clinical data they obtain is compromised due to failing to adhere to our clinical protocols or regulatory requirements, or for any other reasons, our clinical trials may be extended, delayed or terminated, and we may not obtain regulatory approval for, or successfully commercialize our product candidates. Our financial results and the commercial prospects for such products and any product candidates we develop would be harmed, our costs could increase, and our ability to further our development programs and generate revenues could be delayed.

We also expect to rely on other third parties to store and distribute drug products for any clinical trials we may conduct. Any performance failure by our distributors could delay clinical development or marketing approval of our product candidates or commercialization of our products, if approved, producing additional losses and depriving us of potential product revenue or incur losses.

Because the approach we are taking to discover and develop drugs is novel, it may never lead to marketable products.

We are concentrating our antiviral therapeutic product research and development efforts on using our proprietary technology, and our future success depends on the continued successful development of this technology and the products derived from it. We have never commercialized any products. The scientific discoveries that form the basis for our efforts to discover and develop drug product candidates are relatively new and unproven. The scientific evidence to support the feasibility of developing product candidates based on our approach is limited. If we do not successfully develop and commercialize drug product candidates based upon our technological approach, we may not become profitable and the value of our stock may decline.

Further, our focus on the Company's technology for developing drugs, as opposed to relying entirely on more standard technologies for drug development, increases the risks associated with the ownership of our stock. If we are unsuccessful in developing any product candidates using the Company's technology, we may be required to change the scope and direction of our product development activities. We may not successfully identify and implement an alternative product development strategy and may as a result cease operation.

If we do not succeed in our efforts to identify or discover additional potential product candidates, your investment may be lost.

The success of our business depends primarily upon our ability to identify, develop and commercialize antiviral drug products, an extremely risky business. Our research programs may initially show promise in identifying potential product candidates, yet fail to yield product candidates for clinical development for several reasons, including:

- our research methodology or that of our partners may be unsuccessful in identifying potential product candidates;
- potential product candidates may have harmful side effects or may have other characteristics that make the products unmarketable or unlikely to receive marketing approval; and
- we or our partners may change their development profiles for potential product candidates or abandon a therapeutic area.

Such events may force us to abandon our development efforts for a program or programs, which would have a material adverse effect on our business and could cause us to cease operations. Research programs to identify new product candidates require substantial technical, financial, and human resources. We may focus our efforts and resources on potential programs or product candidates that ultimately prove to be unsuccessful.

Because our future commercial success depends on gaining regulatory approval for our products, we cannot generate revenue without obtaining approvals, which is a lengthy and uncertain process.

Our long-term success and generation of revenue will depend upon the successful development of new products from our research and development activities, including those licensed or acquired from third parties. Product development is very expensive and involves a high degree of risk. Only a small number of research and development programs result in the commercialization of a product. For example, the FDA indicates that approximately 70% of drugs proceed past Phase 1 studies, 33% proceed past Phase 2, and just 25%-30% proceed past Phase 3 to Phase 4 which is the final phase in the FDA review and approval process for marketing therapeutic product candidates. The process for obtaining regulatory approval to market product candidates is expensive, usually takes many years, and can vary substantially based on the type, complexity, and novelty of the product candidates involved. Our ability to generate revenue would be adversely affected if we are delayed or unable to successfully develop our products.

We cannot guarantee that any marketing application for our product candidates will be approved. If we do not obtain regulatory approval of our products or we are significantly delayed or limited in doing so, we cannot generate revenue, and we may need to significantly curtail operations.

If we are unable to successfully complete preclinical testing and clinical trials of our product candidates or experience significant delays in doing so, our business will be materially harmed.

We have invested and intend to continue to invest a significant portion of our efforts and financial resources in the identification and preclinical development of product candidates that target viral replication enzymes. Our ability to generate product revenues, which we do not expect will occur for many years, if ever, will depend heavily on the successful development and eventual commercialization of our product candidates.

The commercial success of our product candidates will depend on several factors, including:

- successful completion of preclinical studies and clinical trials;
- receipt of marketing and pricing approvals from regulatory authorities;
- obtaining and maintaining patent and trade secret protection for product candidates;
- establishing and maintaining manufacturing relationships with third parties or establishing our own manufacturing capability; and
- commercializing our products, if and when approved, whether alone or in collaboration with others.

If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully complete development of, or to successfully commercialize, our product candidates, which would materially harm our business. Most pharmaceutical products that do overcome the long odds of drug development and achieve commercialization still do not recoup their cost of capital. If we are unable to design and develop each drug to meet a commercial need far in the future, the approved drug may become a commercial failure and our investment in those development and commercialization efforts will have been commercially unsuccessful.

We may be unable to demonstrate safety and efficacy of our product candidates to the satisfaction of regulatory authorities or we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.

Before obtaining marketing approval from regulatory authorities for the sale of product candidates, we or our partners must conduct extensive preclinical studies and clinical trials to demonstrate the safety and efficacy of the product candidates in humans. Clinical trials are expensive, difficult to design and implement, can take many years to complete and are uncertain as to outcome. A failure of one or more clinical trials can occur at any stage of testing. The outcome of preclinical studies and early clinical trials may not be predictive of the success of later clinical trials, and interim results of a clinical trial do not predict final results. Moreover, preclinical, and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval for their products.

Events that may cause a delay or unsuccessful completion of clinical development include, among other things:

- delays in agreeing with the FDA or other regulatory authorities on final clinical trial design;
- imposition of a clinical hold following an inspection of our clinical trial operations or trial sites by the FDA or other regulatory authorities;
- delays in agreeing on acceptable terms with prospective contract research organizations, or CROs, and clinical trial sites;
- delays in obtaining required institutional review board approval at each clinical trial site;
- delays in recruiting suitable patients to participate in a trial;
- delays in the testing, validation, manufacturing and delivery of the product candidates to the clinical sites;
- delays in having patients complete participation in a trial or return for post-treatment follow-up;
- delays caused by patients dropping out of a trial due to product side effects or disease progression;
- clinical sites dropping out of a trial to the detriment of enrollment;
- negative or inconclusive results of clinical trials of our product candidates, including due to issues with the administration of trials and the results thereof that have arisen or may arise;
- time and expenses required to add new clinical sites; or
- delays by our contract manufacturers in producing and delivering sufficient supply of clinical trial materials.

If we or our partners must conduct additional clinical trials or other testing of any product candidates beyond those that are contemplated, or are unable to successfully complete clinical trials or other testing of any of our product candidates, or if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, we or our partners may:

- be delayed in obtaining marketing approval for our product candidates;
- not obtain marketing approval at all;
- obtain approval for indications or patient populations not as broad as intended or desired;
- obtain approval with labeling that includes significant use or distribution restrictions or safety warnings;
- be subject to additional post-marketing testing requirements; or
- become subject to action by the FDA or a foreign regulator to remove the product from the market after obtaining marketing approval.

Our product development costs will also increase if we experience delays in testing or in obtaining marketing approvals. We do not know whether any clinical trials will begin as planned, will need to be restructured or will be completed on schedule, if at all. Significant clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize our product candidates or allow our competitors to bring products to market before we do, which would impair our ability to successfully commercialize our product candidates and may harm our business and results of operations. Any inability to successfully complete preclinical and clinical development, whether independently or with our partners, could cause additional costs to us or impair our ability to generate revenues from our product candidates, including product sales, milestone payments, profit sharing or royalties.

Our product candidates may cause adverse effects or have other properties that could delay or prevent their regulatory approval or limit the scope of any approved label or market acceptance.

Adverse events ("AEs") or serious adverse events ("SAEs"), that may be observed during clinical trials of our product candidates could cause us, other reviewing entities, clinical trial sites or regulatory authorities to interrupt, delay or halt such trials and could cause denial of regulatory approval. If AEs or SAEs are observed in any clinical trials of our product candidates, including those our partners may develop under alliance agreements, our or our partners' ability to obtain regulatory approval for product candidates may be negatively impacted.

Serious or unexpected side effects caused by an approved product could result in significant negative consequences, including the following:

- regulatory authorities may withdraw prior approval of the product or impose restrictions on its distribution in the form of a modified risk evaluation and mitigation strategy ("REMS") which may restrict the manner in which the product can be distributed or administered;
- we may be required to add labeling statements, such as warnings or contraindications;
- we may be required to change the way the product is administered or conduct additional clinical trials;
- we may decide or be forced to temporarily or permanently remove the affected product from the marketplace;
- we could be sued and held liable for harm caused to patients; and
- our reputation may suffer.

These events could prevent us or our partners from achieving or maintaining market acceptance of the affected product and could substantially increase the costs of commercializing our products and impair our ability to generate revenues from the commercialization of these products either by us or by our partners.

Following regulatory approval for a product candidate, we will still face extensive regulatory requirements and the approved product may face future development and regulatory difficulties.

Even if we obtain regulatory approval in the United States or elsewhere, the applicable regulators may still impose significant restrictions on the indicated uses or marketing of our product candidates or impose ongoing requirements for potentially costly post-approval studies or post-market surveillance. The following discussion is based on United States law. Similar types of regulatory provision apply outside of the United States.

The holder of an approved new drug application, or NDA must monitor and report AEs and SAEs and any failure of a product to meet the specifications in the NDA. The holder of an approved NDA must also submit new or supplemental applications and obtain FDA approval for certain changes to the approved product, product labeling or manufacturing process. Advertising and promotional materials must comply with FDA rules and other applicable federal and state laws and are subject to FDA review.

Drug product manufacturers and their facilities are subject to payment of user fees and continual review and periodic inspections by the FDA and other regulatory authorities for compliance with current Good Manufacturing Practices ("cGMP"), and adherence to commitments made in the NDA. If we or a regulatory agency discover previously unknown problems with a product such as AEs or SAEs of unanticipated severity or frequency, or problems with the facility where the product is manufactured, a regulatory agency may impose restrictions on that product or the manufacturing facility, including requiring recall or withdrawal of the product from the market or suspension of manufacturing.

If we or our partners fail to comply with regulatory requirements following approval of our product candidates, a regulatory agency may:

- issue a warning letter asserting we are in violation of the law;
- impose a REMS or other restrictions on the manufacturing, marketing or use of the product;
- seek an injunction or impose civil or criminal penalties or monetary fines;
- suspend or withdraw regulatory approval;
- suspend any ongoing clinical trials;
- refuse to approve a pending NDA or supplements to an NDA submitted by us;
- seize product; or
- refuse to allow us to enter into supply contracts, including government contracts.

Our defense of any government investigation of alleged violations of law, or any lawsuit alleging such violations, could require us to expend significant time and resources and could generate negative publicity. Further, the FDA's and other regulatory authorities' policies may change, and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates or increase the cost of compliance. The occurrence of any event or penalty described above may prevent or inhibit our ability to commercialize our products and generate revenues.

We may not succeed in obtaining or maintaining necessary rights to drug compounds and processes for our development pipeline through acquisitions and in-licenses.

We may be unable to acquire or in-license any compositions, methods of use, processes, or other third-party intellectual property rights from third parties we identify. The licensing and acquisition of third-party intellectual property rights is a competitive area, and more established companies are also pursuing strategies to license or acquire third-party intellectual property rights we may consider attractive. These established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities.

Companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment. If we are unable to successfully obtain rights to required third-party intellectual property rights, our business, financial condition, and prospects for growth could suffer.

Because third parties may be developing competitive products without our knowledge, we may later learn that competitive products are superior to our product candidates which may force us to terminate our research efforts of one or more product candidates.

We face potential competition from companies, particularly privately-held companies and foreign companies that may be developing competitive products that are superior to one or more of our product candidates. If in the future, we learn of the existence of one or more competitive products, we may be required to:

- cease our development efforts for a product candidate;
- cause a partner to terminate its support of a product candidate; or
- cause a potential partner to terminate discussions about a potential license.

Any of these events may occur after we have spent substantial sums in connection with the clinical research of one or more product candidates.

We have limited experience in conducting and managing the preclinical development activities and clinical trials necessary to obtain approvals for marketing our product candidates, including approval by the FDA.

Our efforts to develop our product candidates are limited to a small number of product candidates aimed at treating a small number of viral diseases. To date, we have only entered a limited number of compounds into human clinical trials. We may be unable to progress our product candidates undergoing preclinical testing into clinical trials. Success in preclinical testing and early clinical trials does not ensure that later clinical trials will succeed, and favorable initial results from a clinical trial do not determine outcomes in subsequent clinical trials. The indications of use for which we are pursuing development may have clinical effectiveness endpoints not previously reviewed or validated by the FDA or foreign regulatory authorities, which may complicate or delay our effort to obtain marketing approval. We cannot guarantee that our clinical trials will succeed. In fact, most compounds fail in clinical trials, even at companies far larger and more experienced than us. If any preclinical or clinical trials yield adverse results, it could delay the development of the product candidate, force us to cease pursuing the product candidate, or render it impossible or impracticable to proceed towards commercialization.

We have not obtained marketing approval or commercialized any of our product candidates. We may not successfully design or implement clinical trials required for marketing approval to market our product candidates. If we are unsuccessful in conducting and managing our preclinical development activities or clinical trials or obtaining marketing approvals, we might not be able to commercialize our product candidates, or might be significantly delayed in doing so, which will materially harm our business.

RISKS RELATED TO OUR BUSINESS OPERATIONS AND INDUSTRY

If we cannot obtain or protect intellectual property rights related to our future products and product candidates, we may not be able to compete effectively in our markets.

We rely upon a combination of patents, trade secret protection and confidentiality agreements to protect the intellectual property related to our future products and product candidates. The strength of patents in the biotechnology and pharmaceutical field involves complex legal and scientific questions and can be uncertain. The patent applications we own or in-license may fail to result in patents with claims that cover the products in the United States or in other countries. There is no assurance that all potentially relevant prior art relating to our patents and patent applications has been found; such prior art can invalidate a patent or prevent issuance of a patent based on a pending patent application. Even if patents do successfully issue, third parties may challenge their validity, enforceability or scope, which may cause such patents to be narrowed or invalidated. Even if unchallenged, our patents and patent applications may not adequately protect our intellectual property or prevent others from designing around our claims.

If the patent applications we hold or have in-licensed regarding our programs or product candidates fail to issue or if their breadth or strength of protection is threatened, it could dissuade companies from collaborating with us to develop product candidates, and threaten our ability to commercialize products. Patents may not issue and issued patents may be found invalid and unenforceable or challenged by third parties. Since patent applications in the United States and most other countries are confidential for a period after filing, and some remain so until issued, we cannot be certain that we were the first to invent a patent application related to a product candidate. In certain situations, if we and one or more third parties have filed patent applications in the United States and claiming the same subject matter, an administrative proceeding can be initiated to determine which applicant is entitled to the patent on that subject matter. Patents have a limited lifespan. In the United States, the natural expiration of a patent is 20 years after it is filed, although various extensions may be available. The life of a patent, and the protection it affords, is limited. When the patent life has expired for a product, we will become vulnerable to competition from generic medications attempting to replicate that product. Further, if we encounter delays in regulatory approvals, the time during which we will be able to market and commercialize a product candidate under patent protection could be reduced.

In addition to patent protection, we rely on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable, processes for which patents are difficult to enforce and any other elements of our drug discovery and development processes that involve proprietary know-how, information or technology not covered by patents. Each of our employees agrees to assign their inventions to us through an employee inventions agreement. In addition, as a general practice, our employees, consultants, advisors and any third parties who have access to our proprietary know-how, information or technology enter into confidentiality agreements. Nonetheless, our trade secrets and other confidential proprietary information may be disclosed and competitors may otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. In addition, in January 2018 the FDA as part of its Transparency Initiative, launched a voluntary pilot program calling on biopharmaceutical research companies to release clinical study reports summarizing clinical trial data. Based on these trends, the FDA may consider making release of clinical study reports mandatory and may consider making additional information publicly available on a routine basis in response to concerns expressed by the academic community emphasized by the COVID-19 pandemic, including information we may consider to be trade secrets or other proprietary information. If the FDA takes these measures, we may be forced to disclose proprietary information about our product candidates and research, which could materially harm our business.

The laws of some foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws of the United States. We may encounter significant problems in protecting and defending our intellectual property both in the United States and abroad. Further, governments may in the future alter intellectual property rights in a manner adverse to us or to our third-party collaborators, including actions taken at the international level. For example, in June 2022 member countries of the World Trade Organization ("WTO") agreed to implement a multi-jurisdictional five-year waiver of patent protection with respect to vaccines that target COVID-19 in an effort to fight the pandemic and allow for a more equal distribution of resources towards that goal. Future actions such as the WTO waiver may be taken by the U.S. or foreign governments with respect to products in which we are or may become involved could materially diminish or eliminate our ability to protect the underlying intellectual property rights we rely on for such products, including those licensed from third parties, and as a result any potential competitive advantage would be lost. If we are unable to prevent material disclosure of the non-patented intellectual property related to our technologies to third parties, and there is no guarantee we will have any such enforceable trade secret protection, we may not be able to establish or maintain a competitive advantage in our market, which could materially adversely affect our business, results of operations and financial condition.

If third-party intellectual property infringement claims are asserted against us, it may prevent or delay our development and commercialization efforts and have a material adverse effect on our business and future prospects.

Our commercial success depends in part on our avoiding infringement on the patents and proprietary rights of third parties. There is substantial litigation, both within and outside the United States, involving patent and other intellectual property rights in the biotechnology and pharmaceutical industries, including patent infringement lawsuits, interferences, oppositions, and reexaminations and other post-grant proceedings before the U.S. Patent and Trademark Office, and corresponding foreign patent offices. Numerous U.S. and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we and our partners are pursuing product candidates. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our product candidates may be subject to claims of infringement of the patent rights of third parties.

Third parties may assert that we are employing their proprietary technology without authorization. There may be third-party patents or patent applications with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our product candidates. Because patent applications can take many years to issue, there may be patent applications currently pending that may later result in patents that our product candidates may infringe upon. Third parties may obtain patents in the future and claim that use of our technologies infringes on these patents. If any third-party patents were to be held by a court of competent jurisdiction to cover the manufacturing process of any of our product candidates, any molecules formed during the manufacturing process or any final product itself, the holders of any such patents may be able to block our ability to commercialize such product candidate unless we obtained a license under the applicable patents, or until such patents expire. Similarly, if any third-party patents were to be held by a court of competent jurisdiction to cover aspects of our formulations, processes for manufacture or methods of use, including combination therapy, the holders of any such patents may be able to block our ability to develop and commercialize the applicable product candidate unless we obtained a license or until such patent expires. In either case, such a license may not be available on commercially reasonable terms or at all.

Parties making intellectual property claims against us may obtain injunctive or other equitable relief, which could block our ability to further develop and commercialize one or more of our product candidates. Defense of these claims, regardless of their merit, involves substantial litigation expense and diversion of our management's attention from our business. If a claim of infringement against us succeeds, we may have to pay substantial damages, possibly including treble damages and attorneys' fees for willful infringement, pay royalties, redesign our infringing products or obtain one or more licenses from third parties, which may be impossible or require substantial time and monetary expenditure.

Because of the costs involved in defending patent litigation, we may in the future lack the capital to defend our intellectual property rights.

We may in the future be involved in lawsuits to protect or enforce our patents or the patents of our licensors, which could be expensive, time-consuming and unsuccessful.

Competitors may infringe on our patents or the patents of our licensors. To counter such infringement or unauthorized use, we may be required to file infringement claims, or we may be required to defend the validity or enforceability of such patents, which can be expensive and time-consuming. In an infringement proceeding, a court may decide that either one or more of our patents or our licensors' patents is not valid or is unenforceable or may refuse to stop the other party from using the technology at issue because our patents do not cover that technology. An adverse result in any litigation or defense proceedings could put one or more of our patents at risk of being invalidated or interpreted narrowly and could put our patent applications at risk of not being issued.

Interference proceedings provoked by third parties or brought by us may be necessary to determine the priority of inventions regarding our patents or patent applications or those of our partners or licensors. An unfavorable outcome could require us to cease using the related technology or to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms. Our defense of litigation or interference proceedings may fail and, even if successful, may cause us to incur substantial costs and distract the attention of our management and other employees. We may not be able to prevent, alone or with our licensors, misappropriation of our intellectual property rights, particularly in countries where the laws may not protect those rights as fully as in the United States.

Because of the substantial amount of discovery required in intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our common stock.

We may need to obtain additional licenses to intellectual property rights from third parties.

We may need to obtain additional licenses from third parties to advance our research or allow commercialization of our product candidates. We may fail to obtain these licenses at a reasonable cost or on reasonable terms, if at all. In that event, we would be unable to further develop and commercialize one or more of our product candidates, which could harm our business significantly. We cannot provide any assurances that third-party patents do not exist that might be enforced against our products, resulting in either an injunction prohibiting our sales, or, with respect to our sales and other activities, an obligation on our part to pay royalties and/or other forms of compensation to third parties

The licensing and acquisition of third-party intellectual property rights is a competitive practice, and companies that may be more established, or have greater resources than we do, may also be pursuing strategies to license or acquire third-party intellectual property rights that we may consider necessary or attractive in order to develop and commercialize our product candidates. More established companies may have a competitive advantage over us due to their larger size and cash resources or greater clinical development and commercialization capabilities. We may not be able to successfully complete such negotiations and ultimately acquire the rights to the intellectual property surrounding product candidates that we may seek to acquire, in which case our business could be harmed.

We may be subject to claims that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties.

We employ individuals previously employed at other biotechnology or pharmaceutical companies. We may be subject to claims asserting that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed confidential information of our employees' former employers or other third parties. We may also be subject to claims that former employers or other third parties have an ownership interest in our patents. Litigation may be necessary to defend against these claims. There is no guarantee of success in defending these claims, and if we succeed, litigation could cause substantial cost and be a distraction to our management and other employees.

Because we face significant competition from other biotechnology and pharmaceutical companies, our operating results will suffer if we fail to compete effectively.

The biotechnology and pharmaceutical industries are intensely competitive. See "Business-Competition" at page 9 for a description of the competitive environment we face. We have competitors both in the United States and internationally, including major multinational pharmaceutical companies, biotechnology companies and universities and other research institutions. Our competitors have substantially greater financial, technical and other resources, such as larger research and development staff and experienced marketing and manufacturing organizations. This enables them, among other things, to make greater research and development investments and efficiently utilize their research and development costs. Additional mergers and acquisitions in the biotechnology and pharmaceutical industries may cause even more resources being concentrated in our competitors. Additionally, smaller or early-stage companies of which we may not be aware could also prove to be material competitors, particularly through collaborative arrangements with larger, more well-established companies or by competing with us for limited resources and strategic alliances with our current or prospective partners. Competition may increase further because of advances in the commercial applicability of technologies and greater availability of capital for investment in these industries. Our competitors may develop, acquire or license drug products that are more effective or less costly than any product candidate we may develop.

The programs we are focusing on are in a preclinical or early clinical development stage and are targeted toward indications for which there are approved products on the market or product candidates in clinical development. We will face competition from other drugs that are or will be approved for the same therapeutic indications. Our ability to compete successfully will depend largely on our ability to leverage our experience in drug discovery and development to:

- discover and develop therapeutics superior to other products in the market;
- attract and retain qualified scientific, product development and commercial personnel;
- obtain patent and/or other proprietary protection for our technology platform and product candidates;
- obtain required regulatory approvals; and
- successfully collaborate with pharmaceutical companies in the discovery, development and commercialization of new therapeutics.

The availability of our competitors' products could limit the demand, and the price we can charge, for any products we may develop and commercialize. We will not achieve our business plan if the acceptance of our products is inhibited by price competition, coverage limitations by third party healthcare payors, or the reluctance of physicians to switch from existing drug products to our products, or if physicians switch to other new drug products or reserve our products for use in limited circumstances. Additionally, the biopharmaceutical industry is characterized by rapid technological and scientific change, and we may not be able to adapt to these rapid changes to the extent necessary to keep up with competitors or at all. The inability to compete with existing or subsequently introduced drug products would have a material adverse impact on our business, financial condition and prospects.

Established pharmaceutical companies may invest heavily to accelerate discovery and development of novel compounds or to in-license novel compounds that could make our product candidates less competitive. Any new product that competes with an approved product must typically demonstrate advantages, such as in efficacy, convenience, tolerability or safety, to overcome price competition and to succeed. Our competitors may obtain patent protection, receive approval by FDA and/or foreign regulatory authorities or discover, develop and commercialize product candidates before we do, which would have a material adverse impact on our business.

Our business could be negatively impacted by cybersecurity threats and other security threats and disruptions.

Because our business relies on proprietary technology and computer systems, we face certain security threats, including threats to our information technology infrastructure, attempts to gain access to our proprietary or confidential information, threats to physical security, and domestic terrorism events. Our information technology networks and related systems are critical to the operation of our business and our research and development efforts. We are also involved with information technology systems for certain third parties, which generally face similar security threats. Cybersecurity threats in particular, are persistent, evolve quickly and include, but are not limited to, computer viruses, attempts to access information, denial of service and other electronic security. While we breaches believe that we have implemented appropriate measures and controls and invested in skilled information technology resources to appropriately identify threats and mitigate potential risks, there can be no assurance that such actions will be sufficient to prevent disruptions to critical systems, the unauthorized release of confidential information or corruption of data. A security breach or other significant disruption involving these types of information and information technology networks and related systems could:

- disrupt the proper functioning of these networks and systems and therefore its operations and/or those of third parties on which we rely;
- result in the unauthorized access to, and destruction, loss, theft, misappropriation or release of, our proprietary, confidential, sensitive or otherwise valuable information, or that of third parties with which we collaborate or otherwise depend, which others could use to compete against us or for disruptive, destructive or otherwise harmful purposes and outcomes;
- delay or compromise preclinical or clinical studies or the analysis and use of data collected in our efforts to develop product candidates;
- require significant attention and resources of management and key personnel to remedy any damages or other adverse consequences that result;
- subject us to claims for breach of contract, damages, credits, penalties or termination with respect to our relationships with third parties, or regulatory actions by governmental agencies; and
- damage our reputation with industry participants, existing or prospective strategic alliances, and the public generally.

Any or all of the foregoing could have a material negative impact on our business, financial condition and prospects.

Failure of our information technology infrastructure to operate effectively could adversely affect our business.

We depend on information technology infrastructure to pursue our business objectives and development efforts with respect to our product candidates. If a problem occurs that impairs this infrastructure, including as a result of an outage or malfunctioning of the hardware and software comprising or contributing to the information technology, the resulting disruption could impede our ability to proceed with research objectives in a timely manner, or otherwise carry on business in the normal course. Any such events could cause us to lose opportunities or progress with respect to product candidates or strategic alliances, and could require us to incur significant resources and expense to remediate.

Artificial intelligence presents risks and challenges that can negatively impact our business.

Artificial intelligence-based platforms and tools are increasingly being used in the biopharmaceutical, pharmaceutical, and consumer health industries. As with many technological innovations, artificial intelligence presents risks and challenges that could impact our business. While our current use of artificial intelligence-based platforms or tools in our business is relatively minimal, many of our competitors have begun utilizing artificial intelligence tools to aid in the development of pharmaceutical products. Our decision to not implement artificial intelligence platforms or tools may put us at a competitive disadvantage in comparison to competitors who currently use artificial intelligence platforms and tools in the development of pharmaceutical products.

As artificial intelligence expands, our competitors, which may have significantly greater financial and human capital resources, may use artificial intelligence to further their research efforts and advance competitive product candidates through clinical trials.

In January 2026, the European Medicines Agency and FDA jointly established new artificial intelligence ("AI") principles in drug development that provide broad guidance on AI use in evidence generation and monitoring across all phases of a medicine's lifecycle - from early research and clinical trials to manufacturing and drug safety. These AI principles may lead to future regulatory guidance and requirements in various jurisdictions, which could affect the use of AI in our business.

In the future, we may adopt and integrate artificial intelligence platforms and/or tools into our business. Further, any third-party collaborators may incorporate artificial intelligence platforms and tools into their business without disclosing this to us, and the providers of these artificial intelligence platforms and tools may not meet existing or rapidly evolving regulatory or industry standards with respect to privacy and data protection. If our third-party collaborators who use artificial intelligence platforms or tools experience an actual or perceived breach related incident because of the use of artificial intelligence, we may lose valuable intellectual property, confidential information, and suffer reputational damage. Further, bad actors around the world use increasingly sophisticated methods, including the use of artificial intelligence, to engage in illegal activities involving the theft and misuse of personal information, confidential information, and intellectual property. Any of these outcomes could damage our reputation, result in the loss of valuable property and information, and adversely impact our business.

The commercial success of our product candidates will depend upon the acceptance of these product candidates by the medical community, including physicians, patients and healthcare payors.

Assuming one or more product candidates achieve regulatory approval and we commence marketing such products, the market acceptance of any product candidates will depend on several factors, including:

- demonstration of clinical safety and efficacy compared to other products;
- the relative convenience, ease of administration and acceptance by physicians, patients and healthcare payors;
- the prevalence and severity of any adverse effects or serious adverse effects;
- limitations or warnings in the label approved by FDA and/or foreign regulatory authorities for such products;
- the timing of market introduction of our products relative to competitive products and the availability of alternative treatments;
- pricing and cost-effectiveness;
- the execution and effectiveness of our or any partners' sales and marketing strategies;
- our ability to obtain hospital formulary approval; and
- our ability to obtain and maintain sufficient third-party payor coverage or reimbursement.

If we obtain regulatory approval for one product candidate, we expect sales to generate substantially all of our product revenues, and as such, the failure of such product to find market acceptance would adversely affect our results of operations.

If insurance and/or government coverage and adequate reimbursement are not available for our product candidates, it could impair our ability to achieve and maintain profitability.

Market acceptance and sales of any product candidates we develop will depend on coverage and reimbursement policies of third-party payors. Government authorities and third-party payors, such as private health insurers, hospitals and health maintenance organizations, decide which drugs they will pay for and establish reimbursement levels. Coverage and adequate reimbursement may not be available for some or all of our product candidates. As patients generally rely on third-party payors to reimburse all or part of the costs associated with their treatment, inadequate reimbursement amounts may reduce the demand for, or the price of, our future products. Thus, the availability of adequate coverage and reimbursement from governmental healthcare programs, such as Medicare and Medicaid, and commercial payors is critical to new product acceptance. As the Trump Administration continues to pursue various means of de-regulation and reduced government spending, funding for these types of programs may become less available to market participants and consumers, which would reduce a prospective market for the products we are seeking to develop.

Obtaining coverage and reimbursement approval of a product from a government or other third-party payor is a time-consuming and costly process, and no uniform policy of coverage and reimbursement for products exists among third-party payors in the United States. A primary trend in the U.S. healthcare industry is cost containment. Third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular products. Further, third-party payors are increasingly challenging prices charged for pharmaceutical products, and many third-party payors may refuse to provide coverage and reimbursement for particular drugs when an equivalent generic drug or a less expensive therapy is available. There can be no assurance that coverage and reimbursement will be available for any product we commercialize. Even if we obtain coverage for a given product, the resulting reimbursement payment rates might not be adequate for us to achieve or sustain profitability or may require co-payments that patients find unacceptable. If reimbursement is not available, or is available at limited levels, we may not be able to successfully commercialize product candidates we develop. For example, the U.S. Congress enacted the One Big Beautiful Bill ("OBBB") Act, which made several changes to the Medicaid program, such as imposing Medicaid work requirements and imposing stricter eligibility and enrollment standards. Most of these policies will take effect in 2027. In addition, the OBBB Act did not extend the availability of enhanced premium subsidies, which subsidize patient premiums for Affordable Care Act ("ACA") health insurance exchange plans and expired at the end of 2025. If these subsidies are not reinstated, it is possible that patient enrollment in ACA exchange plans could substantially decrease.

Additionally, the volume of drug pricing-related legislation and administrative action continues to increase over recent years. These changes, individually or in combination, could decrease health insurance coverage for patients taking medicines, potentially disrupting access to medicines and reducing our potential market for the products we are seeking to develop.

Due to the 2025 inauguration of a new presidential administration in the U.S., we and our industry face uncertainty including the potential for reduced government funding of research programs and staff and resource reductions at the FDA and other government agencies, which may adversely affect our business.

Since taking office in January 2025, President Trump and his cabinet have expressed an intention of and undertaken efforts to reduce the size and spending of the federal government. For example, as part of this initiative, President Trump established the Department of Government Efficiency ("DOGE"), which was tasked with reducing government spending and increasing efficiency of the federal government and its component agencies. Although disbanded in late 2025, its charter is active until July 4, 2026 and many of its functions were integrated into the broader federal administration, demonstrating the continuing principles and objectives aimed at reducing the workforce of the federal government and eliminating other expenditures, such as facility leases, used by the federal government and its component agencies. While these and other actions taken by the Trump Administration could be viewed as a part of a larger goal of de-regulation, a consequence of these developments and other actions taken by the Trump Administration could be reduced resources, employees and contractors at the FDA and other federal agencies on which our operations depend or through which regulatory approvals are or will be required for us and our product candidates and programs. For example, less staff and resources at the FDA could result in the approval process for clinical trials or product candidates having a longer duration or being more costly to expedite. Additionally, government funding for research and development programs such as those we are pursuing could be significantly reduced, which could have the effect of limiting or eliminating our ability to access the capital needed to fund our programs. Any of these or other outcomes of President Trump's term and government action generally, which remain uncertain, could materially adversely affect us.

If we are unable to establish sales and marketing capabilities or enter into agreements with third parties to market and sell our product candidates, we may be unable to generate any revenues from product sales.

We do not have a team with experience in the sales, marketing and distribution of pharmaceutical products and the cost of establishing and maintaining such an organization may exceed the cost-effectiveness of doing so. To market any products that may be approved, we must build our sales, marketing, managerial and other non-technical capabilities or arrange with third parties to provide these services.

Our current and future partners may not dedicate sufficient resources to the commercialization of our product candidates or may otherwise fail in their commercialization efforts due to factors beyond our control. If we are unable to establish effective alliances to enable the sale of our product candidates to healthcare professionals and in geographical regions, including the United States, that will not be covered by our own marketing and sales force, or if our potential future strategic partners do not successfully commercialize the product candidates, our ability to generate revenues from product sales will be adversely affected.

If we are unable to establish adequate sales, marketing and distribution capabilities, whether independently or with third parties, we may not be able to generate sufficient product revenue and may not become profitable. We will be competing with many companies that have extensive and well-funded marketing and sales operations. Without an internal team or the support of a third-party to perform marketing and sales functions, we may be unable to compete successfully against these more established companies.

If we obtain approval to commercialize any approved products outside of the United States, a variety of risks associated with international operations could materially adversely affect our business.

If any of our product candidates are approved for commercialization, we may enter into agreements with third parties to market them on a worldwide basis or in more limited geographical regions. We expect we will be subject to additional risks related to entering into international business relationships, including:

- different regulatory requirements for drug approvals in foreign countries;
- reduced protection for intellectual property rights;
- unexpected changes in tariffs, trade barriers and regulatory requirements;
- economic weakness, including inflation, or political instability in foreign economies and markets;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- foreign taxes, including withholding of payroll taxes;
- foreign currency fluctuations, which could cause increased operating expenses and reduced revenues, and other obligations incident to doing business in another country;
- workforce uncertainty in countries where labor unrest is endemic;
- the impact of any war or hostilities such as the of the wars in the Middle East and Ukraine;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geopolitical actions, including war and terrorism, or natural disasters including earthquakes, typhoons, floods and fires.

If we lose key management or scientific personnel, cannot recruit qualified employees, directors, officers, or other personnel or experience increases in our compensation costs, our business may materially suffer.

We depend on principal members of our executive and research teams; the loss of whose services may adversely impact the achievement of our objectives. We are highly dependent on our President and Co-Chief Executive Officer, Dr. Sam Lee and our Chief Financial Officer and Co-Chief Executive Officer, James Martin. Dr. Lee also actively manages our research and development and clinical trial programs. We may be unable to locate a new Chief Executive Officer capable of running our company effectively, and any such individual will require high compensation in a competitive market for experienced and qualified personnel within our industry. We do not carry “key-man” life insurance on any of our employees or advisors. Furthermore, our future success will also depend in part on the continued service of our key scientific and management personnel and our ability to identify, hire, and retain additional personnel. We may not be able to attract and retain personnel on acceptable terms, as there is significant competition among numerous pharmaceutical companies for individuals with similar skill sets. Because of this competition, our compensation costs may increase significantly. If we lose key employees, our business may suffer.

If we expand our organization, we may experience difficulties in managing growth, which could disrupt our operations.

As of March 25, 2026, we have 10 full-time employees. As our Company matures, we expect to expand our employee base to increase our managerial, scientific and operational, commercial, financial and other resources and to hire more employees, consultants and contractors. Future growth would impose significant additional responsibilities on our management, including the need to identify, recruit, maintain, motivate and integrate additional employees, consultants and contractors. Also, our management may need to divert a disproportionate amount of its attention away from our day-to-day activities and to manage these growth activities. We may not be able to effectively manage the expansion of our operations, which may cause weaknesses in our infrastructure, and give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Our expected growth could require significant capital expenditures and may divert financial resources from other projects, such as developing additional product candidates. If our management cannot effectively manage our growth, our expenses may increase more than expected, our ability to generate and/or grow revenues could be reduced, we may not be able to implement our business strategy and we may face reputational or operational harm. Our future financial performance and our ability to commercialize product candidates and compete effectively will depend, in part, on our ability to manage our future growth.

Any relationships with customers and third-party payors may be subject, directly or indirectly, to federal and state healthcare fraud and abuse laws, false claims laws and health information privacy and security laws. If we are unable to comply, or have not fully complied, with such laws, we could face criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

If we obtain FDA approval for any of our product candidates and commercialize those products in the United States, our operations may be directly, or indirectly through our customers, subject to various federal and state fraud and abuse laws, including, without limitation, the federal Anti-Kickback Statute and the federal False Claims Act. These laws may impact, among other things, our proposed sales, marketing and education programs. We may be subject to patient privacy regulation by the federal government and by the U.S. states and foreign jurisdictions in which we conduct our business. The laws that may affect our ability to operate include:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, to induce, or in return for, either the referral of an individual, or the purchase or recommendation of an item or service for which payment may be made under a federal healthcare program, such as the Medicare and Medicaid programs;

- federal civil and criminal false claims laws and civil monetary penalty laws, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment from Medicare, Medicaid, or other third-party payers that are false or fraudulent;

- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created federal criminal statutes that prohibit executing a scheme to defraud any healthcare benefit program and making false statements relating to healthcare matters;

- HIPAA, as amended by the Health Information Technology and Clinical Health Act of 2009, or HITECH, and its implementing regulations, which imposes certain requirements relating to the privacy, security and transmission of individually identifiable health information;

- The U.S. Department of Justice Final Rule on Preventing Access to U.S. Sensitive Personal Data and Government-Related Data by Countries of Concern or Covered Persons, which impacts how and where clinical and other sensitive data is shared; and

- state and foreign law equivalents of each of the above federal laws, such as anti-kickback and false claims laws which may apply to items or services reimbursed by any third-party payer, including commercial insurers, and state and foreign laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

If our operations are found to violate any of the laws described above or any other governmental regulations that apply to us, we may be subject to penalties, including, without limitation, civil and criminal penalties, damages, fines, possible exclusion from Medicare, Medicaid and other government and private healthcare programs, and curtailment or restructuring of our operations, which could adversely affect our ability to operate our business and our results of operations.

Because we face potential product liability if claims are brought against us, we may incur substantial liability and costs.

Using our product candidates in clinical trials and the sale of any products for which we obtain marketing approval exposes us to the risk of product liability claims. Product liability claims might be brought against us by consumers, healthcare providers, pharmaceutical companies or others selling or otherwise coming into contact with our products. If we cannot successfully defend against product liability claims, we could incur substantial liability and costs. Regardless of merit or eventual outcome, product liability claims may cause:

- impairment of our business reputation;
- withdrawal of clinical trial participants;
- costs due to related litigation;
- distraction of management's attention from our primary business;
- substantial monetary awards to patients or other claimants;
- regulatory scrutiny and product recalls, withdrawals or labeling, marketing or promotional restrictions;
- the inability to commercialize our product candidates; and
- decreased demand for our product candidates, if approved for commercial sale.

Insurance coverage is becoming increasingly expensive and we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability. If and when we obtain marketing approval for product candidates, we intend to expand our insurance coverage to include the sale of commercial products; however, we may be unable to obtain product liability insurance on commercially reasonable terms or in adequate amounts. Occasionally, large judgments have been awarded in class action lawsuits based on drugs that had unanticipated adverse effects. A successful product liability claim or series of claims brought against us could cause our stock price to decline and, if judgments exceed our insurance coverage, could adversely affect our results of operations and business.

Business interruptions resulting from pandemics, natural disasters and adverse weather events could cause delays in research and development of our product candidates.

Our principal offices are in Bothell, Washington where we conduct our scientific research. We also maintain a small finance and accounting office in Miami, Florida and an administrative office in Australia. We and third parties on which we rely are vulnerable to natural disasters such as earthquakes, tornados, severe storms, hurricanes, tsunamis, and fires, as well as other events that could disrupt our operations and cause delays in research and development of our product candidates. We do not carry insurance for natural disasters or similar events, and we may not carry sufficient business interruption insurance to compensate us for losses that may occur. Any losses or damages we incur could have a material adverse effect on our operations.

If our information technology systems are compromised, the information we store and process, including our intellectual property, could be accessed, publicly disclosed, lost or stolen, which could harm our business, relationships with strategic partners and future results of operations.

Companies are increasingly suffering damage from attacks by hackers and there is a general risk that adversaries in geopolitical conflicts such as those taking place in Ukraine and in the Middle East adopt widespread Internet hacking as a weapon, which hacking may ultimately affect us. In the ordinary course of business, we store sensitive information, such as our intellectual property, including trade secrets and results of our clinical and preclinical research, and that of our suppliers and business partners, on a central server, and such information is transmitted via email correspondence. The secure maintenance and processing of this information is critical to our research and development activities and future operations. Despite our security measures, our information technology and infrastructure may be vulnerable to attacks by hackers or breaches due to employee error, malfeasance or other disruptions. Any such breach could compromise our information technology systems and the information stored there could be accessed by third parties, publicly disclosed, lost or stolen. Any such unauthorized access, disclosure, misappropriation or other loss of information could result in disruption of our operations, including our existing and future research collaborations, and damage our reputation, which in its turn could harm our business and future results of operations.

If we fail to comply with applicable laws and regulations, including environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on our business.

We are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes, and the treatment of animals used in research. Our operations involve using hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. If contamination occurs or injury results from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties.

The federal Occupational Safety and Health Administration has established extensive requirements relating to workplace safety for health care employers, including clinical laboratories, whose workers may be exposed to blood-borne pathogens such as the hepatitis C virus. These requirements, among other things, require work practice controls, protective clothing and equipment, training, medical follow-up, vaccinations and other measures designed to minimize exposure to, and transmission of, blood-borne pathogens. In addition, the Needlestick Safety and Prevention Act requires, among other things, that we include in our safety programs the evaluation and use of engineering controls such as safety needles if found to be effective at reducing the risk of needlestick injuries in the workplace.

Although our workers' compensation insurance may cover us for costs and expenses, we may incur additional costs due to injuries to our employees resulting from the use of hazardous materials or other work-related injuries, and this insurance may not provide adequate coverage against other potential liabilities. We may incur substantial costs to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Failure to comply with these laws and regulations also may cause substantial fines, penalties or other sanctions.

RISKS RELATED TO OUR COMMON STOCK

Our stock price and trading volume has historically been volatile, and any increases in these metrics may be temporary for a number of reasons, which may cause investors to lose money.

Our stock price and trading volume is volatile, and the limited periods in which there were increases to our stock price and trading volume have historically been temporary in nature. Therefore, there can be no assurance that our stock price or trading volume will increase in the future, permanently or at all. Our common stock may continue to be volatile and could materially fall for a number of reasons including:

- Announcements by the FDA of final approval of vaccines and treatments for diseases we target;
- Announcements relating to the spread of new variants of diseases we target;
- Announcements by competitors that they are initiating human trials of drugs to treat the diseases we target;
- Events which demonstrate that the spread or intensity of diseases has receded;
- Our disclosure that the use of our technology and the patents we licensed do not appear promising for the treatment of this virus;
- The results of or developments with respect to our clinical trials;
- Our announcement concerning the initiation of or delay in our planned clinical trials; or
- The occurrence of any other events or factors which may create unusual volatility in volumes and prices.

If the current price is reduced, investors may sustain large losses.

Due to factors beyond our control, our common stock price may be volatile, or may decline regardless of our operating performance, and you may not be able to resell your shares.

The market price of our common stock will depend on a number of factors, many of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our common stock since you might be unable to sell your shares at or above the price you paid. Factors that could cause fluctuations in the market price of our common stock include the following:

- price and volume fluctuations in the overall stock market from time-to-time;
- due to external factors such as wars and geopolitical turmoil, a possible recession, inflation or other events, including the wars in the Middle East and Ukraine or other unknown hostilities, investors may sell our common stock to meet margin calls on other stocks or as the result of economic disruptions;
- volatility in the market prices and trading volumes of biotechnology stocks generally, or those in our peer group in particular;
- changes in operating performance and stock market valuations of other biotechnology companies generally, or those in our industry in particular;
- sales of shares of our stock by us or our stockholders;
- the failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow our company or our failure to meet these estimates or the expectations of investors;
- Announcement of a future reverse split or our failure to obtain stockholder approval for a reverse split;
- announcements by us or our competitors of new novel medicines;
- the public's reaction to our earnings releases, other public announcements and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated developments in our business, our competitors' businesses or the competitive landscape generally;
- actual or anticipated changes in our operating results or fluctuations in our operating results;
- developments or disputes concerning our intellectual property or other proprietary rights;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations or principles; and
- any significant change in our management.

In addition, in the past, following periods of volatility in the overall market and the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. Any litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

Because of central bank actions to combat inflation, the imposition of and uncertainties surrounding tariffs, wars and geopolitical conflicts, and other major events, the effect on the capital markets and the economy is uncertain, and we may have to deal with a recessionary economy and economic uncertainty including possible material adverse effects upon our business.

Following President Trump's inauguration in January 2025, certain trends and events have unfolded and continue to evolve and develop which are affecting and have the potential to further affect the global and United States capital markets and economies, including the continued high central bank interest rates, the imposition and threat of tariffs as well as subsequent developments and uncertainties surrounding tariffs, trade wars among nations and ongoing wars geopolitical conflicts, and uncertain capital markets with significant volatility and declines in leading market indexes thus far 2026. The duration and scope of these events and their impact are at best uncertain, and their continuation may result in negative consequences on the U.S. or global economies.

The impositions of tariffs by the U.S. and any retaliatory actions by foreign countries, as well as refunds on tariffs following the U.S. Supreme Court's ruling to strike down certain tariffs, could contribute to higher inflation and reduced economic activity for a prolonged period of time, thereby delaying any rate reductions or potentially resulting in rate increases in the future, as well as reduced demand for mortgages. Similarly, the wars in the Middle East and the Ukraine could also contribute to increased and prolonged inflation including by increasing the price of oil and causing adverse impacts on supply chains. These uncertainties and developments could result in supply chain issues, higher prices for goods and services or other adverse consequences on us and our contractors. In addition, these events come with an increased probability for an economic downturn or recession by making it more difficult for businesses to borrow money and individuals to maintain employment. Further, in February the labor market unexpectedly declined notwithstanding many economists anticipating growth for the month, further contributing to uncertainty and a potentially recessionary environment.

These developments follow the increase in interest rates that began in 2022 as the Federal Reserve in U.S. and central banks in other jurisdictions have sought to combat inflation. While in the U.S. inflation has since declined, many economists view additional increases in inflation as a likely or possible consequence of these developments. Uncertainty surrounding rising or elevated prices and concerning the state and prospects for the U.S. and global economies and capital markets in the near term remains and has amplified due to the factors described above. If inflation does not fall low enough and/or the Federal Reserve declines to reduce interest rates in the near term, or tariffs and related developments adversely impact the economy, the result could be tipping the U.S. economy into a recession. In the wake of these events, the U.S. and global capital markets have demonstrated substantial volatility in the first quarter of 2026, as many investors consider economic outlooks to be uncertain and consider the risk of a recession and a decline in the marketplace to be increasingly probable or imminent. Ultimately the economy may turn into a recession with uncertain and potentially severe impacts upon the public capital markets and us. Among the potential consequences could be a substantial decline in stock prices including ours, a reduction in demand for securities of public companies (which may be more prevalent for smaller companies such as us) and more difficulty for us to raise capital we need and accessing capital on favorable terms or at all as a result. These and related consequences could also impact our vendors which could have negative impacts on us and our research programs. We cannot predict how this will affect our business, but the impact may be material and adverse.

Future issuances of our common stock or rights to purchase our common stock could cause additional dilution of the percentage ownership of our stockholders and could cause our stock price to fall.

We expect that our current cash position will not be sufficient to fund our operations over the next 12 months subject to the many uncertainties and risks that may rise such as those described herein, significant additional capital may be needed in the future to continue our planned operations. To the extent we continue to raise additional capital by issuing equity securities, our stockholders may experience substantial dilution. We may sell common stock, convertible securities or other equity securities in one or more transactions at prices and in a manner, we determine from time to time. If we sell common stock, convertible securities or other equity securities in more than one transaction, investors may be materially diluted by subsequent sales. These sales may also result in material dilution to our existing stockholders, and new investors could gain rights superior to our existing stockholders.

Future sales of large amounts of our common stock in the public market or a perception that such sales might occur could cause a decrease in our stock price.

As of March 24, 2026, out of approximately 13,785,759 shares of common stock outstanding, approximately 7,743,000 of which are either free trading or may be sold without volume or manner of sale limitations under Rule 144. The remainder of our shares, because they are held by our officers, directors and one 5% stockholder subject to a voting agreement, who we deem affiliates, are subject to additional restrictions as described below.

In general, Rule 144 provides that any person who is not an affiliate of the Company and has not been an affiliate for 90 days, and who has held restricted common stock for at least six months, is entitled to sell their restricted stock freely, provided that we remain subject to the Exchange Act reporting requirements and stay current in our SEC filings.

The shares of common stock outstanding which are held by affiliates of the Company are subject to additional restrictions. An affiliate may sell the greater of (i) one percent of our outstanding stock or (ii) as long as our common stock is listed on Nasdaq, the average weekly trading volume over a prior four-week period after a six-month holding period with the following restrictions:

(i) we are current in our filings;

(ii) certain manner of sale provisions; and

(iii) filing of Form 144.

Further, in September 2025 the Company issued and sold 5,529,420 two-year warrants to purchase common stock at an exercise price of $1.50 per share, and subsequently registered the resale of such underlying shares of common stock on a registration statement on Form S-1 which became effective on September 25, 2025. In total, the Company has 7,222,821 warrants outstanding as of the date of this Report. The exercise of all or a substantial amount of these warrants and sale of the underlying shares could result in volatility and dilution to our existing shareholders.

Additionally, as of December 31, 2025, we had approximately 537,000 options and 230,000 RSUs outstanding that, if fully exercised, would result in the issuance of 767,000 shares of common stock.

Future sales of substantial amounts of shares of our common stock in the public market, or the perception that those sales may occur, could cause the market price of our common stock to decline significantly, even if our business is performing well.

Our ability to use our net operating loss carry forwards and certain other tax attributes may be limited.

Under Section 382 of the Internal Revenue Code of 1986 if a corporation undergoes an “ownership change,” generally defined as a greater than 50% change (by value) in its equity ownership over a three-year period, the corporation’s ability to use its pre-change net operating loss carry forwards (“NOLs”), and other pre-change tax attributes (such as research tax credits) to offset its post-change income may be limited. We believe that, with the RFS Pharma, LLC and Cocrystal Discovery, Inc. mergers and other transactions that have occurred more than seven years ago, we may have triggered an “ownership change” limitation. We may also experience ownership changes in the future because of subsequent shifts in our stock ownership. If we generate taxable income, our ability to use our pre-change NOLs carry forwards to offset U.S. federal taxable income may be subject to limitations, which could result in increased future tax liability to us. At the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

Because we may not attract the attention of major brokerage firms, it could have a material impact upon the price of our common stock.

It is possible that securities analysts of major brokerage firms will not provide research coverage for our common stock. The absence of such coverage limits the likelihood that an active market will develop for our common stock. It may also make it more difficult for us to attract new investors when we acquire additional capital.

We may issue preferred stock which could make it more difficult for a third-party to acquire us and could depress our stock price.

In accordance with the provisions of our Certificate of Incorporation, our Board may issue one or more additional series of preferred stock that have more than one vote per share, so long as the Board obtains the majority approval of the stockholders who formerly held our Series A Convertible Preferred Stock, which is no longer authorized. This could permit our Board to issue preferred stock to investors who support our management and give effective control of our business to our management. Issuance of preferred stock could block an acquisition resulting in both a drop in our stock price and a decline in interest of our common stock. This could make it more difficult for stockholders to sell their common stock. This could also cause the market price of our common stock shares to drop significantly, even if our business is performing well.

Our amended and restated Bylaws provide for an exclusive forum in the Court of Chancery of the State of Delaware for certain disputes between us and our stockholders, and the exclusive forum in the Delaware federal courts for the resolution of any complaint asserting a cause of action under the Securities Act and the Exchange Act.

Our amended and restated Bylaws provide that unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if such court does not have subject matter jurisdiction thereof, the U.S. District Court of Delaware) will, to the fullest extent permitted by law, be the sole and exclusive forum for: (i) any derivative action or proceeding brought on behalf of the Company (except to the extent that the Exchange Act provides otherwise), (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 stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, 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. The amended and restated Bylaws further provide that unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America located in Delaware will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act or the Exchange Act and any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Company will be deemed to have notice of and consented to these provisions.

We believe these provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. If a court were to find the choice of forum provision that is contained in our amended and restated Bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could materially adversely affect our business, results of operations, and financial condition. For example, Section 22 of the Securities Act provides that state and federal courts have concurrent jurisdiction over claims to enforce any duty or liability created by the Securities Act or the rules and regulations promulgated thereunder. Accordingly, there is uncertainty as to whether a court would enforce such a forum selection provision as written in connection with claims arising under the Securities Act. To date, the Delaware Supreme Court has upheld the exclusive jurisdiction provisions in certificates of incorporation for claims under the Securities Act. However, two different federal Court of Appeals reached conflicting decisions with one Court ruling that a forum selection clause was unenforceable as to a derivative claim that was brought under the Exchange Act. Further, to date no court has ruled on the exclusive venue provision for claims under the Securities Act and the other Court ruling it was enforceable. Accordingly, if a stockholder files a Securities Act claim or an Exchange Act claim in a federal court and we seek to rely upon the Delaware venues, we may not be successful.

Because the choice of forum provisions in our Bylaws may have the effect of severing certain causes of action between federal and state courts, stockholders seeking to assert claims against us or any of our current or former directors, officers, other employees, agents, or stockholders, may be discouraged from bringing such claims due to a possibility of increased litigation expenses arising from litigating multiple related claims in two separate courts. Additionally, a stockholder could face uncertainty as to which jurisdiction and venue a case will ultimately be heard in, particularly given that variations in facts, circumstances and the particular provisions at issue often alter the legal analysis and judicial interpretation, which may delay, prevent or impose additional obstacles on the stockholder in such litigation. The choice of forum provisions may therefore limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for, or otherwise present obstacles and challenges in connection with, disputes with us or any of our current or former director, officer, other employee, agent, or stockholder.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 1C. Cybersecurity

Like all companies that utilize technology, we are subject to threats of breaches of our technology systems. To mitigate the threat to our business, we take a comprehensive approach to cybersecurity risk management. Our Board and our management actively oversee our risk management program, including the management of cybersecurity risks. We have established policies, standards, processes and practices for assessing, identifying, and managing material risks from cybersecurity threats, including those discussed in our Risk Factors. We have devoted financial and personnel resources to implement and maintain security measures to meet regulatory requirements and shareholder expectations, and we intend to continue to make investments to maintain the security of our data and cybersecurity infrastructure. While there can be no guarantee that our policies and procedures will be properly followed in every instance or that those policies and procedures will be effective, we believe that the Company's sustained investment in people and technologies have contributed to a culture of continuous improvement that has put the Company in a position to protect against potential compromises, and we do not believe that risks from prior cybersecurity threats have materially affected our business to date. We can provide no assurance that there will not be incidents in the future or that past or future attacks will not materially affect us, including our business strategy, results of operations, or financial condition.

Item 2. Properties

We have operating facilities in Bothell, Washington and Miami, Florida, as well as an administrative facility in Melbourne, Australia.

We lease approximately 15,400 square feet of office and laboratory space in Bothell, Washington under two operating lease agreements expiring in January 2029 and January 2031, respectively.

We also renewed the existing lease office space in Miami, Florida under a lease that expires in September 2027.

The Company believes that its properties are suitable for their intended purposes and have capacities adequate for current and projected needs related to the Company's programs.

Item 3. 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. As of the date of this Report, the Company is not aware of any pending legal proceedings to which the Company or any of its subsidiaries is a party which, if determined adversely, would have a material effect on its business, results of operations, cash flows or financial position.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock is traded on The Nasdaq Capital Market under the symbol "COCP". As of March 31, 2026, there were approximately 205 holders of record of our common stock.

Dividend Policy

We have not declared nor paid any cash dividend on our common stock, and we currently intend to retain future earnings, if any, to finance the expansion of our business, and we do not expect to pay any cash dividends in the foreseeable future. The decision whether to pay cash dividends on our common stock will be made by our board of directors, in their discretion, and will depend on our financial condition, results of operations, capital requirements and other factors that our board of directors considers significant. Our ability to pay cash dividends is governed by applicable provisions of Delaware law.

Unregistered sales of equity securities

All unregistered sales of our equity securities during the period covered by this Annual Report on Form 10-K have been previously reported.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements included elsewhere in this Report.

Company Overview

We develop novel medicines for use in the treatment of human viral diseases. Cocrystal has been developing novel technologies and approaches with the goal of creating viable antiviral drug candidates. 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 following provides a summary overview of certain advancements in key aspects of our business:

Pandemic and Seasonal Influenza A

- An initial oral CC-42344 Phase 2a study for CC-42344 resulted insufficient data as to efficacy, however the product candidate did demonstrate favorable safety and tolerability profile, with no serious adverse events (SAEs) and no drug-related discontinuations by study participants.
- We plan to continue development of oral CC-42344 as a treatment for pandemic and seasonal influenza A including by conducting a new Phase 2a trial to obtain scientifically viable efficacy results, which among other conditions will require us to raise additional capital, as described elsewhere in this Report.
- Preclinical development is progressing with an inhaled formulation of CC-42344 as a treatment and prophylaxis for influenza A.

Pandemic and Seasonal Influenza A/B Program

- Novel inhibitors effective against both influenza strains A and B have been identified and are in the preclinical stage.

Oral Protease Inhibitor CDI-988

- A novel, broad-spectrum pan-viral 3CL protease inhibitor antiviral drug candidate CDI-988 for clinical development as an oral treatment for coronaviruses (including SARS-CoV-2) and norovirus.
- In January 2025 we announced topline favorable safety and tolerability from a Phase 1 study dosing up to 800 mg per day for 10 consecutive days. We also announced that an additional cohort with a higher dose of 1,200 mg and a shorter treatment duration of five consecutive days would be conducted to further assess CDI-988's safety, tolerability and pharmacokinetics.
- In August 2025 we presented favorable safety and tolerability Phase 1 data from all CDI-988 doses, including the high-dose 1200 mg cohort, at the 2025 Military Health System Research Symposium (MHSRS).
- In September 2025 we received a Study May Proceed Letter from the FDA to conduct a Phase 1b challenge study in the U.S. evaluating CDI-988 as a norovirus preventive and treatment.
- In December 2025, we received Institutional Review Board approval from Emory University School of Medicine, the clinical study site for the Phase 1b trial, and announced that subject screening for the study was underway.

Replication Inhibitors

- We are using our proprietary structure-based drug discovery platform technology to discover replication inhibitors for orally administered therapeutic and prophylactic treatments for SARS-CoV-2. Replication inhibitors hold potential to work with protease inhibitors in a combination therapy regimen.

Results of Operations

Research and Development Expense

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

Total research and development expenses were $5,055,000 for the year ended December 31, 2025, compared with $12,537,000 for the year ended December 31, 2024. The decrease of $7,482,000 was primarily due to the winding down of clinical study costs for our drug candidates, particularly in connection with an initial Phase 2a study for our CC-42344 influenza a product candidate, and reductions in employee related expenses. We expect to incur additional expenses in future periods to pursue a new Phase 2a study for CC-42344 following unexpectedly low infection rates in the initial study as described above under "Risk Factors."

	For the Twelve Months Ended December 31,	
	2025	2024
Influenza Program	$ 1,083	$ 6,861
Norovirus and Coronavirus Programs	2,545	3,245
Other discoveries	388	563
Total External cost	4,016	10,669
Indirect allocations:		
Salaries, Stock based compensation and other employee expenses	974	1,751
Depreciation and other cost	65	117
Total R&D expense	$ 5,055	$ 12,537

General and Administrative Expense

General and administrative expenses include 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 were $3,964,000 for the year ended December 31, 2025, compared with $5,341,000 for the year ended December 31, 2024. This decrease of $1,377,000 was primarily due to reduction of insurance, compensation and other general administrative expenses.

	December 31,2025	December 31, 2024
Salaries and Wages	$ 869	$ 1,791
Professional/outside services	540	810
Legal Consultants	587	588
Rental Expense	697	669
Investor and Public relations	330	414
Business Insurance	241	286
Public Company expenses	195	371
Travel and other Expense	505	412
Total G&A expense	$ 3,964	$ 5,341

Total other Income/Expense

Total other income, net was $188,000 for the year ended December 31, 2025, compared to total other income, net of $374,000 for the year ended December 31, 2024. This decrease of $186,000 was primarily due to a decrease in interest income.

Interest income was $134,000 for the year ended December 31, 2025, compared to interest income of $537,000 for the year ended December 31, 2023. The interest income was primarily earned on cash held in interest bearing bank accounts.

We also had foreign exchange gain (loss) of $54,000 and ($163,000) for the years ended December 31, 2025 and 2024, respectively, related to currency exchange rate measurements with regards to our Australian operations.

Net Loss

As a result of the above factors, net loss for the years ended December 31, 2025 and 2024 was $8,831,000 and $17,504,000, respectively.

Liquidity and Capital Resources

For the year ended December 31, 2025, net cash used in operating activities was $8,192,000, compared to net cash used in operating activities of $16,485,000 for the year ended December 31, 2024. This decrease was primarily related to the prior period expenses of our Influenza A Phase 2a clinical trial and completion of our Norovirus/Coronaviruses Phase 1 clinical trial.

For the year ended December 31, 2025, net cash used in investing activities netted to $12,000, compared to net cash used in investing activities of $8,000 for the year ended December 31, 2024. Investing activities consisted of capital expenditures for lab equipment, software, and networking for our Lab located in Bothell, Washington.

For the year ended December 31, 2025, net cash provided by financing activities was $5,369,000, compared to $0 for the year ended December 31, 2024. Net cash provided by financing activities in 2025 was result of capital raises by the sale of equity.

We expect that our reported cash balance is not be sufficient to support the Company's working capital needs for the 12 months following the filing of this Report, taking into account our intended research and development efforts in 2025. As a result, we need to raise additional capital to support our ongoing and anticipated working capital needs.

Developing pharmaceutical products, including conducting preclinical studies and clinical trials, is capital-intensive. As a rule, research and development expenses increase substantially as a company advances a product candidate toward clinical programs. Historically, we have financed our operations with the proceeds from public and private equity and debt offerings, including additional investments by certain existing stockholders, and entered into strategic partnerships and collaborations for the research, development and commercialization of product candidates.

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. The Company sold 85,076 shares at an average price of $1.88 under the ATM agreement during the three and nine months ended September 30, 2025. As of the date of this Report, the Company has sold a total 1,200,152 shares of its common stock for total net proceeds of approximately $2,380,000 pursuant to the ATM Agreement. On September 12, 2025, the Company and Wainwright agreed to terminate the sales of shares under the ATM Agreement and the Company filed a prospectus supplement with the SEC to that effect. As a result of this, the at-the-market offering under the ATM Agreement is no longer ongoing as of September 12, 2025, and the Company will not make any sales of common stock pursuant to the ATM Agreement unless and until a new prospectus supplement is filed with the SEC; however, the ATM Agreement remains in full force and effect.

On September 12, 2025, the Company, entered into a securities purchase agreement with certain accredited investors, pursuant to which the Company sold to the investors (i) in a registered direct offering, an aggregate of 2,764,710 shares of the Company's common stock, at a price of $1.70 per share (and (ii) in a concurrent private placement, warrants to purchase up to an aggregate of 5,529,420 shares of common stock ("the Investor Warrants"), at an initial exercise price of $1.50 per share. The Investor Warrants are exercisable upon issuance and will expire on September 27, 2027. Wainwright acted as the Company's placement agent in connection with offering. The Company paid Wainwright consideration consisting of (i) a cash fee equal to 7.0% of the aggregate gross proceeds in the offering, (ii) a management fee equal to 1.0% of the aggregate gross proceeds in the offering, (iii) reimbursement of certain expenses and (iv) warrants to acquire up to an aggregate of 207,353 shares of common stock (the "Placement Agent Warrants"). The Placement Agent Warrants are similar to the Investor Warrants, except that the initial exercise price of the Placement Agent Warrants is $2.125 per share. The Company received net proceeds of $4.18 million from the sale of its common shares and warrants in the direct offering.

On October 28, 2025, the Company entered into a securities purchase agreement with four accredited inside the Company investors (under which the investors purchased a total of 743,024 units of the Company's securities. The units were priced at-the-market under the rules of the Nasdaq Stock Market at a purchase price of $1.39 per unit. Each unit consisted of one share of common stock and one warrant to purchase two shares of common stock at an exercise price of $1.24 per share over a 27-month period. The investors did not receive registration rights. The gross proceeds were $1.03 million.

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 stockholders.

Cautionary Note Regarding Forward Looking Statements

This Annual Report includes forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995, including statements regarding our plans for the future development of preclinical and clinical drug candidates, our expectations regarding future characteristics of the product candidates we develop, the expected time of achieving certain value driving milestones in our programs, including, preparation, commencement and advancement of clinical studies for certain product candidates in 2025, our expectations with respect to market opportunities for certain product candidates and our plans regarding further clinical development of such product candidates, our search for collaboration partners, our expectations regarding future operating results, the suitability and adequacy of our properties and capital resources, expectations with respect to our intellectual property rights, and our future liquidity and efforts to raise additional capital.

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, uncertainties and risks that may cause actual results to differ materially from these forward-looking statements include inflation, affordability, a deteriorating labor market, the possibility of recession, increases or other developments with respect to interest rates, uncertainty surrounding the impacts arising from imposed and threatened tariffs and developments with respect thereto, and wars and geopolitical conflicts including those in the Middle East and Ukraine on our Company, our collaboration partners, and on the U.S. and global economies, including manufacturing and research delays arising from raw materials and labor shortages, supply chain disruptions and other business interruptions including any adverse impacts on our ability to obtain raw materials and test animals as well as similar problems with our vendors and our current and any future CROs and CMOs, the progress and results of the studies for CC-42344 and CDI-988 including issues with the initial Phase 2a study for CC-42344 which will prolong the development timeline of such product candidate, the ability of our CROs to recruit volunteers for, and to proceed with, clinical studies, our and our collaboration partners’ technology and software performing as expected, financial difficulties experienced by certain partners, the results of future preclinical and clinical trials, general risks arising from clinical trials, receipt of regulatory approvals, regulatory changes including based on initiatives and actions taken by the Trump Administration which could, among other things, result in delays in regulatory approvals or limit access to federal funding for our programs, development of effective treatments and/or vaccines by competitors, including as part of the programs financed by the U.S. government, and potential mutations in a virus we are targeting which may result in variants that are resistant to a product candidate we develop. Further information on such uncertainties and risks is contained in the “Risk Factors” in Item 1A of this Annual Report. We undertake no obligation to publicly update or revise any forward-looking statements, whether as the result of new information, future events or otherwise. For more information regarding some of the ongoing risks and uncertainties of our business, see “Item 1A – Risk Factors” and our other filings with the SEC.

Critical Accounting Policies and Estimates

Our management’s discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with U.S. Generally Accepted Accounting Principles, or GAAP. The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses. On an ongoing basis, we evaluate these estimates and judgments, including those described below. We base our estimates on our historical experience and on various other assumptions that we believe to be reasonable under the circumstances. These estimates and assumptions form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results and experiences may differ materially from these estimates. While our significant accounting policies are more fully described in the accompanying notes to the consolidated financial statements included in this Annual Report on Form 10-K for the year ended December 31, 2025, we believe that the following accounting policies are the most critical to aid you in fully understanding and evaluating our reported financial results and affect the more significant judgments and estimates that we use in the preparation of our consolidated financial statements.

Stock-Based Compensation

We account for stock options related to our equity incentive plans under the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 718 which requires the recognition of the fair value of stock-based compensation. The fair value of stock options is estimated using a Black-Scholes option valuation model. This model requires the input of subjective assumptions including expected stock price volatility, expected life and estimated forfeitures of each award. The fair value of equity-based awards is amortized over the requisite service period of the award. Due to the limited amount of historical data available to us, particularly with respect to stock-price volatility, employee exercise patterns and forfeitures, actual results could differ from our assumptions.

Recently Issued Accounting Standards

See discussion in Note 2 to the consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 8. Financial Statements

The consolidated financial statements of Cocrystal Pharma, Inc. required by this Item are described in Item 15 of this Annual Report on Form 10-K and are presented beginning on page F-1.

COCRYSTAL PHARMA, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Cocrystal Pharma, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Cocrystal Pharma, Inc. (the "Company") and subsidiaries as of December 31, 2025 and 2024, the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company suffered a net loss from operations and used cash in operations, which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

Critical audit matters are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

We have served as the Company's auditor since 2019.

/s/ Weinberg & Company, P.A
Los Angeles, California
March 31, 2026

COCRYSTAL PHARMA, INC.

CONSOLIDATED BALANCE SHEETS
(Dollars and shares in thousands, except per share data)

	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash	$ 7,025	$ 9,860
Restricted cash	75	75
Tax credit receivable	706	1,215
Prepaid expenses and other current assets	328	430
Total current assets	8,134	11,580
Property and equipment, net	93	153
Deposits	95	29
Operating lease right-of-use assets, net (including $152 and $42 to related party)	1,390	1,694
Total assets	$ 9,712	$ 13,456
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 1,876	$ 2,127
Current maturities of operating lease liabilities (including $49 and $42 to related party)	334	301
Total current liabilities	2,210	2,428
Long-term liabilities:		
Operating lease liabilities (including $104 and $0 to related party)	1,171	1,505
Total long-term liabilities	1,171	1,505
Total liabilities	3,381	3,933
Commitments and contingencies		
Stockholders' equity:		
Common stock $0.001 par value; 100,000 and 150,000 shares authorized as of December 31, 2025 and 2024, respectively; 13,784 and 10,174 shares issued and outstanding as of December 31, 2025 and 2024, respectively	13	10
Additional paid-in capital	348,567	342,931
Accumulated deficit	(342,249)	(333,418)
Total stockholders' equity	6,331	9,523
Total liabilities and stockholders' equity	$ 9,712	$ 13,456

See accompanying notes to consolidated financial statements.

COCRYSTAL PHARMA, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars and shares in thousands, except per share data)

	December 31,	
	2025	2024
Operating expenses:		
Research and development	$ 5,055	$ 12,537
General and administrative	3,964	5,341
Total operating expenses	9,019	17,878
Loss from operations	(9,019)	(17,878)
Other income (expense):		
Interest income, net	134	537
Foreign exchange gain (loss)	54	(163)
Total other income, net	188	374
Net loss	$ (8,831)	$ (17,504)
Net loss per common share, basic and diluted	$ (0.78)	$ (1.72)
Weighted average number of common shares outstanding, basic and diluted	11,290	10,174

See accompanying notes to consolidated financial statements.

COCRYSTAL PHARMA, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)

	Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Equity
Balance as of December 31, 2023	10,174	$ 10	$ 342,288	$ (315,914)	$ 26,384
Stock-based compensation	-	-	643	-	643
Net loss	-	-	-	(17,504)	(17,504)
Balance as of December 31, 2024	10,174	$ 10	$ 342,931	$ (333,418)	$ 9,523
Sale of common stock in ATM, net of transaction costs	85	-	154	-	154
Stock-based compensation	-	-	270	-	270
Share issuance from RSU award	17	-	-	-	-
Sale of common stock and warrants, net of transaction costs	3,508	3	5,212	-	5,215
Net loss	-	-	-	(8,831)	(8,831)
Balance as of December 31, 2025	13,784	$ 13	$ 348,567	$ (342,249)	$ 6,331

See accompanying notes to consolidated financial statements.

COCRYSTAL PHARMA, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	December 31,	
	2025	2024
Cash flows from operating activities:		
Net loss	$ (8,831)	$ (17,504)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	72	126
Right of use assets	304	320
Stock-based compensation	270	643
Change in operating lease liabilities	(301)	(210)
Changes in operating assets and liabilities:		
Tax credit receivable	509	(325)
Prepaid expenses and other current assets	102	1,343
Deposits	(66)	17
Accounts payable and accrued expenses	(251)	(895)
Net cash used in operating activities	(8,192)	(16,485)
Investing activities:		
Purchases of property and equipment	(12)	(8)
Net cash used in investing activities	(12)	(8)
Financing activities:		
Proceeds from the sale of common stock under ATM	154	-
Proceeds from sale of common stock and warrants, net of transaction costs	5,215	-
Net cash provided by financing activities	5,369	-
Net decrease in cash and restricted cash	(2,835)	(16,493)
Cash and restricted cash at beginning of period	9,935	26,428
Cash and restricted cash at end of period	$ 7,100	$ 9,935
Supplemental disclosure:		
Non-cash investing and financing activities		
Initial recognition of right-of-use assets and lease liabilities	$ -	$ 163

See accompanying notes to consolidated financial statements.

1. Organization and Business.

Cocrystal Pharma, Inc. ("we", the "Company" or "Cocrystal"), a biopharmaceutical company, has been developing novel technologies and approaches with the goal of creating viable 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.

In September 2021, the Company opened a wholly owned foreign subsidiary in Australia named Cocrystal Pharma Australia, Ltd ("Cocrystal Australia") with the objective of operating clinical trials in Australia.

Going Concern

The Company's consolidated financial statements have been prepared and presented on a basis assuming it will continue as a going concern. As reflected in the accompanying consolidated financial statements, for the year ended December 31, 2025, the Company recorded a net loss of approximately $8.8 million and used cash in operating activities of $8.2 million, and at December 31, 2025, the Company has an accumulated deficit of $342.2 million. As of December 31, 2025, the Company had an unrestricted cash balance of $7.0 million and working capital of approximately $5.9 million. We believe that our current resources will not be sufficient to fund our operations beyond the next 12 months. This estimate is based, in part, upon our currently projected expenditures. Due to ongoing research and development efforts, we expect to continue to incur net losses and negative cash flows from operating activities for the foreseeable future. These conditions raise substantial doubt about our ability to continue as a going concern within one year from the issuance of these consolidated financial statements.

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 December 31, 2025, the Company has primarily funded its operations through equity offerings.

The Company will need to continue obtaining adequate capital to fund operating losses until it becomes profitable. The Company can give no assurances that the additional capital it is able to raise, if any, will be sufficient to meet its needs, or that any such financing will be obtainable on acceptable terms. Our future cash requirements, and the timing of those requirements, will depend on a number of factors, including economic conditions, the approval and success of our products in development, the continued progress of research and development of our product candidates, the timing and outcome of clinical trials and regulatory approvals, the costs involved in preparing, filing, prosecuting, maintaining, defending, and enforcing patent claims and other intellectual property rights, the status of competitive products, the availability of financing, our success in developing markets for our product candidates and legal proceedings that may arise. We have historically not generated positive cash flow and if we are not able to secure additional funding when needed, we may have to delay, reduce the scope of, or eliminate one or more of our clinical trials or research and development programs. If the Company is unable to obtain adequate capital, it could be forced to substantially curtail its drug development activities or cease operations. The Company expects to continue incurring substantial operating losses and negative cash flows from operations over the next several years during its pre-clinical and clinical development phases.

2. Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), and pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for reporting of annual financial information.

Principles of Consolidation

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

Segments

The Company's Co-Chief Executive Officer and President ("CEO") is our chief operating decision maker ("CODM") and evaluates performance and makes operating decisions about allocating resources based on financial data presented on a consolidated basis. Because our CODM evaluates financial performance on a consolidated basis, the Company has determined that it operates as a single reportable segment composed of the consolidated financial results of Cocrystal Pharma, Inc. The measure of segment assets is reported on the consolidated balance sheets as total assets (see Note 12).

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 most significant estimates in the Company's consolidated financial statements relate to clinical trial costs and accruals and the fair value of stock-based compensation. 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 accounts are held. At December 31, 2025 and 2024, our primary operating account held approximately $7,025,000 and $9,860,000, respectively, and our collateral account balance of $75,000 as of December 31, 2025 and other cash accounts are maintained at different institutions. The Company has not experienced any losses in such accounts and believes it is not exposed to significant risks thereof.

Risks and Uncertainties

The Company's future results of operations involve a number of risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, but are not limited to, rapid technological change, ability to obtain regulatory approvals, competition from currently available treatments and therapies, competition from larger companies, effective protection of proprietary technology, maintenance of strategic relationships, and dependence on key individuals.

Products developed by the Company will require clearances from the U.S. Food and Drug Administration (the "FDA") and other international regulatory agencies prior to commercial sales in their respective markets. The Company's products may not receive the necessary clearances and if they are denied clearance, clearance is delayed, or the Company is unable to maintain clearance, the Company's business could be materially, adversely impacted.

Cash and Restricted Cash

The Company considers all highly liquid investments with an original maturity from the date of purchase of three months or less to be cash equivalents, and the Company held no cash equivalents as of December 31, 2025 and 2024.

The following table provides a reconciliation of cash and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the consolidated statements of cash flows (in thousands):

	December 31, 2025	December 31, 2024
Cash	$ 7,025	$ 9,860
Restricted cash	75	75
Total cash and restricted cash shown in the statements of cash flows	$ 7,100	$ 9,935

Restricted cash represents amounts pledged as collateral for financing arrangements that are currently limited to the issuance of business credit cards. The restriction will end upon the conclusion of these financing arrangements.

Property and Equipment, net

Property and equipment, which consists of lab equipment (including lab equipment under capital lease), computer equipment, and office equipment, is recorded at cost and depreciated over the estimated useful lives of the underlying assets (three to five years) using the straight-line method. Maintenance and repairs are charged directly to expense as incurred.

Leases

The Company accounts for its leases in accordance with ASC 842, *Leases*. The Company determines whether a contract is, or contains, a lease at inception. Operating lease right-of-use ("ROU") assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. ROU assets represent the Company's right to use an underlying asset during the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Generally, the implicit rate of interest in arrangements is not readily determinable and the Company utilizes its incremental borrowing rate in determining the present value of lease payments. The Company's incremental borrowing rate is a hypothetical collateralized borrowing rate based on its understanding of what its credit rating would be.

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 3 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 6 – Warrants. At December 31, 2025 the Company had 7,222,821 warrants outstanding and no warrants outstanding at December 31, 2024.

At December 31, 2025 and 2024, the carrying amounts of financial assets and liabilities, such as cash, other assets, and accounts payable and accrued expenses approximate their fair values due to their short-term nature.

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.

Patent and Licensing Related Legal and Filing Costs

Due to the significant uncertainty associated with the successful development of one or more commercially viable products based on the Company's research efforts and related patent applications, all patent-related legal and filing fees and licensing-related legal fees are charged to operations as incurred. Patent and licensing-related legal and filing costs were $380,000 and $497,000 for the years ended December 31, 2025 and 2024, respectively. Patent and licensing related legal and filing costs are included in general and administrative costs in the Company's consolidated statements of operations.

Research and Development Expenses

Research and development costs consist primarily of fees paid to consultants and outside service providers, and other expenses relating to the acquisition, design, development and testing of the Company's clinical products. All research and development costs are expensed as incurred. Research and development costs are presented net of tax credits.

The Company's Australian subsidiary is entitled to receive government assistance in the form of refundable and non-refundable research and development tax credits from the federal and provincial taxation authorities, based on qualifying expenditures incurred during the fiscal year. The refundable credits are from the provincial taxation authorities and are not dependent on its ongoing tax status or tax position and accordingly are not considered part of income taxes. The Company records refundable tax credits as a reduction of research and development expenses when the Company can reasonably estimate the amounts and it is more likely than not; they will be received. During the year ended December 31, 2025, the Company recorded tax credits receivable of $661,910. The amount remained outstanding at year end and was recorded as a reduction of research and development expense.

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.

Stock-Based Compensation

The Company periodically issues stock-based compensation to officers, directors, and consultants for services rendered. Such issuances vest and expire according to terms established at the issuance date.

Stock-based payments to employees, directors, and for acquiring goods and services from nonemployees, which include grants of employee stock options, are recognized in the financial statements based on their grant date fair values in accordance with ASC 718, Compensation-Stock Compensation. Stock option grants to employees, which are generally time vested, are measured at the grant date fair value and depending on the conditions associated with the vesting of the award, compensation cost is recognized on a straight-line or graded basis over the vesting period. Recognition of compensation expense for non-employees is in the same period and manner as if the Company had paid cash for the services. The fair value of stock options granted is estimated using the Black-Scholes option-pricing model, which uses certain assumptions related to risk-free interest rates, expected volatility, expected life, and future dividends. The assumptions used in the Black-Scholes option pricing model could materially affect compensation expense recorded in future periods.

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 the 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.

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):

	December 31,	
	2025	2024
Outstanding options to purchase common stock	537	550
Warrants to purchase common stock	7,223	-
Unvested restricted stock units	97	164
Total	7,857	714

Recent Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40). ASU 2024-03 amends the FASB Accounting Standards Codification to require specified information about certain costs and expenses in the notes to the financial statements at each interim and annual reporting period, including disclosure of the amounts of purchases of inventory; employee compensation; depreciation; intangible asset amortization; and depreciation, depletion, and amortization included in each relevant expense caption on the face of the income statement within continuing operations that contains any of the expense categories previously listed. Disclosure will also be required of the total amount of selling expenses and an entity's definition of selling expenses in annual reporting periods. ASU 2024-03 does not change or remove current expense disclosure requirements, but does affect where and how this information is presented in the notes to the financial statements. ASU 2024-03 is effective for annual reporting periods beginning January 1, 2027, and interim periods within annual reporting periods beginning January 1, 2028. Early adoption is permitted. The Company is in the process of evaluating ASU 2024-03 to determine its impact on the Company's consolidated financial statement presentation and related disclosures.

Management does not believe that any other recently issued, but not yet effective, authoritative guidance, if currently adopted, would have a material impact on the Company's financial statements, including their presentation and related disclosures.

3. Foreign Currency Remeasurement

The U.S. dollar has been determined to be the functional currency for the net assets of Cocrystal Australia operations. The transactions are recorded in the local currencies and are remeasured at each reporting date using the historical rates for nonmonetary assets and liabilities and current exchange rates for monetary assets and liabilities at the balance sheet date. Exchange gains and losses from the remeasurement of monetary assets and liabilities are recognized in other income (loss). The Company recognized a gain of approximately $54,000 and a loss of approximately $163,000 for the years ended December 31, 2025 and 2024, respectively.

As of December 31, 2025 and 2024, the Company's cash and restricted cash balances consisted of the following (in thousands):

	2025	2024
U.S. Dollars	$ 6,195	$ 9,554
Australian Dollars – in US $	905	381
Cash Balance	$ 7,100	$ 9,935

4. Property and Equipment

Property and equipment as of December 31, consists of the following (table in thousands):

	2025	2024
Lab equipment (excluding equipment under finance leases)	$ 1,777	$ 1,765
Finance lease right-of-use lab equipment obtained in exchange for finance lease liabilities, net	162	162
Computer and office equipment	155	155
Total property and equipment	2,094	2,082
Less accumulated depreciation	(2,001)	(1,929)
Property and equipment, net	$ 93	$ 153

Depreciation expense was $72,000 and $126,000 for the years ended December 31, 2025 and 2024, respectively.

5. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following as of December 31, (table in thousands):

	2025	2024
Accounts payable	$ 890	$ 1,542
Accrued compensation	85	117
Accrued other expenses	901	468
Total accounts payable and accrued expenses	$ 1,876	$ 2,127

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 year-end.

6. Common Stock

On June 27, 2024, the Company, following approval of the Company's stockholders at the 2024 Annual Meeting of Stockholders filed an amendment to its Certificate of Incorporation with the Secretary of State of the State of Delaware (the "Amendment") to decrease the number of shares of authorized capital stock of the Company from 155,000,000 shares of capital stock, consisting of 150,000,000 shares of common stock and 5,000,000 shares of preferred stock, to 101,000,000 shares of capital stock consisting of 100,000,000 shares of common stock and 1,000,000 shares of preferred stock. The Amendment became effective on June 27, 2024.

As of December 31, 2025, the Company has authorized 100,000,000 shares of common stock, $0.001 par value per share. The Company had approximately 13,784,000 and 10,174,000 shares issued and outstanding as of December 31, 2025 and 2024, respectively.

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

At-The-Market Offering

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. The Company sold 85,076 shares of its common stock at an average price of $1.88 under the ATM agreement during the three and nine months ended September 30, 2025. Prior to the termination of the ATM on September 12, 2025, the Company had sold a total 1,200,152 shares of its common stock for total net proceeds of approximately $2,380,000 pursuant to the ATM Agreement. On September 12, 2025, the Company and Wainwright agreed to terminate the sales of shares under the ATM Agreement and filed a prospectus supplement with the SEC to that effect. As a result of this, the at-the-market offering under the ATM Agreement is no longer ongoing as of September 12, 2025, and the Company will not make any sales of common stock pursuant to the ATM Agreement unless and until a new prospectus supplement is filed with the SEC; however, the ATM Agreement remains in full force and effect.

Sale of common stock and warrants

On October 28, 2025, we entered into a securities purchase agreement with four accredited investors under which the investors purchased a total of 743,024 units of the Company's securities. The units were priced at-the-market under the rules of The Nasdaq Stock Market at a purchase price of $1.39 per unit. Each unit consisted of one share of common stock and one warrant to purchase two shares of common stock at an exercise price of $1.24 per share over a 27-month period. The investors did not receive registration rights. The gross proceeds were $1,032,000. The investors were four insiders of the Company.

On September 12, 2025, the Company, entered into a securities purchase agreement with certain accredited investors, pursuant to which the Company sold to the investors (i) in a registered direct offering, an aggregate of 2,764,710 shares of the Company's common stock, at a price of $1.70 per share and (ii) in a concurrent private placement, warrants to purchase up to an aggregate of 5,529,420 shares of common stock ("the Investor Warrants"), at an initial exercise price of $1.50 per share. The Investor Warrants are exercisable upon issuance and will expire on September 27, 2027. Wainwright acted as the Company's placement agent in connection with this offering. The Company paid Wainwright consideration consisting of (i) a cash fee equal to 7.0% of the aggregate gross proceeds in the offering, (ii) a management fee equal to 1.0% of the aggregate gross proceeds in the offering, (iii) reimbursement of certain expenses and (iv) warrants to acquire up to an aggregate of 207,353 shares of common stock (the "Placement Agent Warrants"). The Placement Agent Warrants are similar to the Investor Warrants, except that the initial exercise price of the Placement Agent Warrants is $2.125 per share. The Company received net proceeds of $4,183,000 from the sale of its common shares and warrants in the direct offering.

Warrants

The following is a summary of activity in the number of warrants outstanding to purchase the Company's common stock for the years ended December 31, 2025 and 2024 (table in thousands):

	Shares underlying warrants	Weighted average Exercise price	Aggregate Intrinsic Value
Outstanding, December 31, 2024	-	$ -	-
Exercised	-	-	-
Granted	7,222,821	1.46	-
Expired	-	-	-
Outstanding, December 31, 2025	7,222,821	$ 1.46	-

The Company had approximately 7,222,821 warrants outstanding as of December 31, 2025 and no warrants outstanding as of December 31, 2024.

7. Stock Based Awards

Equity Incentive Plans

The Company adopted an equity incentive plan in 2015 (the "2015 Plan") under which 833,333 shares of common stock have been reserved for issuance to employees, and non-employee 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 416,667 to 833,333 shares. The 2015 Plan expired on June 29, 2025 and no further equity awards will be issued under the 2015 Plan.

On June 25, 2025, our stockholders approved and ratified an Equity Incentive Plan (the "2025 Plan"). The 2025 Plan provides for the grant of incentive stock options, qualified stock options, restricted stock awards, restricted stock units, stock appreciation rights, and performance shares or units and cash awards. Awards may be granted under the 2025 Plan to our employees, directors and independent contractors. the aggregate number of shares of Common Stock which shall be available for grants or payments of Awards under the 2025 Plan during its term shall initially be 1,500,000 (the "Total Plan Shares"). The Total Plan Shares will automatically increase on January 1st of each year, for a period of nine years commencing on January 1, 2026, in an amount equal to 5% of the total number of shares of Common Stock outstanding as of December 31 of the preceding calendar year on a fully diluted basis.

The 2025 Plan also provides that, notwithstanding the annual increase provision, in no event will the increase in Total Plan Shares available under the 2025 Plan pursuant to the increase provision exceed 2,500,000 additional shares (or a total of up to 4,000,000 Total Plan Shares), subject to adjustment as provided under the 2025 Plan.

On April 2, 2025, the Board of Directors of the Company approved and adopted the 2025 Plan, which has an effective date of March 31, 2025. On June 25, 2025, the 2025 Plan was approved by our stockholders at our annual meeting of stockholders.

As of December 31, 2025 there have been no equity awards issued under the 2025 Plan.

Common Stock Reserved for Future Issuance

The following table presents information concerning common stock available for future issuance (in thousands) as of December 31, 2025:

	Shares Available for Grant
Balance at December 31, 2024	27
2015 Plan expiration	(27)
2025 Plan approval	1,500
Balance at December 31, 2025	1,500

Common Stock Reserved for Future Issuance

The following table presents information concerning common stock available for future issuance as of December 31, (in thousands):

	2025	2024
Stock options issued and outstanding	537	550
Restricted stock units issued and outstanding	230	256
Shares authorized for future option grants	1,500	27
Warrants outstanding	7,223	-
Total	9,490	833

Stock Options

The following table summarizes stock option transactions for the 2015 and 2025 Plan, collectively, for year ended December 31, 2025 (in thousands, except per share amounts):

	Total Options Outstanding	Weighted Average Exercise Price	Aggregate Intrinsic Value
Balance at December 31, 2023	558	$ 10.37	$ -
Granted	-	-	-
Cancelled	(8)	-	-
Balance at December 31, 2024	550	$ 10.37	$ -
Exercised	-	-	-
Granted	-	-	-
Cancelled	(13)	-	-
Balance at December 31, 2025	537	$ 8.91	$ -

No options were granted during the years ended December 31, 2025 and 2024.

For options granted and outstanding, there were 537,000 options outstanding which were fully vested or expected to vest, a weighted average exercise price of $8.91 and weighted average remaining contractual term of 6.25 years at December 31, 2025. For vested and exercisable options, outstanding shares totaled 512,000. These options had a weighted average exercise price of $9.23 per share and a weighted-average remaining contractual term of 6.18 years at December 31, 2025.

The aggregate intrinsic value of outstanding and exercisable options at December 31, 2025 was calculated based on the positive difference between the closing price of the Company's common stock as reported on the Nasdaq Capital Market on December 31, 2025 of approximately $0.98 per share. As of December 31, 2025, total outstanding and exercisable options had no intrinsic value.

Restricted Stock Units

On August 12, 2024, the Company's Compensation Committee approved the issuance of 256,000 restricted stock unit ("RSU") awards to non-employee directors, officers, consultants and employees. The aggregate fair value of the restricted stock unit awards granted was estimated to be $451,000 using the market price of the stock on the date of the grant which is expensed using the straight-line method over the vesting period.

	Total Restricted Stock units Outstanding	Weighted Average Fair Value	Aggregate Intrinsic Value
Unvested and expected to vest at December 31, 2024	164	$ 1.76	$ -
Exercised	-	-	-
Forfeited	(9)	-	-
Vested	(58)	-	-
Unvested and expected to vest at December 31, 2025	97	$ 1.76	$ -

The Company accounts for share-based awards to employees and nonemployee 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 twelve months ended December 31, 2025 and 2024, equity-based compensation expense recorded on vested options and RSU was $270,000 and $643,000, respectively. As of December 31, 2025, there was approximately $57,000 of total unrecognized compensation expense related to non-vested stock options that is expected to be recognized over a weighted average period of 0.371 years and as of December 31, 2025, there was approximately $165,000 of total unrecognized compensation expense related to non-vested RSU that is expected to be recognized over a weighted average period of 0.88 years.

8. Collaborations

NIH/NIAID award

On October 27, 2025, the Company issued a press release announcing it has received a $500,000 Small Business Innovation Research ("SBIR") Phase I award from the National Institutes of Health ("NIH") and the National Institute of Allergy and Infectious Diseases (NIAID). The NIH/NIAID Phase I award is designed to assess the scientific, technical and commercial potential of early-stage programs and will support the Company's development of a novel, oral, broad-spectrum antiviral candidate for the treatment of influenza A and B infections.

Phase 1b Clinical Trial

On June 9, 2025 the Company engaged Emory University, a nonprofit research institution of higher education, to conduct a Phase 1b human challenge study evaluating CDI-988 for norovirus prevention and treatment. The cost of the agreement including protocol development, study performance and virology is budgeted at approximately $3 million.

The Company has expensed $564,000 during the 2025 year, which includes $521,000 in accrued expense at December 31, 2025.

Phase 2a Clinical Trial

On August 3, 2022 the Company engaged hVIVO, a subsidiary of London-based Open Orphan plc (AIM: ORPH), a rapidly growing specialist contract research organization ("CRO"), to conduct a Phase 2a clinical trial with the Company's novel, broad-spectrum, orally administered antiviral influenza candidate. The Company prepaid a reservation fee of $1.7 million upon execution of the agreement and the reservation fee been fully expensed as of December 31, 2024, leaving no balance in prepaid and other expenses as of the prior year then ended.

The total cost of the agreement (including the reservation fee) is approximately $6.9 million.

Following an internal review and consultation, the Company is not in agreement with hVIVO Phase 2a clinical trial practices and is in discussions to resolve the matter.

9. Income Taxes

The Company's income (loss) before provision (benefit) for income taxes for years ended December 31, 2025 and 2024, respectively were generated in the following jurisdictions (in thousands):

	Years Ended December 31,	
	2025	**2024**
Domestic	(7,868)	(15,898)
Foreign	(963)	(2,729)
Worldwide income	(8,831)	(18,627)

In accordance with the authoritative guidance for income taxes under ASC 740, a deferred tax asset or liability is determined based on the difference between the financial statement and the tax basis of assets and liabilities as measured by the enacted tax rates, which will be in effect when these differences reverse. The Company provides a valuation allowance against net deferred tax assets unless, based upon the available evidence, it is more likely than not that the deferred tax assets will be realized.

The Company recognizes the impact of a tax position in the consolidated financial statements only if that position is more likely than not of being sustained upon examination by taxing authorities, based on the technical merits of the position. The Company's practice is to recognize interest and/or penalties related to income tax matters as income tax expense.

The Company is subject to taxation and files income tax returns in the United States, Australia and various state jurisdictions. All tax years from inception to date are subject to examination by the U.S. and state tax authorities due to the carry-forward of unutilized net operating losses and research and development credits. Currently, no years are under examination.

As a result of operating loss and tax credit carryforward benefits being offset by valuation allowances, there is no current or deferred federal, state or foreign tax expense in 2025 or 2024. There were no federal, state or foreign tax payments in 2025.

Significant components of the Company's deferred income taxes at December 31, 2025 and 2024 are shown below (table in thousands):

	2025	2024
Deferred tax assets:		
Net operating loss carryforwards	$ 26,325	$ 23,672
Compensation	550	666
Research and development tax credits	3,736	3,543
Capitalized and Research Expenditures	5,992	6,935
Other	674	789
Total deferred tax assets	37,277	35,605
Deferred tax liabilities:		
Property and equipment	(10)	(16)
Other	(303)	(371)
Total deferred tax liabilities	(313)	(387)
Total deferred taxes, net	36,964	35,218
Valuation allowance	(36,964)	(35,218)
Deferred tax liability, net	$ -	$ -

The Company has established a valuation allowance against net deferred tax assets due to the uncertainty that such assets will be realized. The Company periodically evaluates the recoverability of the deferred tax assets. At such time as it is determined that it is more likely than not that deferred tax assets will be realizable, the valuation allowance will be reduced.

At December 31, 2025, the Company has federal and state net operating losses ("NOL") carryforwards of approximately $122.5 million and $9.2 million, respectively. The federal and Florida NOL generated after 2017 of $60.9 million and $9.2 million, respectively, will carryforward indefinitely. The federal NOL carryforwards begin to expire in 2026.

At December 31, 2025, the Company had federal research credit carryforwards of approximately $3.7 million that expire in 2028.

The above NOL carryforward and the research tax credit carryforward are subject to an annual limitation under the Section 382 and 383 of the Internal Revenue Code of 1986, and similar state provisions if the Company experienced one or more ownership changes, which would limit the amount of NOL and tax credit carryforwards that can be utilized to offset future taxable income and tax, respectively. In general, an ownership change, as defined by Section 382 and 383, results from transactions increasing ownership of certain stockholders or public groups in the stock of the corporation by more than 50 percentage points over a three-year period. The Company has not completed an IRC Section 382/382 analysis. If a change in ownership were to have occurred, NOL and tax credits carryforwards could be eliminated or restricted. If eliminated, the related asset would be removed from the deferred tax asset schedule with a corresponding reduction in the valuation allowance.

Upon adoption of ASU 2023-09, Improvements to Income Tax Disclosures, the reconciliation of taxes at the federal statutory rate to our provision for (benefit from) income taxes for the year ended December 31,2025 was as follows (in thousands, except for percentages):

	Year Ended December 31, 2025	
Tax Computed at federal statutory rate	(1,855)	21.0%
State tax, net of federal income tax effect:		0.0%
Foreign tax effects:		
Australia:		
R&D Refund	(204)	2.31%
Nondeductible research expenditures	439	(4.97)%
Other	(33)	(0.37)%
Effects of changes in tax laws or rates enacted in the current period:		0.00%
Effects of cross-border tax laws:		0.00)%
R&D Credits	(193)	2.18%
Change in valuation allowance:	1,679	(19.01)%
Nontaxable or nondeductible items:		
Other	2	(0.02)%
Equity Compensation	165	(1.87)%
Other:		
Other		0.00%
Changes in Unrecognized Tax Benefits:		0.00%

The Company's domestic operations are principally in the states of Washington and Florida.

The reconciliation of taxes at the federal statutory rate to our provision for (benefit from) income taxes for the year December 31, 2024, in accordance with the guidance prior to the adoption of ASU 2023-09 was as follows:

	2024
Statutory federal income tax rate	21.00%
Research credits	1.86%
Change in valuation allowance	(20.14)%
Equity compensation	(0.27)%
Foreign rate differential	1.32%
Other tax, credit and adjustments	(3.78)%
Effective income tax rate	0.00%

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was signed into law, which enacts significant changes to U.S. tax and related laws. Some of the provisions of the new tax law affecting corporations include but are not limited to current deduction of domestic research expenses, increasing the limit of the deduction of interest expense deduction to thirty percent of EBITDA, and one hundred percent bonus depreciation on eligible property acquired after January 19, 2025. The impact of the tax law changes from the OBBBA is included in the Company's financial statements.

In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." ASU 2023-09 requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. ASU 2023-09 is effective for public entities with annual periods beginning after December 15, 2024. The Company adopted ASU 2023-09 on a prospective basis effective January 1, 2025.

10. Lease Commitments

Operating Leases

The Company leases office space in Miami, Florida that expire on September 30, 2027 and two research and development laboratory spaces in Bothell, Washington under operating leases that expire on January 31, 2029 and January 31, 2031, respectively. For operating leases, the weighted average discount rate is 6.4% and the weighted average remaining lease term is 5.2 years.

Operating lease right-of-use ("ROU") assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Generally, the implicit rate of interest in arrangements is not readily determinable and the Company utilizes its incremental borrowing rate in determining the present value of lease payments. The Company's incremental borrowing rate is a hypothetical rate based on its understanding of what its credit rating would be. The operating lease ROU asset includes any lease payments made and excludes lease incentives.

The components of rent expense and supplemental cash flow information related to leases for the period are as follows (tables in thousands):

	Year Ended December 31, 2025	Year Ended December 31, 2024
Lease Cost		
Operating lease cost (included in operating expenses in the Company's consolidated statements of operations)	$ 410	$ 393
Other Information		
Cash paid for amounts included in the measurement of lease liabilities	$ 400	$ 265
Weighted average remaining lease term – operating leases (in years)	4.3	5.2
Average discount rate – operating leases	6.4%	6.4%

The supplemental balance sheet information related to leases for the period is as follows (tables in thousands):

	At December 31, 2025	At December 31, 2024
Operating leases		
Long-term right-of-use assets of which $102 and $152 relates to related party, respectively, net of accumulated amortization of $570 and $266, respectively	$ 1,390	$ 1,694
Short-term operating lease liabilities, of which $56 and $49 relates to related party, respectively	334	301
Long-term operating lease liabilities, of which $47 and $104 relates to related party, respectively	1,171	1,505
Total operating lease liabilities	$ 1,505	$ 1,806

Year ending December 31,	(in thousands)
2026	419
2027	415
2028	376
2029	249
2030 and thereafter	264
Total minimum operating lease payments	$ 1,723
Less: present value discount	(218)
Total operating lease liabilities	$ 1,505

In April 2023, the Company renewed its lease for the unit 100 at the Bothel, Washington facility ("Bothel 100") for an 84-month (7 years) term, starting February 1, 2024, and ending on January 31, 2031. The Company classified the amended lease as an operating lease pursuant to the provisions of ASC 842 and calculated the discounted value of the total lease payments to be approximately $1,224,000 using a discount rate of 6%. This amount was recognized as the lease liability and right-of use asset at the renewal date of the lease. As the renewal occurred in 2023, the Company deemed it appropriate to recognize both the right-of-use asset and lease liability for the extension term in 2023, with no amortization of the asset until the commencement of the extension term in February 2024.

In September 2023, following the renewal of the Bothell 100 facility lease, the Company amended the agreement to expand the premises to include Suite 200 ("Bothell 200 facility"). The lease for the Bothell 200 facility has a 60-month (5-year) term, running from February 1, 2024, through January 31, 2029. The Company classified the lease as an operating lease and calculated the discounted value of the total lease payments to be approximately $571,000, using a 6% discount rate. This amount was recognized as the lease liability and right-of-use asset at the lease commencement date. As the lease for the Bothell 200 facility is tied to an existing lease and was executed in 2023, the Company deemed it appropriate to recognize both the right-of-use asset and lease liability in 2023, with no amortization of the asset until the lease term begins in February 2024.

In August 2024, the Company renewed its lease for the Miami, Florida location for a 36-month term, starting from October 1, 2024, and ending on September 30, 2027, with an optional two-year extension. At the time of renewal, the Company classified the lease as an operating lease pursuant to the provisions of ASC 842 and calculated the discounted value of the total lease payments to be approximately $163,000, using a discount rate of 10.75%, and recognized this amount as the lease liability and right-of-use asset at renewal date.

The lessor of the Miami, Florida lease is a limited liability company controlled by Dr. Phillip Frost, a director and a principal stockholder of the Company. See Note 11.

The minimum lease payments above do not include common area maintenance (CAM) charges, which are contractual obligations under the Company's Bothell, Washington lease, but are not fixed and can fluctuate from year to year. CAM charges for the Bothell, Washington facility is calculated and billed based on total common expenses for the building incurred by the lessor and apportioned to tenants based on square footage. In 2025 and 2024, approximately $169,000 and $174,000 of CAM charges for the Bothell, Washington lease was included in operating expenses in the consolidated statements of operations, respectively.

For the twelve months ended December 31, 2025 and 2024, operating lease expense, including short-term leases, finance leases and CAM charges, totaled approximately $578,000 and $568,000, respectively, of which $63,000 and $62,000, respectively was to a related party.

11. Transactions with Related Parties

On August 14, 2024, the Company entered into a three-year lease extension with a limited liability company controlled by Dr. Phillip Frost, a director and a principal stockholder of the Company. On an annualized basis, straight-line rent expense is approximately $64,000 including fixed and estimable fees and taxes. Upon the extension of the lease, the Company recognized a right-of-use asset of approximately $163,000. The discount rate used to measure the lease assets and liabilities for the extension was 10.75%.

The Company paid a lease deposit of $4,000 on the original agreement and total rent and other expenses paid in connection with this lease were $63,000 and $62,000 for the years ended December 31, 2025 and 2024 respectively.

12. Segment information

The Company operates and manages its business as one reportable and operating segment dedicated to the research and development Company's novel orally administered antiviral influenza candidate. The measure of segment assets is reported on the balance sheet as total consolidated assets. In addition, the Company manages the business activities on a consolidated basis.

The Company's CODM reviews financial information presented on a consolidated basis and decides how to allocate resources based on net income (loss).

Significant segment expenses include research and development, salaries, insurance, and stock-based compensation. Operating expenses include all remaining costs necessary to operate our business, which primarily include external professional services and other administrative expenses. The following table presents the significant segment expenses and other segment items regularly reviewed by our CODM (table in thousands):

	Year ended December 31,	
	2025	2024
Revenue	$ -	$ -
Less:		
Research and development	4,081	10,785
Salaries and personnel costs	1,573	2,900
Insurance	241	286
Stock-based compensation	270	643
Other operating expenses	2,854	3,264
Other income	(188)	(374)
Net loss	$ (8,831)	$ (17,504)

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

Not applicable.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2025. Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Based on this evaluation, management concluded that our disclosure controls and procedures were effective as of December 31, 2025.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended. Our internal control over financial reporting is a process designed 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. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined effective could provide only reasonable assurance with respect to financial statement preparation and presentation.

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2025, based on the framework in the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "2013 Internal Control-Integrated Framework"). Based on our evaluation under the 2013 Internal Control-Integrated Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2025.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting as defined in Rule 13a-15(f) or 15d-15(f) under the Exchange Act that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

On March 23, 2024, the Company's Board approved and adopted an amended Code of Ethics, Insider Trading Policy and Clawback Policy. The amendments to the Code of Ethics were primarily administrative and technical in nature, with the principal exception being the separation of the Insider Trading Policy into a separate, new policy for such purpose. The foregoing description does not purport to be complete and is qualified in its entirety by the full text of each such of policy, copies of which are incorporated by reference as Exhibits 14.1, 19.1 and 97 to this Report.

During the three-month period ended December 31, 2025, no officer or director has adopted any Rule 10b5-1 trading arrangement or any non-Rule 10b5-1 trading arrangement within the meaning of Item 408 of Regulation S-K promulgated under the Securities Act of 1933.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance.

The following is a list of our directors and executive officers.

Name	Age	Position
Sam Lee	66	Co-Chief Executive Officer, President
James Martin	59	Co-Chief Executive Officer, Chief Financial Officer
Roger Kornberg	78	Chairman and Director
Phillip Frost	89	Director
Fred Hassan	80	Director
Richard C. Pfenniger, Jr.	70	Director
Steven Rubin	65	Director

Executive Officer and Director Biographies

Sam Lee, Ph.D., Co-Chief Executive Officer, President

Dr. Lee has served as our President since January 2, 2014 and as our Co-Chief Executive Officer since May 2021. From January 2, 2014 to November 22, 2014, Dr. Lee was a director of Cocrystal. He is a co-founder of Cocrystal Discovery and has been President and a director of Cocrystal Discovery since 2007. He has over 25 years of anti-infective drug discovery research experience. Prior to being a co-founder of Cocrystal, he managed anti-infective, oncology, and inflammation drug discovery projects for eight years at ICOS Corporation. Dr. Lee was responsible for incorporating protein crystallography and structural biology approaches into ICOS research. He received his Ph.D. in Biological Sciences from the University of Notre Dame, and completed postdoctoral training in viral replication biochemistry with Dr. I. R. Lehman at Stanford University. While at Stanford, Dr. Lee founded and was Chief Executive Officer of Viral Assays in Cupertino, CA.

James J. Martin, Co-Chief Executive Officer, Chief Financial Officer

Mr. Martin has served as our Chief Financial Officer since June 1, 2017 and as our Co-Chief Executive Officer since May 2021. Prior to that, from February 23, 2017 through May 30, 2017, Mr. Martin served as our Interim Chief Financial Officer. Mr. Martin has also served as Chief Financial Officer of Non-Invasive Monitoring Systems, Inc. (OTC:NIMU) since January 2011. From November 2020 through December 22, 2021, Mr. Martin served on the board of directors and as chair of the audit committee of Big Cypress Acquisition Corp (Nasdaq: BCYPU), a biotechnology focused special purpose acquisition corporation. From February 2017 to November 2020, Mr. Martin served as Chief Financial Officer of Motus GI Holdings, Inc. (Nasdaq:MOTS), a medical device company. From September 2014 to November 2020, Mr. Martin served as Chief Financial Officer of VBI Vaccines Inc. (formerly SciVac Therapeutics, Inc.) (Nasdaq:VBIV), a pharmaceutical development and manufacturing company. Mr. Martin also served as a director of SAB Biotherapeutics, Inc. from November 2020 to October 22, 2021.

Roger Kornberg, Chairman of the Board of Directors

Dr. Kornberg has been a director of Cocrystal since April 15, 2020. Since 1987, Dr. Kornberg has been a professor of structural biology at Stanford Medical School. Dr. Kornberg is a member of the U.S. National Academy of Sciences and the Winzer Professor of Medicine in the Department of Structural Biology at Stanford University. In 2006, Dr. Kornberg was awarded the Nobel Prize in Chemistry in recognition for his studies of the molecular basis of Eukaryotic Transcription, the process by which DNA is copied to RNA. Dr. Kornberg is also the recipient of several awards, including the 2001 Welch Prize, the highest award granted in the field of chemistry in the United States, and the 2002 Leopold Mayer Prize, the highest award granted in the field of biomedical sciences from the French Academy of Sciences. Dr. Kornberg has served as a member of the Board of Directors of Xenetic Biosciences, Inc. (Nasdaq:XBIO) since February 2016.

Dr. Kornberg's prior experience serving on the boards of directors of large organizations as well as his tremendous scientific background provides him with the appropriate set of skills to serve as a member of our Board.

Phillip Frost, M.D., Director

Dr. Frost has been a director of Cocrystal since January 2, 2014 and formerly a director of Cocrystal Discovery, Inc., our subsidiary, from 2008 to 2014. He has served as CEO and Chairman of OPKO Health, Inc. (Nasdaq:OPK) ("OPKO"), a multi-national pharmaceutical and diagnostics company since March 2007. He has served as a member of the Board of Trustees of the University of Miami since 1983 and was Chairman from 2001 to 2004. He is on the Advisory Board of the Shanghai Institute for Advanced Immunochemical Studies in China and is a Trustee of each of the Miami Jewish Home for the Aged and the Mount Sinai Medical Center. He serves as Chairman of Temple Emanu-El, Governor of Tel Aviv University and is a member of the Executive Committee of The Phillip and Patricia Frost Museum of Science. Dr. Frost served as a director of Ladenburg Thalmann Financial Services Inc. from 2004 to 2006 and as Chairman from July 2006 until September 2018. He previously served as an Expert Member of the Scientific Advisory Council of the Skolkovo Foundation in Russia. Dr. Frost previously served as Vice Chairman of Cogint, Inc., now known as Fluent, Inc. (Nasdaq:FLNT), and as a director for Castle Brands Inc. (NYSE American:ROX). He served as Vice-Chair of TEVA and then Chair from 2006 – 2012 after its purchase of IVAX Pharmaceuticals which Dr. Frost founded and where he served as Chairman and CEO.

Dr. Frost has successfully founded several pharmaceutical companies and overseen the development and commercialization of a multitude of pharmaceutical products. This combined with his experience as a physician and chairman and/or chief executive officer of large pharmaceutical companies has given him insight into virtually every facet of the pharmaceutical business and drug development and commercialization process. He is a demonstrated leader with keen business understanding and is uniquely positioned to help guide our Company.

Fred Hassan, Director

Mr. Hassan has been a director of Cocrystal since April 2023. Mr. Hassan joined Warburg Pincus LLC, a global private equity firm, in 2010 and currently serves as an advisor with the title of Director. Previously, Mr. Hassan served as Chairman and Chief Executive Officer of Schering-Plough from 2003 to 2009. Before assuming these roles, from 2001 to 2003, Mr. Hassan was Chairman and Chief Executive Officer of Pharmacia Corporation, a company formed as a result of the merger of Monsanto Company and Pharmacia & Upjohn, Inc. He joined Pharmacia & Upjohn, Inc. as Chief Executive Officer in 1997. Mr. Hassan previously held leadership positions with Wyeth serving as Executive Vice President, and was a member of the board from 1995 to 1997. Earlier in his career, he spent a significant tenure with Sandoz Pharmaceuticals and headed the company's U.S. pharmaceuticals business. Mr. Hassan has been a director of EyePoint Pharmaceuticals since September 2024, Precigen Inc. (Nasdaq: PGEN) since June 2016, BridgeBio Pharma, Inc. (Nasdaq: BBIO) since August 2021 and was a director of Prometheus Biosciences, Inc. (Nasdaq: RXDX) from May 2021 to June 2023. Mr. Hassan served as a director of Time Warner Inc. from October 2009 to June 2018 and a director of Amgen, Inc. (Nasdaq: AMGN) from July 2015 to May 2021. In the course of his career, he has held numerous other directorships, including those at Avon Products, Inc. from 1999 to 2013, Bausch & Lomb from 2010 until its acquisition by Valeant Pharmaceuticals International, Inc. (NYSE: VRX) ("Valeant") in 2013, and Valeant from 2013 to 2014. Mr. Hassan has chaired notable pharmaceutical industry organizations including The Pharmaceutical Research and Manufacturers of America (PhRMA) and The International Federation of Pharmaceutical Manufacturers Associations (IFPMA). Mr. Hassan received a B.S. degree in chemical engineering from the Imperial College of Science and Technology at the University of London and an M.B.A. from Harvard Business School.

Mr. Hassan's qualifications to serve on our Board include his strong leadership and management experience with global pharmaceutical companies, including significant knowledge of strategy, operations, government relations, regulatory, finance and investments, and mergers and acquisitions, as well as his experience as a director on companies in our industry and larger companies.

Richard C. Pfenniger, Jr., Director

Mr. Pfenniger has been a director of Cocrystal since May 27, 2021. Mr. Pfenniger is a private investor. During his career, Mr. Pfenniger has served as an executive officer of several companies, including as Chief Executive Officer and President of Continucare Corporation, a provider of primary care physician and practice management services, form 2003 until 2011, where he also served as Chairman of the Board of Directors of Continucare Corporation from 2002 to 2011. Previously, Mr. Pfenniger served as the Chief Executive Officer and Vice Chairman of Whitman Education Group, Inc. from 1997 through June 2003. Prior to joining Whitman, he served as the Chief Operating Officer of IVAX from 1994 to 1997, and, from 1989 to 1994, he served as the Senior Vice President-Legal Affairs and General Counsel of IVAX Corporation. Prior thereto he was engaged in the private practice of law. Mr. Pfenniger has been a director of OPKO Health, Inc. since January 2008, a multi-national pharmaceutical and diagnostics company. Since April 2022, Mr. Pfenniger has served as a director of GeneDX Holdings Corp. (Nasdaq:WGS), a medical diagnostics company. Since October 2022, Mr. Pfenniger has served as a director of Fluent, Inc. (Nasdaq: FLNT), a data driven marketing performance company. Mr. Pfenniger served as a director of GP Strategies Corp (NYSE:GPX) from 2005 to 2021, as a director of BioCardia, Inc. (Nasdaq:BCDA) from 2016 to January 2020, and as a director of Asensus Surgical, Inc. (NYSE American:ASXC), a medical device company, from 2005 to 2024.

Mr. Pfenniger also serves as the Vice Chairman of the Board of Trustees and as a member of the Executive Committee of the Phillip and Patricia Frost Museum of Science.

Mr. Pfenniger's prior experience serving on the boards of directors as well as his legal experience and knowledge of our business and the pharmaceutical industry provides him with the appropriate set of skills to serve as a member of our Board.

Steven D. Rubin, Director

Mr. Rubin has been a director of Cocrystal since January 2, 2014 and a director of Cocrystal Discovery since 2008. Mr. Rubin has served as Executive Vice President – Administration of OPKO Health, Inc. (Nasdaq:OPK) since May 2007 and as a director of the OPKO since February 2007. Mr. Rubin currently serves on the board of directors of Red Violet, Inc. (Nasdaq:RDVT), a software and services company, Eloxx Pharmaceuticals, Inc. (OTC :ELOX), a clinical stage biopharmaceutical company engaged in the science of ribosome modulation, and ChromaDex Corp. (Nasdaq:CDXC), a science-based, integrated nutraceutical company devoted to improving the way people age. Mr. Rubin previously served as a director of Neovasc, Inc. (NASDAQ:NVCN), a company that developed and marketed medical specialty vascular devices, and Non-Invasive Monitoring Systems, Inc. (OTC :NIMU), a medical device company.

Mr. Rubin's qualifications to serve on our Board include extensive leadership, business, and legal experience, as well as tremendous knowledge of our business and the pharmaceutical industry generally. He has advised pharmaceutical companies in several aspects of business, regulatory, transactional, and legal affairs for almost 30 years. His experience as a practicing lawyer, general counsel, and board member to multiple public companies, including several pharmaceutical and life sciences companies, has given him broad understanding and expertise, particularly relating to strategic planning and acquisitions.

Family Relationships

There are no family relationships among our directors and executive officers.

Director Independence

Our Board, exercising its reasonable business judgment, has determined that each of Cocrystal's directors qualifies as an independent director pursuant to Rule 5605(a)(2) of The Nasdaq Stock Market LLC ("Nasdaq") listing rules (the "Nasdaq Rules") and applicable SEC rules and regulations.

Stockholder Nomination Procedures

Since the Company's last proxy statement, there have been no material changes to the procedures by which stockholders may recommend nominees to our Board of Directors.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires our directors, executive officers, and persons who own more than 10% of our common stock to file initial reports of ownership and changes in ownership of our common stock and other equity securities with the SEC. These individuals are required by the regulations of the SEC to furnish us with copies of all Section 16(a) forms they file. Based solely on a review of the copies of the forms furnished to us, and written representations from reporting persons that no Forms 5 were required to report delinquent filings, we believe that all filing requirements applicable to our officers, directors and 10% beneficial owners were complied with during 2025.

Audit Committee

The Company has a standing Audit Committee consisting of three directors: Phillip Frost, Steven Rubin and Fred Hassan. The Audit Committee's primary role is to review our accounting policies and financial reporting and disclosure processes and any issues which may arise in the course of the audit of our financial statements. The Audit Committee selects our independent registered public accounting firm, approves all audit and non-audit services, and reviews the independence of our independent registered public accounting firm, and reviews the Company's annual and quarterly financial statements and related disclosure with our independent registered public accounting firm and management. The Audit Committee also reviews the audit and non-audit fees of the auditors. Our Audit Committee is also responsible for certain corporate governance and legal compliance matters including internal and disclosure controls and compliance with the Sarbanes-Oxley Act of 2002.

In addition, pursuant to its charter, the Audit Committee annually (i) reviews the Company's financial reporting practices, critical accounting policies, and estimates; (ii) reviews significant financial risks and exposures and assesses the steps management has taken to monitor such risks and exposures; (iii) reviews issues regarding the Company's accounting principles, including any significant changes in the Company's selection or application of accounting principles, and the Company's financial statement presentation; (iv) reviews issues as to the adequacy of the Company's internal controls and compliance with applicable laws and regulations; and (v) reviews management's attitude toward, and effectiveness in establishing, internal controls, and the efficiency of the process used to establish, monitor, and evaluate internal control systems.

Our Board has determined that each member of the Audit Committee meets the enhanced independence requirements to audit committee members under Rule 5605(c)(2) of Nasdaq Rules and under Rule 10A-3 under the Exchange Act. The Board has also determined that Steven Rubin is qualified as an Audit Committee Financial Expert, as that term is defined by Item 407(d)(5)(ii) of Regulation S-K and in compliance with the Sarbanes-Oxley Act of 2002.

Compensation Committee

The function of the Compensation Committee is to determine the compensation of our executive officers. The Compensation Committee has the power to set performance targets for determining periodic bonuses payable to executive officers and may review and make recommendations with respect to stockholder proposals related to compensation matters. Additionally, the Compensation Committee is responsible for administering our equity compensation plans including the Cocrystal Pharma, Inc. 2025 Equity Incentive Plan.

The Compensation Committee may delegate any or all of its duties or responsibilities to a subcommittee, to the extent consistent with the Company's Certificate of Incorporation, Bylaws, applicable laws and the Nasdaq Rules.

The Board has determined that each member of the Compensation Committee meets the independence requirements under Rule 5605(a) of Nasdaq Rules and Rule 10C-1 under the Exchange Act. The Compensation Committee is comprised of two members.

Corporate Governance and Nominating Committee

The responsibilities of the Corporate Governance and Nominating Committee include the identification of individuals qualified to become Board members, the selection of nominees to stand for election as directors, the oversight of the selection and composition of committees of the Board, the establishment of procedures for the nomination process including procedures and the oversight of the evaluations of the Board and management.

Under its charter, the Corporate Governance and Nominating Committee also monitors and enforces the Company's related party transaction policy as set forth in the Bylaws, and conducts an annual review of any known relationships between or among all entities which file reports with the SEC that are affiliated with any Company officer or director to determine if there are any coordinated groups that are required to be reported as such in filings with the SEC.

The Board has determined that each member of the Corporate Governance and Nominating Committee meets the independence requirements under Rule 5605(a)(2) of Nasdaq Rules. The Corporate Governance and Nominating Committee is comprised of three members.

The Corporate Governance and Nominating Committee evaluates the suitability of potential candidates recommended by stockholders in the same manner as other candidates recommended to the Corporate Governance and Nominating Committee. If we receive any stockholder recommended nominations, the Corporate Governance and Nominating Committee will carefully review the recommendation(s) and consider such recommendation(s) in good faith. Stockholders who wish to recommend candidates for election to the Board must do so in writing. The recommendation should be sent to the Secretary of Cocrystal Pharma, Inc., at 4400 Biscayne Boulevard, Miami, FL 33137, and must be in accordance with our Bylaws with respect to nomination of persons for election to the Board.

Code of Ethics

Our Board has adopted a Code of Ethics that applies to all of our employees, including our Co-Chief Executive Officers, as well as our Board. The Code of Ethics provides written standards that we believe are reasonably designed to deter wrongdoing and promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, full, fair, accurate, timely and understandable disclosure and compliance with laws, rules and regulations, including insider trading, corporate opportunities and whistle-blowing or the prompt reporting of illegal or unethical behavior. A copy of our Code of Ethics is available through the "Investors" section on our website, which can be found at www.cocrystalpharma.com, and is also filed as Exhibit 14.1 of this Report. The information on, or that can be accessed through, our website is not incorporated herein. In addition, we will provide a copy of the Code of Ethics to any person without charge, upon request. The request for a copy can be made in writing by contacting our Corporate Secretary jmartin@cocrystalpharma.com.

Insider Trading Policy

The Company has implemented an Insider Trading Policy applicable to its officers and directors and employees with access to material nonpublic information, as well as such persons' family members, which generally prohibits such persons from conducting transactions involving the purchase or sale of the Company's securities during a blackout period. For this purpose, the term "blackout period" is defined in the Policy as a quarterly period beginning on the 10th calendar day of the last month of each fiscal quarter, and ending one day following the date of public disclosure of the financial results for such fiscal quarter. In addition, under the Policy the Company may adjust the duration of a particular blackout period, or impose "event specific" blackout periods, including when there are nonpublic developments that would be considered material for insider trading law purposes. The Policy also strictly prohibits and trading on material nonpublic information, regardless of whether such a transaction occurs during a blackout period.

While the granting of options and other equity awards to officers, directors and other employees is not expressly addressed in the Insider Trading Policy described above, the Company follows the same principles set forth in such Policy when granting equity awards, including options, to its officers, directors and other employees with access to material nonpublic information. Generally, the Board or Compensation Committee does not approve grants of such awards during a blackout period, and does not take material nonpublic information into account when determining the timing and terms of such an award. Further, the Company does not have a policy or practice of timing the disclosure of material nonpublic information for the purpose of affecting the value of executive compensation.

Anti-Hedging Policy

Under the Company's Insider Trading Policy, all officers, directors and certain identified employees are prohibited from engaging in hedging transactions.

Clawback Policy

The Company has implemented a clawback policy in accordance with the rules of The Nasdaq Stock Market, LLC, to recoup "excess" incentive compensation, if any, earned by current and former executive officers during a three year look back period in the event of a financial restatement due to material noncompliance with any financial reporting requirement under the securities laws (with no fault required).

Item 11. Executive Compensation.

The following information is related to the compensation paid to, earned by or accrued with respect to (i) each Co-Chief Executive Officer (principal executive officer) during the fiscal year ended December 31, 2025, (ii) the two most highly compensated executive officers other than the Co-Chief Executive Officers whose total compensation exceeded $100,000, and (iii) up to two additional individuals who would qualify under (ii) above but for the fact that such individuals were not serving as executive officers of the Company as of December 31, 2025. We refer to these persons as the "Named Executive Officers."

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	Non-equity incentive plan compensation ($)	Non-qualified deferred compensation earnings ($)	All other compensation ($)	Total ($)
James Martin	2025	265,000							265,000
Co-Chief Executive Officer and Chief Financial Officer	2024	410,459	200,000	70,400					680,859
Sam Lee	2025	248,672							248,672
Co-Chief Executive Officer and President	2024	410,459	200,000	70,400					680,859

(1) Represents cash bonuses paid or accrued during the fiscal year covered.

(2) Represents RSUs. Reflects the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. The assumptions used in calculating the amounts are discussed in Note 7 of the Company's audited financial statements for the year ended December 31, 2025, included in this Report.

(3) Represents options to purchase common stock. Reflects the aggregate grant date fair value computed in accordance with FASB ASC Topic 718. The assumptions used in calculating the amounts are discussed in Note 7 of the Company's audited financial statements for the year ended December 31, 2025, included in this Report.

Named Executive Officers' Employment Agreements

James Martin. The Company entered into a letter agreement with Mr. Martin effective June 1, 2017. Following a base salary increase in June 1, 2024, Mr. Martin received an annual base salary of $416,000, which is subject to annual review. Effective January 1, 2025, his base annual salary was reduced to $250,000. In addition to the base salary, Mr. Martin is eligible to receive a discretionary bonus, to the extent approved by the Board.

Sam Lee. The Company has entered into an employment agreement with Sam Lee, the Company's President effective January 2, 2014. Pursuant to the terms of his employment agreement, Dr. Lee's employment is on an at-will basis and may be terminated by either party. Dr. Lee received an annual base salary of $416,000, following a base salary increase in June 1, 2024. Effective January 1, 2025, his base annual salary was reduced to $250,000. In addition to the base salary, Mr. Lee is eligible to receive a discretionary bonus, to the extent approved by the Board.

Termination Provisions

Pursuant to Dr. Lee's Employment Agreement, as amended, in the event he terminates his employment for Good Reason, or the Company terminates his employment without Cause, he will be entitled, subject to execution and effectiveness of a general release, to receive (i) six months of his then annual base salary, (ii) continued COBRA coverage until the earlier of 12 months, the availability of replacement coverage from another employer, and the date on which such continued coverage is no longer available to him for any reason, and (iii) a lump sum payment of a prorated portion of his performance bonus for the year in which his employment was terminated. Further, if Dr. Lee terminates his employment for Good Reason, or the Company terminates his employment without Cause, within 24 months of a Change of Control (as defined in the 2015 Plan), he will receive 18 months of his annual base salary and COBRA coverage rather than the timeframes provided under (i) and (ii) above, and a full year's target bonus rather than a prorated target bonus under (iii) above.

Pursuant to Dr. Lee's Employment Agreement, Good Reason is defined as: (i) any material reduction by the Company of his salary or target bonus, (ii) any material diminution in his duties, title, responsibilities or authority; (iii) a requirement that he report to a corporate officer or employee instead of reporting directly to the Board (other than following a Change of Control); (iv) any material breach of his Employment Agreement; (v) a requirement that he relocate to a principal place of employment more than 40 miles from a specified address in Santa Barbara, California; or (vi) the Company's removal or failure to appoint Dr. Lee as a member of the Board (other than following a Change of Control).

Cause is defined as any of the following by Dr. Lee: (i) commission of an act of fraud, embezzlement or theft against the Company; (ii) conviction of, or a plea of no contest to, a felony; (iii) willful non-performance of his material duties as an employee of the Company without cure; (iv) material breach of his Employment Agreement or any other material agreement between Dr. Lee and the Company without cure; or (v) gross negligence, willful misconduct or any other act of willful disregard for the Company's best interests without cure.

Outstanding Equity Awards at Fiscal Year-End

Listed below is information with respect to unvested stock awards and unexercisable and unexercised options for each Named Executive Officer outstanding as of December 31, 2025:

Outstanding Equity Awards At Fiscal Year-End

Name	Number of shares or units of stock that have not vested(#)	Market value of shares or units of stock that have not vested ($)	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price($)	Option Expiration Date
James Martin			12,500	-	33.36	9/20/2028
			12,500	-	15.96	6/22/2030
			20,834	-	13.32	7/16/2031
			25,001	-	5.04	7/25/2032
			26,250	3,750(1)	2.67	7/18/2033
	15,000(2)	$ 14,685(3)				
Sam Lee			8,334	-	33.36	9/20/2028
			8,334	-	15.96	6/22/2030
			4,167	-	15.60	11/24/2030
			20,834	-	13.32	7/16/2031
			25,001	-	5.04	7/25/2032
			26,250	3,750(1)	2.67	7/18/2033
	15,000(2)	$ 14,685(3)				

(1) Represents 10-year incentive stock options vesting as follows: one-half vested on July 18, 2024 and the remainder will vest in eight equal quarterly increments with the first such quarterly increment vesting on September 30, 2024, subject to continued employment on each applicable vesting date.

(2) Represents RSUs vesting in eight equal quarterly increments with the first such quarterly increment vesting on September 30, 2025, subject to continued employment on each applicable vesting date.

(3) Represents the market value of the RSUs referred to above, calculated based on $0.97, the closing price of the Company's common stock as of December 31, 2025.

DIRECTOR COMPENSATION

Compensation of Directors

In the year ended December 31, 2025, non-employee directors were compensated for as follows:

Name*	Fees Earned or Paid in Cash ($)1)	Stock Awards ($)(2)	All Other Compensation ($)	Total ($)
Phillip Frost	-	-	-	-
Fred Hassan	-	-		-
Anthony Japour*	-	-	-	-
Roger Kornberg	-	-	100,000(3)	100,000
Steven Rubin	-	-	-	-
Richard C. Pfenniger, Jr.	-	-	-	-

*Former director.

(1) Represents cash fees paid, accrued or earned for serving as directors and in Board committee roles.

(2) Represents RSUs. Amounts reported represent the aggregate grant date fair value of awards granted without regard to forfeitures granted to the independent directors during 2025, computed in accordance with ASC 718. This amount does not reflect the actual economic value realized by the directors.

(3) Represents $100,000 compensation paid to Dr. Kornberg for serving as chairman of the Company's Scientific Advisory Board.

The table below sets forth the unvested RSUs and unexercised stock options held by each of our non-employee directors outstanding as of December 31, 2025.

Name	Aggregate Number of Unvested Stock Awards Outstanding at December 31, 2025	Aggregate Number of Unexercised Option Awards Outstanding at December 31, 2025
Phillip Frost	10,163	1,694
Fred Hassan	3,026	5,041
Anthony Japour*	5,597	9,327
Roger Kornberg	10,541	17,568
Steven Rubin	7,109	11,848
Richard C. Pfenniger, Jr.	3,026	5,041

*Former director.

Subsequent Compensation

On January 9, 2026, the Compensation Committee approved the grant of non-qualified stock options to the Company's directors, executive officers and a certain consultant. The non-qualified stock options are granted under the Company's 2025 Equity Incentive Plan, shall have a term of 10 years, and are exercisable at the closing price of January 8, 2026. The non-qualified stock options shall vest as follows: one-half shall vest and become exercisable on January 9, 2027 and the remaining half shall vest and become exercisable in eight equal quarterly installments commencing on March 31, 2027, subject to the applicable recipient continuing to serve as an officer, director or consultant of the Company, as applicable, on each applicable vesting date.

Name	For Board Service	Stock Options Granted	Stock Options Granted to Chairman and Lead Director	Total Stock Options Granted
Dr. Roger Kornberg	16,410	-	8,205	24,615
Dr. Philip Frost	16,410	-	8,205	24,615
Steve Rubin	16,410	-	-	16,410
Fred Hassan	16,410	-	-	16,410
Richard Pfenniger	16,410	-	-	16,410
James Martin	-	49,229	-	49,229
Sam Lee	-	49,229	-	49,229
Consultant	-	40,000	-	40,000

The Committee also approved a $50,000 cash award paid to Dr. Roger Kornberg for serving as chairman of the Company's Scientific Advisory Board.

Compensation Policies and Practices as Related to Risk Management

The Compensation Committee and management do not believe that the Company maintains compensation policies or practices that are reasonably likely to have a material adverse effect on the Company. Our employees' base salaries are fixed in amount and thus we do not believe that they encourage excessive risk-taking. Our Compensation Committee has in the past granted and may in the future grant in its sole discretion equity awards to employees.

The principal risks other than liquidity relate to the results of our research and development activities. Our Co-Chief Executive Officer, Dr. Sam Lee, is actively involved in monitoring our research and development activities and our clinical trial program.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the number of shares of our common stock beneficially owned as of March 24, 2026 by (i) those persons known by us to be owners of more than 5% of our common stock, (ii) each director and director nominee, (iii) each of our Named Executive Officers and (iv) all current executive officers and directors of Cocrystal as a group. Unless otherwise specified in the notes to this table, the address for each person is: c/o Cocrystal Pharma, Inc., 19805 North Creek Parkway, Bothell, WA.

Beneficial Owner	Amount of Common Stock Beneficially Owned and Nature of Beneficial Owner (1)	Percent of Class (1)
Directors and Named Executive Officers:		
James Martin (2)	137,824	1.0%
Sam Lee (3)	158,651	1.1%
Phillip Frost (4)	2,698,511	18.5%
Fred Hassan (5)	2,106,788	14.5%
Roger Kornberg (6)	127,401	*
Richard Pfenniger 78)	86,587	*
Steven Rubin (8)	64,310	*
All directors and executive officers as a group (8 persons) (9):	5,426,214	39.4%
5% Holders:		
Frost Gamma Investments Trust (10)	2,627,977	18.1%

* Less than 1%.

(1) Applicable percentages are based on 13,785,759 shares of common stock outstanding as of March 24, 2026. Beneficial ownership is determined under the rules of the SEC and generally includes voting or investment power with respect to securities. Shares of common stock underlying options, warrants, and preferred stock currently exercisable or convertible within 60 days are deemed outstanding for the purpose of computing the percentage of the person holding such securities but are not deemed outstanding for computing the percentage of any other person. The table includes shares of common stock, options, and warrants exercisable or convertible into common stock and vested or vesting within 60 days. Unless otherwise indicated in the footnotes to this table, we believe that each of the stockholders named in the table has sole voting and investment power with respect to the shares of common stock indicated as beneficially owned by them.

(2) Mr. Martin is a Named Executive Officer. Includes (i) 98,961 vested stock options, (ii) 27,500 shares underlying vested RSUs and (iii) warrants to acquire 7,196 shares of common stock. Address is 4400 Biscayne Boulevard, Miami, FL 33137.

(3) Dr. Lee is a Named Executive Officer. Includes (i) 94,796 vested stock options and (ii) 27,500 shares underlying vested RSUs.

(4) Dr. Frost is a director. Includes (i) 1,908,551 shares of common stock held by Frost Gamma Investments Trust, (ii) 50,209 vested stock options, (iii) 1,694 shares underlying RSUs which vest on March 31, 2026 and (iv) warrants to acquire 719,426 shares of common stock held by Frost Gamma Investments Trust. Dr. Frost is the trustee of Frost Gamma Investments Trust. Frost Gamma L.P. is the sole and exclusive beneficiary of Frost Gamma Investments Trust. Dr. Frost is one of two limited partners of Frost Gamma L.P. The general partner of Frost Gamma L.P. is Frost Gamma, Inc., and the sole stockholder of Frost Gamma, Inc. is Frost-Nevada Corporation. Dr. Frost is the sole stockholder of Frost-Nevada Corporation. Does not include securities held by OPKO, a corporation of which Dr. Frost is the Chief Executive Officer and Chairman, concerning the securities of which Dr. Frost does not hold voting and investment control. Dr. Frost disclaims beneficial ownership of the securities held by Frost Gamma Investments Trust and OPKO except to the extent of any pecuniary interest therein. Address is 4400 Biscayne Boulevard, Miami, FL 33137. Information is based on a Schedule 13D filed by Dr. Frost and Frost Gamma Investments Trust on October 28, 2025.

(5) Mr. Hassan is a director. Includes (i) 6,874 vested stock options, (ii) 5,546 shares underlying vested RSUs and (iii) warrants to acquire 719,426 shares of common stock. Address is 4400 Biscayne Boulevard, Miami, FL 33137.

(6) Dr. Kornberg is a director. Includes (i) 39,769 shares of common stock held by a trust of which Dr. Kornberg is the trustee, (ii) 68,308 vested stock options and (iii) 19,324 shares underlying vested RSUs.

(7) Mr. Pfenniger is a director. Includes (i)17,708 vested stock options, (ii) 5,546 shares underlying vested RSUs and (iii) warrants to acquire 40,000 shares of common stock. Address is 4400 Biscayne Boulevard, Miami, FL 33137.

(8) Mr. Rubin is a director. Includes (i) 49,323 vested stock options and (ii) 13,302 shares underlying vested RSUs. Address is 4400 Biscayne Boulevard, Miami, FL 33137.

(9) Directors and Executive Officers as a group. This amount includes ownership by all directors and all current executive officers including Named Executive Officers and those who are not Named Executive Officers under the SEC's disclosure rules.

(10) Includes warrants to acquire 719,426 shares of common stock. Dr. Phillip Frost, a director of the Company, is a control person of this trust. See footnote (4).

Equity Compensation Plan Information

The following chart reflects the number of securities granted under equity compensation plans approved and not approved by stockholders and the weighted average exercise price for such plans as of December 31, 2025.

Name Of Plan	Number of securities to be issued upon exercise of outstanding options and stock awards (1)	Weighted average exercise price of outstanding options and stock awards ($)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (1)
Equity compensation plans approved by security holders	806,654	10.57	26,679
Equity compensation plans not approved by security holders	-	-	-
Total	806,654		26,679

Item 13. Certain Relationships and Related Transactions and Director Independence.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than as disclosed below and the compensation arrangements described in this Amendment under "Executive Compensation," there have been no transactions since January 1, 2023, involving the Company, in which the amount exceeded $120,000, and in which any of our directors, executive officers, beneficial owners of 5% or more of our common stock or certain other related persons had a direct or indirect material interest, and there are no such currently proposed transactions.

On August 14, 2024, the Company entered into a three-year lease extension with a limited liability company controlled by Dr. Phillip Frost, a director and a principal stockholder of the Company. The Company paid a lease deposit of $4,000 on the original agreement and total rent and other expenses paid in connection with this lease were $62,000 and $63,000 for the years ended December 31, 2025 and 2024, respectively.

On April 4, 2023, the Company entered into a Securities Purchase Agreement with two accredited investors including Frost Gamma Investments Trust, a trust in which Phillip Frost, M.D., a director of the Company, is the trustee whereby each purchaser purchased 1,015,229 shares of common stock at a price of $1.97 per share, or two equal $2,000,000 investments. The second purchaser was Fred Hassan, who several weeks later was appointed a director of the Company. The purchase price complied with the Nasdaq Listing Rule 5635.

Related Party Transaction Policy

Our Bylaws provide for policies and procedures for the review, approval, or ratification of transactions with related parties. These Bylaw provisions include:

(i) a requirement that all directors and executive officers submit to the Board an up-to-date list of companies in which they are a director, an officer, and/or of which they own a controlling interest, and promptly update the list when any changes occur;

(ii) the implementation by the Chief Financial Officer of procedures to ensure that any material transaction that the Company is contemplating that would confer a monetary or other benefit to a party that is related to the Company or its officers will promptly be disclosed to the Board, with materiality and a party's status as related to the Company or its officers determined based on Item 404(a) of Regulation S-K under the Exchange Act; and

(iii) a requirement that a majority of the Board approve or ratify any related-party transaction, and that timely disclosures in appropriate filings with the SEC are made of all material related party transactions.

The Bylaws provide that in making their determination, the directors shall consider the business purpose of any proposed related-party transaction, whether the proposed transaction is on terms no less favorable than terms generally available to unaffiliated third parties under the same or similar circumstances, and whether the proposed transaction presents an improper conflict of interest for any officer or director of the Company, whether or not that officer or director is involved in the transaction. The Board may approve or ratify such transactions if it determines, after review, that they are fair to the Company and not inconsistent with the best interests of the Company and its stockholders. Any director who is interested in such a related-party transaction will be recused from any consideration of such related party transaction.

In addition, the charter of the Corporate Governance and Nominating Committee provides that the Committee will coordinate with the Chief Financial Officer to monitor and enforce the Company's related party transaction policy, and report its findings to the Board.

Director Independence

See "Directors, Executive Officers and Corporate Governance – Director Independence" for disclosure regarding director independence.

Item 14. Principal Accountant Fees and Services.

Audit Committee's Pre-Approval Policies and Procedures

Our Audit Committee reviews and approves audit and permissible non-audit services performed by our independent registered public accounting firm (the "Principal Accountant"), as well as the fees charged for such services. In its review of non-audit service and its appointment of our independent registered public accounting firm, the Audit Committee considers and considered whether the provision of such services was compatible with maintaining independence. All of the services provided and fees charged by our Principal Accountant in 2024 and 2024 were approved by the Audit Committee in accordance with its pre-approval policy.

Principal Accountant Fees and Services

The following table shows the fees billed by our Principal Accountant for the years ended December 31, 2025 and 2024.

	2025 ($)	2024 ($)
Audit Fees (1)	128,000	126,000
Audit-Related Fees (2)	-	-
Total	128,000	126,000

(1) Audit Fees relate to the audits of our annual financial statements and the review of our interim quarterly financial statements.

(2) Audit-Related fees relate to the assessment of our internal controls.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(1) Financial Statements: See Part II, Item 8 of this report.
(2) Exhibits: See Index to Exhibits below.

EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed or Furnished Herewith
		Form	Date	Number	
1.1	At-The-Market Offering Agreement, dated July 1, 2020, by and between the Company and H.C. Wainwright & Co., LLC	8-K	7/2/20	1.1	
1.2	Underwriting Agreement, dated as of May 4, 2021 by and between Cocrystal Pharma, Inc. and H.C. Wainwright & Co., LLC**	8-K	5/5/21	1.1	
3.1	Certificate of Incorporation, as amended	10-Q	8/16/21	3.1	
3.1(a)	Certificate of Amendment to Certificate of Incorporation – reverse stock split	8-K	10/3/22	3.1	
3.1(b)	Certificate of Amendment to Certificate of Incorporation – reduce number of authorized shares	8-K	6/28/24	3.1	
3.2	Amended and Restated Bylaws	8-K	2/19/21	3.1	
3.2(a)	Amendment No. 1 to Amended and Restated Bylaws	8-K	6/18/25	3.1	
4.1	Description of Capital Stock	10-K	3/27/20	4.1	
4.2	Form of Investor Warrant	8-K	9/15/25	4.1	
4.3	Form of Placement Agent Warrant	8-K	9/15/25	4.2	
10.1	2025 Equity Incentive Plan*	8-K	4/8/25	10.1	
10.2	Sam Lee Employment Agreement*	8-K	1/8/14	10.2	
10.2(a)	Amendment to Sam Lee Employment Agreement*	10-K	3/31/15	10.6	
10.3	James Martin Consulting Agreement*	8-K	2/24/17	10.1	
10.4	Chief Financial Officer Offer Letter dated May 26, 2017 - James Martin*	8-K	6/1/17	10.1	
10.5	Consulting and Scientific Advisory Board Agreement, dated April 13, 2021 with Roger Kornberg	10-Q	8/16/21	10.1	
10.6	Form of Securities Purchase Agreement	8-K	9/15/25	10.1	
10.7	Form of Securities Purchase Agreement	8-K	10/30/25	10.1	
14.1	Code of Ethics	10-K	3/28/24	14.1	
19.1	Insider Trading Policy	10-K	3/28/24	19.1	

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed or Furnished Herewith
		Form	Date	Number	
21.1	Subsidiaries	10-K	3/27/20	21.1	
23.1	Consent of Weinberg & Company				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	(906)+				Furnished
97	Clawback policy	10-K	3/28/24	97	
101.INS	Inline XBRL Instance Document				Filed
101.SCH	Inline XBRL Taxonomy Extension Schema Document				Filed
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				Filed
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				Filed
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				Filed
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				Filed
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)				Filed

* Represents management contracts or compensatory plan or arrangement.
** Exhibits have been omitted. The Company undertakes to furnish the omitted exhibits to the Commission upon request.
+ 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 stockholders who make a written request to our Corporate Secretary at Cocrystal Pharma, Inc., 19805 N. Creek Parkway Bothell, WA 98011.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

March 31, 2026

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

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Roger Kornberg Roger Kornberg	*Chairman*	March 31, 2026
/s/ Phillip Frost Phillip Frost	Director	March 31, 2026
/s/ Fred Hassan Fred Hassan	Director	March 31, 2026
/s/ Richard Pfenniger Richard Pfenniger	Director	March 31, 2026
/s/ Steven Rubin Steven Rubin	Director	March 31, 2026
/s/ James Martin James Martin	Chief Financial Officer and Co-Chief Executive Officer (Principal Financial, Accounting and Executive Officer)	March 31, 2026
/s/ Sam Lee Sam Lee	President and Co-Chief Executive Officer (Principal Executive Officer)	March 31, 2026