

## **COTINGA PHARMACEUTICALS REPORTS FISCAL 2019 FOURTH QUARTER AND FULL YEAR FINANCIAL AND OPERATING RESULTS**

### *Company announces change in financial officer*

**Toronto, ON and Boston, MA (September 12, 2019):** Cotinga Pharmaceuticals Inc. (TSX Venture: COT) (“Cotinga” or the “Company”), a clinical-stage pharmaceutical company advancing a pipeline of targeted therapies for the treatment of cancer, reported its financial and operating results for the fourth quarter and full year ended April 30, 2019. The Company also announces the departure of CFO, Victor Hugo of Marrelli Services Inc, effective immediately.

### *Operational Progress*

In May 2018 the Company completed a brokered and non-brokered private placement for total gross proceeds of \$2,010,162 by issuing 5,289,900 units consisting of one common share and one warrant at a price of \$0.38 per unit to support the continued clinical development of COTI-2. Each Warrant is exercisable for one Common Share at an exercise price of CAD \$0.47 per Common Share for a period of 5 years. Roth Capital Partners, LLC acted as placement agent for the brokered offering in the United States.

In June 2018, Cotinga and its collaborators from MD Anderson Cancer Center presented data on COTI-2 at the 2018 American Society of Clinical Oncology (ASCO) Annual Meeting in Chicago, Illinois

In July / August 2018, the Company successfully closed the London, Ontario office and moved to Boston, Massachusetts, with a registered office in Toronto, Ontario.

In September 2018, Cotinga and its collaborators from St. Vincent’s University Hospital presented data on COTI-2 at the 11th International Symposium on Translational Research in Oncology in Dublin, Ireland.

In November 2018, Cotinga announced a research collaboration with St. Vincent’s University Hospital in Dublin, Ireland to evaluate COTI-2 in combination with eribulin in patients with triple negative metastatic breast cancer.

In January 2019, the Company announced that it had dosed the first patient with COTI-2 in combination with standard of care chemotherapy in its ongoing Phase 1b/2a trial. Additionally, the first cohort of the trial has been fully enrolled at MD Anderson Cancer Center.

### *Outlook*

The Company intends to strengthen the balance sheet to execute on corporate strategies and opportunistically pursue regional or co-development partnerships for COTI-2, pipeline programs and other technologies.

The Company intends to continue the combination therapy Phase 1b/2a trial evaluating COTI-2 plus cisplatin in solid tumors at MD Anderson Cancer Center. The Company also intends to initiate a combination trial evaluating COTI-2 plus eribulin in triple negative breast cancer patients in collaboration with St. Vincent's University Hospital in Dublin, Ireland.

#### *Financial Results*

Cotinga's net loss totaled \$941,257 for the three months ended April 30, 2019 with basic and diluted loss per share of \$0.04. This compares with a net loss of \$1,579,104 with basic and diluted loss per share of \$0.09 for the three months ended April 30, 2018. The decrease of \$637,847 in net loss was principally because:

- For the three months ended April 30, 2019, research and development expense was \$125,812 compared to \$544,436 for the three months ended April 30, 2018. The decrease of \$4,18,624 is primarily due to a decrease in Clinical trial expenses and Synthesis and miscellaneous R&D expenses as the Company focused on COTI-2.
- For the three months ended April 30, 2019, sales and marketing expense was \$1,050 compared to \$127,303 for the three months ended April 30, 2018. The decrease of \$126,253 is primarily due to less travelling and conferences and in 2018, legal services provided was reallocated from general and administrative expenses.
- For the three months ended April 30, 2019 general and administration expense was \$787,796 compared to \$935,024 for the three months ended April 30, 2018. The decrease of \$147,228 is primarily due to lower salaries and share-based compensation. The decrease was offset with the Company recording a \$196,859 charge on the abandonment of old patents.

The Company's net loss totaled \$2,697,281 for the year ended April 30, 2019 with basic and diluted loss per share of \$0.11. This compares with a net loss of \$4,880,393 with basic and diluted loss per share of \$0.31 for the year ended April 30, 2018. The decrease of \$2,183,112 in net loss was principally because:

- For the year ended April 30, 2019, research and development expense was \$780,509 compared to \$2,725,499 for the year ended April 30, 2018. The decrease of \$1,986,770 is primarily due to an increase in synthesis and miscellaneous expense related to the timing of expenditures for the advancement of COTI-219 in GMP manufacturing.
- For the year ended April 30, 2019, sales and marketing expense decreased to \$101,591 from \$312,866 for the year ended April 30, 2018. The decrease of \$211,275 is primarily due to a reduction in representation at conferences and services provided by consultants as services moved internally to reduce overheads.
- For the year ended April 30, 2019 general and administration expense was \$1,919,227 compared to \$3,239,966 for the year ended April 30, 2018. The decrease of \$1,320,739 is primarily due to a decrease in salaries due to restructuring and a decrease in share-based compensation as issuance of share option awards to employees and consultants. This was offset by an increase in patent charges on the abandonment of old patents

- For the year ended April 30, 2019, the fair value of warrant liability was reduced by \$1,438,554 compared to a decrease of \$631,050 for the year ended April 30, 2018.

Detailed operating and financial results can be found in the Company's Annual Audited Financial Statements and Management Discussion and Analysis for the three- and twelve-month periods ended April 30, 2019, which can be found on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.cotingapharma.com](http://www.cotingapharma.com).

### **About Cotinga Pharmaceuticals Inc.**

Cotinga Pharmaceuticals is a clinical-stage pharmaceutical company that uses proprietary artificial intelligence technologies to pursue a targeted and transformational approach to treating cancer and other unmet medical needs. Cotinga's CHEMSAS® technology is intended to accelerate the discovery and development of novel drug therapies, allowing the Company to build a pipeline of potential drug candidates faster and with a higher probability of success than traditional methods.

The Company's lead compound, COTI-2, has a novel p53-dependent mechanism of action with selective and potent anti-cancer activity. P53 mutations occur in over 50% of all cancers. COTI-2 is initially being evaluated in combination with various standard-of-care chemotherapy regimens for the treatment of a wide spectrum of cancers in a Phase 1b/2a clinical trial at the MD Anderson Cancer Center at the University of Texas. The Company has secured orphan drug status in the United States for COTI-2 for the treatment of ovarian cancer. Preclinical data suggests that COTI-2 could dramatically improve the treatment of cancers with mutations in the p53 gene.

The Company's second lead compound, COTI-219, is a novel oral small molecule compound targeting the mutant forms of KRAS without inhibiting normal KRAS function. KRAS mutations occur in up to 30% of all cancers and represent a tremendous unmet clinical need and a desirable drug target. COTI-219 is undergoing IND-enabling studies to support a regulatory submission.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For more information, visit <http://www.cotingapharma.com/> or contact:

Alison Silva  
President and CEO  
Email: [asilva@cotingapharma.com](mailto:asilva@cotingapharma.com)

### **Notice to Readers:**

Information contained in this press release may contain certain statements which constitute "forward-looking statements" as such term is defined under applicable securities laws. Forward-looking statements by their nature are not guarantees of future performance and are based upon management's current expectations, estimates, projections and assumptions. References to future financing or operational activities of the Company are also forward-looking statements. Cotinga operates in a highly competitive environment that involves significant risks and uncertainties, which could cause actual results to differ materially from those anticipated in these forward-looking statements. Management of Cotinga considers the assumptions on which these forward-looking statements are based to be reasonable, but as a result of the many risk factors, cautions the reader that actual results could differ materially from those expressed or implied in these forward-looking statements. Information in this press release should be considered accurate only as of the date of the release and may be superseded by more recent information disclosed in later press releases, filings with the regulatory authorities or otherwise. Except as required by

law, Cotinga assumes no obligation to update forward-looking statements should circumstances or management's expectations, estimates, projections and assumptions change.