

Co-Diagnostics, Inc. Reports Q3 Financial Results and Updates Corporate Developments

SANDY, Utah-([BUSINESS WIRE](#))-**Co-Diagnostics, Inc. (NASDAQ: CODX)**, a molecular diagnostics company with a unique, proprietary platform for the development of molecular diagnostics, announced corporate developments and financial results for the third quarter of 2017, ended September 30, 2017.

- The Company and Synbiotics Limited (“Synbiotics”), a group company of Asence Inc, a U.S. incorporated company specializing in supplying pharmaceutical products to international markets, broke ground on its manufacturing facility in India. The Food & Drug Control Administration Gujarat State has approved a 3-year license for the manufacturing of six tests for diagnosing the Zika virus (for export only) and tuberculosis, to be followed by drug-resistant tuberculosis, malaria, dengue, and chikungunya.
- The Company’s products were introduced in several key markets in the Caribbean, including at the 35th annual International Fair of Havana in Cuba, and meetings with the Ministry of Public Health and Social Assistance (SESPAS) of the Dominican Republic.
- The Company is continuing its ground-breaking research applying its proprietary intellectual property in multiplexed molecular diagnostic testing. The Company’s ability to multiplex DNA targets and perform SNP detection has important ramifications for the future growth into the agricultural market, in liquid biopsy for cancer detection, and blood bank screening.
- The Company has been granted ISO 13485:2016 certification following successful completion of an audit of its quality management system to ensure compliance with the newest version of the standard.

Dwight Egan, Co-Diagnostics CEO, remarked, “We are pleased to have completed our initial quarter as a public company. We look forward to growing the Company and driving operational and financial performance for the benefit of our shareholders in the years to come. This quarter’s commercial progress in infectious disease was very exciting. Although not yet reflected in our reported revenues, we are enjoying a strong commercial launch of the CODX Molecular Diagnostics System. To date, the combined populations of the countries in which we have placed systems represent over 50% of the population of the Caribbean Basin. Most of these systems are in prominent reference laboratories that service their respective populations in a “hub and spoke” business model where a single lab collects patient samples from multiple collection points. We expect to have systems placed in a majority of the Caribbean countries by the end of Q1 2018. The Company expects to ship tests to participating labs during Q4 2017 and Q1 2018 that include Zika virus, tuberculosis, hepatitis C, hepatitis B, HIV, and malaria.

In India, during Q4 2017 the company will be delivering its first shipment of tests pursuant to an agreement with MEDCIS Pathlabs India Pvt. Initial shipments under this agreement will be manufactured in the Company’s own ISO 13485 compliant facility in Utah, but will eventually be manufactured and shipped from the new joint venture manufacturing facility currently under construction in India. India is projected to become the largest healthcare market in the world. The Company has taken important steps to capitalize on the burgeoning dynamics of this market. Management believes support in India for the Company’s technology and products is broad-based with qualified prospects coming from across all market segments; ranging from large centralized labs to mid-size private labs and government facilities.

During Q3 2017, the Company also devoted a substantial amount of effort in developing multiplex test opportunities for the agricultural market. Research and development activities are yielding very positive results as the Company’s core intellectual property is enabling materially enhanced multiplexed testing for the agricultural industry. The research and development involved in this initiative appears to be opening up a much larger opportunity to thousands of potential customers with a significant interest in the attributes of the Company’s technology in numerous market segments. In particular the fields of liquid biopsy for cancer detection, blood bank screening and multiplex SNP detection are areas in which we believe the Company’s technology may be applicable.”

About Co-Diagnostics, Inc.:

Co-Diagnostics, Inc., a Utah corporation, is a molecular diagnostics company that has developed and intends to manufacture and sell reagents used for diagnostic tests that function via the detection and/or analysis of nucleic acid molecules (DNA or RNA), and to sell diagnostic equipment from other manufacturers as self-contained lab systems.

Forward-Looking Statements:

With the exception of historical information contained in this press release, content herein may contain “forward looking statements” that are made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as “believes,” “expects,” “estimates,” “intends,” “may,” “plans,” “will” and similar expressions, or the negative of these words. Such forward-looking statements are based on facts and conditions as they exist at the time such statements are made and predictions as to future facts and conditions. These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. Investors are cautioned that forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from the statements made. Readers of this press release are cautioned not to place undue reliance on any forward-looking statements. Risks, uncertainties and other factors are discussed in the Company’s filings with the U.S. Securities and Exchange Commission on Annual Report Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The Company disclaims any obligation to update its forward-looking relationships.

CO-DIAGNOSTICS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2017	December 31, 2016
	(Unaudited)	
ASSETS:		
Current Assets		
Cash	\$ 4,625,238	\$ 998,737
Other receivables	1,483	3,183
Inventory	45,340	—
Prepaid expenses	1,240,361	206,478
Total current assets	5,912,422	1,208,398
Property and equipment, net	139,749	87,429
Total assets	\$ 6,052,171	\$ 1,295,827

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT):

Current Liabilities		
Accounts payable	\$ 80,504	\$ 29,934
Accounts payable (related party)	—	75,000
Accrued expenses	65,722	101,239
Accrued expenses (related party)	520,000	690,168
Current notes payable net of \$0 and \$87,605 discount, respectively	—	2,111,895
Current notes payable (related party) net of \$0 and \$263 discount, respectively	—	837,177
Deferred revenue	10,792	—
Total current liabilities	677,018	3,845,413
Long-term Liabilities, net of current portion		
Notes payable	—	445,000
Deferred revenue long-term	186,144	—
Total long-term liabilities	186,144	445,000
Total liabilities	863,162	4,290,413

Commitments and contingencies

STOCKHOLDERS' EQUITY (DEFICIT):

Common stock, \$.001 par value, 180,000,000 shares authorized; 12,282,975 and 9,882,395 and shares issued and outstanding as of September 30, 2017 and December 31, 2016, respectively.			
	12,283	9,882	
Additional paid-in capital	16,094,194	2,458,744	
Accumulated deficit	(10,917,468)	(5,463,212)	
Total stockholders' equity (deficit)	5,189,009	(2,994,586)	
Total liabilities and stockholders' equity (deficit)	\$ 6,052,171	\$ 1,295,827	

CO-DIAGNOSTICS, INC.**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****(Unaudited)**

	For the		For the	
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenues:	\$ 2,598	\$ —	\$ 5,064	\$ —
Cost of sales	—	—	302	—
Gross profit	2,598	—	4,762	—
Operating expenses:				
Sales and marketing	117,078	28,890	306,921	76,600
General and administrative	1,405,955	183,363	2,013,213	597,505
Research and development	272,209	172,804	721,777	539,818
Depreciation and amortization	12,416	7,295	33,228	29,466
Total operating expenses	1,807,658	392,352	3,075,139	1,243,389
Loss from operations	(1,805,060)	(392,352)	(3,070,377)	(1,243,389)
Other expense:				
Interest expense	(14,801)	(57,598)	(310,233)	(160,052)
Loss on extinguishment of debt	(2,072,365)	—	(2,072,365)	—
Loss on disposition of assets	(1,281)	—	(1,281)	—
Total other expense	(2,088,447)	(57,598)	(2,383,879)	(160,052)
Loss before income taxes	(3,893,507)	(449,950)	(5,454,256)	(1,403,441)
Provision for income taxes	—	—	—	—
Net Loss	\$ (3,893,507)	\$ (449,950)	\$ (5,454,256)	\$ (1,403,441)
Basic and diluted income (loss) per common share	\$ (0.33)	\$ (0.05)	\$ (0.53)	\$ (0.14)
Weighted average common shares outstanding	11,751,649	9,882,395	10,512,327	9,882,395

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