

# Co-Diagnostics Files Initial Annual Report on Form 10-K and Updates Corporate Developments

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## **CODX updates on initial six months as a public company**

SALT LAKE CITY–([BUSINESS WIRE](#))–**Co-Diagnostics, Inc. (NASDAQ: CODX)**, a molecular diagnostics company with a unique, proprietary platform for the development of diagnostic tests, announced the filing of its initial Annual Report on Form 10-K as a public company. Co-Diagnostics completed its initial public offering (“IPO”) on July 17, 2017.

## **2017 Financial Results:**

- Revenue for the year totaled \$7,700, primarily licensing revenue, compared to zero revenue in full year 2016.
- Deferred income at December 31, 2017, amounted to \$184,000; this is revenue that will be recognized in future quarters.
- The Company ended the year with cash and equivalents of \$3.5 million and zero long-term debt.
- The Company reported a net loss for full year 2017 of approximately \$7.0 million, or \$0.63 per fully diluted share. This included a non-cash loss of \$2,072,000 that was recognized when noteholders converted debt to stock in the IPO, and \$2,033,000 of non-cash expenses related to the issuance of stock for services.

## **Management Discussion**

Dwight Egan, Chairman and CEO of Co-Diagnostics, commented, “While we anticipated revenue in 2017 to be nominal, we continued to build our infrastructure and client relationships during our first six months as a public company in order to support a growing and sustainable company for many years to come. The buildout of our joint venture manufacturing facility in India is proceeding as planned. Principal construction of the structure is essentially complete in Q1 2018, and work is now underway to finish the interior of the facility to create a world-class diagnostic test manufacturing plant, with sales from this facility expected to commence in Q3 2018. In conjunction with our joint venture partner, Synbiotics Ltd., we are in the process of obtaining the necessary regulatory approvals from the national authorities to sell our products in India and ultimately export worldwide.

“During these initial six months we also announced a lease on a new, upgraded Biological Safety Level 2 laboratory facility in Salt Lake City, Utah, which will allow for a Current Good Manufacturing Practice (‘cGMP’) certification. This will facilitate the Company’s capacity to manufacture high-quality products that meet the standards of the U.S. Food and Drug Administration (‘FDA’) and prepares Co-Diagnostics to seek future FDA approvals for domestic product sales and for export abroad.”

Egan continued, “Among the most important advancements since our IPO is the progress made in developing our proprietary molecular diagnostics technology, which is paving the way for innovation in disease detection and life sciences research through our enhanced detection of genetic material. We are passionate about providing the most robust and innovative molecular tools for detection of infectious diseases, liquid biopsy for cancer screening, and agricultural applications, especially to those regions where pricing is paramount. These are large and growing markets where our technology is uniquely positioned to provide highly differentiated solutions, with great accuracy and cost-efficiency.”

Egan concluded, “In 2018 we look forward to launching the commercial operations of our joint venture in India, including generating sales from both India and the Caribbean region, and providing molecular testing solutions to various industry sectors. The accuracy and specificity of our patented Co-Primers technology is a groundbreaking technical advance and the cornerstone of our pathway forward. Co-Primers allow the simultaneous multiplexing of several targets, enhanced SNP detection, and rare allele enrichment for next-generation sequencing. We look forward to bringing these significant enhancements to the worldwide molecular testing market.”

## **2017-2018 Corporate Developments**

- *July 2017: Co-Diagnostics, Inc. Announces Joint Venture in India* – partnering with Synbiotics, Ltd., a group company of Asence, Inc., a U.S. company specializing in supplying pharmaceutical products to international markets, CoSara Diagnostics, Pvt., Ltd., was formed to develop the molecular diagnostic

testing market in India.

- **September 2017: Co-Diagnostics, Inc. Enters into Purchase Agreement with MEDCIS Pathlabs India Pvt. Ltd.** – MEDCIS Pathlabs has agreed to purchase tuberculosis, Hepatitis B, Hepatitis C, HIV, and human papillomavirus tests. These tests will be manufactured and branded by CoSara Diagnostics, the Company's manufacturing joint venture. Initial sales are expected in 2018.
- **November 2017: Co-Diagnostics Granted ISO 13485:2016 Certification** – Certification granted following successful completion of an audit of its quality management system. The 2016 standard for quality management systems places an increased emphasis on risk management and harmonizes more closely with the quality system regulations found in FDA 21 CFR Part 820, the law for medical device companies manufacturing or selling products for the US, and the European Commission's new IVDR 2017/746 for in-vitro diagnostics.
- **January 2018: Co-Diagnostics Initiates Vector Control Program in the Dominican Republic** – Co-Diagnostics' vector control program will involve the Company's diagnostic tests being used by vector control services to test mosquito populations where the insect is known to act as a vector. The program has been met with enthusiasm by the Ministries of Health in several Caribbean nations anxious to track outbreaks of Zika virus, tuberculosis, malaria, West Nile virus, chikungunya and dengue, among others.
- **February 2018: CODX Announces Positive Results From Co-Primers Technology in Multiplex Tests For SNP Detection**– Customers will include enterprise clients, specifically those interested in testing for targeted gene sequences in multiplexed reactions, in research, infectious diseases, agricultural, ranching, and food production industries, as well as large clinical laboratories. These industries rely upon molecular testing for a variety of applications, ranging from testing for harmful bacteria or vector-borne diseases, liquid biopsy applications, and developing in-house diagnostics to assist with infectious disease testing.

### 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 statements.*

## CO-DIAGNOSTICS, INC. AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS

	<b>December 31,  2017</b>	<b>December 31,  2016</b>
<b>ASSETS:</b>		
Current Assets		
Cash and cash equivalents	\$ 3,534,454	\$ 998,737
Other receivables	—	3,183
Inventory	9,068	—
Prepaid expenses	908,352	206,478
Total current assets	4,451,874	1,208,398

Property and equipment, net	165,567	87,429
Investment in joint venture	44,885	—
Total other long-term assets	210,452	87,429
Total assets	\$ 4,662,326	\$ 1,295,827

#### **LIABILITIES AND STOCKHOLDERS' EQUITY:**

Current Liabilities		
Accounts payable	\$ 40,819	\$ 29,934
Accounts payable (related party)	—	75,000
Accrued expenses	96,645	101,239
Accrued expenses (related party)	480,000	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 income current	10,792	—
Total current liabilities	628,256	3,845,413
Long-term Liabilities		
Notes payable long-term	—	445,000
Deferred income long-term	183,546	—
Total long-term liabilities	183,546	445,000
Total liabilities	811,802	4,290,413
Commitments and contingencies		
STOCKHOLDERS' EQUITY (DEFICIT):		
Common stock, \$.001 par value, 180,000,000 shares authorized; 12,317,184 and 9,882,395 shares issued and outstanding as of December 31, 2017 and 2016, respectively.	12,317	9,882
Additional paid-in capital	16,260,651	2,458,744
Accumulated deficit	(12,422,444)	(5,463,212)
Total stockholders' equity (deficit)	3,850,524	(2,994,586)
Total liabilities and stockholders' equity (deficit)	\$ 4,662,326	\$ 1,295,827

#### **CO-DIAGNOSTICS, INC. AND SUBSIDIARIES**

#### **CONSOLIDATED STATEMENTS OF OPERATIONS**

#### **FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<b>For the years ended December 31,</b>	
	<b>2017</b>	<b>2016</b>
Net sales	\$ 7,662	\$ —
Cost of sales	302	—
Gross profit	7,360	—
Operating expenses:		
Selling and marketing	426,711	122,105
Administrative and general	3,095,791	796,896
Research and development	1,003,167	731,474
Depreciation and amortization	45,758	37,491

Total operating expenses	4,571,427	)	1,687,966	)
Total operating loss	(4,564,067	)	(1,687,966	)
Other expense:				
Interest expense	(310,233	)	(240,720	)
Interest income	3,829		—	
Loss on extinguishment of debt	(2,072,365	)	—	
Net loss from investment in joint venture	(16,396	)	—	
Total other expense	(2,395,165	)	(240,720	)
Loss before income taxes	(6,959,232	)	(1,928,686	)
Provision for income taxes	—		—	
Net loss	\$ (6,959,232	)	\$ (1,928,686	)
Net loss per share – basic and diluted	\$ (0.63	)	\$ (0.20	)
Weighted average shares – basic and diluted	10,960,326		9,882,395	

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<https://news.codiagnosics.com/2018-04-06-Co-Diagnostics-Files-Initial-Annual-Report-on-Form-10-K-and-Updates-Corporate-Developments>