

Co-Diagnostics, Inc Files Q1 2019 Report on Form 10-Q and Updates Corporate Developments

Salt Lake City, Utah – May 15, 2019 – Co-Diagnostics, Inc. (Nasdaq: CODX), a molecular diagnostics company with a unique, patented platform for the development of molecular diagnostic tests, announced today the filing of its operating results on SEC Form 10-Q for the 3 month period ending March 31, 2019 and provided updates on corporate developments.

Q1 2019 Financial Results:

- Revenue for the quarter totaled \$3,400; however, the Company's Joint Venture in India also recognized approximately \$56,000 in revenue from the sale of the Company's primers and probes, which is anticipated to represent the beginning of sales in the joint venture.
- The Company ended the quarter with cash and equivalents of \$5.42 million and no long-term debt. This followed the sale of \$3 million of preferred shares in January 2019 (which consisted of negotiating the conversion of a \$2M note to preferred stock, and an additional sale of \$1M of preferred shares for cash) leaving the Company debt-free.
- The Company completed a registered direct offering in the quarter pursuant to its S-3 shelf registration and sold 3,925,716 common shares, realizing gross proceeds of approximately \$5.5 million.
- Total liabilities and shareholder's equity at the end of the quarter was \$6.12 million, compared with \$1.55 million at the end of the previous quarter.
- The Company reported a net loss for the quarter of \$1,368,389 compared with a net loss for the same quarter in 2018 of \$1,310,233. Of the increase in net loss of \$58,156, \$29,687 was primarily the result of the increased operating expenses for sales/marketing and R&D (itself offset by a substantial decrease in general and administrative expenses), and the remainder resulted from a loss on extinguishment of debt and interest expense partially offset by a decrease in the loss on investment related to the joint venture.

Management Discussion

Dwight Egan, Chairman and CEO of Co-Diagnostics, commented, "We are pleased to report that our momentum has continued throughout the first quarter of 2019. Co-Diagnostics closed the quarter on substantially stronger financial footing than it began, and showed a marked improvement from the same quarter last year as well. This is evident in the first sales from our joint venture in India, complete elimination of long-term debt, and a healthy balance sheet to support our existing revenue-producing initiatives and product development pipeline.

"This momentum is also evident in our technology and regulatory milestones. In Q1 the Company received the CE mark for our highly specific Zika/dengue/chikungunya multiplex assay, built on our patented CoPrimer™ platform to address the needs of areas where those diseases are found to occur together but are often misdiagnosed. More recently we announced the patent filing for our next-generation sequencing technology that will reduce NGS preparation and hands-on user time, in an innovative PCR application that the Company anticipates should provide near-term revenue opportunities in the US and abroad.

"The Company's CoPrimer platform was featured at the PAG XXVII Conference in January 2019, which coincided with the announcement of the first private label CoPrimer product, manufactured and marketed by an international leader in the life sciences sector. The manufacturer has since launched the product in a world-wide marketing campaign, which we believe affords us the opportunity to expand the footprint of CoPrimers to the manufacturer's domestic and international client base.

"In addition to the Company's progress in AgBio, infectious disease, and liquid biopsy, this quarter saw strong demand for our mosquito vector products following the first distributor conference hosted in our facilities. The conference was well-attended by distributors of Co-Diagnostics' products, and government, environmental testing and private laboratory customers. The Company looks forward to making announcements in the near future related to product roll-outs and sales agreements.

"We expect our financial strength and technological and regulatory advancements to continue to drive sales growth both domestically and in India—where the joint venture manufacturing facility was recently inaugurated—throughout this current quarter and beyond."

About Co-Diagnostics, Inc.:

Co-Diagnostics, Inc., a Utah corporation, is a molecular diagnostics company that develops, manufactures and markets a new, state-of-the-art diagnostics technology. The Company's technology is utilized for tests that are designed using the detection and/or analysis of nucleic acid molecules (DNA or RNA). The Company also uses its proprietary technology to design specific tests to locate genetic markers for use in industries other than infectious disease and license the use of those tests to specific customers.

Forward-Looking Statements

This press release contains forward-looking statements. 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. Forward-looking statements in this release include statements regarding the (i) use of funding proceeds, (ii) expansion of product distribution, (iii) acceleration of initiatives in liquid biopsy and SNP detection, (iv) use of the Company's liquid biopsy tests by laboratories, (v) capital resources and runway needed to advance the Company's products and markets, (vi) increased sales in the near-term, (vii) flexibility in managing the Company's balance sheet, (viii) anticipation of business expansion, (ix) benefits in research and worldwide accessibility of the CoPrimer™ technology and its cost-saving and scientific advantages and (x) statements regarding the intended use of proceeds. Forward-looking statements are subject to inherent uncertainties, risks and changes in circumstances. Actual results may differ materially from those contemplated or anticipated by such forward-looking statements. Readers of this press release are cautioned not to place undue reliance on any forward-looking statements. The Company does not undertake any obligation to update any forward-looking statement relating to matters discussed in this press release, except as may be required by applicable securities laws.

CO - DIAGNOSTICS, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

	March 31, 2019	December 31, 2018
ASSETS:		
Current Assets		
Cash and cash equivalents	\$ 5,412,593	\$ 950,237
Accounts receivables, net	42,557	13,420
Inventory	18,153	18,153
Prepaid expenses	103,827	70,103
Total current assets	5,577,130	1,051,913
Other Assets		
Property and equipment, net	135,820	156,138
Investment in joint venture	408,393	345,121
Total other assets	544,213	501,259
 Total assets	 \$ 6,121,343	 \$ 1,553,172
 LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT):		
Current Liabilities		
Accounts payable	\$ 96,305	\$ 148,967
Accrued expenses	121,206	174,444
Accrued expenses (related party)	120,000	120,000
Notes payable net of discount of \$0 and \$91,428	—	1,908,572
Total current liabilities	337,511	2,351,983
Long-term Liabilities, net of current portion		
Accrued expenses-long-term (related party)	220,000	260,000
Total long-term liabilities, net of current portion	220,000	260,000
Total liabilities	557,511	2,611,983

Commitments and contingencies

STOCKHOLDERS' EQUITY (DEFICIT):

Convertible preferred stock, \$.001 par value; 5,000,000 shares authorized, 28,000 and no shares issued and outstanding, respectively	28	—
Common stock, \$.001 par value, 100,000,000 shares authorized; 17,015,766 and 12,923,373 shares issued and outstanding, respectively.	17,016	12,923
Additional paid-in capital	25,609,344	17,622,433
Accumulated deficit	(20,062,556)	(18,694,167)
Total stockholders' equity (deficit)	5,563,832	(1,058,811)
Total liabilities and stockholders' equity (deficit)	\$ 6,121,343	\$ 1,553,172

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

	For the Three Months Ended March 31,	
	2019	2018
Net sales	\$ 3,400	\$ 9,696
Cost of sales	452	—
Gross profit	2,948	9,696
Operating expenses:		
Sales and marketing	256,103	95,263
Administrative and general	640,363	882,046
Research and development	347,306	297,415
Depreciation and amortization	13,668	12,403
Total operating expenses	1,257,440	1,287,127
Loss from operations	(1,254,492)	(1,277,431)
Other expense:		
Interest income	408	7,561
Interest expense	(106,427)	—
Gain on disposition of assets	850	—
Loss on equity method investment in joint venture	(8,728)	(40,363)
Total other expense	(113,897)	(32,802)
Loss before income taxes	(1,368,389)	(1,310,233)
Provision for income taxes	—	—
Net loss	\$ (1,368,389)	\$ (1,310,233)
Basic and diluted income (loss) per common share	\$ (0.09)	\$ (0.11)
Weighted average common shares outstanding, basic and diluted	16,066,633	12,319,030

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<https://news.codiagnosics.com/2019-05-15-Co-Diagnostics-Inc-Files-Q1-2019-Report-on-Form-10-Q-and-Updates-Corporate-Developments>