

Co-Diagnostics, Inc. Reports 2019 Year-End Financial Results and Progress Updates

Salt Lake City, Utah – March 31, 2020 – Co-Diagnostics, Inc. (Nasdaq: CODX), a molecular diagnostics company with a unique, patented platform for the development of molecular diagnostic tests, today announced the filing of their financial results for the fiscal year ending December 31, 2019, as well as updates on the Company's growth and progress for 2019 and 2020 to date in the following areas:

Milestones:

- A license agreement with LGC, Biosearch, an international leader in the extended life sciences sector whose footprint covers over 200 countries, was expanded to provide additional licensing opportunities, which the Company began to see realized in 2019.
- Company launched its vector control vertical in mid-2019 and experienced growth in that sector throughout the year. Products launched for the vector control vertical in 2019 to identify the presence of infectious diseases in mosquito populations included multiplex tests for Zika/dengue/chikungunya, West Nile/St. Louis encephalitis/western equine encephalitis (WNV/SLEV/WEE), and West Nile/St. Louis encephalitis/eastern equine encephalitis (WNV/SLEV/EEE). EEE had a particularly deadly season in states along the eastern United States, and the development of this assay was a direct result of demand for the product.
- Following the outbreak in China beginning at the end of 2019, the Company was able to successfully leverage its unique, proprietary test design platform to design a test for COVID-19, to become the first U.S. company with a CE marking for that test, and to begin marketing as the pandemic grew. As a result of the Company's high-quality test design, Co-Diagnostics was able to quickly establish a global network of clients, resulting in revenue in the first quarter of 2020 since the time that the CE marking was obtained. Sales will be further bolstered following an FDA policy which facilitated sales of the Company's clinically evaluated coronavirus test to U.S. markets.

Strategic Relationships:

- Construction of the facility for CoSara Diagnostics Pvt Ltd., the Company's joint venture with Synbiotics Limited for manufacturing and sales in India, saw its inaugural opening in April 2019. Later, CoSara received clearance by the CDSCO to be used as *in vitro* diagnostics for tuberculosis, human papillomavirus, hepatitis B, hepatitis C, and malaria.
- As already mentioned, Co-Diagnostics and LGC, Biosearch expanded their license agreement for the CoPrimer™ technology, seen as a major industry validation of the technology in multiplexing and SNP detection applications.
- The Company received regulatory approvals in the form of CE-IVD clearance for its Logix Smart™ Zika/dengue/chikungunya multiplex test.
- CE-IVD clearance facilitates sale of products in Europe, and all other countries and jurisdictions that accept CE markings as valid regulatory approval for *in vitro* diagnostics.

Intellectual Property and Technology:

- Company announced major milestones in scientific advancement of its CoPrimer technology, demonstrating its potential in liquid biopsy applications.
- Co-Diagnostics' suite of intellectual property expanded with the filing of a provisional patent for a simplified targeted next generation sequencing (NGS) library preparation, which method includes proprietary, single-step closed-tube NGS library prep in 3 hours or less.

Financial:

- All debt incurred in 2018 was eliminated in 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 in 2019, leaving the Company debt-free. The Company also sold Common Shares of its stock pursuant to a shelf offering for gross proceeds of approximately \$5.5 million in Q1 2019.
- More recently, the Company sold Common Shares in a series of offerings pursuant to the shelf registration statement for gross proceeds of approximately \$19.5 million.

Dwight Egan, CEO of Co-Diagnostics, commented, “Our milestones, steady growth, strengthened strategic relationships, and expanded product pipeline during 2019 have established a solid foundation from which Co-Diagnostics can pursue its commitment to providing the highest quality molecular diagnostic solutions on a global scale.

“Recent events have dramatically changed our trajectory and outlook as we leverage our skill set in the field of infectious disease diagnostics, and we find ourselves in a position to have a significant positive impact on the COVID-19 pandemic. The work we have performed to bring a sorely-needed test to market, first as a CE-marked IVD to countries across the world and now to the United States, speaks to our commitment to providing diagnostic tools that have the potential to save lives by providing accurate diagnoses—the first step in ensuring accurate treatment.

“We are gratified that we have the opportunity to help the United States and many other countries to benefit from increased access to testing for COVID-19, a disease that affects not just patients afflicted with it and their families, but the entire world as a whole.”

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 may include statements regarding the (i) use of funding proceeds, (ii) expansion of product distribution, (iii) acceleration of initiatives in certain verticals or markets, (iv) capital resources and runway needed to advance the Company’s products and markets, (v) increased sales in the near-term, (vi) flexibility in managing the Company’s balance sheet, (vii) anticipation of business expansion, and (viii) benefits in research and worldwide accessibility of the CoPrimer technology and its cost-saving and scientific advantages. 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.

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CO-DIAGNOSTICS, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

	December 31, 2019	December 31, 2018
ASSETS:		
Current Assets		
Cash and cash equivalents	\$ 893,138	\$ 950,237
Accounts receivable, net	131,382	13,420
Inventory	197,168	18,153

Prepaid expenses	362,566	70,103
Total current assets	1,584,254	1,051,913
Property and equipment, net	196,832	156,138
Investment in joint venture	434,240	345,121
Total other long-term assets	631,072	501,259
Total assets	\$ 2,215,326	\$ 1,553,172
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT):		
Current Liabilities		
Accounts payable	\$ 5,959	\$ 148,967
Accrued expenses	200,788	174,444
Accrued expenses (related party)	120,000	120,000
Current notes payable net of \$0 and \$91,427 discount, respectively	—	1,908,572
Deferred income current	1,323	—
Total current liabilities	328,070	2,351,983
Long-term Liabilities		
Accrued liabilities (related-party)	150,000	260,000
Total long-term liabilities	150,000	260,000
Total liabilities	478,070	2,611,983
Commitments and contingencies		
STOCKHOLDERS' EQUITY (DEFICIT):		
Preferred stock, \$.001 par value, 5,000,000 shares authorized; 25,600 and no shares issued and outstanding, respectively	26	—
Common stock, \$.001 100,000,000 shares authorized; 17,342,922 and 12,923,383 shares issued and outstanding, respectively	17,343	12,923
Additional paid-in capital	26,687,701	17,622,433
Accumulated deficit	(24,967,814)	(18,694,167)
Total stockholders' equity (deficit)	1,737,256	(1,058,811)
Total liabilities and stockholders' equity (deficit)	\$ 2,215,326	\$ 1,553,172

CO-DIAGNOSTICS, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF OPERATIONS

	For the years ended December 31,	
	2019	2018
Net sales	\$ 214,974	\$ 39,911
Cost of sales	112,431	9,391
Gross profit	102,543	30,520
Operating expenses:		
Selling and marketing	1,061,676	1,165,631
Administrative and general	3,497,273	3,570,786
Research and development	1,371,433	1,361,154

Depreciation and amortization	65,902		50,765	
Total operating expenses	5,996,284		6,148,336	
Total operating loss	(5,893,741)	(6,117,816)
Other expense:				
Interest expense	(106,437)	(134,947)
Interest income	36,652		19,804	
Gain on disposition of assets	850		—	
Net loss from investment in joint venture	(232,881)	(38,764)
Total other expense	(301,816)	(153,907)
Loss before income taxes	(6,195,557)	(6,271,723)
Provision for income taxes	—		—	
Net loss	\$ (6,195,557)	\$ (6,271,723)
Net loss per share – basic and diluted	\$ (0.36)	\$ (0.50)
Weighted average shares – basic and diluted	16,756,912		12,484,617	

<https://news.codiagnosics.com/2020-03-31-Co-Diagnostics-Inc-Reports-2019-Year-End-Financial-Results-and-Progress-Updates>