Co-Diagnostics, Inc. Announces Q2 2020 Results on Form 10-Q

Company reports robust sales of COVID-19 tests and net income per common share of $0.43

Salt Lake City, Utah – August 13, 2020 – Co-Diagnostics, Inc. (Nasdaq:CODX) (the Company), a molecular diagnostics company with a unique, patented platform for the development of diagnostic tests, announced today the filing of its operating results for the 3 month period ending June 30, 2020 on SEC Form 10-Q, and provided updates on Company developments.

Q2 2020 Highlights:

- Company continues COVID-19 test sales and reports $24.04 million of revenue in Q2;
- Net profit of $12.6 million in quarter and net income per common share of $0.43;
- Stockholders' equity increased to $33.4 million compared to $1.7 million at the beginning of the year.
- Gross margins of 70% on sales of Logix Smart™ COVID-19 test kits;
- CoSara Diagnostics, Company's India joint venture, receives authorization from CDSCO in India to manufacture and sell COVID-19 tests and records profit for the 2nd Quarter and YTD;
- Received FDA Emergency Use Authorization for COVID-19 test kit on April 3, 2020;
- Cash on hand was $18.6 million as of June 30, 2020, an increase of $17.7 million over 12/31/2019;
- Company is included in the Russell 2000® and Russell 3000® Index, widely used by investment managers and institutional investors for index funds and as benchmarks for active investment strategies.

Q3 2020 Mid-Quarter Highlights:

- Company records COVID-19 test and equipment sales orders approaching $50 million YTD, including joint venture sales in India, through mid-third quarter (unaudited);
- Receives purchase orders from public and private organizations in nearly 50 countries and over 25 states in the U.S. YTD;
- Company nears completion of principal design work and verification for Flu A, Flu B, and COVID-19 multiplex panel with anticipated deployment during Q3;
- Company announced that its partner Clinical Reference Lab has received FDA Emergency Use Authorization for CRL Rapid Response™, a saliva-based COVID-19 test that can be self-administered at home, work or any other setting and then tested using Co-Diagnostics' Logix Smart COVID-19 tests based on patented CoPrimer™ technology.

"In the last 4 months since Co-Diagnostics received emergency use authorization from the FDA, the Company has successfully grown our internationally recognized business and brand. With clients in over 50 countries, 25 U.S. states, and validations of test accuracy from regulatory bodies of numerous countries around the world, Co-Diagnostics has established a distribution platform that we believe will continue to support sales and profitability as our tests have gained widespread acceptance in the market. We have created a test menu and established the production capacity to meet demand for tests as the nations of the world continue to battle the pandemic, and believe these efforts will continue to bolster the Company's durability in the months and years to come," said Dwight Egan, Chief Executive Officer.

The Company will host an earnings call at 4:30 pm EDT today. Participants can register for access to the webcast here. The call will be recorded and later made available on the Company's website.

About Emergency Use Authorization:

The Co-Diagnostics SARS-CoV-2 Test has been made available under an emergency access mechanism called an Emergency Use Authorization (EUA). The EUA is supported by the Secretary of Health and Human Service's (HHS's) declaration that circumstances exist to justify the use of in vitro diagnostics (IVDs) under EUA for the detection and/or diagnosis of COVID-19. An IVD made available under an EUA has not undergone the same type of review as an FDA cleared IVD. However, based on the totality of scientific evidence available, it is reasonable to believe that this IVD may be effective in the detection of COVID-19. The EUAs for these tests are in effect for the duration of the COVID-19 emergency, unless terminated or revoked (after which the tests may no longer be used). An FDA cleared IVD should be used instead of an IVD under EUA, when applicable and available.

About Co-Diagnostics, Inc.:

Co-Diagnostics, Inc., a Utah corporation, is a molecular diagnostics company that develops, manufactures and markets a 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.

CO – DIAGNOSTICS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

	June 30, 2020	December 31, 2019
ASSETS:		
Current Assets		
Cash and cash equivalents	$ 18,550,437	$ 893,138
Accounts receivables, net	5,349,876	131,382
Inventory	10,110,786	197,168
Prepaid expenses	521,180	362,566
Total current assets	34,532,279	1,584,254
Other Assets		
Property and equipment, net	473,376	196,832
Investment in joint venture	1,416,480	434,240
Total other assets	1,889,856	631,072
Total assets	$ 36,422,135	$ 2,215,326
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current Liabilities		
Accounts payable	$ 1,127,709	$ 5,959
Accrued expenses	691,385	200,788
Accrued expenses (related party)	120,000	120,000
Deferred revenue	1,045,548	1,323
Total current liabilities	2,984,642	328,070
Long-term Liabilities, net of current portion		

Accrued expenses-long-term (related party)	80,000	150,000
Total long-term liabilities, net of current portion	80,000	150,000
Total liabilities	3,064,642	478,070
STOCKHOLDERS' EQUITY		
Convertible preferred stock, $0.001 par value; 5,000,000 shares authorized, 0 and 25,600 shares issued and outstanding as of June 30, 2020 and December 31, 2019, respectively	—	26
Common stock, $0.001 par value, 100,000,000 shares authorized; 27,991,042 and 17,342,922 shares issued and outstanding, as of June 30, 2020 and December 31, 2019, respectively.	27,991	17,343
Additional paid-in capital	46,726,869	26,687,701
Accumulated deficit	(13,397,367)	(24,967,814)
Total stockholders' equity	33,357,493	1,737,256
Total liabilities and stockholders' equity	$ 36,422,135	$ 2,215,326

CO – DIAGNOSTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
Net revenue	$ 24,040,274	$ 61,574	$ 25,588,802	$ 64,974
Cost of revenue	8,344,674	38,809	8,826,414	39,261
Gross profit	15,695,600	22,765	16,762,388	25,713
Operating expenses:				
Sales and marketing	390,191	252,076	658,674	508,179
Administrative and general	2,191,034	807,769	3,650,518	1,448,132
Research and development	750,249	312,590	1,150,271	659,896
Depreciation and amortization	25,218	16,094	45,966	29,762
Total operating expenses	3,356,692	1,388,529	5,505,429	2,645,969
Income (loss) from operations	12,338,908	(1,365,764)	11,256,959	(2,620,256)
Other expense:				
Interest income	38,173	19,640	45,748	20,048
Interest expense	—	—	—	(106,427)
Gain on disposition of assets	—	—	—	850
Gain (loss) on equity method investment in joint venture	258,559	1,728	267,740	(7,000)
Total other expense	296,732	21,368	313,488	(92,529)
Income (loss) before income taxes	12,635,640	(1,344,396)	11,570,447	(2,712,785)
Provision for income taxes	—	—	—	—
Net income (loss)	$ 12,635,640	$ (1,344,396)	$ 11,570,447	$ (2,712,785)
Basic income (loss) per common share	$ 0.46	$ (0.08)	$ 0.42	$ (0.16)
Diluted income (loss) per common share	$ 0.43	$ (0.08)	$ 0.40	$ (0.16)

Weighted average common shares outstanding basic	27,582,229	17,017,964	27,605,137	16,544,926
Weighted average common shares outstanding diluted	29,152,222	17,017,964	29,094,475	16,544,926

Company Contact:
Andrew Benson
Co-Diagnostics Investor Relations
801-438-1036
investors@codiagnostics.com
or
Investor Relations Contact:
Keith Pinder
Landon Capital
+1.404.995.6671
kpinder@landoncapital.net
