UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549.

Form 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2019**

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from_____to_____

Commission File Number **001-38148**

CO-DIAGNOSTICS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Utah	**3841**	**46-2609396**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

2401 S. Foothill Drive, Salt Lake City, Utah 84109
(Address of principal executive offices and zip code)

(801) 438-1036
(Registrant's telephone number including area code)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes [ ] No [X]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes [ ] No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[ ]	Smaller reporting company	[X]
		Emerging Growth Company	[X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes [ ] No [X]

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common stock was last sold as of the last business day of the registrant's most recently completed second fiscal quarter was approximately $10,333,831.

As of March 22, 2020, there were 27,438,701 shares of common stock, par value $0.001 per share, outstanding.

Table of Contents

PART I

Forward-Looking Statements

This Annual Report on Form 10-K contains "forward-looking statements" that involve risks and uncertainties. All statements other than statements of historical fact contained in this Annual Report and the documents incorporated by reference herein, including statements regarding future events, our future financial performance, business strategy, and plans and objectives of management for future operations, are forward-looking statements. We have attempted to identify forward-looking statements by terminology including "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "should," or "will" or the negative of these terms or other comparable terminology. Although we do not make forward looking statements unless we believe we have a reasonable basis for doing so, we cannot guarantee their accuracy. These statements are only predictions and involve known and unknown risks, uncertainties and other factors and the documents incorporated by reference herein, which may affect our or our industry's actual results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Moreover, we operate in a highly regulated, very competitive, and rapidly changing environment. New risks emerge from time to time and it is not possible for us to predict all risk factors, nor can we address the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause our actual results to differ materially from those contained in any forward-looking statements.

We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short term and long-term business operations, and financial needs. These forward-looking statements are subject to certain risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this Annual Report, and in particular, the risks discussed below and under the heading "Risk Factors" in other documents we file with the SEC. The following discussion should be read in conjunction with the consolidated financial statements for the fiscal years ended December 31, 2019 and 2018 and notes incorporated by reference therein. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Annual Report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statement.

You should not place undue reliance on any forward-looking statement, each of which applies only as of the date of this Annual Report. Except as required by law, we undertake no obligation to update or revise publicly any of the forward-looking statements after the date of this Annual Report to conform our statements to actual results or changed expectations.

You are advised, however, to consult any further disclosures we make on related subjects in our reports on Forms 10-Q, 8-K and 10-K filed with the SEC. You should understand that it is not possible to predict or identify all risk factors. Consequently, you should not consider this list to be a complete set of all potential risks or uncertainties.

Important factors that could cause actual results to differ materially from those in the forward-looking statements include, without limitation:

- the results of clinical trials and the regulatory approval process;
- market acceptance of any products that may be approved for commercialization;
- our ability to protect our intellectual property rights;
- the impact of any infringement actions or other litigation brought against us;
- competition from other providers and products;
- our ability to develop and commercialize new and improved products and services;
- changes in government regulation;
- and other factors (including the risks contained in the section entitled "Risk Factors" in other documents we file with the SEC) relating to our industry, our operations and results of operations.

Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned.

Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

As used in this Annual Report, the terms "we", "us", "our", and "Co-Diagnostics" means Co-Diagnostics, Inc., a Utah corporation and its consolidated subsidiaries (the "Company"), unless otherwise indicated.

ITEM 1: BUSINESS

Overview

Co-Diagnostics, Inc., a Utah corporation ("Company," or "CDI,") is developing robust and innovative molecular tools for detection of infectious diseases, liquid biopsy for cancer screening, and agricultural applications. We have developed and we manufacture and sell reagents used for diagnostic tests that function via the detection and/or analysis of nucleic acid molecules (DNA or RNA). In connection with the sale of our tests we may sell diagnostic equipment from other manufacturers as self-contained lab systems (which we refer to as the "MDx device").

Our diagnostics systems enable very rapid, low-cost, molecular testing for organisms and genetic diseases by automating historically complex procedures in both the development and administration of tests. CDI's newest technical advance involves a novel approach to Polymerase Chain Reaction ("PCR") test design ("Co-Primers") that eliminates one of the key vexing issues of PCR amplification, the exponential growth of primer-dimer pairs (false positives and false negatives) which adversely interferes with identification of the target DNA.

Our proprietary molecular diagnostics technology is paving the way for innovation in disease detection and life sciences research through our enhanced detection of genetic material. Because we own our platform, we are able to accomplish this faster and more economically, allowing for wider margins while still positioning Co-Diagnostics to be a low-cost provider of molecular diagnostics and screening services.

In addition, continued development has demonstrated the unique properties of our Co-Primer technology that make them ideally suited to a variety of applications where specificity is key to optimal results, including multiplexing several targets, enhanced Single Nucleotide Polymorphism ("SNP") detection and enrichment for next gen sequencing.

Our scientists use the complex mathematics of DNA test design, to "engineer" a DNA test and to automate algorithms that rapidly screen millions of possible options to pinpoint the optimum design. Dr. Satterfield, our Chief Technology Officer, developed the Company's intellectual property consisting of the predictive mathematical algorithms and proprietary reagents used in the testing process, which together represent a major advance in PCR testing systems. CDI technologies are now protected by seven granted or pending US and foreign patents, as well as certain trade secrets and copyrights. Ownership of our proprietary platform permits us the advantage of avoiding payment of patent royalties required by other PCR test systems, which enables the sale of diagnostic tests at a lower price than competitors, while generating a profit margin.

We may either sell or lease the MDX Device to labs and diagnostic centers, through sale or lease agreements, and sell the reagents that comprise our proprietary tests to those laboratories and testing facilities.

We designed our tests by identifying the optimal locations on the target gene for amplification and paired the location with the optimized primer and probe structure to achieve outputs that meet the design input requirements identified from market research. This is done by following planned and documented processes, procedures and testing. In other words, the data resulting from our tests verify that we succeeded in designing what we intended at the outset. Verification is a series of testing that concludes that the product is ready to proceed to validation in a clinical evaluation setting using initial production tests to confirm that the product as designed meets the user needs.

CDI's diagnostics systems enable very rapid, low-cost, sophisticated molecular testing for organisms and genetic diseases by greatly automating historically complex procedures in both the development and administration of tests. CDI's newest technical advance involves a novel approach to PCR test design (cooperative primers) that eliminates one of the key vexing issues of PCR amplification, the exponential growth of primer-dimer pairs (false positives and false negatives) which adversely interferes with identification of the target DNA.

Using its proprietary test design system and proprietary reagents, CDI has designed and obtained regulatory approval in the European Community and in India to sell PCR diagnostic tests for COVID-19, tuberculosis, hepatitis B and C, human papilloma virus, Malaria, chikungunya, dengue, and the Zika virus.

In addition to testing for infectious disease, the technology lends itself to identifying any section of a DNA strand that describe any type of genetic trait, which creates a number of significant applications. We are active in designing and licensing tests that identify genetic traits in plant and animal genomes. We also have a number of tests developed to test mosquitos for the identification of diseases carried by the mosquitos to enable municipalities to concentrate their efforts in spraying mosquito populations on the specific areas known to be breeding the mosquitos that carry deadly viruses.

Recent Developments

On January 23, 2020, we announced the completion of the principle design work for a PCR screening test for new coronavirus, COVID-19, intended to address potential need for detection of the virus. An outbreak of respiratory illness caused by the pneumonia-like COVID-19 has spread rapidly over past few months, after first being discovered in the Chinese city of Wuhan on December 31, 2019. China confirmed human-to-human transmission of the virus and the United States announced the first infection in this country, detected in a traveler returning from Wuhan. Our COVID-19 test features the Company's patented CoPrimer™ technology, and was designed using our proprietary software system, following the guidelines published by the World Health Organization and Centers for Disease Control.

On February 20, 2020, we announced that our Logix Smart™ COVID-19 Test technical file had been submitted for registration with the European Community, and that it was expected to be available late February as an in vitro diagnostic ("IVD") for markets that accept a CE marking as valid regulatory approval. Subsequently, on February 24, 2020, we announced that our test obtained regulatory clearance to be sold as an in vitro diagnostic for the diagnosis of SARS-CoV-2 (COVID-19) in markets that accept CE-marking as valid regulatory approval, and became available for purchase from the Company's Utah-based ISO-13485:2016 certified facility. The Declaration of Conformity for the Logix Smart COVID-19 test confirms that it meets the Essential Requirements of the European Community's In-Vitro Diagnostic Medical Device Directive (IVDD 98/79/EC), permitting export and sales of the product as an IVD to commence immediately in the European Community. We shipped samples of the Research Use Only version of our test to distributors in various countries, which allowed future customers to confirm the quality and sensitivity of the product, and for us to accelerate the sales efforts of the COVID-19 test. We commenced sales of the COVID-19 tests in February and March and have sold the tests in numerous countries around the world as well as sales to labs in the United States.

Infectious Disease Product Offering

Using its proprietary test design system and proprietary reagents, CDI designs and sells PCR diagnostic tests for diseases and pathogens such as COVID-19, tuberculosis, hepatitis B and C, Malaria, dengue, human papilloma virus, chikungunya, and Zika virus, all of which tests have been designed and verified in CDI's laboratory. Our tuberculosis test and Zika test received a CE Mark in 2018, and a triplex test for Zika, Dengue and Chikungunya received a CE Mark in 2019, qualifying our test to be sold throughout the European community and in most countries in central and South America. In December, 2019, our Indian joint venture received a license to manufacture and sell Tuberculosis, Hepatitis B, Hepatitis C, Human Papilloma virus 16/18 and Malaria tests in India from the Central Drugs Standard Control Organization ("CDSCO"). In February 2020, we received a CE Mark for our Logix Smart COVID-19 test.

As explained above, the development of our Logix Smart COVID-19 test was designed, developed, submitted for regulatory approved and ready to be used both as a Research Use Only ("RUO") and as an IVD in countries that accept a CE Mark as approval for use of the test in a period of just over thirty days. This is a real world example of how in an evolving epidemic that the CDI technology can be used to get diagnostics tools in the hands of medical professionals without delay. It can be similarly used to design a test for mutations of the virus should they occur.

Caribbean and Central and South America

Our initial sales were to entities within the Caribbean Public Health Agency Members States (Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Bermuda, BES Islands, British Virgin Islands, Cayman Islands, Curacao, Dominica, Grenada, Haiti, Guyana, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, St Maarten, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos Islands).

In some of these countries, there are no regulatory hurdles and we can start offering our tests immediately. We have applied for registration of our tests in those countries that require registration and our distributors in those countries have provided us with in country assistance in completing such registrations.

We first offered our Zika test in this region because of the demand for such test, followed quickly by tests for tuberculosis, our triplex test for Zika, chikungunya, and dengue, hepatitis B and C, and dengue. Products are manufactured for sale upon receipt of purchase orders from labs and hospitals.

India

The Company has entered into an agreement to manufacture diagnostics tests for seven infectious diseases with a pharmaceutical manufacturing company in India and formed an Indian joint venture which is CoSara Diagnostics, Pvt. The agreement provides for the construction of a manufacturing plant and the manufacture of the tests named above and the joint sales and marketing of those tests in India. We have completed licensing of the plant in Rinoli, India, that will be used for testing and manufacturing for the Indian market.

Since the tests will be conducted in India on Indian citizens, no FDA approval or inspection will be required. As mentioned above, the CDSCO has given us the approval for manufacture and sale of the five tests referred above and the Company has begun to take orders for our tests. The Company has commenced a reagent rental program in India with our Mx Device. We have placed five of our Mx Devices with labs in India and have purchased an additional fifteen Mx Devices in the first quarter of 2020. Each of the reagent rental placements requires the purchase of a minimum of 250 tests per month. We have submitted to the CDSCO our technical file requesting approval for the manufacture and sale of our COVID-19 test in India and have received authorization to begin manufacture and sale of COVID-19 tests on a RUO basis. We intend to submit technical files to the CDSCO requesting approval tests for HIV and Dengue as well as a blood bank panel before the end of the second quarter of 2020 and expect them to be approved for sale in 2020.

India is the country with the highest burden of tuberculosis. World Health Organization (WHO) tuberculosis statistics for India for 2015 give an estimated incidence figure of 2.2 million cases of tuberculosis for India out of a global incidence of 9.6 million. The tuberculosis incidence for India is the number of new cases of active tuberculosis disease in India during a certain time period (usually a year).

Europe

Molecular diagnostics, such as our tests, are governed in Europe by the framework for in vitro diagnostics (IVDs), which encompasses diagnostic products such as reagents, instruments and systems intended for use in diagnosis of disease. The regulatory system for IVDs is built largely on a self-certification procedure, placing heavy responsibility on manufacturers. Non self-certified products are subject to the same standards as self-certified products but are subject to audit and review by a notified body prior to receiving approval to be CE-marked. A CE-marking is a manufacturer's declaration that a product meets the requirements of the applicable European Commission directive. Examples of current obligations include having in place a qualitative manufacturing process, user instructions that are clear and fit for purpose, ensuring that the 'physical' features of devices and diagnostics do not pose any danger. If a product fulfils these and other related control requirements, it may be CE-marked as an indication that the product is compliant with EU legislation and sold in the European Union. We have received CE Marks for four of our tests including COVID-19, tuberculosis, Zika, and our zika, dengue, chikungunya triplex tests.

We have received ISO 13485 and ISO 9001 certifications relating to the design and manufacture of our medical device products. The ISO certification indicates that we meet the standards required to self-certify certain of our products and affix a CE-marking for sales of our products in countries accepting the CE marking (not in the United States) with only minimal further governmental approvals in each country.

United States

The U.S. Food and Drug Administration (FDA) has granted permission for us to export many of our products. The FDA's permission to export was granted under Section 801(e) of the Federal Food, Drug, and Cosmetic Act, as amended (the "FDC Act"). Section 801(e) of the FDA Act covers certain medical devices that have not yet received an approved Premarket Approval in the United States by the FDA, such as our products. We have not commenced any Premarket Approval steps with the FDA. Section 801(e) applies to medical devices that are acceptable to the importing country and that are manufactured under the FDA's Good Manufacturing Practices. We have applied to the FDA for Emergency Use Authorization for our COVID-19 test, which would allow sales in the US to qualified labs.

We do not anticipate offering our tests in the United States in the near future. We believe, however, our tests may be able to qualify as Laboratory Developed Tests (LDT's), diagnostic tests that are developed and manufactured by CLIA certified laboratories. These tests are developed by the lab for use only in that laboratory. CLIA laboratories develop the performance characteristics, perform the analytical validation for their LDT's and obtain licenses to offer them as diagnostic services. The FDA has publicly announced its intention to regulate certain LDTs in a phased-in approach, but draft guidance that was published a couple of years ago was withdrawn at the end of the Obama administration and replaced by an informal non-enforceable discussion paper reflecting some of the feedback that it received on LDT regulation.

Market Opportunity

The molecular diagnostics market is a fast-growing portion of the in vitro (test tube based, controlled environment) diagnostics market. Using estimates of the incidence of disease by the Centers for Disease Control, the World Health Organization and other international health agencies and sources, the Company estimates that the global annual demand for diagnostic tests are:

Tuberculosis	10,400,000	HIV	36,700,000
Multi-drug resistant Tuberculosis	580,000	Malaria	214,000,000
Zika	324,000,000	Sexually Transmitted Illnesses	357,000,000
Hepatitis B	240,000,000	Human papilloma virus	291,000,000
Hepatitis C	130,000,000	Dengue	390,000,000
Total Annual Tests			1,993,680,000

There are several advantages of molecular tests, such as the ones we market and sell, over other forms of diagnostic testing, which include higher sensitivities, the ability to perform multiplex tests and the ability to test for drug resistance or individual genes.

Mosquito Vector Control Services.

In response to market demand, we introduced our first diagnostics tests to be used exclusively to test mosquito DNA in June 2019. Municipalities in the US and many other countries in the world are concerned about the diseases carried by mosquitos and which infect the human population. To prevent outbreaks of potentially harmful viruses, such as Zika or West Nile, from infecting the public the municipalities conduct spraying operations to eliminate the mosquito populations carrying the diseases. Because it is too expensive to spray all mosquito breeding areas, the problem is to identify which particular area has mosquitos that are carrying the harmful viruses. To know where the host mosquitos with the harmful viruses are located, traps are set, mosquitos collected and then tested to find the areas that most needed spraying. There are over three thousand mosquito abatement districts throughout the United States and almost all of them conduct testing to help make the spraying more effective.

Our first test is a triplex test that tests for West Nile, Western Equine and St. Louis encephalitis. We began shipping the tests in June 2019. We have since added a second test that tests mosquitos for Zika, chikungunya and dengue in a triplex test. Finally, in November, we completed a test for West Nile, Eastern Equine and St. Louis encephalitis, specifically for use in the eastern United States. As a result, mosquito abatement districts can test for three target viruses in one test for the same cost as one test would cost ($10-$15) using other market available PCR tests. Additionally, the districts are more effective because they can get test results in a matter of hours using our product instead of weeks when they have to wait for a central lab to process the mosquito tests.

We have sold our Vector Smart test products and/or related lab equipment to seven different testing districts and are marketing our products through trade shows, electronic and regular mail solicitations and have hired additional sales personal in the eastern US to more economically and efficiently market to the east coast areas.

Competitive Advantages of Co-Diagnostics

We believe that we have the following competitive advantages:

- ***Affordability:*** Lower-cost test kits and low-cost MDx-device.
- ***Flexibility:*** CDI's tests have been designed to run on many vendors' DNA diagnostic testing machines. These tests are particularly well suited to the new generation of "lab-on-a-chip" and "point-of-care" ("LOC and POC"), highly portable analysis machinery for field, clinic and office applications.
- ***Speed*****:** We believe our rapid assay design system software provides shorter time to product release. This has been demonstrated with the conception, design, product manufacture, clinical verification and submission for a CE Mark for our Logix Smart coronavirus disease (COVID-19) test being approximately 30 days.
- ***Accuracy***: We believe our tests are more accurate than competitors' and can detect more strains of viruses.

- ***Exclusivity*:** CDI owns all patents and all intellectual property used in preparation of its tests.

- ***Personalized Medicine*:** We project that rising health care costs in developed and developing nations will increasingly require that health care systems be patient specific to eliminate waste, misdiagnoses, and ineffectiveness. A critical component will be accurate, more affordable DNA-based diagnostics, which CDI plans to offer.

- ***Low-cost Provider*:** We plan to keep the Company's overhead low. Its platform technology obviates the need to pay patent royalties typically required of its competitors, which use patented test platforms to design their tests.

- ***Worldwide Footprint*:** With a dynamic technology that encompasses markets worldwide, the Company anticipates that it can identify the best target markets, not only in high burden developing countries (HBDC's) but also in developed nations.

- ***Growth Industry Category*:** We believe that DNA testing is the fastest-growing segment of in-vitro diagnostic testing.

- ***Combination Product Offering*:** CDI's ultra-sensitive tests can be a well-designed match for a new generation of handheld and other small point-of-care devices now entering the market. Used together, these affordable tests and devices may revolutionize the molecular diagnostics industry in cost, speed of test results and simplification.

- ***Multi-plexing:*** Our initial development efforts have demonstrated that our Co-Primer designed tests will be able to test for multiple targets in the same sample without the distortion caused by false negatives and false positives that generally occur in multiplexed tests.

Liquid Biopsy for Cancer Screening

The development of the liquid biopsy test will spur low cost testing in many developing countries. We believe that our liquid biopsy cancer screening shall be ready for testing in 2020 if we have sufficient development resources to dedicate to the project. Medical applications of our SNP detection technology can determine the presence of cancer cells or cell-free genetic material in a liquid or tissue biopsy, and to determine the distinct type of cancer involved. A real-life example of this includes being able to identify specific mutation(s) in genes linked to breast cancer in order to determine a patient's prognosis, initiate the most effective and affordable treatment and to determine whether chemotherapy is necessary. After diagnosis the relative cost of our technology allows for frequent testing to measure the effectiveness of the treatment.

Our technology has for all practical purposes essentially eliminated, primer-dimers, which opens up some very unique applications for liquid biopsy for cancer detection. Our ability to multiplex the reaction in testing for several DNA targets allows technicians to detect multiple cancers as free-circulating DNA fragments or whole cells in a blood sample at the same time

Agricultural Applications

SNP detection is also used in the agricultural industry to identify variations in crop genomes to achieve improved seed viability and other desired characteristics, including drought resistance, disease resistance, pest resistance and higher yield.

In mid-2017, the Company was first approached by a large agribusiness to evaluate our ability to multiplex certain target genomes. The results of the development project have been to successfully demonstrate our ability to not only multiplex the target genomes, but targeted SNP's as well. The project was undertaken in conjunction with the manufacturer of our CoPrimer tests. The results of the project encouraged the parent of our manufacturer to seek a world-wide licensing arrangement for our CoPrimers in the agricultural industry, which was completed in October 2018. Pursuant to the exclusive license for the agrigenomics industry, the licensee will pay us a royalty for all CoPrimers sold to the licensee's customers. In January 2019, the licensee formally introduced the product at a large agricultural conference and has branded the product to sell as BHQCoPrimers.

Additional Licensing and Assay Development

In addition, the unique properties of our CoPrimer technology make them ideally suited to a variety of applications where sensitivity is key to optimal results, including multiplexing several targets, enhanced SNP detection and enrichment for next gen sequencing. Our licensee for our agricultural testing requested an expansion of our license agreement to include test design services for their customers and potential customers, both in the infectious disease arena as well as for agricultural customers. The license was amended in July 2019 and we will derive a license fee from our licensee for its design services. If any of its customers desire to commercialize the tests designed, they will need to seek a commercial license directly from us. Because of these unique characteristics of CoPrimers, research companies and institutions have requested that we design diagnostics to locate and identify uncommon gene sequences and SNPs and create tests for the target sequences in a multiplexed reaction. This application of our technology is in its beginning stages, but we believe that the results from our initial research indicate a significant step forward in defining the capabilities of our technology, which we believe can be translated to revenue producing licensing arrangements.

Organizational History and Corporate Information

We were incorporated as Co-Diagnostics, Inc., in Utah on April 18, 2013. Our principal executive office is located 2401 S. Foothill Drive, Salt Lake City, Utah 84109. Our telephone number is (801) 438-1036. Our web address is http://codiagnostics.com.

Implications of Being an Emerging Growth Company

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012. We will remain an emerging growth company until the earlier of (i) the last day of the fiscal year following the fifth anniversary of July 12, 2017, the date of the first sale of our common stock pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"); (ii) the last day of the fiscal year in which we have total annual gross revenues of $1 billion or more; (iii) the date on which we have issued more than $1 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under applicable SEC rules. We expect that we will remain an emerging growth company for the foreseeable future, but cannot retain our emerging growth company status indefinitely. We refer to the Jumpstart Our Business Startups Act of 2012 herein as the "JOBS Act". For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from specified disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure;
- not being required to comply with the requirement of auditor attestation of our internal controls over financial reporting;
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation; and
- not being required to hold a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

For as long as we continue to be an emerging growth company, we expect that we will take advantage of the reduced disclosure obligations available to us as a result of that classification. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

An emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected to avail ourselves of this extended transition period and, as a result, we will not be required to adopt new or revised accounting standards on the dates on which adoption of such standards is required for other public reporting companies.

We are also a "smaller reporting company" as defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and have elected to take advantage of certain of the scaled disclosure available for smaller reporting companies.

ITEM 1A. RISK FACTORS

Not applicable to smaller reporting companies.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our executive offices are located at 2401 S. Foothill Drive, Salt Lake City, Utah 84109. We occupy the space at the executive offices under a lease, which expired January 31, 2020. We currently occupy the space on a month to month basis as we negotiate a longer-term lease. The lease covers approximately 10,273 square feet of lab and office space leased at a rate of $14,831 per month. We have no other properties.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may become involved in litigation relating to claims arising out of our operations in the normal course of business. There is one lawsuit pending in the State of Florida alleging liable, which we believe is groundless and has no relevance to our products or services and which will be vigorously defended. To the best of our knowledge, no governmental authority is contemplating any proceeding to which we are a party or to which any of our properties or businesses are subject, which would reasonably be likely to have a material adverse effect on the Company. We have received inquiries relative to the sudden rise in the price of our stock from FINRA and NASDAQ, to which we have responded.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER EQUITY SECURITIES

Market Information

Our common stock, from July 12, 2017, was quoted on the NASDAQ market under the symbol "CODX". The following table sets forth the high and low prices for our common stock for the periods indicated, as reported by NASDAQ.

2020	**HIGH**	**LOW**
First Quarter (through March 15, 2020)	$ 21.75	$ 0.88
2019		
First Quarter	$ 3.77	$ .90
Second Quarter	$ 1.20	$ .69
Third Quarter	$ 2.00	$ .79
Fourth Quarter	$ 1.20	$ .85
2018	**HIGH**	**LOW**
First Quarter	$ 3.27	$ 1.45
Second Quarter	$ 6.66	$ 1.57
Third Quarter	$ 4.30	$ 2.60
Fourth Quarter	$ 3.10	$ 1.15

Holders

As of March 13, 2020, the last reported sales price reported on NASDAQ for our common stock was $9.86 per share. As of the date of this filing, we had approximately 336 record holders of our common stock. The number of record holders was determined from the records of our transfer agent and does not include beneficial owners of common stock whose shares are held in the names of various security brokers, dealers, and registered clearing agencies. The transfer agent for our common stock is VStock Transfer LLC located at 18 Lafayette Pl, Woodmere, New York 11598.

Dividends

We have never declared or paid any cash dividends on our capital stock. The payment of dividends on our common stock in the future will depend on our earnings, capital requirements, operating and financial condition and such other factors as our Board of Directors may consider appropriate. We currently expect to use all available funds to finance the future development and expansion of our business and do not anticipate paying dividends on our common stock in the foreseeable future.

Recent Sales of Unregistered Securities

We relied on the exemption from registration under the Securities Act set forth in Section 4(2) thereof for each of these issuances.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

ITEM 6. SELECTED FINANCIAL DATA

Not required.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

The following management's discussion and analysis of financial condition and results of operations describes the principal factors affecting the results of our operations, financial condition, and changes in financial condition. This discussion should be read in conjunction with the accompanying audited financial statements, and notes thereto, included elsewhere in this report. The information contained in this discussion is subject to a number of risks and uncertainties. We urge you to review carefully the sections of this report entitled "*Risk Factors*" in other filings with the SEC and "*Forward-Looking Statements*" in this Annual Report for a more complete discussion of the risks and uncertainties associated with an investment in our securities.

Overview

Business Overview

Co-Diagnostics, Inc., a Utah corporation ("Company," or "CDI,") is developing robust and innovative molecular tools for detection of infectious diseases, liquid biopsy for cancer screening, and agricultural applications. We have developed and we manufacture and sell reagents used for diagnostic tests that function via the detection and/or analysis of nucleic acid molecules (DNA or RNA). In connection with the sale of our tests we may sell diagnostic equipment from other manufacturers as self-contained lab systems (which we refer to as the "MDx device").

Our diagnostics systems enable very rapid, low-cost, molecular testing for organisms and genetic diseases by automating historically complex procedures in both the development and administration of tests. CDI's newest technical advance involves a novel approach to Polymerase Chain Reaction ("PCR") test design ("Co-Primers") that eliminates one of the key vexing issues of PCR amplification, the exponential growth of primer-dimer pairs (false positives and false negatives) which adversely interferes with identification of the target DNA.

Our proprietary molecular diagnostics technology is paving the way for innovation in disease detection and life sciences research through our enhanced detection of genetic material. Because we own our platform, we are able to accomplish this faster and more economically, allowing for wider margins while still positioning Co-Diagnostics to be a low-cost provider of molecular diagnostics and screening services.

In addition, continued development has demonstrated the unique properties of our Co-Primer technology that make them ideally suited to a variety of applications where specificity is key to optimal results, including multiplexing several targets, enhanced Single Nucleotide Polymorphism ("SNP") detection and enrichment for next gen sequencing.

Our scientists use the complex mathematics of DNA test design, to "engineer" a DNA test and to automate algorithms that rapidly screen millions of possible options to pinpoint the optimum design. Dr. Satterfield, our Chief Technology Officer, developed the Company's intellectual property consisting of the predictive mathematical algorithms and proprietary reagents used in the testing process, which together represent a major advance in PCR testing systems. CDI technologies are now protected by seven granted or pending US and foreign patents, as well as certain trade secrets and copyrights. Ownership of our proprietary platform permits us the advantage of avoiding payment of patent royalties required by other PCR test systems, which enables the sale of diagnostic tests at a lower price than competitors, while generating a profit margin.

We may either sell or lease the MDX Device to labs and diagnostic centers, through sale or lease agreements, and sell the reagents that comprise our proprietary tests to those laboratories and testing facilities.

We designed our tests by identifying the optimal locations on the target gene for amplification and paired the location with the optimized primer and probe structure to achieve outputs that meet the design input requirements identified from market research. This is done by following planned and documented processes, procedures and testing. In other words, the data resulting from our tests verify that we succeeded in designing what we intended at the outset. Verification is a series of testing that concludes that the product is ready to proceed to validation in a clinical evaluation setting using initial production tests to confirm that the product as designed meets the user needs.

CDI's diagnostics systems enable very rapid, low-cost, sophisticated molecular testing for organisms and genetic diseases by greatly automating historically complex procedures in both the development and administration of tests. CDI's newest technical advance involves a novel approach to PCR test design (cooperative primers) that eliminates one of the key vexing issues of PCR amplification, the exponential growth of primer-dimer pairs (false positives and false negatives) which adversely interferes with identification of the target DNA.

Using its proprietary test design system and proprietary reagents, CDI has designed and obtained regulatory approval to sell PCR diagnostic tests for COVID-19, tuberculosis, hepatitis B and C, human papilloma virus, Malaria, chikungunya, dengue, and the Zika virus.

In addition to testing for infectious disease, the technology lends itself to identifying any section of a DNA strand that describe any type of genetic trait, which creates a number of significant applications. We are active in designing and licensing tests that identify genetic traits in plant and animal genomes. We also have a number of tests developed to test mosquitos for the identification of diseases carried by the mosquitos to enable municipalities to concentrate their efforts in spraying mosquito populations on the specific areas known to be breeding the mosquitos that carry deadly viruses.

Recent Developments

On January 23, 2020, we announced the completion of the principle design work for a PCR screening test for new coronavirus, COVID-19, intended to address potential need for detection of the virus. An outbreak of respiratory illness caused by the pneumonia-like COVID-19 has spread rapidly over past few months, after first being discovered in the Chinese city of Wuhan on December 31, 2019. China confirmed human-to-human transmission of the virus and the United States announced the first infection in this country, detected in a traveler returning from Wuhan. Our COVID-19 test features the Company's patented CoPrimer™ technology, and was designed using our proprietary software system, following the guidelines published by the World Health Organization and Centers for Disease Control.

On February 20, 2020, we announced that our Logix Smart™ COVID-19 Test technical file had been submitted for registration with the European Community, and that it was expected to be available late February as an in vitro diagnostic ("IVD") for markets that accept a CE marking as valid regulatory approval. Subsequently, on February 24, 2020, we announced that our test obtained regulatory clearance to be sold as an in vitro diagnostic for the diagnosis of SARS-CoV-2 (COVID-19) in markets that accept CE-marking as valid regulatory approval, and became available for purchase from the Company's Utah-based ISO-13485:2016 certified facility. The Declaration of Conformity for the Logix Smart COVID-19 test confirms that it meets the Essential Requirements of the European Community's In-Vitro Diagnostic Medical Device Directive (IVDD 98/79/EC), permitting export and sales of the product as an IVD to commence immediately in the European Community. We shipped samples of the Research Use Only version of our test to distributors in Italy and Germany, which allows future customers to confirm the quality and sensitivity of the product prior to the IVD being available, and for us to accelerate the sales efforts of its diagnostic. Many other global markets also accept a CE marking as valid regulatory approval following routine local product registration, which allows sales of our COVID-19 IVD into these areas.

Agreement with Synbiotics

The Company has entered into a joint venture agreement to manufacture diagnostics tests for seven infectious diseases with Synbiotics Limited, a pharmaceutical manufacturing company in India. The Company and Synbiotics shall be equal partners in the joint venture. The agreement provides for the manufacture of the tests named above and the joint sales and marketing of those tests in India. The Company will license its technology to the joint venture on a royalty-free basis. The profits from the partnership shall be divided as follows:

Profit Level	CDI Share	Synbiotics Share
Up to $1,000,000	50%	50%
$1,000,000-$2,000,000	60%	40%
$2,000,000-$3,000,000	70%	30%
Above $3,000,000	80%	20%

Synbiotics will be reimbursed by the joint venture for some expenses, such as approximately $96,000 in rent for the manufacturing plant and office space. If the joint venture needs additional funding, it will be achieved through loans obtained by the joint venture, or if loans are not available on commercially reasonable terms, from capital contributions. There is no term to the joint venture agreement but it can be dissolved by mutual agreement or by one party upon a material breach by the other party.

In December 2019, we announced that CoSara Diagnostics Pvt Ltd ("CoSara," or the "JV"), our joint venture for manufacturing, obtained regulatory clearance for five tests to be manufactured and sold as *in vitro* diagnostics ("IVDs") from their facility in Ranoli India.

The tests for Mycobacterium tuberculosis, malaria, hepatitis B, hepatitis C and human papillomavirus (HPV) met the requirements of the Central Drug Standard Control Organization ("CDSCO") Medical Device Rules (MDR) 2017, File no. 29/Misc./3/2017-DC (292), to be manufactured and sold as IVDs. CDSCO approval was granted following the completion of the CoSara manufacturing facility and a comprehensive inspection of the location, presentation of the technology, quality system, procedures, product validation data and performance evaluation by an independent NABL & CAP accredited laboratory. The licenses and regulatory clearance allow CoSara for the first time to manufacture and sell the tests for the detection of the respective pathogens and microorganisms.

CoSara distributors have begun taking pre-orders for the five IVDs. The JV has the exclusive manufacturing rights in India for the complete menu of our infectious disease molecular diagnostics kits, designed by us using our patented CoPrimer™ technology platform. Additional tests such as our COVID-19 test have been submitted to the CDSCO for approval and others such as consist a drug-resistant tuberculosis, HIV and more, including a multiplexed panel specifically for blood-bank screening will be submitted in 2020. Since the tests will be conducted in India on Indian citizens, no FDA approval or inspection will be required.

India is the country with the highest burden of tuberculosis. According to the World Health Organization (WHO) tuberculosis statistics for India for 2015 give an estimated incidence figure of 2.2 million cases of tuberculosis for India out of a global incidence of 9.6 million. The tuberculosis incidence for India is the number of new cases of active tuberculosis disease in India during a certain time period (usually a year).

Intellectual Property Protection

Because much of our future success and value depends on our proprietary technology, our patent and intellectual property strategy is of critical importance. Four of our initial U.S. patents related to our technology have been granted by the U.S. Patent and Trademark Office, or PTO, including the patent for our CoPrimer technology, which we consider our most important patent. One of our patents has been issued in Great Britain, but is still pending in the United States. As of March 15, 2020, we had three additional patents pending in the U.S. and foreign counterpart applications. Two of our issued patents expire in 2034, one in 2036 and one in 2038.

We have identified additional applications of the technology, which represent potential patents that further define specific applications of the processes that are covered by the original patents. We intend to continue building our intellectual property portfolio as development continues and resources are available.

We have copyrighted our development software that can be used by any lab or developer to develop diagnostic tests based on our technology. We have allowed one customer access to our development software and intend to sell customized reagents through that customer to labs serviced by that customer throughout the world. To date we have not sold any products through that customer.

Major Customers

We had no major customers in 2019, but one customer in the first quarter of 2020 comprised approximately 20% of our sales to date and payment was received in advance of shipment of the tests.

Competition

The molecular diagnostics industry is extremely competitive. There are many firms that provide some or all of the products we provide and provide many diagnostic tests that we have yet to develop. Many of these competitors are larger than us and have significantly greater financial resources. Because we are not established, many of our competitors have a competitive advantage in the diagnostic testing industry because they also have other lines of business in the pharmaceutical industry from which they derive revenues and for which they are well known and respected in the medical profession. We will need to overcome the disadvantage of being a start up with no history of success and no respect of the medical and testing professionals. In the diagnostic testing industry, we compete with such companies as Roche, BioMerieux, Siemans, Qiagen, and Cephied and with such pharmaceutical companies as Abbott Laboratories, Becton, Dickinson and Johnson and Johnson.

Many of these competitors already have an established customer base with industry standard technology, which we must overcome to be successful.

Employees

We currently employ 23 full-time personnel at our executive offices and lab facilities in Salt Lake City, Utah, and two employees outside of Utah. We have engaged independent contractors in the US and India to promote the use of our products and develop outlets for products and employ the services of an independent sales representatives in our mosquito vector sales efforts.

Government Regulation

We will be regulated by the U.S. Federal Drug Administration and our products must be approved by the FDA before we will be allowed to sell our tests in the United States. Because our lab is ISO certified we are allowed to apply for CE-Marking, which will allow us to sell in most countries in Europe, South America and Asia. We currently have CE Marks issued for our COVID-19 test, tuberculosis test, our zika virus test, and a triplex test that tests for zika, dengue, and chikungunya simultaneously. Our joint venture in India is regulated by the CDSCO and has approved the manufacture and sale of five diagnostic tests and has approved the manufacture and sale of COVID-19 tests on as a Research Use Only test pending approval for full manufacture and sale.

Properties

Our executive offices are located at 2401 S. Foothill Drive, Salt Lake City, Utah 84109. We occupy the space at the executive offices under a month to month lease. The lease covers approximately 10,273 square feet of lab and office space leased at a rate of $14,831 per month. We have no other properties.

Legal Proceedings

From time to time, we may become involved in litigation relating to claims arising out of our operations in the normal course of business. There is one lawsuit pending in the State of Florida alleging liable, which we believe is groundless and has no relevance to our products or services and which will be vigorously defended. To the best of our knowledge, no governmental authority is contemplating any proceeding to which we are a party or to which any of our properties or businesses are subject, which would reasonably be likely to have a material adverse effect on the Company. We have received inquiries relative to the sudden rise in the price of our stock from FINRA and NASDAQ, to which we have responded.

RESULTS OF OPERATIONS

Results of Operations for the Years Ended December 31, 2019 and 2018

Table derived from audited financial statements	**For the years ended**	
	December 31, 2019	**December 31, 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	(28,196)	(134,947)
Loss on extinguishment of debt	(78,241)	—)
Net gain (loss) from investment in joint venture	(232,881)	(38,764)
Net gain (loss) on disposition of assets	850	—
Interest income	36,652	19,804
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)

Revenues

Sales of products in the twelve months ended December 31, 2019 were $214,974, which consisted of sales of testing equipment of $128,124, sales from the license of our technology in the agriculture industry of $50,000 and $36,850 which represented the initial sales of our diagnostic tests, primarily of our mosquito vector products. For the twelve months ending December 31, 2018, we realized revenue from the sale of diagnostic equipment of $10,123 and had licensing revenue of $29,088 and test revenue of $700.

Cost of Revenues and Gross Profit

We recorded costs of sales for the twelve months ended December 31, 2019 of $112,431 compared to costs of sales of $9,391 for the twelve months ended December 31, 2018. The increase in costs of sales of $103,040 was due to the increase in sales. Most of the increased related to the cost of equipment sold, which was $93,171 as equipment has the highest cost of sales. Costs of sales of tests increased $9,869 as a result of increased sales. There were no costs associated with the license revenue.

Operating Expenses

We incurred total operating expenses of $5,996,284 for the year ended December 31, 2019 compared to total operating expenses of $6,148,336 for the year ended December 31, 2018. The decrease of $152,052 was due to a decrease in general and administrative expense of $73,513 and a decrease in sales and marketing costs of $103,955, partially offset by an increase of $15,137 in depreciation and amortization expense and an increase of $10,279 in our research and development expenses.

Our general and administrative expenses decreased $73,513 from $3,570,786 for the year ended December 31, 2018 to $3,497,273 for the year ended December 31, 2019. The decrease was primarily the result of a decrease of $975,417 in consulting fees and a decrease of $46,249 in attorney fees. These decreases were partially offset by an increase of $529,602 in other professional services, an increase in salaries and related benefits of $116,419 and an increase of $121,443 in option and warrant expense reflecting the issuance of options to our employees and others. In addition, insurance costs increased $77,757 and travel expenses increased $64,873.

Our sales and marketing expenses for the year ended December 31, 2019 were $1,061,676 compared to sales and marketing expenses of $1,165,631 for the year ended December 31, 2018. The decrease of $103,955 was due primarily to incurring a marketing expense of $497,208 related to acquisition of a distributor network in 2018 that was not repeated in 2019. Other sales and marketing costs generally increased. We experience an increase of $192,786 in salaries and related benefits, an increase of $118,026 in travel and convention related expenses and an increase of $90,573 in consulting expenses, all of which were incurred as we increased our sales efforts.

Our research and development expenses increased by $10,279 from $1,361,154 for the year ended December 31, 2018 to $1,371,433 for the year ended December 31, 2019. The increase was primarily due to an increase of $163,319 in salaries and related benefits as we increased research and development activities. The increase was partially offset by a decrease of $76,795 in consulting fees for research services, a decrease of $72,528 in other professional services and a decrease of $22,528 in other lab services.

Interest and Other Expense

Interest and other expense items increased for the year ended December 31, 2019 by $147,909. The increase in expenses related primarily to an increased loss of $194,117 related to our India joint venture and a loss on extinguishment of debt of $78,241, which occurred when a loan was converted to preferred stock. The increase in loss was partially offset by a decrease in interest expense of $106,751and an increase in interest income of $16,848.

Net Loss

We had net loss of $6,271,723 for the year ended December 31, 2018 compared to a net loss of $6,195,557 for the year ended December 31, 2019. The decrease in net loss for the year ended December 31, 2019 compared to the year ended December 31, 2018 was $76,166. Our total operating expenses decreased by $152,052 and our total other expenses increased by $147,909 as explained in more detail above.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity is the ability of a company to generate funds to support its current and future operations, satisfy its obligations, and otherwise operate on an ongoing basis. Significant factors in the management of liquidity are funds generated by operations, levels of accounts receivable and accounts payable and capital expenditures.

To date we have financed our operations through sales of common stock and the issuance of debt.

At December 31, 2019, we had cash and cash equivalents of $893,138, total current assets of $1,584,254, total current liabilities of $328,070 and total stockholders' equity of $1,737,256. At December 31, 2018, we had cash and cash equivalents of $950,237, total current assets of $1,051,913, total current liabilities of $2,351,983 and total stockholders' deficit of $1,058,811.

We experienced negative cash flow used in operations during the twelve months ended December 31, 2019 of $5,525,091 compared to negative cash flow used in operations for the twelve months ended December 31, 2018 of $4,080,036. In addition, we used $592,764 of our cash in financing transactions and used $322,000 in contributions to our joint venture in India. The negative cash flow in 2019 was met by cash reserves received from the completion of a registered direct offering in February 2019 pursuant to our S-3 shelf registration filed in 2018 and declared effective in September 2018. We received net proceeds of $5,000,000 from that offering. In addition, in January 2019 we sold preferred stock from which we received net proceeds of approximately $1,000,000 and converted $2,000,000 of our debt to the preferred stock. The amount of our operating deficit could decrease or increase significantly depending on strategic and other operating decisions, thereby affecting our need for additional capital. We expect our operating losses will continue until we are able to generate revenue and our operations become profitable. We will continue to rely on proceeds received from our public offerings of stock. We expect additional investment capital to come from (i) additional issuances of our common stock with existing and new investors and (ii) the private placement of other securities with investors similar to those that have provided funding in the past.

Our monthly cash operating expenses, including our technology research and development expenses and interest expense, were approximately $460,000 per month during the year ended December 31, 2019. We completed the registered direct offering described above in January 2019 to fund operations through 2019. The foregoing estimates, expectations and forward-looking statements are subject to change as we make strategic operating decisions from time to time and as our expenses fluctuate from period to period.

On February 28, 2020, the Company entered into securities purchase agreements with certain institutional investors for the sale by the Company of 470,000 shares of the Company's common stock, par value $0.001 per share, at a purchase price of $ 9.00 per share in a registered direct offering. The aggregate gross proceeds for the sale of the Common Shares were approximately $4.00 million. The closing of the offering occurred on or about February 28, 2020. In the same manner as February 10, 2020 offering, the Common Shares sold in the offering were offered and sold by the Company pursuant to an effective shelf registration statement on Form S-3, that was originally filed on August 14, 2018 and declared effective by the Securities and Exchange Commission ("SEC") on September 7, 2018, and the base prospectus contained therein (File No. 333-226835).

On February 10, 2020, the Company entered into securities purchase agreements with certain institutional investors for the sale by the Company of 3,324,676 shares of the Company's common stock, par value $0.001 per share, at a purchase price of $ 3.08 per share in a registered direct offering. The aggregate gross proceeds for the sale of the Common Shares were approximately $10.2 million. The closing of the offering occurred on or about February 13, 2020. In the same manner as January 23, 2020 offering, the Common Shares sold in the offering were offered and sold by the Company pursuant to an effective shelf registration statement on Form S-3, that was originally filed on August 14, 2018 and declared effective by the Securities and Exchange Commission ("SEC") on September 7, 2018, and the base prospectus contained therein (File No. 333-226835).

On January 23, 2020, the Company entered into securities purchase agreements with certain institutional investors for the sale by the Company of 3,448,278 shares of the Company's common stock, par value $0.001 per share, at a purchase price of $1.45 per share in a registered direct offering. The aggregate gross proceeds for the sale of the Common Shares were approximately $5,000,000. The closing of the offering occurred on or about January 28, 2020. The Common Shares sold in the offering were offered and sold by the Company pursuant to an effective shelf registration statement on Form S-3, that was originally filed on August 14, 2018 and declared effective by the Securities and Exchange Commission ("SEC") on September 7, 2018, and the base prospectus contained therein (File No. 333-226835).

On March 6, 2020, one of our warrant holders exercised its warrants for 25,000 shares of our common stock at $2.00 per share and paid us $50,000. In February and March, 2020 an additional 15 warrant holders exercised an aggregate of 759,445 warrants to purchase 694,492 shares of our common stock on a cashless basis.

On January 30, 2019, we entered into a securities purchase agreement with investors, whereby the investors purchased from the Company 30,000 shares of Series A Convertible Preferred Stock of the Company for a purchase price of $3,000,000. The purchase price was paid by the investors with $1.0 million in cash and the conversion of a $2.0 million note owed by the Company to one of the investors. The investors may not convert the Series A Preferred Stock to the extent that such conversion would result in beneficial ownership by the investors and their affiliates of more than 4.99% of the issued and outstanding Common Stock of the Company.

On February 4, 2019, we completed the sale of 3,925,716 shares of the Company's common stock, par value $0.001 per share, at a purchase price of $1.40 per share in a registered direct offering. The aggregate gross proceeds for the sale of the Common Shares was $5,496,002 and we received net proceeds after offering costs of $4,996,322.

The amount of our operating deficit could decrease or increase significantly depending on strategic and other operating decisions, thereby affecting our need for additional capital. We expect our operating loses will continue until we are able to generate revenue. Revenue commenced in 2019 and has increased substantially in 2020 and our need for additional investment will depend on the amount of revenue generated. At our current level of operating expenditures, we have sufficient cash to fund operations for the next twelve months. Absent a significant acquisition or capital expansion, we do not expect to raise additional capital.

Our long-term liquidity is dependent upon execution of our business model and the commencement of revenue generating activities and working capital as described above, and upon capital needed for continued commercialization and development of our diagnostic testing technology. Commercialization and future development of diagnostic tests utilizing our PCR technology are expected to require additional capital estimated to be approximately $1,350,000 annually for the foreseeable future. This estimate will increase or decrease depending on specific opportunities and available funding.

Off-Balance Sheet Arrangements

As of December 31, 2019, we had no off-balance sheet arrangements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATE.

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Co-Diagnostics, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Co-Diagnostics, Inc. (the Company) as of December 31, 2019 and 2018, and the related statements of operations, changes in stockholders' equity (deficit), and cash flows for each of the years in the two-year period ended December 31, 2019, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018 and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2019, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Haynie & Company
Salt Lake City, Utah
March 30, 2020

We have served as the Company's auditor since 2016.

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 STOCKHOLER'S 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

See accompanying notes to consolidated financial statements

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

See accompanying notes to consolidated financial statements.

CO-DIAGNOSTICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	Convertible Preferred Stock		Common Stock		Additional Paid-In-Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
Balance as of December 31, 2017	—	$ —	12,317,184	$ 12,317	$ 16,260,651	$ (12,422,444)	$ 3,850,524
Stock issued for the exercise of warrants	—	—	272,727	273	29,7272	—	30,000
Stock-based compensation	—	—	333,472	333	1,332,055	—	1,332,388
Net loss	—	—	—	—	—	(6,271,723)	(6,271,723)
Balance as of December 31, 2018	—	$ —	12,923,383	$ 12,923	$ 17,622,433	$ (18,694,167)	$ (1,058,811)
Public Offering, net of offering costs of $592,764	—	—	3,925,716	3,926	4,899,312	—	4,903,238
Issuance of preferred stock	30,000	30	—	—	2,999,970		3,000,000
Stock -based compensation	—	—	127,156	127	1,088,259	—	1,088,386
Conversion of Preferred Stock to Common	(4,400)	(4)	366,667	367	(363)	—	—
Warrant exercise price reset	—		—	—	78,090	(78,090)	—
Net loss	—	—	—	—	—	(6,195,557)	(6,195,557)
Balance as of December 31, 2019	25,600	$ 26	17,342,922	$ 17,343	$ 26,687,701	$ (24,967,814)	$ 1,737,256

See accompanying notes to consolidated financial statements.

CO-DIAGNOSTICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	Years Ended December 31,	
	2019	**2018**
Cash flows from operating activities:		
Net loss	$ (6,195,557)	$ (6,271,723)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	65,902	50,765
Stock based compensation	1,088,386	1,332,388
Accretion of notes payable discount	91,428	—
Gain on disposition of assets	(850)	—
Allowance for doubtful accounts	11,000	—
Loss on equity method investment	232,881	38,764
Changes in assets and liabilities:		
Increase (decrease) deferred income	1,323	(194,338)
Decrease (increase) in prepaid and other assets	(292,463)	900,666
Increase in accounts receivable	(121,462)	(13,420)
Increase in inventory	(179,015)	(9,085)
Increase (decrease) in accounts payable and accrued expenses	(226,664)	85,947
Net cash used in operating activities	(5,525,091)	(4,080,036)
Cash flows from investing activities:		
Purchase of property and equipment	(113,246)	(41,336)
Investment in joint venture	(322,000)	(339,000)
Net cash used by investing activities	(435,246)	(380,336)
Cash flows from financing activities:		
Proceeds from sale of common stock	5,496,002	30,000
Proceed from sale of preferred stock	1,000,000	—
Proceeds from debt financing	—	2,000,000
Offering costs	(592,764)	(153,845)
Net cash provided by financing activities	5,903,238	1,876,155
Net increase (decrease) in cash	(57,099)	(2,584,217)
Cash and cash equivalents beginning of period	950,237	3,534,454
Cash and cash equivalents end of period	$ 893,138	$ 950,237
Supplemental disclosure of cash flow information:		
Interest paid	$ 15,000	$ 71,000
Income taxes paid	$ —	$ —
Schedule of non-cash (investing) and financing activities:		
Warrants issued for services	$ 379,487	—
Conversion of preferred stock to common	$ 440,000	$ —
Conversion of debt for preferred stock	$ 2,000,000	$ —

See accompanying notes to consolidated financial statements.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Co-Diagnostics, Inc. ("Company," "CDI," "we"), a Utah corporation headquartered in Salt Lake City, Utah, is a molecular diagnostics company formed in April, 2013 that develops, manufactures and markets a new diagnostics technology.

The accompanying consolidated financial statements include our accounts and the accounts of our wholly-owned subsidiary. All intercompany account balances and transactions have been eliminated in consolidation.

We entered into a joint venture agreement with a company in India for the purpose of setting up a manufacturing location in India of our products and for distribution of our products in India. We invested $322,000 and $339,000 in 2019 and 2018, respectively for our 50% interest in the joint venture. We determined that we had a variable interest in the joint venture company, which is considered a variable interest entity, but that we were not the primary beneficiary as the power to direct the significant activities of the joint venture company are shared. Therefore, we used the equity method of accounting to record our investment in the joint venture. Our equity method investees are recorded in other long-term assets in the accompanying consolidated balance sheet. Our share of earnings or losses from equity method investees is included in other losses in the accompanying consolidated statements of operations.

The Company evaluates its equity method investments for impairment whenever events or changes in circumstances indicate that the carrying amounts of such investments may not be recoverable. The difference between the carrying value of the equity method investment and its estimated fair value is recognized as an impairment charge when the loss in value is deemed other than temporary.

Profits from the joint venture shall be divided as follows:

Profit Level	CDI Share	Partner Share
Up to $1,000,000	50%	50%
$1,000,000-$2,000,000	60%	40%
$2,000,000-$3,000,000	70%	30%
Above $3,000,000	80%	20%

The joint venture partner will be reimbursed for some expenses, such as approximately $96,000 per year for office space. If the joint venture needs additional funding, it will be achieved through loans obtained by the joint venture, or if loans are not available on commercially reasonable terms, from capital contributions. There is no term to the joint venture agreement but it can be dissolved by mutual agreement or by one party upon a material breach by the other party.

Basis of Presentation

The accompanying audited consolidated financial statements of Co-Diagnostics, Inc. have been prepared to reflect the financial position, results of operations and cash flows of the Company and have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Significant Account Policies

Cash and Cash Equivalents

The Company considers all cash on hand and in banks, and highly liquid investments to be cash equivalents. At December 31, 2019, the Company had $389,147 in bank balances in excess of amounts insured by the Federal Deposit Insurance Corporation. At December 31, 2018, the Company had $700,237 in bank balances in excess of amounts insured by the Federal Deposit Insurance Corporation. Included in cash and cash equivalents at December 31, 2019 was $253,991 in short-term federally insured certificates of deposits. The Company has not experienced any losses in such accounts, and management believes the Company is not exposed to any significant credit risk on cash and cash equivalents.

I***nventory***

Inventory is stated at the lower of cost or market. Inventory cost is determined on a first-in first-out basis that approximates average cost in accordance with ASC 330-10-30-12. Provisions are made to reduce slow-moving, obsolete, or unusable inventories to their estimated useful or scrap values. The Company establishes reserves for this purpose.

Accounts Receivable

Trade accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when collected. At December 31, 2019 and 2018 total net accounts receivable was $131,382 and $13,420 which included an allowance for uncollectable accounts of $11,000 and $0, respectively.

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the property, generally from three to five years. Repairs and maintenance costs are expensed as incurred except when such repairs significantly add to the useful life or productive capacity of the asset, in which case the repairs are capitalized.

Equity-Method Investments

Our equity method investments are initially recorded at costs and are included in other long-term assets in the accompanying consolidated balance sheet. We adjust the carrying value of our investment based on our share of the earnings or losses in the periods which they are reported by the investee until the carrying amount is zero. The earnings or losses are included in other losses in the accompanying consolidated statements of operations.

Earnings (Loss) per Share

Basic earnings or loss per common share is computed by dividing net income or loss applicable to common shareholders by the weighted average number of shares outstanding during each period. As the Company experienced net losses during the years ending December 31, 2019 and 2018, no common stock equivalents have been included in the diluted earnings per common share calculations as the effect of such common stock equivalents would be anti-dilutive. As of December 31, 2019, and 2018, there were 3,005,352 and 1,656,242 potentially dilutive shares, respectively.

Stock-based Compensation

The Company accounts for stock-based compensation under the provisions of FASB ASC Topic 718, Compensation-Stock Compensation ("ASC 718"), which requires the measurement and recognition of compensation expense for all stock-based awards made to employees and directors based on estimated fair values on the grant date. The Company estimates the fair value of stock-based awards on the date of grant using the Black-Scholes-Merton option-pricing model (the "Black-Scholes Model"). The value of the portion of the award that is ultimately expected to vest is recognized as expense over the requisite service periods using the straight-line method.

The Company estimates forfeitures at the time of grant and revises its estimate in subsequent periods if actual forfeitures differ from those estimates.

The Company accounts for stock-based compensation awards to non-employees in accordance with FASB ASC Topic 505-50, Equity-Based Payments to Non-Employees ("ASC 505-50"). Under ASC 505-50, the Company determines the fair value of the warrants or stock-based compensation awards granted as either the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable.

All issuances of stock options or other equity instruments to employees and non-employees as the consideration for goods or services received by the Company are accounted for based on the fair value of the equity instruments issued or the fair market value of the services provided. Any stock options issued to non-employees are recorded in expense and additional paid-in capital in shareholders' equity over the applicable service periods using variable accounting through the vesting dates based on the fair value of the options at the end of each reporting period.

Income Taxes

We account for income taxes in accordance with the asset and liability method of accounting for income taxes prescribed by ASC Topic 740. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to the taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred taxes are provided on an asset and liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry-forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Research and Development

Research and development costs are expensed when incurred. The Company expensed $1,371,433 and $1,361,154 of research and development costs for the years ended December 31, 2019 and 2018, respectively.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Such estimates include receivables and other long-lived assets, legal and regulatory contingencies, income taxes, share based arrangements, and others. These estimates and assumptions are based on management's best estimates and judgments. Actual amounts and results could differ from those estimates.

Fair Value Measurements

The carrying amounts of our accounts receivable, accounts payable and accrued liabilities approximate their fair values due to their immediate or short-term maturities. The aggregate carrying amount of the notes payable approximates fair value as the individual notes bear interest at market interest rates and there has not been a significant change in our operations and risk profile.

Patents and Intangibles

Patents represent initial legal costs incurred to apply for United States and international patents on the diagnostic testing technology, and are amortized on a straight-line basis over their useful life of approximately 20 years. Because much of our future success and value depends on our proprietary technology, our patent and intellectual property strategy is of critical importance. Four of our initial U.S. patents related to our technology have been granted by the U.S. Patent and Trademark Office, or PTO, including the patent for our CoPrimer technology, which we consider our most important patent. One of our patents has been issued in Great Britain, but is still pending in the United States. As of March 15, 2020, we had two additional patents pending in the U.S. and foreign counterpart applications. While we are unsure whether we can develop the technology in order to obtain the full benefits of the issued patents, the patents themselves hold value and could be sold to companies with more resources to complete the development. On-going legal expenses incurred for patent follow-up have been expensed from April 2013 forward.

Long-Lived Assets

We review our long-lived assets, including patents, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets held and used is measured by a comparison of the carrying amount of an asset to future un-discounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, then the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Fair value is determined by using cash flow analyses and other market valuations. After our review at December 31, 2019, it was determined that no adjustment was required.

Customer Leased Equipment

Customer leased equipment is capitalized and depreciated using the straight-line method over the estimated useful life of the equipment, generally from three to five years. The expense for the depreciation on this equipment is included in cost of sales. The company typically retains ownership of this equipment.

Revenue Recognition

The Company generates revenue from product sales and license sales. The Company recognizes revenue when all of the following criteria are satisfied: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when, or as the Company satisfies each performance obligation.

The Company constrains revenue by giving consideration to factors that could otherwise lead to a probable reversal of revenue. The Company records any payments received from customers prior to the Company fulfilling its performance obligation(s) as deferred revenue.

Related-Party Transactions

Parties are considered to be related to the Company if the parties directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal stockholders of the Company, its management, members of the immediate families of principal stockholders of the Company and its management and other parties with which the Company may deal where one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. The Company discloses all material related-party transactions. All transactions shall be recorded at fair value of the goods or services exchanged. Property purchased from a related party is recorded at the cost to the related party and any payment to or on behalf of the related party in excess of the cost is reflected as compensation or distribution to related parties depending on the transaction.

Recently Issued Accounting Standards

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (“FASB”) that are adopted by the Company as of the specified effective date. If not discussed, management believes that the impact of recently issued standards, which are not yet effective, will not have a material impact on the Company’s financial statements upon adoption.

The Company, an emerging growth company (“EGC”), has elected to take advantage of the benefits of the extended transition period provided for in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, for complying with new or revised accounting standards which allows the Company to defer adoption of certain accounting standards until those standards would otherwise apply to private companies.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments, to clarify guidance on the presentation and classification of certain cash receipts and payments in the statement of cash flows. This update was issued with the intent of reducing diversity in practice with respect to eight types of cash flows. This guidance is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, for public EGC companies like us. The update did not have a significant impact on the Company’s financial statements.

In February 2016, the FASB issued ASU No. 2016-02 Leases (Topic 842), which requires recognition of leased assets and liabilities on the balance sheet and disclosing key information about leasing arrangements. This update is effective for annual periods and interim periods with those periods beginning after December 15, 2020, for public EGC companies like us. Management is currently evaluating the impact that the updated standard will have on its consolidated financial statements and related disclosures.

In May 2014, the FASB issued ASU No. 2014-09: “Revenue from Contracts with Customers (Topic 606)” which supersedes the revenue recognition requirements in ASC Topic 605, “Revenue Recognition”, and requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additional revenue recognition updates were also issued in 2016 and 2017, which further clarified certain aspects of the new revenue recognition guidance. The new authoritative guidance is effective for interim and annual periods beginning after December 15, 2018, for public EGC companies like us. The guidance permits two methods of adoption: retrospectively to each prior reporting period presented (the full retrospective method), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application (the modified retrospective method). The Company adopted the modified retrospective method. The update did not have a significant impact on the Company’s financial statements.

In March 2017, the FASB issued Accounting Standards Update (“ASU”) No. 2017-08, Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20). The amendments in this update shorten the amortization period for certain callable debt securities held at a premium. Specifically, the amendments require the premium to be amortized to the earliest call date. The amendments do not require an accounting change for securities held at a discount; the discount continues to be amortized to maturity. For public business entities, the amendments in this update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, for public EGC companies like us. This update did not have a significant impact on the Company’s financial statements.

NOTE 2: NOTES PAYABLE

The recorded value of our notes payable (net of $91,427 debt discount) for the years ending December 31, 2019 and 2018, were as follows:

	December 31, 2019	December 31, 2018
Notes payable, net of debt discount		
Robert Salna Promissory Note Payable	—	1,908,572
Total	—	1,908,572
Less Current Portion	—	(1,908,572)
Total Long-term	$ —	$ —

Robert Salna Promissory Note

On August 3, 2018, we entered into a Note Purchase Agreement with an existing shareholder of the Company and prior investor in the Company's convertible debt securities. Pursuant to the agreement, the Company issued to the shareholder a Promissory Note, dated August 3, 2018, in the principal amount of $2,000,000 (the "Note") in exchange for a loan to the Company of equal principal amount.

On January 30, 2019, we entered into a securities purchase agreement with two investors, whereby the investors purchased from the Company 30,000 shares of Series A Convertible Preferred Stock of the Company for a purchase price of $3,000,000. The purchase price was paid by the investors with $1.0 million in cash and the conversion of a $2.0 million note owed by the Company to the investors. Upon conversion we recognized $78,241 as interest expense for the unamortized debt discount. For the year ended December 31, 2019 we recorded $106,409 in interest expense, of which $15,000 was for interest paid and $91,427 was for accretion of note discount.

For the year ended December 31, 2018, we recorded $71,000 in interest expense. We incurred $153,845 in note origination costs which are being accreted of the life of the note. For the year ended December 31, 2018, we recorded $62,417 in interest expense for the accretion of these note origination costs.

At December 31, 2019 we had no outstanding notes payable.

NOTE 3: STOCK-BASED COMPENSATION

Stock Incentive Plans

Under the Co-Diagnostics, Inc. 2015 Long-term Incentive Plan (the "2015 Plan"), the board of directors may issue incentive stock options, share equivalents such as restricted stock awards, stock bonus awards, performance shares and restricted stock units to employees and directors and non-qualified stock options to consultants of the company. Options generally expire ten years after being granted. Options granted vest in accordance with the vesting schedule determined by the board of directors, usually ratably over a three-year vesting schedule upon anniversary date of the grant with the first 1/3 vesting on the grant date. Should an employee terminate before the vesting period is completed, the unvested portion of each grant is forfeited. The Company has used the Black-Scholes valuation model to estimate fair value of our stock-based awards, which requires various judgmental assumptions including estimated stock price volatility, forfeiture rates, and expected life. Our computation of expected volatility is based on market-based implied volatility. The 2015 Plan reserves an aggregate of 6,000,000 shares. The number of unissued stock options authorized under the 2015 Plan at December 31, 2019 was 3,978,183. On February 10, 2020 we issued an aggregate of 100,000 options to the four independent members of our Board of Directors.

Stock Options

There were 890,000 and 850,000 options granted in the years ended December 31, 2019 and 2018, respectively. The Black-Scholes valuation model requires various judgmental assumptions including the estimated volatility, risk-free interest rate and expected option term. In determining the expected volatility our computation is based the stock prices of 3 comparable companies and is based on a combination of historical and market-based implied volatility. The risk-free interest rate was based on the yield curve of a zero-coupon U.S. Treasury bond on the date the option was granted with a maturity equal to the expected term of the option. The fair values for the options granted were estimated at the date of grant using the Black Scholes option-pricing model with the following weighted average assumptions:

	Year Ended December 31, 2019	Year Ended December 31, 2018
Risk free interest rate	1.56%	2.95%
Expected life (in years)	10.0	5.5
Expected volatility	63.65%	47.75%
Expected dividend yield	0.00%	0.00%
Stock price	$ 1.07	$ 2.63

The weighted average fair value of options granted during the years ended December 31, 2019 and 2018 was $0.52 and $1.24, respectively.

The Company recorded stock-based compensation expense of $589,683 and 468,240 for the years ended December 31, 2019 and 2018, respectively, and all of it is included general and administrative expenses per the Consolidated Statements of Operations.

The following table summarizes option activity during the years ended December 31, 2019 and December 31, 2018, respectively.

	Options Outstanding	Weighted Average Exercise Price	Weighted Average Fair Value	Weighted Average Remaining Contractual Life (years)
Outstanding at January 1, 2018	332,707	$ 1.29	$ 0.70	7.05
Options granted	850,000	2.63	1.24	9.73
Expired	—	—	—	—
Forfeited options	—	—	—	—
Exercised	—	—	—	—
Outstanding at December 31, 2018	1,172,707	$ 2.23	$ 1.09	8.72
Options granted	890,000	1.07	0.52	9.66
Expired	—	—	—	—
Forfeited options	(40,890)	(3.85)	(1.59)	(8.04)
Exercised	—	—	—	—
Outstanding at December 31, 2019	2,021,817	$ 1.69	$ 0.83	8.73

The intrinsic value of the outstanding options at December 31, 2019 and 2018 was $102,366 and 245,690, respectively.

Warrants

The Company estimates the fair value of issued warrants on the date of issuance as determined using a Black-Scholes pricing model. The Company amortizes the fair value of issued warrants using a vesting schedule based on the terms and conditions of each associated underlying contract, as earned. The Black-Scholes valuation model requires various judgmental assumptions including the estimated volatility, risk-free interest rate and expected warrant term. In determining the expected volatility our computation is based the stock prices of 3 comparable companies and is based on a combination of historical and market-based implied volatility. The risk-free interest rate was based on the yield curve of a zero-coupon U.S. Treasury bond on the date the warrant was issued with a maturity equal to the expected term of the warrant.

There were 500,000 and 50,000 warrants issued in the years December 31, 2019 and 2018, respectively. The fair values for the warrants issued were estimated at the date of grant using the Black Scholes option-pricing model with the following weighted average assumptions:

	Year Ended December 31, 2019	Year Ended December 31, 2018
Risk free interest rate	1.98%	2.94%
Expected life (in years)	5.0	5.0
Expected volatility	50.88%	47.95%
Expected dividend yield	0.00%	0.00%
Stock price	$ 1.53	$ 2.41

The weighted average fair value of warrants issued during the years ended December 31, 2019 and 2018 was $1.46 and $1.22 per share, respectively.

Included in stock-based compensation for the year ended December 31, 2019, the Company recognized $390,265 -based compensation expense in general and administrative expenses for the year ended December 31, 2019 for the issuance of 500,000 warrants to two companies for services rendered.

There are 313,779 warrants outstanding that have a down round feature whereby the warrants exercise price could adjust if the Company issues equity below the warrants exercise price. The original exercise price of the warrants was $2.59. During the year ended December 31, 2019, the exercise price of these warrants was adjusted to $1.20 as a result of the issuance of equity below the original exercise price. The value of the effect of the warrant exercise price reset was $78,090 and was recorded to retained earnings and additional paid-in capital.

In the year ended December 31, 2018, the Company included $61,100 of stock-based compensation in sales and marketing expenses for 50,000 warrants issued to a company as part of the repurchasing of a market licensing agreement.

The following table summarizes warrant activity during the years ended December 31, 2019 and 2018, respectively.

	Warrants Outstanding	Weighted Average Exercise Price	Weighted Average Fair Value	Weighted Average Remaining Contractual Life (years)
Outstanding at January 1, 2018	706,262	$ 3.27	$ 1.48	4.22
Warrants issued	50,000	2.00	1.22	5.00
Expired	—	—	—	—
Forfeited warrants	—	—	—	—
Exercised	272,727	0.11	0.54	3.39
Outstanding at December 31, 2018	483,535	$ 4.92	$ 1.99	3.29
Warrants issued	500,000	1.53	1.46	5.00
Expired	—	—	—	—
Forfeited warrants	—	—	—	—
Exercised	—	—	—	—
Outstanding at December 31, 2019	983,535	$ 1.44	$ 1.03	3.34

The following table summarizes information about stock options and warrants outstanding at December 31, 2019.

	Outstanding			Exercisable	
Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$ 0.01-1.40	1,855,151	6.69	$ 0.82	1,328,484	$ 0.70
2.00-3.85	1,055,445	7.87	2.54	772,112	2.51
5.61-7.20	94,756	2.37	6.64	94,756	6.64
$ 0.01-7.20	3,005,352	6.97	$ 1.61	2,195,352	$ 1.60

Common Stock

During the twelve months ending December 31, 2019, we issued an aggregate of 127,516 shares of our common stock to a company valued at $108,463 to three companies for services rendered pursuant to professional services agreements. The shares were issued pursuant to consulting agreements and the services performed were comprised of financial services and media and shareholder relation services.

In the year ended December 31, 2018, the Company issued 606,199 shares of our common stock as follows: 1) 272,727 shares for the exercise of outstanding warrants for $30,000 in cash, 2) 84,112 shares valued at $202,090 to 4 companies for consulting services, in our general and administrative department and, 3) 249,360 shares valued at $600,958 issued to 1 company as part of the repurchasing of a market licensing agreement in our sales and marketing department.

Total unrecognized stock-based compensation was $459,560 at December 31, 2019 which the Company expects to recognize as follows:

Year	Amount
2020	$ 369,379
2021	90,181
Total	$ 459,560

NOTE 4: LEASE OBLIGATIONS

Our offices are located at 2401 S Foothill Dr. Suite D Salt Lake City Utah 84109-1479. The space consists of approximately 10,273 square feet and is leased month to month a rate of $14,831 per month. For the years ending December 31, 2019 and 2018, the Company expensed $175,137 and $166,146, respectively for rent.

NOTE 5: RELATED PARTY TRANSACTIONS

The Company acquired the exclusive rights to the Co-Primer technology pursuant to a license agreement dated April 2014, between us and DNA Logix, Inc., which was assigned to Dr. Satterfield prior to our acquisition of DNA Logix, Inc. Pursuant to the license the Company was to pay Dr. Satterfield minimum royalty payments of $30,000 per month until the Company receives an equity funding of at least $4,000,000, at which time the payments increase to $60,000 per month for the remainder of the year. The payment terms were orally modified to maintain the monthly royalties at $30,000 per month through December 2016. On March 1, 2017, the Company entered into an amendment effective January 1, 2017, to its Exclusive License Agreement for its Cooperative Primers (“License”) technology with Dr. Satterfield, a former member of our Board of Directors. The amendment provides in part that all accrued royalties under the License cease as of January 1, 2017, and we began in January to pay $700,000 of accrued royalties at the rate of $10,000 per month. For the years ended December 31, 2019 and 2018, the Company paid $110,000 and $100,000, respectively for this license agreement.

At December 31, 2019, and 2018 the Company had $270,000 and $380,000 respectively, in unpaid accrued expenses for technology royalty’s payable to Dr. Satterfield.

NOTE 6: EQUITY

2019

In January 2019, we entered into a securities purchase agreement with investors, whereby the investors purchased from the Company 30,000 shares of Series A Convertible Preferred Stock of the Company for a purchase price of $3,000,000. Series A Convertible Preferred Stock is convertible to common stock at a conversion price calculated by multiplying the number of preferred shares being converted by $100 and dividing the result by $1.20.

During the twelve months ending December 31, 2019, we issued 366,667 shares of our common stock to two individuals who converted 4,400 shares of our Series A Preferred Stock to common stock at a conversion price calculated by multiplying the number of preferred shares being converted by $100 and dividing the result by $1.20.

In February 2019, we completed the sale of 3,925,716 shares of the Company's common stock, par value $0.001 per share, at a purchase price of $1.40 per share in a registered direct offering. The aggregate gross proceeds for the sale of the Common Shares was $5,496,002 and we received net proceeds of $4,903,238 after offering costs of $592,764.

During the twelve months ending December 31, 2019, we issued an aggregate of 127,516 shares of our common stock to a company valued at $108,463 to three companies for services rendered pursuant to professional services agreements.

During the year ended December 31, 2019, the Company issued warrants to purchase 500,000 shares of our common stock valued at $390,265 to 2 companies for services rendered.

2018

For the year ended December 31, 2018, the Company issued warrants to purchase 50,000 shares of our common stock with a weighted average exercise price of $2.00 with an aggregate value of $61,100 to a company as part of the repurchasing of a market licensing agreement, as stock-based compensation.

In the year ended December 31, 2018, the Company issued 606,199 shares of common stock as follows: (i) 272,727 shares for the exercise of warrants, (ii) 249,360 shares for the repurchasing of a market licensing agreement, and (iii) 84,122 shares for services rendered.

On December 28, 2018 the Company amended its Articles of Incorporation to authorized two classes of stock, Common Stock and Preferred Stock. The total number of shares which the company is authorized to issue is 105,000,000 shares, 100,000,000 shares shall be Commons Stock, par value $.001 and 5,000,000 shares shall be Preferred Stock, par value $.001.

NOTE 7: INCOME TAXES

Net deferred tax assets consist of the following components as of December 31, 2019 and 2018:

	2019	2018
Deferred tax assets		
NOL carry-forward	$ 5,131,100	$ 3,841,400
Sec 179 carry-forwards	1,600	1,600
Depreciation	28,800	9,500
Valuation allowance	(5,161,500)	(3,852,500)
Net deferred tax asset	$ —	$ —

The income tax provision differs from the amount of income tax determined by applying the U.S. federal income tax rate to pretax income from continuing operations for the years ended December 31, 2019 and 2018 due to the following:

	2019	2018
Book loss	$ (1,610,800)	$ (1,630,600)
Depreciation	6,100	(3,000)
Meals and entertainment	2,900	400
Other non-deductible expenses	343,500	356,500
Change in valuation allowance	1,258,300	1,276,700
	$ —	$ —

At December 31, 2019, the Company had net operating loss carry-forwards of approximately $19,735,000 that may be offset against future taxable income from the year 2020 through 2036. No tax benefit has been reported in the December 31, 2019 and 2018, consolidated financial statements since the potential tax benefit is offset by a valuation allowance of the same amount. Additionally, DNA Logix, Inc. is a pass-through entity and therefore no provision or liability for federal income tax has been included in the consolidated financial statements for that entity.

Due to change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry-forwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carry-forwards may be limited as to use in future years.

The Company's policy on the classification of interest and penalties related to income taxes is to recognize the interest and penalties in the period incurred. There were no penalties or interest incurred for the years ending December 31, 2019 and 2018, related to income taxes.

NOTE 8: SUBSEQUENT EVENTS

On January 23, 2020, we announced the completion of the principle design work for a PCR screening test for new coronavirus, COVID-19, intended to address potential need for detection of the virus. An outbreak of respiratory illness caused by the pneumonia-like COVID-19 has spread rapidly over past few months, after first being discovered in the Chinese city of Wuhan on December 31, 2019. China confirmed human-to-human transmission of the virus and the United States announced the first infection in this country, detected in a traveler returning from Wuhan. Our COVID-19 test features the Company's patented CoPrimer™ technology, and was designed using our proprietary software system, following the guidelines published by the World Health Organization and Centers for Disease Control.

On January 23, 2020, the Company entered into securities purchase agreements with certain institutional investors for the sale by the Company of 3,448,278 shares of the Company's common stock, par value $0.001 per share, at a purchase price of $1.45 per share in a registered direct offering. The aggregate gross proceeds for the sale of the Common Shares were approximately $5,000,000. The closing of the offering occurred on or about January 28, 2020. The Common Shares sold in the offering were offered and sold by the Company pursuant to an effective shelf registration statement on Form S-3, that was originally filed on August 14, 2018 and declared effective by the Securities and Exchange Commission ("SEC") on September 7, 2018, and the base prospectus contained therein (File No. 333-226835).

On February 10, 2020, the Company entered into securities purchase agreements with certain institutional investors for the sale by the Company of 3,324,676 shares of the Company's common stock, par value $0.001 per share, at a purchase price of $ 3.08 per share in a registered direct offering. The aggregate gross proceeds for the sale of the Common Shares were approximately $10.2 million. The closing of the offering occurred on or about February 13, 2020. In the same manner as the January 23, 2020 offering, the Common Shares sold in the offering were offered and sold by the Company pursuant to an effective shelf registration statement on Form S-3, that was originally filed on August 14, 2018 and declared effective by the Securities and Exchange Commission ("SEC") on September 7, 2018, and the base prospectus contained therein (File No. 333-226835).

On February 20, 2020, we announced that our Logix Smart™ COVID-19 Test technical file had been submitted for registration with the European Community, and that it was expected to be available late February as an in vitro diagnostic ("IVD") for markets that accept a CE marking as valid regulatory approval. Subsequently, on February 24, 2020, we announced that our test obtained regulatory clearance to be sold as an in vitro diagnostic for the diagnosis of SARS-CoV-2 (COVID-19) in markets that accept CE-marking as valid regulatory approval, and became available for purchase from the Company's Utah-based ISO-13485:2016 certified facility. The Declaration of Conformity for the Logix Smart COVID-19 test confirms that it meets the Essential Requirements of the European Community's In-Vitro Diagnostic Medical Device Directive (IVDD 98/79/EC), permitting export and sales of the product as an IVD to commence immediately in the European Community. We shipped samples of the Research Use Only version of our test to distributors in Italy and Germany, which allows future customers to confirm the quality and sensitivity of the product prior to the IVD being available, and for us to accelerate the sales efforts of its diagnostic. Many other global markets also accept a CE marking as valid regulatory approval following routine local product registration, which allows sales of our COVID-19 IVD into these areas.

On February 28, 2020, the Company entered into securities purchase agreements with certain institutional investors for the sale by the Company of 490,000 shares of the Company's common stock, par value $0.001 per share, at a purchase price of $ 9.00 per share in a registered direct offering. The aggregate gross proceeds for the sale of the Common Shares were approximately $4.00 million. The closing of the offering occurred on or about February 28, 2020. In the same manner as February 10, 2020 offering, the Common Shares sold in the offering were offered and sold by the Company pursuant to an effective shelf registration statement on Form S-3, that was originally filed on August 14, 2018 and declared effective by the Securities and Exchange Commission ("SEC") on September 7, 2018, and the base prospectus contained therein (File No. 333-226835).

On March 6, 2020, one of our warrant holders exercised its warrants for 25,000 shares of our common stock at $2.00 per share and paid us $50,000. In February and March, 2020 an additional 15 warrant holders exercised an aggregate of 759,445 warrants to purchase 694,492 shares of our common stock on a cashless basis.

In February and March the holder of 25,600 preferred stock converted all of his preferred shares to 2,133,333 shares of common stock.

The Company evaluated subsequent events pursuant to ACS Topic 855 and determined that there are no additional events that need to be reported.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain a set of disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in rules and forms adopted by the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

In accordance with Rule 13a-15(b) of the Exchange Act, as of the end of the period covered by this annual report on Form 10-K, an evaluation was carried out under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, to assess the effectiveness of our disclosure controls and procedures. Based on the evaluation of our disclosure controls and procedures as of December 31, 2019, our Chief Executive Officer and Chief Financial Officer concluded that, as a result of material weaknesses in our internal control over financial reporting and discussed below, our disclosure controls and procedures were not effective as of December 31, 2019.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our management, including our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2019. In making its evaluation, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control – Integrated Framework (2013).

Based on this evaluation, management determined that our internal control over financial reporting was not effective as of December 31, 2019 due to the material weakness described below.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in there being a more than remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The material weakness identified during management's assessment was the lack of sufficient technical expertise on certain accounting and tax requirements for new and unusual transactions. These control deficiencies could result in a material misstatement of accounts or disclosures that would result in a material misstatement to the Company's interim or annual financial statements that would not be prevented or detected. Accordingly, management has determined that these control deficiencies constitute a material weakness.

The Company hired an independent consulting company to provide recommendations for improving our internal control given the size of the Company's accounting staff. To the extent possible with the current accounting staff, some of the internal control recommendations have been implemented. However, the material weakness had not been fully remediated as December 31, 2019. The Company plans to further increase the involvement of consultants with the required expertise and or increase the accounting staff to remediate the material weakness.

Notwithstanding the material weaknesses, management has concluded that the Consolidated Financial Statements included in this Annual Report on Form 10-K present fairly, in all material respects, the Company's financial position, results of operations and cash flows of the Company for the periods presented in conformity with U.S. GAAP.

This Annual Report does not include an attestation report by our independent registered public accounting firm regarding internal control over financial reporting since we are an emerging growth company. Management's report was not subject to attestation by our registered public accounting firm pursuant to rules of the SEC that permit emerging growth companies to provide only management's report in the 10-K.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The following table sets forth the names, ages and positions of our executive officers and directors:

Name	Age	Position
Dwight H. Egan	66	Chief Executive Officer, President and Chairman of the Board
Reed L Benson	73	Chief Financial Officer and Secretary
Eugene Durenard	50	Director
James Nelson	67	Director
Richard S. Serbin	75	Director
Ted Murphy	60	Director

Dwight H. Egan has been an officer and director since April 2013. Mr. Egan has been engaged in private investment business from February 1999 to the present. He was a senior executive at Data Broadcasting Corporation, a leading provider of wireless, real-time financial market data, news and sophisticated fixed- income portfolio analytics to 27,000 individual and professional investors from 1995 to 1999. He co-founded and served as CEO and Chairman of the Board of Broadcast International, Inc. from 1984 to 1995, when Data Broadcasting Corporation acquired Broadcast International and created *CBS MarketWatch*, a leading financial news site and participated in its initial public offering. Mr. Egan's prior experience in directing a public company and working with capital markets gives him valuable experience in advising the board on matters of finance and operations.

Reed L Benson has been Chief Financial Officer and Secretary from November 2014 to the present and a director from November 2014 to May 2017. Since September, 2008 to the present, in addition to the private practice of law, he is a founder and partner of Legends Capital Group, LLC, a privately held venture capital group that identifies investment opportunities in natural resources, bio tech and technology fields. From October 2004 to September 2008 he was employed as Chief Financial Officer, Secretary, and General Counsel and member of Board of Directors of Broadcast International, Inc., a publicly traded communications services company. From 2001 to October 2004, he was in the private practice of law where his practice focused on tax and business related matters. From July 1995 to January 2001 he was secretary and general counsel for Data Broadcasting Corporation, a provider of market information to individual investors. Mr. Benson received his J.D. degree from the University of Utah School of Law in 1976 and a Bachelor of Science Degree in Accounting from the University of Utah in 1971. Mr. Benson became a Certified Public Accountant in 1974. Mr. Benson's experience in finance, accounting and business consulting, together with his role as our CFO and prior public company directorship, provide Mr. Benson with expertise enabling critical input to our company.

Eugene Durenard is the Founder and CEO of Hyperbolic Holdings, a Swiss-based holding, management consulting and investment advisory company specialized in healthcare since February 2018. He is co-Founder and CIO of Healthcare Impact Holdings, an investment fund specialized in later-stage healthcare private ventures since May 2018. He is co-Founder and Trustee of Healthcare Impact Foundation (Europe), a charitable organization designed to sustainably fund the translation of innovation in life sciences since September 2017. He is co-Founder of Global Better Health, a platform designed to provide scientifically-based corporate wellness and preventive programs since December 2018. Since 2013 he has been advisor to certain family offices in healthcare investments and philanthropy. In 2006 he co-founded Orion Investment Management, an institutional asset manager in Bermuda. After its sale in 2011 to Capital G and until 2013 he co-headed their asset management group. Dr. Durenard brings a thorough multi-asset class investment and entrepreneurial experience spanning 20 years to the Company's Board of Directors. He received his Ph.D. in Mathematics at Harvard in 1995 before beginning his career with Salomon Brothers in London in proprietary research.

Edward L. Murphy, who joined our Board of Directors in June 2019, currently serves as a senior vice president and a partner of Dover Investments Ltd., a private investment firm. Throughout his career, Mr. Murphy's duties have included investment analysis of various types of investment projects in real estate and financial services. Currently, Mr. Murphy serves on the board of directors of several Canadian publicly reporting companies that have interests in various industries. He has been a Director at Empire Minerals Corporation Inc. since January 2016, at Digicrypts Blockchain Solutions Inc. since June 2011, at Lakefield Marketing Corporation since February 2018, and at the Mosport Park Entertainment Corporation since April 30, 1997. He served as a Director at Aurquest Resources from May 2003 to December 2017. Mr. Murphy's experience in the capital markets outside the United States and his involvement in investment analysis shall be a benefit to the Board of Directors.

Richard S. Serbin, who joined our Board of Directors in May 2017, currently serves as a consultant to many companies in the healthcare industry. He was the President of Corporate Development and In-House Legal Counsel at Life Science Institute, LLC, from June 1, 2013 to July 15, 2014. Mr. Serbin is a global strategy advisor, pharmacist and entrepreneur with credentials both in pharmacy and law, complemented by more than 40 years of service as an FDA regulatory attorney and patent attorney in the healthcare industry. He was appointed to the Advisory Board of Cure Pharmaceutical in January 2017 and has been a Member of Advisory Board at Prime Access, Inc. since September 2015. Mr. Serbin has been a Director at Rapid Nutrition Plc since November 18, 2014. He served as Director at Viropro Inc. from May 2013 to June 2014. He was Head of Business Advisory Board at Mazal Plant Pharmaceuticals Inc. from October 2006 to September 2007 and also served as its Member of Business Advisory Board. He served as Chief Executive Officer of Optigenex Inc. from July 2002 to September 15, 2005 and a director from July 2004 to September 2005. From January 1999 until July 2002 Mr. Serbin served as a consultant to various pharmaceutical companies. He served as the President of Bradley Pharmaceuticals. He served as Vice President of Corporate Development at Ortho Pharmaceuticals, a Johnson & Johnson subsidiary, and practiced Patent and FDA law at Revlon Johnson & Johnson and Schering-Plough. He served as Patent Attorney for Schering Plough Corporation and Chief FDA Counsel for Revlon Corporation and Johnson and Johnson Corporation. Subsequently, he worked at Revlon Corporation, as its Chief Food, Drug and Cosmetic Counsel. He founded Radius Scientific Corporation. He was J&J's Vice President of Corporate Development, and later led a successful public offering venture based on technology developed at Stanford Medical School. Mr. Serbin spent a large portion of his career focusing on international markets and clients. While at J&J, Mr. Serbin served on the Board of Directors of 16 US and international subsidiary companies, including Ethicon, Ortho, J&J Consumer Products, Pittman-Moore, Mc Neil, and J&J Development Corporation. He worked on multiple international acquisitions and strategic relationships, and sat on the Board of Directors of several of its international subsidiaries, including those in India, Hong Kong, Japan, Taiwan, Germany, and England. Mr. Serbin has a B.S. and a B. Pharmacy from Rutgers University and Rutgers University College of Pharmacy, a J.D. degree from Seton Hall Law School and a Masters Degree in Trade Regulations and Law from NYU Law School. Mr. Serbin's experience in business, law and medicine and knowledge gained as an advisor to the healthcare industry will be critical to our Board of Directors as it commercializes its products.

James Nelson is the retired Chairman and CEO of Sunworks, Inc., a NASDAQ traded commercial, agriculture, and residential solar Integrator which he helped found in October 2010. Mr. Nelson currently serves as strategic advisor to three other publicly traded companies. Jim has spent most of his career working in private equity as a general partner with Peterson Partners and with Millennial Capital Partners. In addition to his investment and financial responsibilities, he served as CEO of two of his firms' portfolio companies. Prior to his years in private equity, Mr. Nelson served as Vice President of Marketing at Banana Republic, where he managed company-wide marketing, as well as the company's international expansion initiative. He was also general manager for Banana Republic's catalog division. He was Vice President of Marketing and Corporate Development at Saga Corporation, a multi-billion-dollar food service company. Jim began his executive career over 35 years ago at Bain and Company, a business strategy consulting firm, where he managed teams of consultants on four continents. Mr. Nelson received his MBA from Brigham Young University, where he graduated summa cum laude and was named the Outstanding Master of Business Administration Graduate. Mr. Nelson's advice to the Board of Directors from his experiences as a chief executive officer and strategic advisor shall be useful to the Board of Directors.

Our directors generally serve until the next annual or special meeting of shareholders held for the purpose of electing directors. Our officers generally serve at the discretion of the Board of Directors. Mr. Egan serves as our president and chief executive officer.

Significant Employees

Brent Satterfield has been our chief science officer and director since April 2013. Dr. Satterfield has been employed by the Company from January 31, 2015 to the present. Prior to that he was the sole shareholder and owner of DNA Logix, Inc. from January 2013 to January 31, 2015, and in DNA Logix he developed and patented the technology now owned by the Company. He founded Co-Diagnostics in April 2013 and is the first in his field to use engineering mathematics to design new DNA testing technology. From 2006 to 2008, he was employed by Arcxis Biotechnologies where he developed new diagnostic platforms for groups such as the Department of Homeland Security, the National Biodefense Analysis and Countermeasures Center, the United States Army Medical Research Institute of Infectious Disease, Sandia National Laboratories, the California Department of Public Health and numerous others. Under fellowship from the Department of Homeland Security, he received his Ph.D. in 2007 in Bioengineering with an emphasis in entrepreneurship and intellectual property law from Arizona State University in a dual-enrollment program with UC Berkeley. Dr. Satterfield's experience with the science underlying all of the Company's products and technology gives him valuable experience in advising the board on the status of the products and our positioning in the diagnostic testing industry.

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors or executive officers have, during the past ten years, been involved in any legal proceedings described in subparagraph (f) of Item 401 of Regulation S-K.

Board and Committee Matters

We maintain an audit committee of the board, a compensation committee of the board and a corporate governance and nominating committee of the board, each of which is discussed below. We have not established a nominating committee of the board. Our board has determined that Messrs. Durenard, Nelson, Murphy and Serbin are "independent" under the definition of independence in the Marketplace Rules of the NASDAQ listing requirements.

We do not have a formal policy concerning shareholder recommendations of candidates for board of director membership. Our board views that such a formal policy is not necessary at the present time given the board's willingness to consider candidates recommended by shareholders. Shareholders may recommend candidates by writing to our Secretary at our principal offices: 2401 S. Foothill Drive, Suite D, Salt Lake City, Utah 84109, giving the candidate's name, contact information, biographical data and qualifications. A written statement from the candidate consenting to be named as a candidate and, if nominated and elected, to serve as a director should accompany any such recommendation. Shareholders who wish to nominate a director for election are generally advised to submit a shareholder proposal no later than December 31 for the next year's annual meeting of shareholders.

Audit Committee and Financial Expert

Our audit committee currently is comprised of Messrs. Durenard, Nelson, Murphy and Serbin with Mr. Durenard serving as chairman of the audit committee. The functions of the audit committee include engaging an independent registered public accounting firm to audit our annual financial statements, reviewing the independence of our auditors, the financial statements and the auditors' report, and reviewing management's administration of our system of internal control over financial reporting and disclosure controls and procedures. The Board of Directors has adopted a written audit committee charter. A current copy of the audit committee charter is available to security holders on our website at www.codiagnostics.com. Our board has determined that all of our directors that are serving on the audit committee are "independent" under the definition of independence in the Marketplace Rules of the NASDAQ listing standards.

Our Board of Directors has determined that Mr. Durenard meets the requirements of an "audit committee financial expert" as defined in applicable SEC regulations.

Compensation Committee

Our compensation committee currently includes Messrs. Serbin, Nelson, and Durenard with Mr. Serbin serving as chairman of the compensation committee. The functions of the compensation committee include reviewing and approving corporate goals relevant to compensation for executive officers, evaluating the effectiveness of our compensation practices, evaluating and approving the compensation of our chief executive officer and other executives, recommending compensation for board members, and reviewing and making recommendations regarding incentive compensation and other employee benefit plans. The Board of Directors has adopted a written compensation committee charter. A current copy of the compensation committee charter is available to shareholders on our website at www.codiagnostics.com**.** Our board has determined that both of our directors serving on the compensation committee are "independent" under the definition of independence in the Marketplace Rules of the NASDAQ listing standards.

Corporate Governance and Nominating Committee

Our corporate governance and nominating committee currently include Messrs. Nelson, Murphy and Serbin with Mr. Nelson serving as chairman of the corporate governance and nominating committee. The functions of the corporate governance and nominating committee is identifying and recommending candidates to fill vacancies on the Board of Directors. Among its duties and responsibilities, the corporate governance and nominating committee periodically evaluates and assesses the performance of the officers and directors; reviews the qualifications of candidates for director positions; assists in identifying, interviewing and recruiting candidates for the Board of Directors and reviews the composition of each committee of the Board of Directors. A current copy of the corporate governance and nominating committee charter is available to shareholders on our website at www.codiagnostics.com**.** Our board has determined all directors serving on the corporate governance and nominating committee are "independent" under the definition of independence in the Marketplace Rules of the NASDAQ listing standards.

Communication with the Board

We have not, to date, developed a formal process for shareholder communications with the board of directors. We believe our current informal process, in which any communication sent to the board of directors, either generally or in care of the chief executive officer, secretary or other corporate officer or director, is forwarded to all members of the board of directors, has served the board's and the shareholders' needs.

Conflicts of Interests

On an annual basis, each director and executive officer is obligated to complete a director and officer questionnaire that requires disclosure of any transactions with our company, including related person transactions reportable under SEC rules, in which the director or executive officer, or any member of his or her immediate family, have a direct or indirect material interest. Under our company's standards of conduct for employees, all employees, including the executive officers, are expected to avoid conflicts of interest. Pursuant to our code of ethics for the chief executive officer and senior finance officers (as discussed below), such officers are prohibited from engaging in any conflict of interest unless a specific exception has been granted by the board. All of our directors are subject to general fiduciary standards to act in the best interests of our company and our shareholders. Conflicts of interest involving an executive officer or a director are generally resolved by the board.

Compliance with Section 16(a) of the Exchange Act

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than 10% of our common stock, to file with the SEC initial reports of ownership and reports of changes in ownership of our common stock and other equity securities. Executive officers, directors and greater than 10% shareholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, during the year ended December 31, 2019, our directors, executive officers and greater than 10% shareholders complied with all Section 16(a) filing requirements.

Code of Ethics

We have adopted a code of ethics for our principal executive officer, principal financial officer, controller, or persons performing similar functions. A copy of the code of ethics is included on our website at www.codiagnostics.com.

Family Relationships

There are no family relationships among our directors and executive officers.

ITEM 11. EXECUTIVE COMPENSATION

Throughout this section, the individuals who served as our chief executive officer and chief financial officer during 2018 and 2019 are collectively referred to as the "named executive officers."

The compensation committee has overall responsibility to review and approve our compensation structure, policy and programs and to assess whether the compensation structure establishes appropriate incentives for management and employees. The compensation committee annually reviews and determines the salary and any bonus and equity compensation that may be awarded to our chief executive officer, or CEO, and our chief financial officer, or CFO. The compensation committee oversees the administration of our long-term incentive plan and employee benefit plans.

The compensation committee's chairman regularly reports to the board on compensation committee actions and recommendations. The compensation committee has authority to retain, at our expense, outside counsel, experts, compensation consultants and other advisors as needed.

Company Performance. Because of the stage of our company's development, the compensation committee looks at various factors in evaluating the progress the company has made and the services provided by the named executive officers. In considering executive compensation, the compensation committee noted certain aspects of our financial performance and accomplishments in 2019 and 2018 including the following: (a) Development Milestones, (b) Financial Milestones and (c) Sales and Marketing Milestones.

Compensation Philosophy. Our general compensation philosophy is designed to link an employee's total cash compensation with our performance, the employee's department goals and individual performance. Given our stage of operations and limited capital resources, we are subject to various financial restraints in our compensation practices. As an employee's level of responsibility increases, there is a more significant level of variability and compensation at risk. The compensation committee believes linking incentive compensation to our performance creates an environment in which our employees are stakeholders in our success and, thus, benefits all shareholders.

Executive Compensation Policy. Our executive compensation policy is designed to establish an appropriate relationship between executive pay and our annual performance, our long-term growth objectives, individual performance of the executive officer and our ability to attract and retain qualified executive officers. The compensation committee attempts to achieve these goals by integrating competitive annual base salaries with bonuses based on corporate performance and on the achievement of specified performance objectives, and to a lesser extent, awards through our long-term incentive plan. The compensation committee believes that cash compensation in the form of salary and bonus provides our executives with short-term rewards for success in operations. The compensation committee also believes our executive compensation policy and programs do not promote inappropriate risk-taking behavior by executive officers that could threaten the value of our company.

In making compensation decisions, the compensation committee compares each element of total compensation against companies referred to as the "compensation peer group." The compensation peer group is a group of companies that the compensation committee selected from readily available information about small companies engaged in similar businesses and with similar resources. The compensation committee selected these companies from research on its own and with limited consultation with outside consultants given the size of the company and its resources to retain such experts. The types of companies selected for the peer group included publicly-traded technology development companies in the diagnostic testing industry. Since there are relatively few companies in the rather narrow field of diagnostic testing the comparisons were limited to those that are publicly traded whose financial information could be readily accessed. The compensation committee determined these companies were appropriate for inclusion in the peer group because of the similar nature of their businesses and their general stage of development and financial resources.

Role of Executive Officers in Compensation Decisions

The compensation committee makes all compensation decisions for the named executive officers and approves recommendations regarding equity awards to all of our other senior management personnel. The CEO annually reviews the performance of the CFO and other senior management. The conclusions reached and recommendations based on these reviews, including with respect to salary adjustments and annual award amounts, are presented to the compensation committee. The compensation committee is charged with the responsibility of ensuring a consistent compensation plan throughout the company and providing an independent evaluation of the proposed adjustments or awards at all levels of management. As such, the compensation committee has determined that it have the discretion to modify or adjust any proposed awards and changes to management compensation to be able to satisfy these responsibilities.

Stock Option Plans

Under our 2015 Long-term Incentive Plan (the "2015 Plan"), the board of directors may issue incentive stock options to employees and directors and non-qualified stock options to consultants of the company. Options expire ten years after being granted. Options granted vest in accordance with the vesting schedule determined by the board of directors, usually ratably over a two-year vesting schedule upon the anniversary date of the grant. Should an employee's director's or consultant's relationship with the company terminate before the vesting period is completed, the unvested portion of each grant is forfeited. We continue to maintain and grant awards under the 2015 Plan which will remain in effect its expiration by its terms. The number of unissued stock options authorized under the 2015 Plan at December 31, 2019 was 3,978,183. On February 10, 2020 we issued an aggregate of 100,000 options to the four independent members of our Board of Directors.

The purpose of our incentive plan is to advance the interests of our stockholders by enhancing our ability to attract, retain and motivate persons who are expected to make important contributions to the company by providing them with both equity ownership opportunities and performance-based incentives intended to align their interests with those of our stockholders. These plans are designed to provide us with flexibility to select from among various equity-based compensation methods, and to be able to address changing accounting and tax rules and corporate governance practices by optimally utilizing stock options and shares of common stock.

Summary Compensation Table

The table below summarizes the total compensation paid or earned by each of the named executive officers in their respective capacities for the fiscal years ended December 31, 2019, 2018 and 2017. When setting total compensation for each of the named executive officers, the compensation committee reviewed tally sheets which show the executive's current compensation, including equity and non-equity-based compensation. We have omitted in this report certain columns otherwise required to be included because there was no compensation made with respect to such columns, as permitted by applicable SEC regulations.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option Awards ($)	All Other Compensation	Total ($)
Dwight H. Egan	2019	$ 275,000	$ 20,000	$ 165,000	$ —	$ 460,000
President & Chief Executive Officer	2018	275,000	12,500	186,000	—	463,500
	2017	195,000	15,000	—	—	210,000
Reed L Benson	2019	$ 200,000	$ 15,000	$ 137,500	$ —	$ 352,500
Chief Financial Officer and Secretary	2018	200,000	10,000	155,000	—	365,000
	2017	195,000	10,000	—	—	205,000
Brent Satterfield	2019	$ 237,500	$ —	$ —	$ —	$ 237,500
Chief Technology Officer (1)	2018	237,500	—	—	—	237,500
	2017	159,300	—	—	—	159,300

(1) Dr. Satterfield also received royalties from the Company in the amount of $170,000 in 2017, $100,000 in 2018 and $110,000 in 2019 pursuant to a technology license agreement that was amended in January 2017 to terminate the ongoing royalties and the payments in 2017, 2018 and 2019 reduced accrued royalties.

Other Compensation

We do not have any non-qualified deferred compensation plan.

Outstanding Equity Awards at Fiscal Year-End

	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that have not Vested (#)	Market Value of shares or Units of Stock that have not Vested ($)	Number of Unearned shares, units or other rights that have not vested (#)	Market or payout value of unearned shares, units or other rights that have not vested ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Dwight H. Egan	100,000	50,000	2.63	01/15/2023	—	—	—	—
	50,000	100,000	1.10	09/03/2024				
Reed L Benson	83,333	41,667	2.63	01/15/2023	—	—	—	—
	41,666	83,333	1.10	09/03/2024				

Potential Payments Upon Termination or Change of Control

There is no compensation payable to the named executive officers upon voluntary termination, retirement, involuntary not-for-cause termination, termination following a change of control or in the event of disability or death of the executive.

Compensation Committee Interlocks and Insider Participation in Compensation Decisions

None of our executive officers served as a member of the compensation committee or as a director of any other company.

Director Compensation

We use a combination of cash and stock-based incentive compensation to attract and retain qualified candidates to serve on its board of directors. In setting director compensation, we consider the significant amount of time that directors expend in fulfilling their duties as well as the skill-level required by our members of the board.

Our non-employee directors generally receive fees of $35,000 per year, paid quarterly, $10,000 per year for serving as chairman of any Board committee and $5,000 for serving as a member of other Board committees. In addition, each director receives an initial grant of stock options to purchase 25,000 shares (thereafter annual grants of 25,000 options or restricted stock units) of our common stock with an exercise price equal to the fair market value of the stock on the date of grant. The board approved and the non-employee directors accepted the 2018 and 2019 compensation set forth in the director summary compensation table below. In addition, non-employee directors may be entitled to receive special awards of stock options from time to time as determined by the board. The chairman of the board and the chairman of each of the audit and compensation committees receive no additional fees for serving in such capacities, except as shown above. There is no additional compensation for meeting attendance. Directors who are employees of the Company receive no additional compensation for serving as directors. All stock options granted to outside directors are immediately exercisable and expire ten years from the date of grant or 30 days after the date they cease to be directors. Directors are reimbursed for ordinary expenses incurred in connection with attending board and committee meetings.

Director Summary Compensation Table

The table below summarizes the compensation paid or accrued by us to our directors for the fiscal year ended December 31, 2019.

(a)	(b)	(c)	(d)	(e)
Name	Fees Earned or Paid in Cash ($)	Options/Awards ($)	Restricted Stock Units ($)	Total ($)
Dwight H. Egan (1)	$ —	—	$ —	$ —
Frank Kiesner (2)	$ 27,500	$ —	—	$ 27,500
Richard Serbin	55,000	17,750	—	72,750
Edward J. Borkowski (2)	27,500	—	—	27,500
James Nelson	$ 18,333	27,500		45,833
Edward Murphy	$ 12,000	17,750		29,750
Eugene Durenard	$ 27,500	17,750	—	45,250

(1) Mr. Egan receives no compensation for serving as a director, but is compensated in his capacity as Company President.

(2) Messer's Kiesner and Borkowski resigned as members of the Board effective June 30, 2019. Mr. Kiesner received $35,000 additional compensation for consulting services prior to his retirement from the Board. Mr. Serbin received $30,000 additional compensation for consulting services.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information, as of March 19, 2020, with respect to the holdings of (1) each person who is the beneficial owner of more than 5% of our Common Stock, (2) each of our directors, (3) each executive officer, and (4) all of our current directors and executive officers as a group.

Beneficial ownership of the common stock is determined in accordance with the rules of the Securities and Exchange Commission and includes any shares of common stock over which a person exercises sole or shared voting or investment power, or of which a person has a right to acquire ownership at any time within 60 days of the date of this Annual Report. Except as otherwise indicated, we believe that the persons named in this table have sole voting and investment power with respect to all shares of common stock held by them. Applicable percentage ownership in the following table is based on 27,438,701 shares of common stock plus, for each individual, any securities that individual has the right to acquire within 60 days of March 19, 2020.

To the best of our knowledge, except as otherwise indicated, each of the persons named in the table has sole voting and investment power with respect to the shares of our common stock beneficially owned by such person, except to the extent such power may be shared with a spouse. To our knowledge, none of the shares listed below are held under a voting trust or similar agreement, except as noted. To our knowledge, there is no arrangement, including any pledge by any person of securities of the Company, the operation of which may at a subsequent date result in a change in control of the Company.

Name and Address of Beneficial Owner Officers and Directors	Title	Beneficially	Percent of Class
Dwight H. Egan (1)(2)	Chief Executive Officer, President and Chairman	150,000	*
Reed L. Benson (1)(3)	Chief Financial Officer and Secretary	125,000	*
Edward Murphy	Director	25,000	*
Eugene Durenard	Director	25,000	*
James Nelson	Director	25,000	*
Richard S. Serbin	Director	45,455	*
Officers and Directors as a Group (total of 6 persons) (4)		**395,455**	**1.4%**
5% Stockholders			
Reagents, LLC (5)		1,746,796	6.3%

* less than 1%

(1) The address is 2401 S. Foothill Drive, Suite D, Salt Lake City, Utah 84109.
(2) Includes presently exercisable options to acquire 150,000 shares of common stock.
(3) Includes presently exercisable options to acquire 125,000 shares of common stock.
(4) Includes presently exercisable options to acquire a total of 395,455 shares of common stock held by all directors and executive officers.
(5) Reagents, LLC, with an address of 8160 S. Highland Drive, Salt Lake City, UT 84093, is beneficially owned by Seth Egan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The Company acquired the exclusive rights to the CoPrimer technology pursuant to a license agreement dated April 2014, between us and DNA Logix, Inc., which was assigned to Dr. Satterfield prior to our acquisition of DNA Logix, Inc. Pursuant to the license the Company was to pay Dr. Satterfield minimum royalty payments of $30,000 per month until the Company receives an equity funding of at least $4,000,000, at which time the payments increase to $60,000 per month for the remainder of the year. The payment terms were orally modified to maintain the monthly royalties at $30,000 per month through December 2016. On March 1, 2017, the Company entered into an amendment effective January 1, 2017, to its Exclusive License Agreement for its CoPrimer ("License") technology with Dr. Satterfield, a former member of our Board of Directors. The amendment provides in part that all royalties under the License cease as of January 1, 2017, and we began in January 2017 to pay $700,000 of accrued royalties at the rate of $10,000 per month. In 2018 and 2019, we paid Dr. Satterfield $100,000 and $110,000, respectively, in payment of the accrued royalties.

The Company entered into a consulting arrangement with its former director, Frank Keisner, for consulting services during the year ended December 31, 2019. Pursuant to the consulting agreement, we paid Mr. Keisner a one-time fee of $35,000.

The Company entered into a consulting arrangement with its director, Richard Serbin, for consulting services during the year ended December 31, 2019. Pursuant to the consulting agreement, we paid Mr. Serbin a one-time fee of $30,000.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Fees for professional services provided by our current independent auditors for each of the last two fiscal years, in each of the following categories, are as follows:

	2019	2018
Audit fees	$ 69,000	$ 66,000
Audit-related fees	—	—
Tax fees	3,000	3,000
All other fees	—	—
Total	$ 72,000	$ 69,000

Audit fees included fees associated with the annual audit and reviews of our annual and quarterly reports for 2019 and our annual report for 2018. All audit fees incurred during 2019 were pre-approved by the audit committee. All audit fees incurred during 2018 were pre-approved by our Board of Directors.

Tax fees included fees associated with tax compliance and tax consultations. All tax fees incurred during 2019 were pre-approved by the audit committee. All tax fees incurred during 2018 were pre-approved by our Board of Directors.

The audit committee has adopted a policy that requires advance approval of all services performed by the independent auditor when fees are expected to exceed $15,000. The audit committee has delegated to the audit committee chairman, Mr. Durenard has authority to approve services, subject to ratification by the audit committee at its next committee meeting.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

Exhibit Number	Description
1.1	Underwriting Agreement (5)
3.1	Articles of Incorporation (1)
3.1.1	Amendment to the Articles of Incorporation (1)
3.2	Bylaws (1)
5.1	Legal Opinion of Carmel, Milazzo & DiChiara LLP (6)
10.1	Subscription Agreement between Co-Diagnostics, Inc. and CoDiagnostics, Ltd., dated April 30, 2013 (1)
10.1.1	Amendment to Subscription Agreement between Co-Diagnostics, Inc. and CoDiagnostics, Ltd., dated May 1, 2015 (1)
10.2	Exclusive Agreement between Co-Diagnostics, Inc. and DNA Logix, Inc., dated April 18, 2014 (1)
10.3	Stock Exchange Agreement among Co-Diagnostics, Inc., DNA Logix, Inc., and the Shareholders of DNA Logix, Inc., dated January 22, 2015 (1)
10.4	Revolving Line of Credit Promissory Note between Co-Diagnostics, Inc. and Co-Diagnostics, LTD, dated August 1, 2015 (1)
10.5	10% Convertible Note between Co-Diagnostics, Inc. and Robert Salna for $200,000, dated September 1, 2016 (1)
10.6	Exclusive License Agreement between Co-Diagnostics, Inc. and Watermark Group Inc., dated October 13, 2016 (1)
10.7	Securities Purchase Agreement with Exhibits between Co-Diagnostics and Senior Holders, dated December 12, 2016 (1)
10.7.1	Form of Amendment Agreement (6)
10.8	Securities Purchase Agreement with Exhibits between Co-Diagnostics and Beaufort Capital Partners, LLC, dated December 12, 2016 (1)
10.9	2015 Long-Term Incentive Plan (2)
10.10	Subscription Agreement between Co-Diagnostics and Co-Diagnostics, Ltd. for 454,545 shares of Co-Diagnostic's common stock, dated April 20, 2013 (3)
10.11	Subscription Agreement between Co-Diagnostics and Prosperity Investments for $100,000, dated June 2014. (3)
10.12	12% Convertible Note between Co-Diagnostics, Inc. and Beaufort Capital Partners, LLC for $500,000, dated May 15, 2015 (3)
10.13	Form Revolving Line of Credit Promissory Note between Co-Diagnostics and Turks and Caicos Limited Company, Pine Valley Investments, LLC, Clavo Rico Incorporated, Legends Capital Group, LLC, Hamilton Mining Resources, Inc., and Machan 1988 Property Trust. (3)
10.13.1	Amendment to 12% Revolving Line of Credit Promissory Note, dated August 1, 2015, between Co-Diagnostics and Co-Diagnostics, Ltd., for $750,000, dated September 14, 2016. (3)

10.13.2	Amendment to 12% Revolving Line of Credit Promissory Note, December 30, 2015, between Co-Diagnostics and Pine Valley Investments, LLC for $100,000, dated September 14, 2016. (3)
10.13.3	Amendment to 12% Revolving Line of Credit Promissory Note, February 22, 2016, between Co-Diagnostics and Clavo Rico Incorporated for $10,000, dated September 14, 2016. (3)
10.13.4	Amendment to 12% Revolving Line of Credit Promissory Note, March 1, 2016, between Co-Diagnostics and Legends Capital Group, LLC for $100,000, dated September 14, 2016. (3)
10.13.5	Amendment to 12% Revolving Line of Credit Promissory Note, May 15, 2016, between Co-Diagnostics and Hamilton Mining Resources, Inc. for $75,000, dated September 14, 2016. (3)
10.13.6	Amendment to 12% Revolving Line of Credit Promissory Note, May 30, 2016, between Co-Diagnostics and Machan 1988 Property Trust for $50,000, dated September 14, 2016. (3)
10.13.7	Form Second Amendment to 12% Revolving Line of Credit Promissory Note Due 2017 between Co-Diagnostics, Inc. and CoDiagnostics, Ltd., Pine Valley Investments, LLC, Clavo Rico Incorporated, Legends Capital Group, LLC, and Hamilton Mining Resources, Inc. (4)
10.13.8	Form of Indemnification Agreement. (4)
10.14	Form 8.5% Convertible Note between Co-Diagnostics and Legends Capital Group, LLC for $100,000, dated November 12, 2015 and R. Phillip Zobrist for $100,000, dated December 1, 2015. (3)
10.15	Form 10% Convertible Note between Co-Diagnostics and Legends Capital Opportunity Fund, LLC for $15,000, DAV Capital Management Corp. for $15,000, April Kameka for $40,000, and Mark Kovacic for $50,000. (3)
10.16	Shareholders' Agreement between Co-Diagnostics and Synbiotics Limited, dated January 27, 2017. (3)
10.17	Amended Exclusive License Agreement between Co-Diagnostics, Brent Satterfield, and DNA Logix, Inc., dated January 1, 2017. (3)
10.18	Stock Purchase Agreement between Co-Diagnostics and Ted Murphy for 1,800,000 shares of Watermark Group, Inc.'s common stock, dated September 22, 2016. (3)
10.19	Non-Interest Bearing Note between Co-Diagnostics and Zika Diagnostics, Inc. f/k/a/ Watermark Group, Inc. for $445,000, dated March 20, 2017. (3)
10.20	Mutual Rescission Agreement of the Stock Purchase Agreement, dated September 22, 2016, and the License Agreement, dated October 13, 2016, between Co-Diagnostics, Robert Salna, and Ted Murphy, dated March 30, 2017. (3)
14.1	Code of Ethics of the Company
21.1	Subsidiaries of Registrant (1)
23.1	Consent of Haynie & Company
23.2	Consent of Carmel, Milazzo & DiChiara LLP (see Exhibit 5.1)
31.1	Certification of Chief Executive Officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Management contract or compensatory plan or arrangement.

(1) Incorporated by reference to the Draft Registration Statement filed with the SEC on January 11, 2017.

(2) Incorporated by reference to the Draft Registration Statement filed with the SEC on March 27, 2017.

(3) Incorporated by reference to the Form S-1 filed with the SEC on April 28, 2017.

(4) Incorporated by reference to the Form S-1/A filed with the SEC on May 24, 2017.

(5) Incorporated by reference to the Form S-1/A filed with the SEC on June 9, 2017.

(6) Incorporated by reference to the Form S-1/A filed with the SEC on June 23, 2017.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CO-DIAGNOSTICS, INC.

Date: March 30, 2020

By: */s/ Dwight Egan*
Dwight Egan
Chief Executive Officer, President and Director
(Principal Executive Officer and Interim Principal Financial and Accounting Officer)

By: */s/ Reed L. Benson*
Reed L. Benson
Chief Financial Officer and Secretary
(Principal Financial and Accounting Officer

In accordance with the Exchange Act, this report has been signed below by the following persons on March 30, 2020, on behalf of the registrant and in the capacities Indicated.

Signature	Title
/s/ Dwight Egan Dwight Egan	Chief Executive Officer, President and Director
/s/ Reed L. Benson Reed L. Benson	Chief Financial Officer and Secretary
/s/ Eugen Durenard Eugene Durenard	Director
/s/ Edward Murphy Edward Murphy	Director
/s/ James Nelson Frank J. Kiesner	Director
/s/ Richard S. Serbin Richard S. Serbin	Director

Exhibit 14.1

Co-Diagnostics, Inc.

Code of Ethics for Senior Financial Officers

Co-Diagnostics, Inc. (the "Corporation") believes that senior financial officers, including, but not limited to the Corporation's chief executive officer, principal financial officer, controller or principal accounting officer, and persons who perform similar functions (collectively, the "Senior Financial Officers"), hold an important and elevated role in corporate governance. The Corporation vests Senior Financial Officers with both the responsibility and authority to protect, balance, and preserve the interests of all persons involved with the Corporation, including but not limited to shareholders, customers, employees, and suppliers. Senior Financial Officers fulfill this responsibility by prescribing and enforcing the policies and procedures employed in the operation of the Corporation's finance department.

The Corporation shall consistently enforce its Code of Ethics through appropriate means of discipline. Violations of the Code of Ethics shall be promptly reported to the Corporation's Audit Committee. Pursuant to procedures adopted by it, the Audit Committee shall determine whether violations of the Code of Ethics have occurred and, if so, shall determine the disciplinary measures to be taken against any Senior Financial Officer or member of the Corporation's finance department who has so violated this Code of Ethics.

The disciplinary measures, which may be invoked at the discretion of the Audit Committee, include, but are not limited to, counseling, oral or written reprimands, warnings, probation or suspension without pay, demotions, reductions in salary, termination of employment, and restitution.

Persons subject to disciplinary measures shall include, in addition to the violator, others involved in the wrongdoing such as (i) persons who fail to use reasonable care to detect a violation, (ii) persons who if requested to divulge information withhold material information regarding a violation, and (iii) supervisors who approve or condone the violations or attempt to retaliate against employees or agents for reporting violations or violators.

I. **Honest and Ethical Conduct**

Senior Financial Officers will exhibit and promote the highest standards of honesty and ethical conduct through the establishment and operation of policies and procedures that:

- Encourage and reward professional integrity in all aspects of the finance department, by eliminating inhibitions and barriers to responsible behavior, such as coercion, fear of reprisal, or alienation from the finance department or the Corporation itself.

- Prohibit and eliminate the appearance or occurrence of conflicts between what is in the best interest of the Corporation and what could result in material personal gain for a member of the finance department, including Senior Financial Officers. Such conflicts may include (i) employment by a competitor, or potential competitor, regardless of the nature of the employment, while employed by the Corporation, (ii) acceptance of gifts, payment, or services from those seeking to do business with the Corporation, (iii) placement of business with a firm owned or controlled by an officer, director or employee of the Corporation or his/her family, (iv) ownership of, or substantial interest in, a company that is a competitor, client or supplier of the Corporation, (v) acting as a consultant to a customer, client or supplier of the Corporation, or (vi) seeking the services or advice of an accountant or attorney who has provided services to the Corporation. Members of the finance department, including Senior Financial Officers, are under a continuing obligation to disclose any situation that presents the possibility of a conflict or disparity of interest between the member and the Corporation. Disclosure of any potential conflict is the key to remaining in full compliance with this Code of Ethics.

- Provide a mechanism for members of the finance department to inform senior management promptly of deviations in practice from policies and procedures governing honest and ethical behavior.

- Ensure that the Corporation's proprietary information not be disclosed to anyone without proper authorization.

- Demonstrate their personal support for such policies and procedures through periodic communication reinforcing these ethical standards throughout the finance department.

II. **Financial Records and Periodic Reports**

Senior Financial Officers will establish and manage the Corporation's transaction and reporting systems and procedures to ensure that:

- Business transactions are properly authorized and completely and accurately recorded on the Corporation's books and records in accordance with Generally Accepted Accounting Principles ("GAAP") and established Corporation financial policy.

- The retention or proper disposal of Corporation records shall be in accordance with established industry financial policies and applicable legal and regulatory requirements.

- Periodic financial communications and reports will be delivered in a manner that facilitates the highest degree of clarity of content and meaning so that readers and users will quickly and accurately determine their significance and consequence.

III. **Compliance with Applicable Laws, Rules and Regulations**

Senior Financial Officers will establish and maintain mechanisms to:

- Educate members of the finance department about any federal, state or local statute, regulation or administrative procedure that affects the operation of the finance department and the Corporation generally, including but not limited to prohibitions against insider trading.

- Monitor the compliance of the finance department with any applicable federal, state or local statute, regulation or administrative rule.

- Identify, report, and correct in a swift and certain manner any detected deviations from applicable federal, state or local statute or regulation.

- Ensure that disclosure in documents filed with the Securities and Exchange Commission and in other public communications is full, fair, accurate, timely, and understandable.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-226835 on Form S-3 of Co-Diagnostics, Inc. of our report dated March 30, 2020, relating to our audits of the financial statements which appear in this Annual Report on Form 10K of Co-Diagnostics, Inc. for the years ended December 31, 2019 and 2018.

Haynie & Company
Salt Lake City, Utah
March 30, 2020

EXHIBIT 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES OXLEY ACT OF 2002 AND RULE 13A-14 OF THE EXCHANGE ACT OF 1934

CERTIFICATION

I, Dwight Egan, certify that:

1. I have reviewed this annual report on Form 10-K of Co-Diagnostics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a – 15(f) and 15d – 15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2020

/s/ Dwight Egan

Dwight Egan
Chief Executive Officer, President and Principal Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES OXLEY ACT OF 2002 AND RULE 13A-14 OF THE EXCHANGE ACT OF 1934

CERTIFICATION

I, Reed Benson, certify that:

1. I have reviewed this annual report on Form 10-K of Co-Diagnostics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a – 15(f) and 15d – 15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2020

/s/ Reed Benson

Reed Benson
Chief Financial Officer and Principal Financial and Accounting Officer

EXHIBIT 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S. C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Co-Diagnostics, Inc. (the "Company") on Form 10-K for the year ended December 31, 2019, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dwight Egan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 30, 2020

/s/ Dwight Egan
Dwight Egan
Chief Executive Officer, President and Principal Executive Officer

EXHIBIT 32.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S. C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Co-Diagnostics, Inc. (the "Company") on Form 10-K for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Reed Benson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 30, 2020

/s/ Reed Benson
Reed L Benson
Chief Financial Officer and Principal Financial and Accounting Officer