YDX Innovation Corp. Reports Revenue of $2.27M, Growth of 32.9% in 2018

Files December 31, 2018 Audited Financial Statements

- **Records Q4 net sales revenue of $664,457, an increase of 70% YoY**
- **Gross Margin in 2018 increased by 302% YoY**
- **Launched Arkave VR in the United States**
- **Delivered over 40 Projects for 25 different clients in 2018**

Vancouver, British Columbia--(Newsfile Corp. - May 6, 2019) - **YDX Innovation Corp (TSXV: YDX) (OTC PINK: YDRMF) (FSE: A2PB03) ("YDX" or the "Company")**, is pleased to announce the filing of its audited annual financial results for the 12 months ended December 31st, 2018. Complete MD&A and audited financial statements were published and are available on SEDAR. All numbers in this release are expressed in CAD.

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YDX Innovation had a year focused on growth and sustainability, creating an important base for 2019. In 2018, through a subscription business model, the Company deployed Arkave VR in the US and in several events in Brazil, creating a new source of revenues for the Company with higher margins compared to the project division and the potential for recurring revenues. The Company applied significant resources in the Arkave VR product, investing in software advances, equipment and events to promote the product in the United States and Canada.

The YDreams Global division delivered more projects and, as the main source of revenue of the Company, also attracted several new clients including Embraer, a new key client for 2019.

Daniel Japiassu, CEO of YDX Innovation stated, *"We are very happy with the results and overall performance of the Company in 2018. YDreams Global continues to regularly deliver high end projects for top brands and we have developed a competitive and scalable product, Arkave VR, which has established a strong brand awareness in the US. In 2018 we also reinforced our team but decreased our overhead achieving revenue growth of 32.8% and a significant increase of 302% in terms of gross profit. Our gaming arena Arkave VR was played by thousands of gamers in dozens of events and was mentioned in Forbes as a contender on the Location Base VR race. For 2019 we will continue to focus on growing and continuing being a leader in interactive and immersive technologies."*

2018 BUSINESS HIGHLIGHTS

Near the end of fiscal 2018, the Company officially launched Arkave VR at one of the most important Location Based Entertainment events in the United States, the IAAPA Expo in Orlando. The product was well received and the first arena for the US was signed and delivered before Christmas. The Company will continue to invest in content development for Arkave VR for 2019 with the main title being the exclusive VR game featuring Mickey Mouse, through a licensing agreement with the Walt Disney Co. The new experience has a release date of August 2019.

The return on investment is intended to be obtained by selling Arkave VR arenas to different facilities, charging annual license fees or receiving a share of revenues earned by every Arena that is opened. The Company is also renting the Arena for events directly or through distributors.

During the year ended December 31, 2018, the Company's main division, YDreams Global, was actively commissioned to deliver major projects including the following:

- On January 12, 2018, the Company began a new project entitled "Social Media Influencers - Game Edition", with the first sponsor committing $515,000 towards the cost of the exhibition.

- On April 4, 2018, the Company signed a new contract to develop an educational game using VR for one of the largest energy companies in the world. The game is geared to educate children and young adults in respect to energy conservation and sustainability.

- On May 5, 2018, the Company announced that it had been commissioned to open two new Arkave VR pop up Arenas in a shopping mall in Brazil.
- On June 6, 2018, the Company announced that Arkave will be one of the main attractions of the Game XP Event. The Company signed a contract to bring six Arkave VR arenas to the Event.
- On June 8, 2018, the Company announced that it has been commissioned by a company from the shopping mall industry to create an interactive Virtual Reality Experience that will showcase the future of shopping. The contract was for approximately CAD$130,000 to develop the interactive VR software.
- On June 21, 2018, the Company announced the delivery of a new project for two banking brands. The Company created the project for one of the biggest IT banking events in the world which saw an estimated 20,000 visitors to the booth during the three day event.
- On September 6, 2018, the Company announced that it had developed a new augmented reality mobile app for Hyundai Motor Brazil.
- On October 1, 2018, the Company announced that it launched the first branded content using the Company's Arkave Virtual Reality (VR) platform. The YDreams Global division was commissioned by Petrobras in partnership with F1 Team McLaren to deliver an immersive one of a kind VR experience that would debut at the Rio Oil and Gas Event.
- On November 28, 2018, the Company announced the signing of the first Arkave VR deal in the US with Andretti Indoor Karting & Games.
- On December 10, 2018, the Company announced the second U.S. Arkave VR installation at the Launch Trampoline Park in Doral, Florida.

BUSINESS HIGHLIGHTS IN 2019

- On February 12, 2019, the Company announced the third U.S. installation of its Arkave VR platform will be at Launch Trampoline Park in Methuen, Massachusetts.
- On February 26, 2019, the Company announced an agreement with The Walt Disney Company Brazil to create exclusive content for Arkave VR. The objective is to create a new VR experience using Disney's iconic IP - Mickey Mouse. The first game will be co-created by Disney and Arkave in Brazil and will bring Mickey Mouse to Arkave VR.
- On March 21, 2019, the Company signed a new project for the Brazilian aerospace conglomerate Embraer S.A. Embraer is building a new centre to host clients, investors and visitors at its global headquarters. YDx Innovation was initially commissioned to create the client journey, conceive the interior design and plan the interactive technology attractions.

2018 FINANCIAL HIGHLIGHTS

- The Company's gross profit increased by $733,364 from a gross profit of $242,740 in the year ended December 31, 2017 to a gross profit of $976,104 in the year ended December 31, 2018.
- Working capital deficit, which is comprised of current assets less current liabilities, was a deficit of $494,599 at December 31, 2018 compared to a working capital deficit of $1,205,226 at December 31, 2017.
- During the year ended December 31, 2018, the Company reported a net loss of $2,408,535 ($0.03 basic and diluted loss per share) compared to a net loss of $4,575,750 ($0.08 basic and diluted loss per share) during the year ended December 31, 2017.

FINANCIAL STATEMENT REVIEW

Consolidated Statements prepared in accordance with IFRS

(Expressed in Canadian dollars)

	Year ended December 31, 2018	December 31, 2017
NET SALES REVENUE	$ 2,271,522	$ 1,709,544
COSTS OF SERVICES RENDERED	(1,295,418)	(1,466,804)
GROSS PROFIT	976,104	242,740
EXPENSES		
Personnel expenses	352,377	246,914
Consulting	125,265	290,971
Depreciation	62,072	113,799
Management fees	422,127	375,024
Office and miscellaneous	407,951	403,867

Professional fees	892,356	797,162
Research and development	-	447,976
Share-based payments	306,758	735,143
Shareholder information	46,509	33,943
Transfer agent and filing fees	29,321	32,180
Travel and promotion	467,296	616,644
Other expenses	47,718	53,131
TOTAL OPERATING EXPENSES	(3,159,750)	(4,146,754)
LOSS BEFORE OTHER ITEMS	(2,183,646)	(3,904,014)
OTHER ITEMS:		
Interest income	139,882	95,216
Forgiven taxes	127,848	-
Interest expenses	(446,846)	(273,190)
Impairment of recoverable taxes	(41,486)	(494,185)
Gain on sale of marketable securities	-	10,500
Foreign exchange loss	(4,287)	(10,077)
	(224,889)	(671,736)
NET LOSS FOR THE YEAR	(2,408,535)	(4,575,750)
Foreign currency translation adjustment	52,236	(79,942)
COMPREHENSIVE LOSS	$ (2,356,299)	$ (4,655,692)
Loss per share, basic and diluted	$ (0.03)	$ (0.08)
Weighted average number of common shares outstanding	78,908,983	60,195,001

SELECTED QUARTERLY FINANCIAL INFORMATION

The following table presents selected financial information for each of the last eight quarters.

	December 31 2018	September 30 2018	June 30 2018	March 31 2018
Net sales revenue	$ 664,457	$ 416,802	$ 526,678	$ 663,585
Net income (loss)	(318,674)	(308,222)	(441,828)	(1,004,007)
Basic and diluted loss per share	(0.00)	(0.01)	(0.01)	(0.01)
Total assets	1,134,460	1,578,037	1,316,535	1,653,113
Working capital (deficiency)	(494,599)	132,676	(77,628)	256,335

	December 31 2017	September 30 2017	June 30 2017	March 31 2017
Net sales revenue	$ 390,908	$ 537,624	$ 533,639	$ 247,373
Net income (loss)	(1,752,981)	(481,106)	(767,884)	(1,573,779)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.03)
Total assets	514,296	1,529,467	1,650,589	2,351,612
Working capital (deficiency)	(1,205,226)	58,393	425,759	1,049,620

About YDX Innovation

YDX Innovation Corp. (TSXV: YDX www.ydxinnovation.com) is a technology company that develops products and services and is an expert in immersive technologies like Augmented and Virtual Reality, eSports events and Interactive Exhibitions.

Currently three divisions are part of the YDX Family:

Arkave VR Arena - https://sales.arkavevr.com/ - a gaming platform that brings the most immersive Virtual Reality experience to Location Based venues with a highly scalable business model.

Arkave VR has four Arenas in the United States, a flagship store being built in Canada and is being sold through a network of distributors that will focus on the thousands of Family Entertainment Centre's throughout North America, in constant search for innovative attractions.

YDreams Global - www.ydreamsglobal.com - have developed over 1,300 interactive experiences for clients all over the world such as Disney, NBA, Adidas, Cisco, Nokia, Nike, Mercedes Benz, Coca-Cola, Santander, AmBev, Qualcomm, Unilever, City of Rio and Fiat.

Game On Festival - www.gameonfestival.com - is a new event under development by the Company that combines eSports Tournaments with a large Interactive Exhibition about the videogame industry and its history.

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This communication contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding our current and future plans and objectives, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations as well as a list of risk factors that we deem relevant are disclosed in the documents we file from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on our current assumptions, estimates and opinions and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond our control. We do not undertake any obligation to update forward-looking statements should our assumptions, estimates or opinions change, other than as required by law and readers are advised not to place undue reliance on forward-looking statements.

Statements included in this announcement, including statements concerning our plans, intentions and expectations, which are not historical in nature are intended to be, and are hereby identified as, "forward-looking statements". Forward-looking statements may be identified by words including "anticipates", "believes", "intends", "estimates", "expects" and similar expressions. The Company cautions readers that forward-looking statements, including without limitation those relating to the Company's future operations and business prospects, are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements.

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