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Mydx Announces 2017 Fiscal Year Results

Gross Profit Margin Surged to 73% with Gross Profits Remaining Relatively Flat at ~\$306K as MyDx Continues to Execute on its Long-Term Strategy

[SAN DIEGO, CA , April 18, 2018 \(GLOBE NEWSWIRE\) -- MyDx, Inc. \(OTC: MYDX\)](#), a science and technology company and creator of MyDx[®] (My Diagnostic), the first multi-use handheld chemical analyzer designed for Cannabis professionals and retail consumers to correlate the chemical profile of cannabis with how it makes them feel and which ailments it alleviates, today announces its 2017 fiscal year earnings results and management analysis.

MyDx's main goal in 2017 was to continue to expand the CannaDx community and capitalize on its vast consumer-generated database, the *Largest Pre-Clinical Data Repository of its kind in the World*, which contains over 55,000 HIPAA Compliant patient records consisting of nearly 10 million data points correlating consumer feedback to cannabis chemical profiles. As a result, MyDx set three primary objectives to position itself for long-term sustainable growth and profitability:

1. Expand database and diversify revenue streams
2. Improve CannaDx gross margin
3. Initiate Formal Clinical Trials on select formulas to ascertain their efficacy in relieving various ailments, such as acute lower back pain

Long-term growth initiatives begin to take shape as new products and services are set to launch

MyDx developed the **ECOSmartPen™** to offer a cutting edge premium vaporizer for mass consumption that has the ability to collect and track consumption data on *cannabis extracts*. Accompanied by MyDx's mobile phone app, the **ECOSmartPen™** is not only capable of allowing users to track their consumption habits, but comes equipped with passive monitoring that also captures the dose and rate of usage. Thus, providing the dual benefit of allowing consumers to identify which products work best for them, and giving MyDx additional pre-clinical points of data on extracts that will serve to bolster and complement its already vast flower-based data-set.

Key **EcoSmartPen™** Features and Benefits:

1. Child Safety
2. Dosage Scheduling & Tracking
3. Maintains Usage History of Each Cartridge since Purchase
4. Mobile App now offers the ability to earn loyalty coins for providing more detailed feedback

The launch of the **ECOSmartPen™**, expected to launch later this year, experienced delays that were due, in part, to our engineering efforts to develop a unique electronic and software infrastructure that is interchangeable with custom molds and distinct designs for **MyDx360™** Network Companies. Ultimately, a superior product was created compared to the first prototype.

MyDx also developed the **MyDx360™** service to offer established brands and startups the ability to differentiate their products and improve speed-to-market by fully utilizing MyDx's custom formulas, delivery mechanisms, and feedback ecosystem; as well as, providing access to California state licensed manufactures.

“By capitalizing on our pre-clinical dataset combined with our growing portfolio of smart devices, we are able to fast track the product development lifecycle for Brands as their OEM partner giving **MyDx360™** customers a distinct and strategic advantage,” said Daniel Yazbeck, CEO of MyDx. “I believe the **MyDX 360™** Network will prove to be one of the most successful Networks - providing consumer driven brands with immediate access to state licensing and differentiated products.”

MyDx360™ Key Features and Benefits:

1. Provides customers access to a wide range of formulas that MyDx's community are using to address various ailments
2. Connects brands to state-licensed manufacturers for the creation of a diverse array of products, including: extracts, tinctures, strips, edibles, and drinks
3. Ability to use MyDx as an OEM that can customize its smart devices to identify with a brand's target market (ie. aesthetics, form and function)
4. Allows the brand's customers to provide direct, real-time feedback via the MyDx App
5. Analyzes user-feedback to provide insights that can be used to develop more targeted marketing campaigns and/or develop new products

Moreover, the **MyDx360™** Network has been structured with the help of a top ten law firm to comply with Federal and State laws and provide MyDx the potential upside gained from the financial participation in an array of consumer brands in California and across state lines by licensing its intellectual property.

“For us, the most important element that we believe will determine the future success of consumer brands in the cannabis space is having access to pre-clinical data and consumer generated feedback that will help guide the development of superior products formulated for specific target markets,” said Yazbeck. “This and the ability to replicate and provide a consistent, repeatable formulations that people can come to rely on when they identify those Brands is really the key in differentiating yourself in the cannabis space.”

Gross Profit Margin Surged to 73%, from 40% a year earlier, with Gross Profits remaining relatively flat at approximately ~\$306k

Gross Profit Margins rose to 73%, which favors MyDx's long-term strategy, and gross profits remained relatively flat at ~\$306k, despite CannaDx revenues falling ~37%, year over year. The positive effect on margins, in part, is due to successfully re-negotiating supplier contracts for the manufacture of its CannaDx product line and the discontinuing the use of certain distributors to sell its products, which also played a part in the decrease of revenues. Total revenues were also impacted by a recalibration of its marketing spend, and halting the direct licensing of its data, which will instead be bundled into the **MyDx360™** service.

"The drop in sales was a natural byproduct of our plan to improve gross margins and be more effective at allocating our capital to grow the company," said Yazbeck. "We spent half the cash to operate the business as we did last year, and were successful in fine tuning our sourcing and marketing practices, which gives us a huge leg up moving forward, as we begin to release other smart devices and services. The potential long-term value generated far outweighs the short-term hit in growth for the company."

Adjusted EBITDA increased ~69% year over year due to rising gross margins, becoming more efficient with its marketing spend and scaling back non-critical R&D expenses

MyDx decreased marketing spend by ~\$1.2mm, while becoming more efficient at deploying its capital as it increased its ability to earn a dollar per dollar marketing expense by 56%.

MyDx also significantly scaled back its R&D spend to focus its efforts on its current slate of smart devices and services: [CannaDx™](#), [ECOSmartPen™](#), [MyDx360™](#) and [Clinical Trials](#).

Other Notable accomplishments that Lead to a Promising Future

1. MyDx is working with Health Canada to acquire medical device designation for its products
2. MyDx Hired Dr. Jessica Peatross as Chief Medical Officer to help drive lead the randomized and placebo-controlled MyDx clinical trials to estimate the efficacy of MyDx's proprietary formulas on patients suffering from chronic Low Back Pain as a primary indication with Sleep, Depression and Anxiety as secondary indications.
3. MyDx has developed Popularity and Counterfeit Indexes that will be licensed to brands seeking ways to differentiate their products

To Learn more about MyDx, please visit www.meetmydx.com.

About MyDx, Inc.

MyDx, Inc. (OTC:MYDX) is a chemical detection and sensor technology company based in San Diego, California whose mission is to help people Trust & Verify® what they put into their minds and bodies. The Company's first product, MyDx®, also known as "My

Diagnostic”, is a patented multiuse hand-held chemical analyzer designed to help consumers and professional test for pesticides in food, chemicals in water, toxins in the air, and the safety and potency of cannabis samples, which is the initial focus of through the CannaDx™ application. CannaDx users have submitted over 40,000 crowdsourced records consisting of millions of datapoints revealing the chemical profile of the cannabis they are consuming and how its making them feel which feeds a data analytics platform, a SaaS business, as well as the biopharmaceutical division of MyDx. The company is committed to addressing areas of critical national need to promote public safety, transparency and regulation in the various markets we serve and hence its more immediate mission is to continue to develop smart devices as part of an ecosystem that crowdsources consumer generated preclinical data to drive innovation in the cannabis industry. For more information, please visit www.mydxlife.com.

Forward-Looking Statements

This news release contains "forward-looking statements" as that term is defined in Section 27(a) of the Securities Act of 1933, as amended, and Section 21(e) of the Securities Exchange Act of 1934, as amended. Statements may contain certain forward-looking statements pertaining to future anticipated or projected plans, performance and developments, as well as other statements relating to future operations and results. Any statements in this press release that are not statements of historical fact may be considered to be forward-looking statements. Words such as "may," "will," "expect," "believe," "anticipate," "estimate," "intends," "goal," "objective," "seek," "attempt," or variations of these or similar words, identify forward-looking statements. These forward-looking statements by their nature are estimates of future results only and involve substantial risks and uncertainties, including but not limited to risks associated with the uncertainty of future financial results, additional financing requirements, development of new products, our ability to complete our product testing and launch our product commercially, the acceptance of our product in the marketplace, the uncertainty of the laws and regulations relating to cannabis, the impact of competitive products or pricing, technological changes, the effect of economic conditions and other uncertainties detailed from time to time in our reports filed with the Securities and Exchange Commission, available at <http://ir.cdxmlife.com/all-sec-filings> or www.sec.gov.

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