

MedX Health continues its global expansion in the fight against skin cancer

Skin cancer is the most common cancer in the United States and worldwide, but early screening can save lives. Did you know these gruesome facts?

- One in every three cancers diagnosed is skin cancer.
- Between 2 and 3 million non-melanoma skin cancers and 132,000 melanoma skin cancers occur globally each year.
- 1 in 5 Americans will develop skin cancer by the age of 70.
- **More than 2 people die of skin cancer in the U.S. every hour.**

Clearly the world needs a much better early skin cancer screening technology.

MedX Health Corp. (TSXV: MDX) is a leading medical device and software company focused on the early detection of skin cancer. MedX has approvals in 35 countries and distribution agreements in place for its key skin cancer diagnostic products – SIAscope and DermSecure™ telemedicine platform.

Following on from MedX's regulatory approval and distribution agreement in Brazil ([read here](#)), the Company recently announced an exciting exclusive distribution agreement to launch SIAscopy on DermSecure™ in Mexico with EMC LABS, S.A.P.I. DE C.V., operating as MedX Mexico. MedX Mexico plans to launch an aggressive ease-of-access skin scanning/assessment program throughout Mexico, using MedX's SIAscopy on DermSecure™ Telemedicine platform. MedX Mexico will cover all the upfront costs for application for regulatory approval in Mexico, all marketing costs, and will utilize their large-scale distribution network in Mexico.

MedX Mexico's, President and CEO, Carlos Vizcaino, states:

"There is a significant opportunity for MedX's rapid skin assessment technology in Mexico, as skin cancer is a very common type of cancer in Mexico.....MedX's SIAscopy on DermSecure™ Telemedicine platform and advanced SIAscopy imaging technology is a perfect solution to assist dermatologists and physicians in the diagnosis process for early detection of melanoma."

Masterplan

MedX Health's masterplan is to continue to rollout distribution agreements with partners globally. So far Brazil and now Mexico are underway. MedX's revolutionary skin cancer detection device is approved in the USA, Canada, Brazil, Australia, New Zealand, the European Union, Turkey, and many other places. In total MedX's device has achieved regulatory approval in 35 countries. This means we can expect further distribution agreements in the future to many of the above countries. The potential for future revenues is enormous.

MedX's business model is similar to Software as a Service (SaaS) companies. The revenue model uses front-end hardware sales coupled with recurring "platform" revenue based on a minimum number of screens per device (360/year at \$10/image).

2019 revenues were only small at C\$860,248, and 1st quarter 2020 C\$95,544, as the Company was impacted by COVID-19 and had yet to ramp up distribution as is now occurring in 2020. For a guide on where revenues are headed the next two years the Beacon Securities report is most useful.

The report's analysts says MedX has strong visibility on initial orders from the MedX Brazilian distribution partner, that could result in \$8 million of hardware sales over the next 2 years and a run-rate of \$14 million of high margin, recurring platform revenue by the end of FY21. Given that MedX

currently trades on a market cap of C\$24 million, the C\$14 million, if achieved, would mean MedX would trade on a 2022 market cap/sales ratio of only 1.7. Beacon Securities rates MedX Health a 'buy' with a Price Target of C\$0.45. Given the stock currently trades at C\$0.135, the C\$0.45 price target represents a very significant upside of 233% or a 3.3 fold gain.

Closing remarks

It is very clear to me that the market is yet to wake up to the potential very large boost in revenues that MedX is working to achieve, now with distribution agreements in both Brazil and Mexico.

Detecting skin cancer is an enormous global need and MedX is working hard to fill this need. MedX has the right device and approvals in 35 countries. All that is needed now is further distribution agreements and revenue to flow. The opportunity for investors to get in early on such a great company with a very bright future still exists. I would not recommend waiting too long as the cheap valuation is unlikely to last long, especially as further new deals are announced.

Disclaimer/Disclosure: The InvestorIntel Sr. Editor Matthew Bohlsen currently owns shares in MedX Health Corp. The information in this article is general in nature and should not be relied upon as personal financial advice. For more information, contact Tracy Weslosky at info@investorintel.com.