

Thompson on DIAGNOS and the ‘exploding’ AI healthtech industry

written by InvestorNews | January 25, 2021

AI Healthcare Provider Diagnos Continues to Sign Deals and Partnerships Amid COVID-19 Crisis

[Diagnos Inc.](#) (TSXV: ADK | OTCQB: DGNOF | FSE:4D4A), a software platform provider for the early detection of critical health issues through the use of Artificial Intelligence (“AI”) and Machine Learning (“ML”), continues to sign deals and partnerships amid the current COVID-19 health crisis.

Diagnos’ CARA (“Computer Assisted Retina Analysis”) telemedicine platform, delivers eye care and disease diagnosis through standard fundus photography, which involves photographing the rear of an eye, and Diagnos’ patented image processing and AI analysis.

New 3-Year Agreement with University of Montreal Hospital Centre

On January 19, Diagnos [announced](#) a three-year partnership agreement with the Center Hospitalier de l’Université de Montréal (“CHUM”) on AI projects related to the early detection of various retinal diseases.

Since 2018, Diagnos has been working with CHUM and using AI to screen for diabetic retinopathy and added a second screening site in the ophthalmology department in 2019 to help improve the screening process for patients with more serious conditions.

The new 3-year clinical trial aims to validate if the AI algorithm (“NeoRetina”) developed by Diagnos to detect the presence of diabetic retinopathy, can detect this disease and grade its severity by the analysis of fundus photographs when compared with traditional methods.

According to the clinical trial information, more than 10% of the population of Quebec (approximately 900,000 people), suffer from diabetes and around 40% of people with diabetes suffer from diabetic retinopathy.

Retinopathy is any damage to the retina of the eyes, which may cause vision impairment, and early detection and regular check-ups are important in preventing the progression of the disease.

Dr. Fabrice Brunet, President and CEO of CHUM, commented, “We are pleased to be working with Diagnos to bring innovation and excellence in care to patients. The evaluation and refinement of Diagnos technology using artificial intelligence in the early detection of certain diseases by our ophthalmology, endocrinology, and now cardiology teams contribute to improving the quality and safety of the care provided to the population.”

New Clinics in Saudi Arabia and New Rollouts Planned in Second Half of 2021

On January 14, Diagnos [announced](#) the opening of five new screening clinics at different locations of [Magrabi Hospitals & Centers](#) located in Riyadh, Saudi Arabia, with the help of its Saudi business partner, Kanhoor Medical Co.

Magrabi is a provider of Ears-Nose-and-Throat (“ENT”), Dentistry, and Ophthalmology services with more than 35 locations in the Middle East and North Africa and delivers eye care to more than 1 million patients annually.

After 2 field trials using Diagnos' AI-assisted screening platform, Magrabi is launching the new locations to increase the availability of the CARA service to its diabetic patients and also to reduce wait times.

The plan between Diagnos, Magrabi, and Kanhoor is to rollout the CARA platform to the remaining 22 Magrabi hospitals in Saudi Arabia in the second half of 2021 and then extend the service to the other Magrabi hospitals in the Middle East and Africa.

Healthcare Diagnosis Market Exploding

According to a 2020 industry report on the Healthcare Diagnosis market, AI in the healthcare diagnosis market was valued at US\$3.6 billion in 2019 and is forecasted to reach US\$66.8 billion by 2027, growing by a staggering 44% annually.

One of the largest growth segments is AI-assisted diagnostic solutions in areas such as cancer detection, cardiovascular disease, eye care, and radiology.

Worldwide Commercialization

Diagnos currently operates screening sites in 15 countries with certifications from regulatory bodies in various countries including the U.S., Canada, the European Union, and Mexico. In 2020, Diagnos signed partnerships and commercial agreements with companies that serve patients in Canada, Colombia, Guatemala, Mexico, and southern California.

Final Comments

In a [recent interview](#), Andre Larente, CEO of Diagnos, commented that the company is fully funded for the next 18 months and he expects that more existing clients are going to restart their operations soon, which should increase revenue for Diagnos.

In addition, he said the company has a “strong pipeline” that could results in new deal announcements during the year.

Finally, screening for diabetic retinopathy is just one application of Diagnos’ AI technology and the company expects to make announcements with new partners to use the technology to detect other health issues, such as cardiovascular problems, including hypertension.

Meanwhile, even after Diagnos’ recent stock increase, the company’s market capitalization is less than C\$43 million. With its recent announcements and rollout trajectory, the low valuation makes it a prime takeover target for any consolidator executing a roll-up strategy in the AI healthtech industry.