

World class skin cancer diagnostic technology prepares to treat the world.

Have you ever tried to get a dermatology appointment? I don't know about anywhere else in the world but in Canada it can be a real pain in the you know what. Apparently there are only around 500-550 dermatologists to serve 37+ million of us, so wouldn't it be great if someone came up with a decentralized, more accessible solution for initial screening of potential skin anomalies. Well someone has, and that someone is MedX Health Corp. (TSXV: MDX). MedX is a leading medical device and software company focused on skin health with its SIAscopy® on the DermSecure® telemedicine platform.

MedX has developed the SIAscope®, which is a hand-held Class IIA medical device and the only image-capture technology on the market that provides clinical, dermoscopic and spectrophotometric views of moles. It uses patented technology to view up to 2 mm beneath suspicious moles and lesions in a pain free, non-invasive manner, with the Company's software then creating real-time images for physicians and dermatologists to evaluate all types of moles or lesions within seconds. The technology allows healthcare providers, like physicians, pharmacists and healthcare technicians, to capture perfect clinical images with 100% image integrity.

Seems like an elegant solution for those of us who shrug off every opportunity to visit a doctor given this preliminary assessment can be done at your local pharmacy, assuming they have a SIAscope®. If you go to the doctor more frequently than I do or a walk in clinic, the doctor or practitioner on staff can take the first step in assessing a suspicious mole or skin lesion. The scan is then read by a trained physician or dermatologist and within 72 hours a determination is made as

to whether the suspicious mole or lesion needs a follow-on appointment, or the patient is deemed clear of follow up without having to wait an additional several weeks or months to get into the dermatologist for that first assessment.

As we've all been told hundreds of times (or more) over the years, detecting symptomatic patients as early as possible gives someone the best chance for successful treatment. Some of the stats are quite shocking when you consider that if a Stage 1 melanoma is detected, Health Canada estimates the cost to treat it at around \$2,400 and the Canadian Cancer Society estimates the 5 year survival rate at 97%. Compare that to not diagnosing a melanoma until Stage 4 (when the cancer has spread to other parts of the body and is often hard to cure with current treatments) which sees the cost to treat skyrocket to approximately \$1,000,000 and the 5 year survival rate drop to 20-30%.

So why isn't the SIAscope® in every doctor's office, pharmacy, clinic, grocery store and gas station on the planet? The team at MedX are trying. Currently their products are cleared for use in the US, Canada, Australia, New Zealand, the European Union, Brazil and Turkey. However, after proof of concept was completed the company recognized that it didn't have its own telemedicine portal and didn't control its data thus it was unable to control the ability to monetize all of this, which despite the noble effort of trying to diagnose cancer early, is ultimately the objective of a publicly traded company. So they took a step back and spent a year and a half to build out a platform, developed along with the dermatology community, that has become their patient management system – DermSecure®. The platform enables the Company to move to a recurring revenue model, where it can earn revenue based on the number of patient reports generated from the system. This new, secure system started getting traction in early 2020 with a 500 SIAscope® order from Brazil. Then Covid-19 threw a wrench into the rollout.

Additionally, the company has a second business line, its phototherapeutic products that have been available in the market for many years. The Company has sold thousands of these products to practitioners in clinics, academic facilities, hospitals, long term care facilities, athletes and sports teams. However, the markets in which the Company sells these products are highly competitive, characterized by pricing pressure and multiple competitive products. Correspondingly, in Sep/20 MedX announced management changes to enhance its focus on its dermatological services and products. That focus shift has led to a sales agency agreement with the Ziemer Professional Corporation to expand North American clinic sales, a partnership with Netherlands national telehealth leader to roll out DermSecure® and an MoU with Empower Clinics in Ontario to pilot MedX's leading-edge DermSecure® Screening Platform.

With COVID-19 almost doubling the wait times in order to see a dermatologist, MedX's DermSecure® telemedicine platform provides a perfect solution which should continue to gain traction. The heavy lifting has been done, the product is now scalable and management is focused on getting this product to market. Let's see if that starts translating into some much anticipated revenue growth.

**Commercializing their
telemedicine platform
globally for the early**

detection of skin cancer, MedX Health revenue (and stock) is rising

MedX Health Corp's (TSXV: MDX) ('MedX') stock price is beginning to move higher as they gain further success commercializing their SIAscope and DermSecure™ telemedicine platform globally for the early detection of skin cancer.

MedX's stock price is moving



Source

MedX is a leading medical device and software company focused on the early detection of skin cancer. MedX's platform is being used in over 200 pharmacies in 3 countries with regulatory approvals in 35 countries including Australia, Brazil, Canada, the European Union, New Zealand, Norway, Turkey and the USA. In the Netherlands MedX and their local partner have begun to very successfully rollout their platform

in skin screening clinics.

The Netherlands has started very strongly

In news released late in 2020, MedX announced they are now rolling out DermSecure® in the Netherlands, partnering with national telehealth leader IVPG. Below are the key highlights:

- “MedX partners with national telehealth leader IVPG in the Netherlands.
- Two skin screening clinics opened in November 2020, with more than 800 assessments on close to 500 patients completed to date using MedX’s DermSecure® platform.
- Three additional clinics to come online in the Netherlands by the end of December 2020.
- IVPG plans to expand to 41 skin assessment clinics by 2022.
- More than half of all cancers reported in the Netherlands are skin cancers.”

Based just on the above information we can see MedX’s DermSecure® should be in a total of 46 clinics by 2022, all going to plan. Clearly, if the ramp-up of clinics does reach 46, then the number of assessments will be much higher, as would revenues, just for the Netherlands. In Norway, MedX has already done over 80,000 assessments/scans. MedX is already on the way to achieving sales in several other countries including North America, Mexico, Brazil (500 units sold), and Canada.

MedX makes some money on selling the hardware (costs C\$700 and sells for C\$1,600-2,000), but the real potential revenues are set to come from the scans. MedX receives ~\$10 per assessment/scan based on their Software as a Service business model. The scan cost for MedX is only ~C\$0.26 so margins are very high.

December 15, 2020, Beacon Securities report states:

“We believe investors should understand the recurring, high margin, revenue juggernaut that is in the midst of being created. Given the metrics already apparent after just one month at the 2 installed clinics, 41 clinics would represent ~\$3 million of recurring revenue (ie. $41 \times 312 \text{ days} \times 20 \text{ scans} \times \10).”

The same report sets a 1-year price target for MedX of C\$0.45, with a buy rating.

Massive revenue growth potential for MedX

MedX’s goal is to roll out an initial 1,500 hardware devices (SIAScope) to an approved distributor in an approved location, say Brazil. MedX’s President, Dermatology Services, Mike Druhan stated: “At 1,500 installs in year 1 it represents C\$8.4M in revenue for us”, up from C\$860,000 in revenue in 2019. The C\$8.4M would be C\$3M in upfront one-off hardware revenue, and potentially C\$5.4M in recurring revenue. Note for now the Brazil rollout is at 500 hardware devices, so the above figures are to show the potential and the business plan of MedX.

MedX has also recently begun a rollout in Ontario Canada at select Ontario Integrated Health Centres with partner Empower Clinics Inc. Steven McAuley, Chairman and CEO of Empower, stated:

“MedX is an ideal teledermatology partner, as their screening platform is second to none. We look forward to the results of this pilot and making this platform more widely available throughout our network.”

Closing comments

The best time for investors to consider a company is often just as they start to commercialize and bring in rapidly growing revenues. With MedX it looks like now is that time. The best companies are Software as a Service companies. Again

another tick for MedX.

Finally, MedX has a competitive advantage due to their advanced technology that can view 2mm below the skin. This is backed up by a secure telemedicine platform and a track record of success.

The stock price has begun to climb, however, the market cap still looks reasonable at C\$40M, especially if their Netherlands success continues as well as their other global rollouts. What a great time to know about MedX Health Corp.

Telehealth provider MedX Health set for 2021 revenue breakout

Telehealth services have been around for decades and witnessed a strong adoption amid the shelter-in-place orders from various government during the current COVID-19 crisis.

Companies such as Teledoc Health (NYSE: TDOC) and American Well (NYSE: AMWL) registered stock gains this year of 40% to 130% while MedX Health Corp (TSXV: MDX) has been overlooked by investors.

Even with COVID-19 vaccines on the horizon, telehealth adoption should continue in a post-pandemic world and MedX should benefit from this trend.

MedX's Teledermatology Platform = SIAScope™ + DermSecure™

MedX is a medical device and software company focused on skin health. MedX's platform is a leader in teledermatology and

comprises a handheld, image capture medical device (SIAScope™) and a fully-secure telemedicine platform (DermSecure™).

MedX's non-invasive device takes multiple scans, including images that penetrate below the skin's surface, which allows dermatologists to make a more accurate assessment of skin cancer.

Its telemedicine platform is a browser-based, hosted by Amazon Web Services (AWS), and encompasses a comprehensive patient management system that fully integrates into existing Electronic Management Records (EMR) systems.

The hardware is sold or leased and the platform is deployed as a Software-as-a-Service (SaaS) model with the Company collecting revenue every time a scan is completed.



Source

Development Phase Completed and the Rollout Continues

MedX has spent over \$11 million in product development and, according to the Company, the platform is being used in over 200 pharmacies in 3 countries with regulatory approvals in 35 countries including Australia, Brazil, Canada, the European Union, New Zealand, Norway, Turkey and the USA.

The solution is beyond the “proof of concept” phase as the

deployment in Norwegian pharmacies has caught over 800 cases of skin cancer from over 80,000 scans.

In 2020, even with the coronavirus disturbances to its business, the Company made a series of product, partner and people announcements in laying the foundation for what should be a breakout year for MedX in 2021.

- **Brazil:** In January, MedX announced that it received an order for 500 SIAScope™ units for deployment on its DermSecure™ telemedicine platform from its Brazilian distributor, representing the single largest order in the Company's history. In March, the Company announced that it received regulatory approval in Brazil.
- **Mexico:** In June, MedX signed an exclusive distribution agreement to launch the platform in Mexico, with EMC LABS, S.A.P.I. DE C.V., operating as MedX Mexico.
- **North America:** In October, MedX expanded North American clinic sales by signing a sales agency agreement with the Ziemer Professional Corporation that resulted in the immediate roll-out to six clinics in November and additional installations planned in 2021.

Beyond Cancer – Inflammatory Skin Assessments

MedX has also added a High Definition (HD) clinical camera to the platform, adding another service to the recurring revenue model. With the HD camera, the system can be used for inflammatory skin assessments for conditions such as acne, psoriasis and rosacea.

Unfortunately the Market is Growing

According to the American Academy of Dermatology Association (AAD), skin cancer is the most common cancer in the United States, with millions of cases diagnosed each year. For skin cancer, early detection represents the only strategy to reduce the disease-related mortality, and when found early enough, it is highly treatable.

Some basic facts from the AAD:

- “Current estimates are that one in five Americans will develop skin cancer in their lifetime.”
- “It is estimated that approximately 9,500 people in the U.S. are diagnosed with skin cancer every day.”
- “Melanoma rates in the United States have been rising rapidly over the past 30 years, doubling from 1982 to 2011.”
- “The five-year survival rate for people whose melanoma is detected and treated before it spreads to the lymph nodes is 92%.”

The high prevalence of skin cancer is not just limited to the United States, according to the World Cancer Research Fund, the top 5 countries for skin cancer are Australia, New Zealand, Norway, Denmark and the Netherlands, at 2-2.5 times the rate of the United States.

An Ounce of Prevention is Worth a Pound of Cure

The seriousness of the disease has led to an emphasis on early detection and the cost to the health system for early detection is hundreds of times less than the treatment once the cancer has metastasized.

2021 Revenue Potential

In a recent study by Cognitive Market Research, the Handheld Melanoma Scanner market was valued at US\$300 million in 2019 and is projected to reach US\$500 million by 2025, at an annual growth rate of almost 9% during this period.

For every 500 units deployed by MedX, the Company books \$1 million in hardware sales and forecasts \$1.5 to \$2.0 million of annual SaaS revenue. With the Brazilian and other recent orders, revenue could land in the \$5.6 million to \$8.4 million range in 2021, more than 10 times what was reported in 2019.

Currently, MedX's sales pipeline includes multiple Pharmacy chains in North America, an Insurance company in Spain, a global Medical Spa distributor, and prospects associated with existing country distributors in Argentina, Brazil, Chile, Colombia, Mexico, Paraguay, Portugal, The Netherlands, and Uruguay.

Could MedX be the Teledoc of 2021?

A more accurate assessment on skin cancer is the way MedX plans to save the planet

No one should ever die of skin cancer.

Wow – doesn't that just wake you up a little bit? The deadliest cancers include lung and bronchial cancer, colon and rectal cancer, breast cancer, pancreatic cancer, prostate cancer, leukemia, Non-Hodgkin lymphoma, liver cancer, melanoma and ovarian cancer. According to the American Cancer Society in their July 2018 report, in the period from 2008 – 2014, overall cancer incidence rates decreased by 2.2% in men and remained stable in women. From 1999 – 2014, overall cancer deaths decreased by 1.8% per year among men and 1.4% per year among women.

Unfortunately, melanoma (skin cancer) still ranks in the "top ten" among both men and women – not a ranking that we really need to be ecstatic about.

Enter MedX Health Corp. (TSXV: MDX). Originally founded in 1999 with a focus on laser and phototherapy products, the

company still maintains this highly reputable product line in a very competitive global marketplace. MedX first acquired their other product technology (SIAScope) in 2011 and through improvements, has positioned MedX as a leading medical device and software company.

Focused on the early detection of skin cancer, MedX's SIAScope is a handheld Class IIA medical device. First, the SIAScope takes 5 images, including 4 spectrophotometric images 2 mm below the skin's surface showing the disorganization of a suspicious mole or lesion. This allows dermatologists to make a more accurate assessment based on the underlying physiology of the skin. MedX is the only technology in the world that can present this additional critical imaging, taking remote medicine to a new and improved level for provision of timely, accurate diagnoses.

Second, SIAScopy on DermSecure™ captures the dermatological images from the SIAScope and forwards them for assessment by a dermatologist. SIAScopy is a fully integrated service that combines innovative, peer-reviewed technology with a secure, cloud-based patient management system. It's the only tool that offers perfect image capture technology with clinical, dermoscopic and spectrophotometric views of moles and other skin conditions. Designed by dermatologists and physicians, SIAScopy is being used in over 200 pharmacies in 3 countries with regulatory approvals in 35 countries including USA, Canada, Australia, Brazil and the EU.

Finally, the results are communicated back to healthcare providers and patients. In 72 hours or less – timely turnaround indeed! MedX stores patient's information for 10 years, which means a patient can retrieve their patient file and take another scan of the same mole or lesion years later and compare it to previous images to see if there has been any change. MedX is the only company in the world that has made this commitment to the patient and their providers. Privacy policies comply with all regulations in jurisdictions in which

the company operates including PIPEDA, HIPAA and GDPR. In addition, they deploy the latest in security measures, engage in rigorous third-party threat testing and real-time monitoring.

Wow – who knew that it could be that easy? It really isn't, as the team at MedX has put decades of knowledge, expertise and technology into development of a world-leading suite of tools. In addition to a highly experienced leadership team and Board of Directors, the company has assembled a Medical Advisory Board with experts from Canada, the UK and the US, all specialists in their fields who bring a wealth of knowledge and expertise to MedX.

The company has a very small market capitalization compared to similar companies in the US – only about C\$20 million. The technology is leading edge, although the market also cares about revenue which has been negatively impacted by the ongoing coronavirus pandemic.

The company has the longevity and the expertise in a competitive marketplace. Management is embarking on a program to raise global awareness to improve future revenues and cash flow and they have raised new equity capital of just over C\$3.0 million in 2020, significantly reducing negative working capital. Apparently there will never be less cancer in the world and here is a technology company that can at the very least help in the goal that “cancer can be beaten”.

MedX Health explains why no

one should ever die from skin cancer

InvestorIntel's Tracy Weslosky talks with MedX Health Corp.'s (TSXV: MDX) Executive Chairman & CEO Robert Von Der Porten and Mike Druhan, President of Dermatology Services.

"Nobody should ever die from skin cancer," said Robert. "Unfortunately people still do, and we have technology to solve that problem."

"MedX is in the teledermatology space, so we are sort of a specialized version of telemedicine," Mike said in the interview. "Our ability to go 2mm below the skin and catch a spectrophotometric view of the disorganization under the skin is our hallmark differentiation. Other competing technologies have about 40% rejection rate on the image quality. Our technology does not have a rejection rate because every image is absolutely perfect."

Pointing to their dermatologist-designed questionnaires that form a part of MedX's telemedicine platform, Robert said the advantage is that "dermatologists can very quickly, and time-effectively assess a patient's condition, the surrounding area condition and if it is a mole or lesion, which is potentially cancerous. It is a very powerful platform that can be deployed anywhere."

To access the complete interview, [click here](#)

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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.

MI3 Market Alert: Many

positive developments for the SaaS-based telehealth company

Mario Drolet President of MI3 Communications Financières Inc. (MI3) released a technical note at market open today on MedX Health Corp. (TSXV: MDX) for exclusive distribution on InvestorIntel. In this note, MI3 highlighted the following points on MedX Health Corp.

- MedX Health Corp is a SaaS-based telehealth company
- Recently received the MDSAP certification (medical device simple audit program)
- MedX has received regulatory approval in Brazil
- MDX get Analyst coverage and BUY rating with a target at \$0.45
- MDX traded more than 13.0 Million shares over the last three months between \$0.06 & \$0.15
- Support: S2; \$0.085 S1; \$0.115 Resistance: R1; \$0.13 R2; \$0.15



About MedX

MedX, headquartered in Mississauga, Ontario, is a leading medical device and software company focused on skin assessment in identifying suspicious moles and lesions by utilizing its SIAscopy on DermSecure™ telemedicine platform, utilizing its SIAscopy technology. SIAscopy is also imbedded in its products SIAMETRICS™, SIMSYS™, and MoleMate™, which MedX manufactures in its ISO 13485 certified facility. SIMSYS™, and MoleMate™ includes a hand-held devices that use patented technology utilizing light and its remittance to view up to 2 mm beneath suspicious moles and lesions in a pain free, non-invasive manner, with its software then creating real-time images for physicians and dermatologists to evaluate all types of moles

or lesions within seconds. These products are Health Canada, FDA, TGA and CE cleared for use in Canada, the US, Australia, New Zealand, the European Union and Turkey. MedX also designs, manufactures and distributes photobiomodulation therapeutic lasers to provide drug-free and non-invasive treatment of tissue damage and pain.

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