

# 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”.

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## **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](mailto:info@investorintel.com).

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## **MDSAP certified MedX Health is set to go in Brazil with regulatory approval achieved for their skin cancer diagnosis products**

MedX Health Corp. (TSXV: MDX), a leading medical device and software company focused on early detection of skin cancer, is on the verge of success in Brazil with recent approval and distribution for its key skin cancer diagnostic products – SIAScope and DermSecure™ telemedicine platform.

### **MedX achieves regulatory approval in Brazil**

MedX has just recently received the go-ahead to sell its SIAScopy on DermSecure™ skin assessment products in Brazil.

Regulatory approval in Brazil now means MedX can go ahead with its business plan to expand in Brazil. In January 2020 MedX announced it has received an order for 500 SIAscope™ units for deployment on its DermSecure™ telemedicine platform from its exclusive Brazilian distributor, representing the single largest order in the Company's history.

The potential for MedX products in Brazil is enormous, as over 100,000 new cases of skin cancer were recorded in Brazil between 2016 and 2017 (according to the Brazilian Cancer Institute), and almost 6,000 were classified as melanoma.

MedX Brasil CEO Fabio Candello stated:

*“There is a significant opportunity for MedX's rapid skin assessment technology in Brazil, as skin cancer is the most common type of cancer in Brazil.”*

### **MedX's SIAscope has the potential to save thousands of lives**

Given the SIAscope can view up to 2 mm beneath suspicious moles and lesions, it is clear to see how thousands of melanoma cases a year can be detected and treated early, thereby saving lives. And this is just the tip of the iceberg, as it is only in Brazil.

Between 2 and 3 million non-melanoma skin cancers and 132,000 melanoma skin cancers occur globally each year. **One in every three cancers diagnosed is skin cancer.**

**A skin malignant melanoma can be deadly**



### **MedX receives MDSAP Certification**

On April 2 it was announced that MedX received the MDSAP Certification. This is the highest regulatory standard in the medical device manufacturing industry. This speaks volumes for the company's professionalism and products.

President & CEO of MedX, Scott Spearn, commented:

*"Achieving the MDSAP certification confirms our ongoing commitment to maintaining the highest quality assurance standards within the Medical Device Industry and provides compliance in all of the jurisdictions we are operating in, including Brazil. The entire MedX team is to be commended for the effort put in through this process."*

### **Beacon Securities rates MedX health a buy**

On March 25, 2020, a research report by Beacon securities rated Med X Health a 'buy' with a Price Target of C\$0.45. Given the stock currently trades around C\$0.12, the C\$0.45 price target represents a very significant upside of 275% or a 3.75 fold gain. Key points from the report include:

- The MedX platform has been proven through a proof-of-

concept trial in Norway where its SIAscopes deployed at 109 Boots pharmacies captured 80,000 scans and found 800 cases of melanoma.

- MedX's device has achieved regulatory approval in 35 countries, including the US, Canada, Australia, EU and most recently Brazil.
- The report's analysts says they have 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.

The key takeaway here is that assuming the reported Brazilian orders come through as expected, then revenues should follow, and the stock price should respond positively. Investors also need to be mindful of the risks that something may go wrong, especially when dealing with emerging economies such as Brazil, not to mention the current COVID-19 situation.

### **MedX's revenue model**

MedX uses a "Software as a Service" (SaaS) revenue model. This means that as sales are rolled out, the SIAscope™ units and DermSecure™ telemedicine platforms will start to generate recurring revenue streams for MedX. 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).

### **Closing remarks**

MedX certainly appears to be at a vital turning point. Product orders are starting to come, with revenues likely to be just around the corner. A future global rollout of their unique products has the potential to lead to a surge in revenues and profits. Due to the relatively early stage MedX Health's market cap is only C\$18 million.

Assuming product revenues start to roll in and the market hears of further successful contracts both in Brazil and globally, the stock price should respond accordingly. For investors, there can be two benefits. The first is the financial rewards if the stock price benefits; but to me equally important is that MedX will be helping society by early detection of skin cancer, which will ultimately save lives.

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## **Mike Druhan on bringing MedX's skin cancer detection technology to Brazil**

In an InvestorIntel interview during PDAC last week, Tracy Weslosky secures an interview update with Vice President of Corporate Development Mike Druhan on MedX Health Corp. (TSXV: MDX), a leading medical device and software company focused on skin cancer with its DermSecure™ telemedicine platform, utilizing its SIAscopy technology.

Mike started by saying that MedX Health has received notification that its technology has been certified in Brazil. The company is working with ANVISA (the Brazilian regulatory authority) and expects regulatory approval shortly. Mike continued, "We did a deal on January 16th in Brazil where they bought 500 scopes which represent about \$1 million of hardware sales and about \$2 million of recurring revenue every year."

Speaking on skin cancer Mike said, "Skin cancer is one of the most prevalent cancers and it is one of the only cancers that is continuing to grow. We know if we catch it early it has a really good outcome. Stage 1 melanoma has about a 97% survival

rate. Move that on to stage 4 melanoma and that is going to cost the healthcare system about a \$150,000 a patient a year and the outcome is about 20% survival rate after 5 years. So the key is, it is on your skin, get scanned early.”

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

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## **Has a revolution in early detection for deadly skin cancer begun?**

Detecting deadly skin cancers such as malignant melanoma early is medical best practice these days. Doctors or clinics that rely on older technology or just using their eyes are putting their patients at risk. Modern day technology developed by this Canadian company is starting to gain global adoption – Initially with a focus and success in Brazil.

MedX Health Corp. (TSXV: MDX) is a leading medical device and software company focused on skin cancer with its DermSecure™ telemedicine platform, utilizing its SIAscopy technology.

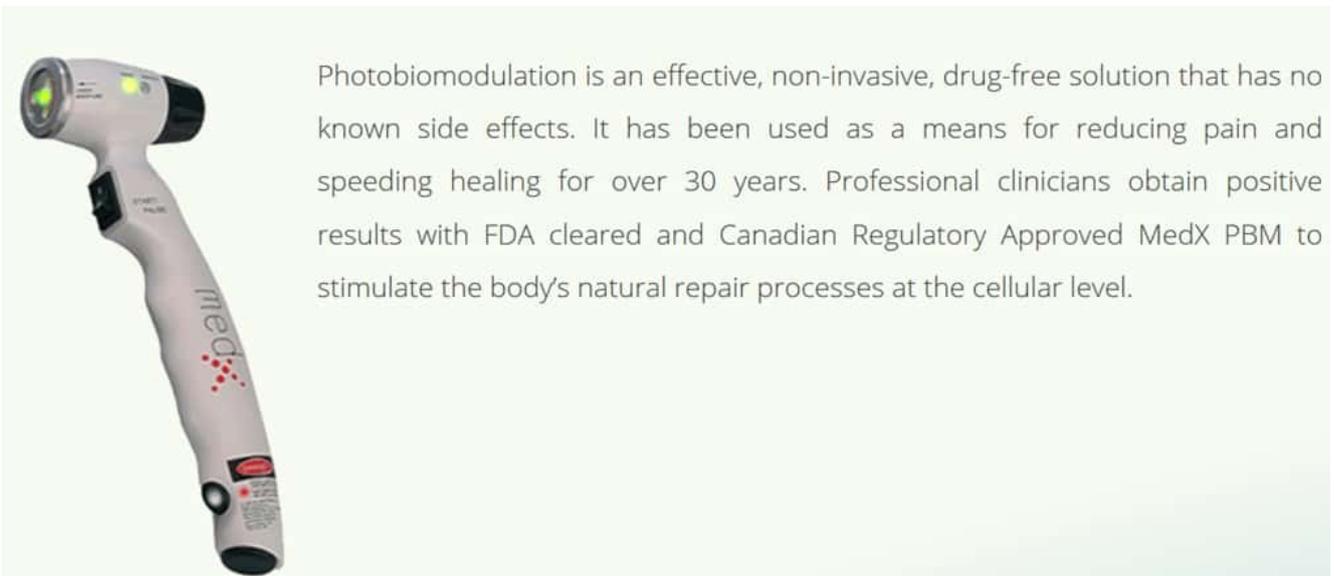
SIAscopy is a non-invasive, practical, drug-free and cost-effective skin analysis and assessment system focused on early skin cancer detection. The DermSecure™ telemedicine platform complements the SIAscope device allowing doctors to instantaneously view results via a connected monitor or computer, even remotely.

**MedX SIAscope and DermSecure™ telemedicine platform**



Additionally, MedX designs, manufactures and distributes quality Photo-BioModulation (PBM) devices (lasers) often used for pain management and wound healing, especially in dentistry or where there is tissue damage (ulcers etc).

### **MedX Health's Photo-BioModulation (PBM) light therapy device helps pain and healing**



Photobiomodulation is an effective, non-invasive, drug-free solution that has no known side effects. It has been used as a means for reducing pain and speeding healing for over 30 years. Professional clinicians obtain positive results with FDA cleared and Canadian Regulatory Approved MedX PBM to stimulate the body's natural repair processes at the cellular level.

### **Success in Brazil**

MedX Health recently announced it has received an order for 500 SIAscope™ units for deployment on its DermSecure™ telemedicine platform from its exclusive Brazilian

distributor, representing the single largest order in the Company's history.

Of course, this is just the tip of the iceberg in terms of the global potential for this revolutionary device. You see MedX's SIAscope device can view up to 2 mm beneath suspicious moles and lesions. Combine this with the DermSecure™ telemedicine platform and you have a powerful combination able to detect skin cancers early.

### **Melanoma statistics**

- About 132,000 new cases of melanoma are diagnosed worldwide each year.
- In 2020, it is estimated that there will be 100,350 new cases of melanoma in the United States and 6,850 deaths from the disease.
- Over a 100,000 new cases of skin cancer were recorded in Brazil between 2016 and 2017 according to the Brazilian Cancer Institute, and almost 6,000 were classified as melanoma.
- The world's highest incidence of melanoma is in Australia and New Zealand (more than twice as high as in North America).

If only the above 6,850 forecasts US deaths could be detected early. If clinics in the US and globally had the very best technology, such as MedX's SIAscope, then many unnecessary deaths could be avoided.

### **Investors take away**

MedX Health is just beginning to have significant sales success now in Brazil. Given the very significant global need for the best of breed devices, it would seem clear that high risk countries such as Australia and New Zealand follow Brazil's lead with some big orders.

MedX uses a "Software as a Service" (SaaS) revenue model. This

means that as sales are rolled out the SIAscope™ units will start to generate recurring revenue streams for MedX.

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## **Druhan on MedX's skin cancer diagnosis technology getting closer to being launched in Brazil**

“MedX solves a really unique problem and that is access to a dermatologist. In Canada, there are 565 dermatologists serving 37 million people. Wait times are up to 16 months in some cases. We can get that done in 72 hours. It is going to be as simple as going to your doctor if you have a suspicious mole or lesion, being referred to a pharmacy, from the pharmacy you take an image. Our (skin cancer detection) technology is the only technology in the world that can look below the skin surface and give a dermatologist a perfect view of what they are looking at. It goes from the pharmacy to a dermatologist who does the assessment.” States Mike Druhan, Vice President of Corporate Development at MedX Health Corp. (TSXV: MDX), in an interview with InvestorIntel's Tracy Weslosky.

Mike went on to provide an update on the launch of DermSecure™ in Brazil. He said that MedX is close to getting final regulatory approval in Brazil which will give the company access to a 212 million population base that currently gets detected for melanoma in the later stages. Mike also explained why a phone cannot be used to scan and diagnose skin cancer. He added that MedX works directly and collaboratively with the healthcare system. Privacy of information, images, follow ons

and aftercare are handled withing the DermSecure™ network.

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

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