

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.