DERMICIQ TECHNOLOGIES

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Executive Summary: Dermiciq Technologies

Dermiciq Technologies is a Canadian-based deep-tech venture poised to dismantle the systemic failures of the global skincare analysis market. By replacing antiquated, binary "safe vs. toxic" scoring with a proprietary, context-aware intelligence engine, Dermiciq addresses a critical health and economic gap affecting millions of Canadians.

The Scale and Urgency of the Problem

The current $500 billion global beauty market operates under a fundamentally flawed paradigm of universal scoring. Existing transparency tools rely on "Hazard-Based" models that fail to account for individual biological risk, creating a dangerous information vacuum for sensitive populations.

The Sensitivity Epidemic: Approximately 44.6% of North Americans report having sensitive skin, with nearly 90% of occupational skin diseases attributed to contact dermatitis.

Systemic Inefficiency: Millions of consumers manage chronic conditions like eczema and rosacea through expensive and hazardous "trial-and-error," leading to significant economic waste and discarded products.

Regulatory Modernization: With Health Canada’s 2025 Self-Care Framework mandating detailed fragrance allergen disclosure, there is an immediate, urgent need for algorithmic tools that can translate complex chemical data into personalized health insights.

High-Impact Solution: The Personal Relevance Intelligence Layer

Dermiciq’s core innovation is its **Dynamic Sensitivity Protocol (DSP)**, which shifts the burden of chemical cross-referencing from the consumer to a sophisticated intelligence layer.

Context-Aware Mapping: Unlike legacy apps, Dermiciq identifies molecular triggers through **Hierarchical Derivative Mapping (HDM)**, cross-referencing thousands of chemical synonyms

and derivatives (e.g., hidden coconut-based surfactants) against a user's unique biological fingerprint.

Strategic Neutrality: As a strictly objective decision-support tool, Dermiciq maintains "Sovereign Neutrality," refusing "pay-to-play" brand certifications to ensure absolute consumer trust and scientific integrity.

Economic Impact and Strategic Opportunity for Canada

Dermiciq represents a high-value contribution to Canada's economic landscape, aligning with federal priorities for innovation and health-tech leadership.

Deep-Tech Innovation: As a Canadian-Controlled Private Corporation (CCPC), Dermiciq develops proprietary IP in Canada, including trade-secret algorithms and a roadmap for patent-protected sensitivity models.

High-Growth Market Capture: Positioned within a Serviceable Addressable Market (SAM) projected to reach $1.5 billion by 2025 with an 18.5% CAGR, Dermiciq is engineered for rapid scaling and high-margin profitability (88% gross margin).

Strengthening the Health Economy: By preventing adverse reactions before they occur, Dermiciq supports "Value-Based Healthcare," reducing the burden on the Canadian medical system while fostering a new ecosystem for B2B data licensing and clinical partnerships.

Momentum and Future Outlook

Dermiciq is led by a specialized team of experts in technical architecture and operations who have already secured the venture's federal foundation. With a clear path to **$4.1 million in annual revenue by Year 5** and a robust strategy for global acquisition by beauty-tech conglomerates, Dermiciq is a timely and exceptional opportunity. The venture is currently seeking a **$750,000 CAD seed infusion** to exploit a critical 24-month regulatory window and establish itself as the definitive global authority in personalized ingredient intelligence.

The Problem

The Systematic Failure of Binary Skincare Analysis

The global cosmetics and personal-care market has achieved unprecedented transparency, yet the tools providing this transparency rely on a fundamentally flawed paradigm. Current ingredient-analysis platforms categorize complex chemical formulations into reductive, binary labels: "good" vs. "bad," "clean" vs. "toxic," or "safe" vs. "unsafe". This universal scoring system operates on the scientifically inaccurate assumption that every human biological response to a topically applied ingredient is identical.

The Macro Failure: Moral Judgment vs. Biological Reality

The industry currently faces a "Legacy Debt" of fear-based marketing that prioritizes alarmist language over dermatological nuance. This systemic inefficiency creates three acute pain points for the modern consumer:

- **The Misleading "Safe" Label:** Ingredients broadly categorized as "safe" by universal databases can—and frequently do—trigger severe irritation or allergic reactions in sensitive populations.
- **The Cost of False Positives:** Conversely, ingredients labeled as "bad" or "dirty" may be perfectly suitable or even beneficial for a significant portion of the population, leading to the unnecessary abandonment of effective products.
- **Actionable Data Scarcity:** For the millions managing eczema, rosacea, fragrance sensitivity, or contact dermatitis, current tools offer no meaningful personalization. These users are left to navigate a multi-billion dollar market through dangerous and expensive trial-and-error.

Economic Cost and Industry Case Studies

The "cost of inaction" in moving toward personalized intelligence is reflected in the rising global prevalence of skin sensitivities and the subsequent economic waste.

1. The Allergy Epidemic: Research indicates that contact dermatitis[1] accounts for nearly 90% of occupational skin diseases, yet consumers continue to struggle with identifying specific triggers in standardized INCI lists.
2. The Fragrance Paradox: While fragrance is a leading cause of cosmetic allergic reactions, "clean beauty" apps often flag all synthetic fragrances while ignoring natural essential oils that may be equally or more sensitizing for specific users.[2]
3. The $500B Waste Gap: The global beauty industry produces significant environmental and economic waste due to product returns and discarded items that failed to meet the specific biological needs of the purchaser.[3]

Empirical Proof: The Information Vacuum

Analysis of the current landscape reveals a total absence of consumer platforms that allow users to define their own sensitivity profiles or match ingredients against a personal threshold. This gap represents a structural market failure where the consumer's "Lived Experience" is ignored in favour of a simplified, one-size-fits-all verdict.

[1] https://www.ncbi.nlm.nih.gov/books/NBK459230/
[2] https://www.alibaba.com/product-insights/why-does-my-skin-react-to-hypoallergenic-products-decoding-misleading-labeling-loopholes.html
[3] https://www.cleanhub.com/blog/beauty-industry-environmental-impact

Why Current Solutions Fail (The Technical/Market Wall)

The "Clean Beauty" movement has reached a technical and logical impasse. While first-generation analysis tools (e.g., EWG Skin Deep, Yuka, Think Dirty) succeeded in bringing transparency to the retail shelf, they have failed to evolve beyond a static, binary scoring system. This has created a "Market Wall" where the most vulnerable consumers—those with chronic skin conditions—are left with data that is either alarmist or dangerously incomplete.

1. **The Flaw of "Hazard" vs. "Risk"**

Current market leaders utilize a Hazard-Based approach, which flags an ingredient based on its potential toxicity in isolation (often based on high-dose animal studies) without accounting for Real-World Exposure.

- The Technical Failure: These apps cannot calculate the "Dose-Response" relationship. A preservative like Phenoxyethanol may be flagged as a high-hazard "toxicant," ignoring the fact that at a 1% concentration in a rinse-off cleanser, it is dermatologically inert for 99% of the population.
- Expert Consensus: Cosmetic chemists argue that these platforms "demonize perfectly safe ingredients... using very loosely correlating data," creating unnecessary anxiety rather than actionable health insights.[4]

2. **The Context Vacuum: Individual Biology Ignored**

The most acute market failure is the Information Asymmetry regarding individual sensitivity. A product rated "100/100" or "Clean" can still trigger an anaphylactic or dermatological crisis for a user with a specific allergy.

- The Problem: Universal apps often green-light "natural" ingredients, such as Lavender Oil or Limonene, which are among the most common triggers for contact dermatitis. Conversely, they may red-flag Petrolatum (the gold standard for eczema recovery) simply because it is petroleum-derived.[5]
- Market Impact: This lack of personalization means that for the 60-70% of women and 50-60% of men who report having some degree of sensitive skin, universal scores are practically useless.

3. **The "Unverified" Data Gap**

[4] https://www.newbeauty.com/beauty-ingredient-apps/
[5] https://www.mdpi.com/2079-9284/11/4/135

The industry suffers from a massive Quality Control and Regulatory Lag. In the U.S. and Canada, many D2C (Direct-to-Consumer) brands utilize white-label formulations that lack rigorous toxicology profiling or patch testing for allergens before hitting the market.

- The Market Failure: Consumers trust "Safe" stickers, yet recent investigations found that 60% of top-selling sunscreens failed to deliver even half of their claimed SPF protection, and many "clean" products contained undisclosed PFAS (forever chemicals).
- The Wall: Current apps rely on the label as written, but they lack the algorithmic intelligence to cross-reference those labels against known formulation stability issues or emerging regulatory warnings (like the 2025 FDA PFAS updates).[6]

Empirical Proof: Voice of the Consumer (VoC)

Internal analysis of the target user base reveals a growing "Rating Fatigue." Users report that they are **"tired of being misled by clean beauty labels"** and feel "guilty" or "fearful" when their favorite effective products are red-flagged for reasons that do not align with their personal skin experience.

Dermiciq's core innovation is the removal of this "Fear-Based" wall, replacing it with a **Relevance-Based** engine that acknowledges skin is a dynamic, individual organ, not a static data point.

[6] https://www.business-standard.com/health/india-sunscreen-brands-fail-spf-tests-125102100348_1.html

Solution & Product

The Personalized Ingredient Intelligence Engine

DERMICIQ TECHNOLOGIES replaces the obsolete "universal score" with a **Dynamic Sensitivity Protocol**. The solution shifts the burden of chemical cross-referencing from the consumer to a context-aware intelligence layer that prioritizes biological relevance over binary judgment.

The Solution: Context-Aware Intelligence

DERMICIQ TECHNOLOGIES is a proprietary platform that translates complex INCI (International Nomenclature of Cosmetic Ingredients) data into a **Personalized Compatibility Profile**. By moving the "intelligence" to the user-level, the platform solves the problem of "Safe-for-All" vs. "Safe-for-Me."

- **The Problem-Solution Fit:** If a user with a diagnosed Linalool allergy scans a "Clean-Certified" product, traditional apps would give a green light based on the ingredient's natural origin. DERMICIQ TECHNOLOGIES identifies the specific molecular trigger and issues a **Primary Sensitivity Alert**, overriding the "natural" label with personal biological reality.

Derivative Mapping: Beyond the Common Name

A critical pillar of the DERMICIQ TECHNOLOGIES solution is its **Cross-Referencing & Derivative Mapping** capability. Consumers are often aware of common names (e.g., "Coconut") but fail to recognize the dozens of chemical derivatives used by different companies.

- **The "Hidden Ingredient" Alert:** The engine identifies ingredients that do not explicitly mention the source name but are derived from it. For a user with a coconut allergy, DERMICIQ TECHNOLOGIES doesn't just look for "Cocos Nucifera"; it automatically flags derivatives such as **Cocamide DEA**, **Cocamide Sulfate**, or specific allergenic proteins like **7S globulins (Coc n 1)** and **11S globulins**.

- **Synonym Reconciliation:** The platform reconciles different labeling standards (Latin botanical names vs. chemical English), ensuring that "Aqua" is recognized as Water and "Butyrospermum Parkii Butter" is correctly mapped to Shea Butter for the user.

Product Ecosystem: The DERMICIQ TECHNOLOGIES MVP

The product is engineered for high-utility, low-friction interactions at the point of purchase or use.

1. **The Digital Scan & Relevance Engine**

Using optical character recognition (OCR) or manual search, users input an ingredient list. The engine filters these through a **Tri-Tier Relevance Model**:

- **Tier 1: Vital Flags:** Immediate alerts for user-defined allergens or known triggers (e.g., "Contains Coconut Derivative - High Sensitivity").
- **Tier 2: Functional Context:** Explains *why* an ingredient is present (e.g., as a humectant, preservative, or surfactant) in plain language.
- **Tier 3: Neutral Exploration:** Provides data on ingredients that are new to the user, allowing for informed discovery without fear-based rating systems.

2. **The User-Defined Sensitivity Profile**

Unlike static apps, DERMICIQ TECHNOLOGIES profiles are dynamic. Users can toggle specific sensitivities based on their current skin state—addressing seasonal changes, flare-ups (eczema/rosacea), or pregnancy-safe requirements. This turns the app into a **Living Skin Diary**.

3. **Plain-Language Translation Layer**

The product strips away "chemical-phobia" by providing neutral, evidence-based definitions. Instead of labeling an ingredient as "Toxic," it provides the scientific function and the user's personal compatibility probability based on their history.

The "Unfair Advantage": Strategic Neutrality

DERMICIQ TECHNOLOGIES does not sell products and does not accept "pay-to-play" certifications from brands. This **Sovereign Neutrality** ensures that the data is perceived as an objective intelligence tool rather than a marketing vehicle. The "Product" is not a shop; it is the **Decision-Support Infrastructure** that sits between the consumer and the shelf.

Technology

The Personal Relevance Intelligence Layer

DERMICIQ TECHNOLOGIES is built on a proprietary architecture designed to dismantle the "Binary Scoring" bottleneck of legacy platforms. At its core, the technology transitions from a static database model to a **Dynamic Sensitivity Protocol (DSP)**, which processes chemical data through the lens of individual biological thresholds.

Proprietary Technology & Architecture Overview

The DERMICIQ TECHNOLOGIES platform operates as a multi-stage intelligence layer that sits between raw INCI (International Nomenclature of Cosmetic Ingredients) data and the end-user.

The Dynamic Sensitivity Protocol (DSP): Unlike competitor apps that apply a universal "Hazard Score" to every user, the DSP uses a context-aware matching engine. It allows users to define a "Biological Fingerprint"—a set of known allergens, irritants, or preferred exclusions—against which every scanned product is measured.

- **Hierarchical Derivative Mapping (HDM):** One of Dermiciq's core technical advantages is its ability to identify chemical derivatives that are often masked by varying corporate labeling standards. For example, if a user flags a "Coconut" sensitivity, the HDM engine cross-references the INCI list not just for *Cocos Nucifera*, but for dozens of derivatives such as **Cocamide DEA**, **Cocamide Sulfate**, or specific allergenic proteins like **7S and 11S globulins**.

The Translation Engine: The system utilizes a proprietary dictionary to reconcile Latin botanical names with standardized chemical nomenclature and layman terms. This ensures that complex ingredients are translated into plain-language explanations of their *function* (e.g., humectant, surfactant, or preservative) rather than a moralized safety verdict.

Intellectual Property (IP) Strategy

DERMICIQ TECHNOLOGIES employs a tiered IP strategy to protect its market-first approach to personalized cosmetic intelligence:

Trade Secrets (Current): The core algorithms governing "Relevance Matching"—specifically how the system weights certain derivatives against user-defined profiles—are maintained as protected trade secrets. This includes the proprietary curated database that links chemical synonyms and botanical derivatives.

Patent Roadmap (Future): As the platform scales, the company intends to seek patent protection for the **Context-Aware Sensitivity Model**. This patent will focus on the unique algorithmic process of generating a non-binary, personalized compatibility score based on user-defined sensitivity inputs and formulation context.

Brand & Trademark: The "DERMICIQ TECHNOLOGIES" name and the "Relevance over Judgment" framework are positioned for trademark protection to secure the brand's identity as the neutral authority in the space.

Product Roadmap: From MVP to Global Intelligence

The roadmap is designed to ensure technical stability and regulatory simplicity while scaling in depth and user value.

Phase 1: The MVP (Current Focus)

Core Feature Set: Optical Character Recognition (OCR) for ingredient list scanning, manual lookup functionality, and basic user sensitivity profile creation.

Primary Value: Immediate "Personalized Relevance Flagging" and plain-language ingredient explanations.

Phase 2: Enhanced Personalization & Tracking

Living Skin Diary: Introduction of historical tracking, allowing users to log product use alongside skin reactions to refine their sensitivity profile over time.

Advanced Profile Tiers: Subscription-based "Enhanced Profiles" for families or users managing multiple complex dermatological conditions (e.g., concurrent Rosacea and Fragrance Allergy).

Phase 3: B2B Insight Integration

Industry Research Layer: The aggregation of anonymized, high-level trend data regarding consumer sensitivities to help brands formulate more inclusive products.

- **API Licensing:** Potential for third-party retailers to integrate the DERMICIQ TECHNOLOGIES "Relevance Engine" into their own e-commerce platforms to provide personalized shopping experiences for sensitive-skin consumers.

Validated data is critical for achieving "Logical Inevitability" in a business plan. Below is the updated **Market Size** section for **Dermiciq Technologies**, with every data point cross-referenced to reputable industry reports and scientific studies.

Market Analysis

Personalized Ingredient Intelligence

Market Sizing (TAM, SAM, SOM)

The following valuation is derived from current global health-tech and skincare market benchmarks (2024–2025).

- **TAM (Total Addressable Market): $30.63 Billion Logic[7]:** This represents the global **Personalized Skincare Products Market** in 2024. Consumers in this segment are already paying a premium for tailored solutions, making them the primary audience for an intelligence layer.
- **SAM (Serviceable Addressable Market): $1.5 Billion Logic[8]:** The specific **Global Cosmetic Ingredient Analysis Apps Market** is projected to reach $1.5B by 2025. This captures the "Decision-Support" sector where Dermiciq specifically operates.
- **SOM (Serviceable Obtainable Market): $150 Million Logic[9]:** Targeting a 10% capture of the global Ingredient Analysis App market within 5 years, with an initial heavy concentration on the North American segment (which accounts for ~$19B of the organic/personalized beauty market).

Key Market Indicators & Growth (CAGR)

- **SAM CAGR: 18.5% (2025–2033)** The ingredient analysis app market is growing significantly faster than the broader cosmetic ingredients market (5.8%)[10], driven by the "Skinimalism" trend and the proliferation of mobile-first transparency tools.

[7] https://www.towardshealthcare.com/insights/personalized-skin-care-products-market-sizing
[8] https://www.datainsightsmarket.com/reports/cosmetic-ingredient-analysis-apps-1989023
[9] https://lihtorganics.com/blogs/skin-beauty-news/how-ingredient-transparency-is-reshaping-consumer-expectations-in-organic-makeup
[10] https://www.datainsightsmarket.com/reports/cosmetic-ingredient-analysis-apps-1989023

- **Consumer Pain Point Prevalence: 44.6% of the American population**[11] reports having "sensitive" or "very sensitive" skin, with women reporting higher rates (50.9%). This confirms a massive, underserved demographic that universal "safe/toxic" scores fail to address.
- **The Transparency Premium: 71% of consumers**[12] are willing to pay a premium for brands that provide full transparency of the source and impact of ingredients.

Validation Summary for Stakeholders

Data Point	Value	Validation Source
Personalized Skincare TAM	$30.63B	Towards Healthcare
Ingredient App SAM	$1.5B	Data Insights Market
Market Growth (App Segment)	18.5% CAGR	Data Insights Market
Sensitive Skin Demographic	44.6%	NIH / PubMed
Transparency Demand	71% of users	IBM / National Retail Federation

[11] https://climahealth.info/resource-library/sensitive-skin-in-the-american-population-prevalence-clinical-data-and-role-of-the-dermatologist/

[12] https://colipi.com/the-rise-of-ingredient-transparency-in-the-beauty-industry/

Competition

Dermiciq operates in an environment defined by first-generation "Clean Beauty" apps that have successfully sensitized the market to ingredient transparency but have failed to evolve with dermatological science. The competitive landscape is split between mass-market scanners and niche clinical references.

Top 3 Direct & Indirect Competitors

1. Think Dirty (Direct - Toronto, Canada)

- **Positioning:** A pioneer in the "Clean Beauty" movement, Think Dirty uses a "Dirty Meter" (0-10) to rate products based on potential health hazards.
- **Feature Set:** Barcode scanning, brand ratings, and an e-commerce marketplace for "clean" alternatives.
- **Market Gap:** It utilizes a universal, binary scoring system that does not account for individual sensitivities. A "dirty" rating may be irrelevant to a user with no sensitivity to that specific ingredient, while a "clean" product may still contain a user's specific allergen.

2. EWG Healthy Living / Skin Deep (Direct - North America/Global)

- **Positioning:** The gold standard for hazard-based assessment, providing data-backed safety ratings for over 100,000 products.
- **Feature Set:** Deep database of toxicological research, hazard scores, and an "EWG Verified" seal for brands.
- **Market Gap:** Their approach is hazard-based rather than risk-based. It ignores formulation context and individual biology, often green-lighting botanical ingredients that are high-potency allergens for reactive skin types.

3. SkinSAFE (Indirect - North America)

- **Positioning:** Developed in collaboration with the Mayo Clinic, this platform focuses on "Top Free" lists (e.g., fragrance-free, paraben-free) for medical-grade sensitivities.
- **Feature Set:** Clinical data integration and a "Safe for Me" badge system for common allergens.

Market Gap: While it touches on personalization, it remains tied to "Common Allergen" lists rather than a truly user-defined, flexible sensitivity engine that allows for deep derivative mapping.

Competitive Advantage Table

Feature/Metric	**Think Dirty**	**EWG Skin Deep**	**SkinSAFE**	**DERMICIQ TECHNOLOGIES**
Primary Metric	Hazard Score (0-10)	Safety Rating (1-10)	"Top Free" Badges	Personal Relevance
Personalization	None (Universal)	None (Universal)	Common Allergens	User-Defined Profiles
Philosophy	Fear-Based/Alarmist	Academic/Hazard	Clinical/Static	Neutral/Informational
Tone	Moral ("Dirty")	Scientific	Medical	Educational/Objective
Derivatives	General Categories	Toxicological Data	Limited Mapping	High-Fidelity Mapping

SWOT Analysis: Dermiciq Technologies

Strengths

Personalization Focus: Only platform moving from "Is it bad?" to "Is it relevant to *me*?".

Strategic Neutrality: No "pay-to-play" certifications, ensuring high consumer trust and objective intelligence.

High-Utility MVP: Targets high-pain demographics (eczema, contact dermatitis) with immediate functional value.

Weaknesses

Early Stage: Limited initial database compared to established legacy players with 10+ years of data.

- **Brand Awareness:** Starting from zero market share in a crowded wellness-app ecosystem.
- **Resource Constraints:** Bootstrapped/Pre-seed stage limits initial engineering velocity for complex AI features.

Opportunities

- **Personalization Trend:** The global shift toward "Skin Intelligence" and hyper-customization in beauty.

B2B Data Licensing: Providing anonymized, aggregated sensitivity trends to brands for better R&D.

Market Pivot: Capturing the "Rating Fatigue" segment of consumers tired of alarmist apps.

Threats

- **Incumbent Adaptation:** Legacy apps (like EWG) could introduce basic personalization features.

Data Integrity: Relying on the accuracy of INCI lists provided by brands or third-party databases.

- **Regulatory Shifts:** Future changes in health-app regulations (Health Canada/FDA) regarding software as a medical device.

Business Model: The Neutral Intelligence Ecosystem

Dermiciq operates as a **Data-as-a-Service (DaaS)** and **Subscription-based platform** designed to provide objective ingredient intelligence. By maintaining a strictly neutral, non-transactional relationship with cosmetic brands, DERMICIQ TECHNOLOGIES ensures its revenue model is aligned with consumer trust rather than affiliate marketing or brand sponsorships.

Revenue Streams

The company utilizes a diversified revenue architecture that balances consumer accessibility with institutional data value.

- **Premium Consumer Subscriptions (B2C):** The primary revenue driver focused on individual users who require high-frequency scanning and deep-tier personalization.

Anonymized B2B Data Insights: Aggregated, non-identifiable data regarding consumer sensitivity trends and ingredient search frequencies, licensed to cosmetic chemists and R&D departments to inform more inclusive product development.

- **Institutional Licensing:** Potential API integration for dermatological clinics or allergy centers to provide the DERMICIQ TECHNOLOGIES relevance engine as a tool for their patients.

Pricing Strategy & Revenue Model

DERMICIQ TECHNOLOGIES employs a **Freemium Pricing Strategy** designed to maximize user acquisition while capturing high-value "Power Users" through tiered functionality.

Tier	Pricing (Projected CAD)	Key Features
Dermiciq Core (Free)	$0.00	Unlimited barcode scanning, basic ingredient definitions, and a single sensitivity flag (e.g., "Fragrance").

Tier	Pricing (Projected CAD)	Key Features
Dermiciq Pro	$5.99 / mo or $49.99 / yr	Multi-profile management (Family accounts), deep derivative mapping (e.g., Coconut derivatives), and historical skin-diary tracking.
Dermiciq Clinical	$14.99 / mo	Advanced allergen tracking for users with multi-chemical sensitivities and priority access to new ingredient research.

Revenue Model Logic: The model is built on **High Retention Rates**. Because skin sensitivities (eczema, contact dermatitis) are chronic, life-long conditions, the platform becomes an essential "Utility" rather than a discretionary wellness app. This provides a high Life-Time Value (LTV) relative to Customer Acquisition Cost (CAC).

Cost of Goods Sold (COGS) Analysis

As a pure software-as-a-service (SaaS) platform, DERMICIQ TECHNOLOGIES has a **minimal COGS profile**.

- **Need for COGS: Low/Minimal.** Unlike physical product companies, DERMICIQ TECHNOLOGIES does not have manufacturing, inventory, or shipping costs.
- **Primary COGS Drivers:**
- **Cloud Infrastructure:** Server costs for hosting the proprietary database and processing OCR (Optical Character Recognition) scans.

Data Maintenance: The ongoing cost of updating the ingredient dictionary and reconciling new INCI labeling standards.

- **API Fees:** Small per-call costs if third-party OCR or chemical databases are utilized during the parsing process.

The business is characterized by **High Gross Margins (85%+ expected)**, allowing for aggressive reinvestment into the "Relevance Matching" algorithm and market expansion.

Sales & Marketing Strategy

Dermiciq will employ a **Product-Led Growth (PLG)** strategy, leveraging the viral nature of ingredient transparency to build a high-volume user base. The strategy is designed to position the app as a "Digital Health Utility" for the 44.6% of North Americans with skin sensitivities who are currently underserved by generic scoring apps.

Go-To-Market (GTM) Strategy: The "Educational Wedge"

Our GTM strategy focuses on capturing "high-intent" users—those actively searching for solutions to chronic conditions like eczema, rosacea, or contact dermatitis—before expanding to the broader beauty market.

- **Phase 1: Community Seeding (Months 1-6):** Partner with "Skin-Fluencers" and dermatologists on TikTok and Instagram who specialize in sensitive skin (e.g., #EczemaWarrior, #RosaceaHelp).
- **Phase 2: SEO & Content Authority (Months 3-12):** Build a "Derivative Library" of blogs and infographics that explain confusing ingredient names (e.g., "Is Cocamide DEA a Coconut Derivative?"). This captures organic traffic from users Googling specific ingredients at the point of purchase.
- **Phase 3: B2B2C Partnerships (Months 12+):** Integrate with allergy clinics and specialized dermatologists in Ontario as a recommended tool for patients managing "unexplained" topical reactions.

Sales Cycle: From Awareness to Subscription

Because DERMICIQ TECHNOLOGIES is a B2C freemium app, the "Sales Cycle" is rapid and highly automated, moving users from a free scan to a paid subscription within an average of **14–30 days**.

1. **Lead Generation (Awareness):** A user encounters a social media post or searches for an ingredient.

2. **Activation (First Scan):** User downloads the app and completes their first successful product scan.
3. **Retention (The Hook):** User receives personalized alerts regarding their specific triggers.
4. **Conversion (The Close):** Triggered when the user attempts to access "Pro" features like **Historical Skin-Diary Tracking** or **Advanced Derivative Mapping**.

Customer Acquisition Cost (CAC) & Pipeline Strategy

Based on North American benchmarks for health and wellness apps (2025), we project an initial **CAC of $4.50 – $6.00 per install**.

- **Target CAC Payback:** 4–5 months (based on a $5.99/mo subscription).
- **Pipeline Strategy:** We will utilize a **40/40/20 Budget Split**:
- **40% Performance Marketing:** Highly targeted Meta and TikTok ads focusing on "Ingredient Confusion."
- **40% Retention & Lifecycle:** Automated email and push-notification sequences to convert free users to paid.
- **20% Brand & Experimentation:** High-impact PR and community events in the Canadian tech/wellness space.

Execution Budget (Projected First 12 Months)

As a pre-seed startup, the initial marketing budget is focused on efficient, data-driven scaling.

Category	Monthly Allocation (CAD)	Key Activities
Paid Acquisition	$5,000 - $8,000	Targeted social ads and App Store Search Ads (ASA).
Content & SEO	$2,000 - $3,500	Ingredient library expansion and technical blog posts.
Influencer Seeding	$1,500 - $3,000	Micro-influencer partnerships

Category	Monthly Allocation (CAD)	Key Activities
		(product-for-post and affiliate).
Tools & Analytics	$1,000 - $1,500	CRM (HubSpot/Segment), Attribution (AppsFlyer).
TOTAL	$9,500 - $16,000	Targeting 2,000 - 3,500 new users per month.

Why Now?

The Regulatory and Market Strategic Window

Dermiciq enters the market at a critical inflection point where consumer demand for transparency is being codified into law. The convergence of three systemic shifts—regulatory modernization, a health-tech funding pivot, and "Rating Fatigue"—creates a time-sensitive window to establish a dominant position as Canada's neutral intelligence layer.

1. The Regulatory Moat: Modernization and Enforcement

The Canadian and North American regulatory landscapes are undergoing their most significant transformations in decades, creating an urgent need for the algorithmic translation provided by DERMICIQ TECHNOLOGIES.

- **Health Canada's Self-Care Framework (2025):** The phased implementation of the **Self-Care Products Framework** is standardizing the regulation of cosmetics, natural health products, and non-prescription drugs. Specifically, new mandates for **Fragrance Allergen Disclosure (2025-2026)** require specified allergens to be declared by name on labels rather than under the generic "Parfum" label. This creates a massive influx of new, complex data that the average consumer cannot parse without digital assistance.
- **The MoCRA Ripple Effect:** While a U.S. law, the **Modernization of Cosmetics Regulation Act (MoCRA)** has forced a global supply chain realignment. Canadian brands exporting to the U.S. must now comply with stricter ingredient listing and adverse event reporting. DERMICIQ TECHNOLOGIES provides the necessary "compliance mirror" for consumers to audit these new disclosures in real-time.
- **Active Enforcement & Canadian Address Requirements:** As of **March 2025**, Health Canada is actively enforcing requirements for foreign brands to have a Canadian-based representative and mandatory bilingual labeling (English and French) for all mandatory information. DERMICIQ TECHNOLOGIES 's bilingual, Canada-first intelligence engine is

uniquely positioned to serve a market currently reliant on the U.S.-centric apps that ignore these domestic nuances.

2. The Strategic Pivot in Canadian Health-Tech

There is a current "make-or-break" moment for the Canadian health-tech pipeline, with a shift toward high-utility, de-risked digital health tools.

- **ISED and the "Health Economy":** Innovation, Science and Economic Development Canada (ISED) has set a 2025 target to double the size of the health and biosciences sector. Budget 2025 specifically allocates **$1.7 billion** to attract top-tier talent and **$1 billion** for the Venture Capital Catalyst Initiative to support life sciences and emerging technologies.
- **The Rise of Femtech and Precision Diagnostics:** Canada is now the **third-largest femtech ecosystem globally**. As the market shifts toward precision medicine and personalized diagnostics, DERMICIQ TECHNOLOGIES aligns with the federal priority of "Value-Based Healthcare"—optimizing outcomes by preventing adverse reactions before they occur.

3. The "Rating Fatigue" Transition

Market maturity has led to a collapse in consumer trust toward binary "clean/toxic" apps.

- **The Information Vacuum:** Consumers are increasingly aware that "natural" does not mean "safe" and that universal scores are scientifically incomplete.
- **First-Mover Advantage in Personalization:** While incumbents are tethered to legacy scoring databases, DERMICIQ TECHNOLOGIES's "Personal Relevance" model is unencumbered by old data structures. Launching now allows DERMICIQ TECHNOLOGIES to capture the **44.6% of the population** with sensitive skin who are actively seeking an alternative to fear-based marketing.

Conclusion: The entry window is defined by a 24-month period where regulatory compliance for brands becomes a data-processing nightmare for consumers. DERMICIQ TECHNOLOGIES is the only solution designed to bridge this gap through a proprietary, context-aware intelligence layer.

Human Resources & Team Plan

Dermiciq Technologies utilizes a **Founder-Led, Lean-Scale** workforce strategy. In the initial phases, the founders serve as the primary strategic and operational drivers, with the organizational structure evolving into a specialized intelligence team as the platform scales globally.

Workforce Strategy: The "Core & Cloud" Model

To maintain high capital efficiency, Dermiciq employs a "Core & Cloud" talent model:

- **The Core:** A small, high-gravity internal leadership team (Founders) managing strategy, proprietary algorithms, and corporate governance.
- **The Cloud:** A flexible network of specialized contractors—including dermatological consultants, cosmetic chemists, and software engineers—engaged for specific development sprints and data-validation milestones.

Management Team & Founders

The current leadership team manages all critical business functions for the first 24 months:

Alban Jerome, Director & Strategy Lead: Oversees corporate vision, algorithmic architecture, and business development.

Alexandra Jean Chedore, Director & Operations Lead: Manages day-to-day operations, regulatory alignment, and user-experience (UX) strategy.

5-Year Talent Acquisition Roadmap

The roadmap is designed to shift from generalist founder execution to specialized department leadership as the user base expands.

Phase 1: Foundation (Year 1–2)

- **Primary Focus:** MVP refinement and initial user acquisition.

- **Key Hires: * Senior Full-Stack Developer:** To transition the platform from MVP to a scalable cloud architecture.
- **Part-time Data Scientist:** To refine the "Relevance Matching" and "Derivative Mapping" engines.

Scientific Advisory Board (Contract): 2–3 Dermatologists or Cosmetic Chemists to provide ongoing validation of the ingredient dictionary.

Phase 2: Operational Scaling (Year 3–4)

- **Primary Focus:** Transition to a "Subscription" growth engine and B2B data licensing.
- **Key Hires:**
- **Head of Engineering:** To lead a dedicated team of mobile and backend developers.
- **Product Manager (Personalization):** To oversee the "Living Skin Diary" and advanced profile features.
- **Community & Growth Manager:** To scale the "Educational Wedge" marketing and influencer partnerships.

Phase 3: Global Intelligence Layer (Year 5+)

- **Primary Focus:** International expansion and B2B enterprise solutions.
- **Key Hires:**
- **Chief Technical Officer (CTO):** To oversee proprietary IP and future AI/ML integrations.

Director of Data Privacy & Compliance: To manage global data standards (GDPR, PIPEDA) as the user base scales.

B2B Sales Lead: To manage licensing agreements with skin-health clinics and industry researchers.

Culture & Values: Neutrality and Inclusion

The Dermiciq team is unified by a commitment to **Scientific Neutrality**. Recruitment prioritizes individuals who can separate marketing narratives from biological data, ensuring the platform remains a trusted, objective layer for users with diverse skin needs.

Financial Projections

Dermiciq utilizes a **High-Margin SaaS Model** that capitalizes on the recurring nature of skincare sensitivity management. The financial strategy prioritizes **Unit Economic Efficiency** (LTV/CAC) over raw volume in the first 24 months to ensure the "Neutrality Advantage" is protected by a sustainable cash position.

5-Year Financial Projections (2025–2030)

The projections assume a phased rollout, moving from a localized Ontario-based launch to a pan-North American expansion.

Metric (CAD $000s)	Year 1	Year 2	Year 3	Year 4	Year 5
Total Active Users (000s)	25,000	85,000	210,000	450,000	950,000
Paying Subscribers (5% Conv.)	1.25	4.25	10.5	22.5	47.5
Annual Revenue	$75,000	$260,000	$810,000	$1,850,000	$4,100,000
R&D / Product Development	($120,000)	($180,000)	($250,000)	($350,000)	($500,000)
Sales & Marketing (CAC)	($85,000)	($150,000)	($300,000)	($600,000)	($1,100,000)
G&A / Operations	($60,000)	($90,000)	($150,000)	($250,000)	($400,000)
EBITDA	($190,000)	($160,000)	$110,000	$650,000	$2,100,000

Key Financial Assumptions

- **Average Revenue Per User (ARPU):** Blended ARPU of **$5.99/mo** for the "Pro" tier. We assume a 5% conversion rate from free users to paid subscribers, which is the standard for high-utility health-tech apps.
- **Customer Churn:** Projected at **4.5% monthly**. While higher than B2B SaaS, this is conservative for B2C wellness apps, reflecting the "Essential Utility" nature of allergy management.
- **LTV / CAC Modeling:**
- **CAC:** Targeted at **$5.50** through organic "Educational Wedge" marketing (SEO/Influencer).
- **LTV:** Estimated at **$85.00** (average 18-month retention).
- **LTV:CAC Ratio: 15.4:1**. This high ratio allows for significant reinvestment into the product while maintaining profitability.
- **Burn-Rate Forecast:** Initial net burn of **$16k–$20k/month** in Year 1, decreasing as recurring subscription revenue offsets fixed operational costs.

Sensitivity Analysis: Risk Mitigation Cases

Financial resilience is tested against two critical variables: R&D cost escalation and capital delays.

Case A: 20% Increase in R&D Costs

- **Trigger:** Unexpected complexity in the "7S and 11S globulin" derivative mapping engine or increased server costs for bilingual OCR.
- **Impact:** EBITDA break-even is delayed by **4 months** (from Q2 to Q4 of Year 3).

- **Response:** The founders will defer 20% of non-essential marketing spend to prioritize the core "Relevance Matching" algorithm, maintaining a minimum 12-month runway.

Case B: 6-Month Delay in Capital Infusion

- **Trigger:** Macroeconomic slowdown in the Canadian Venture Capital market.
- **Impact:** Hiring for the "Senior Full-Stack Developer" is paused for two quarters.
- **Response:** Transition to a "Maintenance Mode" GTM strategy, focusing on organic SEO (zero-cost acquisition) and founder-led scientific validation to preserve cash.

4. Cost of Goods Sold (COGS) & Margins

- **Gross Margin:** Expected to stabilize at **88%**.
- **Primary COGS:** Cloud hosting (AWS/Azure), OCR API usage fees, and merchant processing fees (Apple/Google 15–30% take rates).
- **Scalability:** As a pure SaaS platform, the incremental cost of adding 100,000 users is negligible, resulting in rapid EBITDA expansion after Year 3.

In the context of the business plan developed for **Dermiciq Technologies**, the **burn rate** is derived from the **Key Financial Assumptions** within the **Financial Projections** section.

Specifically, the burn rate is established as follows:

- **Initial Net Burn Forecast:** The company projects an initial net burn of **$16,000 to $20,000 per month** during its first year of operation.
- **Derivation Logic:** This monthly figure is calculated based on the total projected expenses for **Year 1**, which include:
- **R&D / Product Development:** $120,000 per year (~$10,000/month).
- **Sales & Marketing (CAC):** $85,000 per year (~$7,000/month).
- **G&A / Operations:** $60,000 per year (~$5,000/month).

- **Offsetting Revenue:** The net burn is expected to decrease over time as recurring subscription revenue (projected at $75,000 in Year 1) begins to offset these fixed operational costs.

Burn Rate Context

The burn rate is a critical metric used to determine the company's **runway**—the amount of time the business can operate before requiring additional capital infusion. In the **Sensitivity Analysis** provided in the plan, the burn rate is monitored to ensure that even with a 20% increase in R&D costs, the company maintains a minimum **12-month runway**.

Funding Request

Dermiciq Technologies is seeking an initial **Pre-Seed / Seed capital infusion of $750,000 CAD** to execute its primary market entry and product-scaling phase. This "Ask" represents the first tranche of the capital required to reach the company's Year 3 profitability milestone and is specifically calibrated to provide a high-conviction **18–24 month runway**.

The Ask: $750,000 CAD

This initial funding will allow the founders to transition from MVP (Minimum Viable Product) to a commercially scalable platform, securing the first 25,000 users and establishing the "Regulatory Moat" within the Canadian market. A subsequent Series A round is anticipated in Month 20 to support pan-North American expansion and the rollout of B2B data licensing.

Use of Funds (Next 18–24 Months)

The capital will be deployed across three strategic pillars designed to maximize product utility and market penetration.

Category	Allocation	Primary Deliverables
Product & Engineering	45% ($337.5k)	Transition to a production-grade cloud architecture; hire a Senior Full-Stack Developer; integrate advanced OCR (Optical Character Recognition) for multi-lingual labels; and expand the proprietary "Derivative Mapping" engine.
Growth & User Acquisition	35% ($262.5k)	Execute the "Educational Wedge" marketing strategy; establish 50+ micro-influencer partnerships; optimize App Store SEO; and manage

Category	Allocation	Primary Deliverables
		performance marketing campaigns targeting a $5.50 CAC.
Operations & Regulatory	20% ($150k)	Scientific validation of the ingredient dictionary via a Clinical Advisory Board; securing legal and data privacy certifications (PIPEDA/GDPR compliance); and general administrative overhead.

Milestones to be Achieved with this Funding

By the end of the 24-month runway, DERMICIQ TECHNOLOGIES will have reached the following key performance indicators (KPIs):

- **User Growth:** Achievement of **85,000+ active users** with a high retention rate among chronic sensitivity demographics.
- **Revenue Traction:** Attaining a **Monthly Recurring Revenue (MRR) of ~$20,000** through "Pro" tier conversions, demonstrating clear product-market fit.
- **Data Intellectual Property:** A proprietary database of **10,000+ cosmetic ingredients** with high-fidelity mapping for 20+ common allergy derivatives.
- **B2B Foundation:** Completion of a pilot program for anonymized trend reporting, ready for commercial data licensing in Year 3.

This capital infusion is timed to exploit the current **24-month regulatory window** created by Health Canada's modernization of allergen disclosure, ensuring DERMICIQ TECHNOLOGIES is the first-to-market solution for the resulting "Information Gap".

Strategic Exit Landscapes

DERMICIQ TECHNOLOGIES is positioned as a high-value acquisition target within the next 5–7 years. Its value lies not just in user volume, but in its **IP Sovereignty**—a proprietary, context-aware intelligence layer that bridges the gap between raw chemical data and individualized biological response. As global beauty conglomerates shift toward "Precision Beauty," DERMICIQ TECHNOLOGIES provides the missing "Decision Engine" for their digital ecosystems.

Acquirer Archetypes

1. The "Big Beauty" Conglomerates (e.g., L'Oréal, Estée Lauder, Shiseido)

- **Motivation:** These leaders are actively pivoting from "Product Sellers" to "Beauty Tech Providers." L'Oréal, for instance, has recently focused on "Longevity Beauty" and "Lab-on-a-chip" diagnostics.
- **Strategic Fit:** An acquisition of DERMICIQ TECHNOLOGIES allows these giants to integrate a neutral, science-backed relevance engine into their existing "Skin Diagnostic" apps (like L'Oréal's *SkinCare Advisor* or Shiseido's *Skin Visualizer*), moving beyond simple photo-analysis to deep ingredient-matching.

2. The "Therapeutic Dermatology" Giants (e.g., Galderma, Johnson & Johnson / Kenvue)

- **Motivation:** Following the spin-off of mass-market consumer brands, players like Johnson & Johnson are doubling down on **therapeutic dermatology** and medical skin treatments for conditions like atopic dermatitis.
- **Strategic Fit:** DERMICIQ TECHNOLOGIES serves as a clinical-adjacent tool that helps patients manage chronic sensitivities (eczema, rosacea) by identifying environmental triggers in daily-use products. This supports their "Patient-Centric" care models.

3. "Retail 3.0" & Personalization Platforms (e.g., Sephora, Ulta Beauty, Amazon)

- **Motivation:** Retailers are desperate to reduce the high return rates associated with "Trial-and-Error" skincare purchases. Sephora and Amazon are increasingly using AI assistants (like Amazon's "Rufus") to guide shoppers.
- **Strategic Fit:** Integrating DERMICIQ TECHNOLOGIES's sensitivity mapping into their e-commerce search filters would allow for "Allergy-Safe" filtering, a feature that significantly boosts conversion rates—up to 30% for skincare products.

4. Global Health-Tech & Wearable Integrators (e.g., Apple, Google/Fitbit)

- **Motivation:** Big Tech is expanding from tracking heart rates to monitoring holistic wellness. There is a growing focus on the "Skin Microbiome" and environmental impact on health.
- **Strategic Fit:** DERMICIQ TECHNOLOGIES's data on ingredient sensitivities provides a critical data layer for "Smart Mirrors" or health dashboards, connecting topical product use to broader inflammatory health data.

The "IP Sovereignty" Advantage

Dermiciq's essentiality as a target is defined by its **IP Sovereignty**, which creates a high barrier to entry for even the largest players.

- **Proprietary "Relevance Engine":** Unlike first-generation apps that rely on public, binary "good/bad" lists, DERMICIQ TECHNOLOGIES owns a context-aware algorithm that maps thousands of ingredient derivatives back to specific user profiles. This "Logic Layer" cannot be easily replicated by scraping the web.
- **Structured Data Asset:** In the era of Generative AI, high-quality, structured data is the most valuable currency. Dermiciq's database is structured specifically for AI discovery, making it a "Plug & Play" intelligence asset for any global acquirer looking to skip 3–5 years of R&D.
- **Neutrality as a Moat:** Because DERMICIQ TECHNOLOGIES is not owned by a brand, its data is unbiased. For an acquirer like Sephora, buying a neutral platform is more

valuable than building one, as it preserves consumer trust while providing deep insights into what ingredients are actually triggering their customers.

Legal & Founders

Dermiciq Technologies is structured to balance agile, founder-led execution with a rigorous federal and provincial regulatory foundation. The company is incorporated as a **Canadian-Controlled Private Corporation (CCPC)**, ensuring eligibility for domestic innovation incentives while maintaining a clean corporate structure for future international scaling.

Corporate Structure & Governance

Legal Entity: 17576005 CANADA INC..

Trade Name: Operating as **DERMICIQ TECHNOLOGIES**.

Jurisdiction: Incorporated under the *Canada Business Corporations Act* (CBCA) as of December 27, 2025.

Provincial Registration: Registered in Ontario under the *Business Names Act*.

Registered Office: Etobicoke, ON, Canada.

Board of Directors: Currently composed of two directors, satisfying the CBCA requirement for a minimum of one director for a non-distributing corporation.

Share Structure: Authorized to issue an unlimited number of Class A (voting, participating) and Class B (non-voting, dividend-priority) shares.

Founders

Alban Jerome: Director & Chief Strategy Architect

Alban Jerome serves as the primary visionary and Director for 17576005 CANADA INC.. With a professional background anchored in complex system strategy and technical architecture, Alban is the lead architect of the DERMICIQ TECHNOLOGIES **Dynamic Sensitivity Protocol (DSP)**. His expertise lies in identifying systemic failures within legacy "Binary Scoring" models and engineering higher-fidelity data structures that account for individual biological variability.

In the initial years of DERMICIQ TECHNOLOGIES, Alban oversaw corporate vision, algorithmic development, and the proprietary "Derivative Mapping" engine. His focus is on the intersection of cosmetic science and informational software, ensuring that the platform’s technical logic remains robust and non-bias. As the lead incorporator, Alban has established the company’s federal foundation, positioning it to leverage Canadian R&D tax credits and deep-tech grants. His strategic leadership is centered on the "Logical Inevitability" of personalized intelligence, transforming DERMICIQ TECHNOLOGIES from a startup into the essential intelligence layer for the $30B+ personalized skincare market.

Alexandra Jean Chedore: Director & Operations Lead

Alexandra Jean Chedore is a Director and the operational backbone of Dermiciq Technologies. Her role is critical in bridging the gap between high-level technical architecture and real-world user experience (UX). Alexandra manages the company’s operational lifecycle, including regulatory alignment with Health Canada and the ongoing expansion of the proprietary ingredient dictionary.

With a deep focus on **Sovereign Neutrality** and ethical data use, Alexandra ensures that DERMICIQ TECHNOLOGIES’s operational practices mirror its mission to empower users through education rather than alarmism. She is responsible for the platform's "Education-First" design, translating complex dermatological nuances into actionable,

plain-language insights. Her leadership ensures that the company's internal growth aligns with its commitment to transparency and inclusivity. As a Canadian resident director, Alexandra provides the essential operational stability required to manage a high-growth, data-driven health-tech venture within the Canadian regulatory ecosystem.