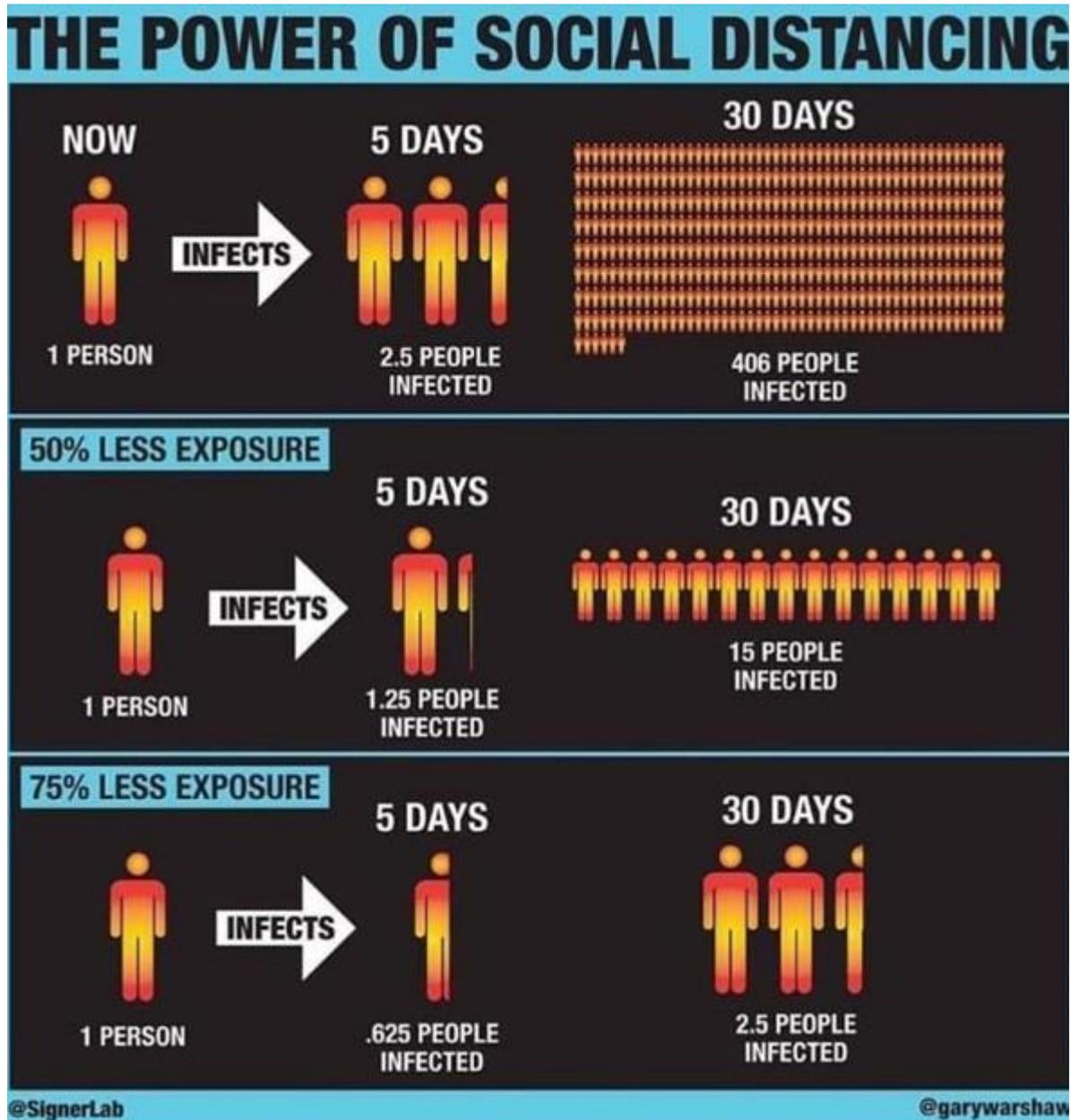


Weekly thoughts on the healthcare sector from finnCap's life sciences analysts: Mark Brewer and Arshad Ahad



- While you will, no doubt, be tired of hearing the term 'social distancing' by now, this graphic helps illustrate the positive impact it can have.
- But how long will the country have to practice social distancing? Perhaps for 12 weeks, as Boris Johnson alluded to yesterday (although it's not clear what this is based on). Perhaps until a vaccine or treatment is found.

- “The only exit strategy is really vaccination or other forms of innovative technology” according to an epidemiologist from Imperial College.
- Vaccines could be 12-18 months away – if they arrive at all. Note that we still don’t have a SARS [vaccine](#) despite the outbreak occurring 17 years ago.
- However, companies such as Synairgen* are working to bring therapies to assist with the outbreak, as soon as possible.
- Other Coronavirus plays in the UK: Novacyt, Byotrol*, Tristel*

Companies covered: Synairgen*, Oncimmune*, Cambridge Cognition*, Novacyt

Synairgen* (SNG-GB), 32p, market cap. £40m

Respiratory drug development company, focused primarily on lung viral defence in asthma and COPD.

News: SNG received expedited approvals from Medicines and Healthcare products Regulatory Agency (MHRA) and Health Research Authority (HRA) to conduct a trial of SNG001 (inhaled formulation of interferon-beta-1a) in COVID-19 patients to potentially assist with the global outbreak of the virus.

What’s interesting: Potentially \$1bn+ market opportunity. The trial will commence imminently, with an initial readout likely in Q2 2020. The existing COPD Phase II trial, while nearly complete, will be paused. Interferon-beta has been shown to reduce viral load following infection with related MERS and SARS coronaviruses in cell-based assays. Inhaled SNG001 also reduced lung tissue viral load and pathology in an *in vivo* model of H1N1 2009 influenza driven viral pneumonia. Therefore, SNG001 is expected to be active against COVID-19.

[Report link](#)

Oncimmune* (ONC-GB), 51p, market cap. £32m

Commercial stage immune biomarker company for cancer detection. Products include EarlyCDT Lung and EarlyCDT Liver, blood tests for early detection of lung and liver cancer.

News: NICE has completed a review of EarlyCDT Lung, concluding that the test can successfully aid early diagnosis of lung cancer in high risk patients. NICE reviewed EarlyCDT Lung for cancer risk stratification of indeterminate pulmonary nodules ("IPNs").

Valuation: Our DCF-based target price is 150p. A \$9m (£7.2m) milestone is due/expected from Biodesix in FY 2021.

What’s interesting: NICE have prepared a Medtech Innovation Briefing (MIB), which are designed to support NHS and social care commissioners and staff who are considering using new medical devices and other medical or diagnostic technologies such as EarlyCDT Lung.

[Report link](#)

Cambridge Cognition* (COG-GB), 21p, market cap. £7m

Neuroscience technology company developing digital health products to understand, detect and treat conditions affecting brain health.

News: COG won eCOA (electronic clinical outcome assessments) contracts for three Phase 3 studies with a new pharma client, worth £1.37m, expected to be delivered over two year period.

Valuation: We reiterate our target price of 75p, which implies the stock trading on a 2020E EV/sales of 3.7x, dropping to 3.1x in 2021.

What's interesting: The contract win is relevant for three reasons: (i) it delivers against its stated strategy of combining its CANTAB cognitive assessments with additional clinical outcome assessments; (ii) it is with a new pharma client; and (iii) it offers the potential to jointly develop a new cognitive test for future commercialisation.

[Report link](#)

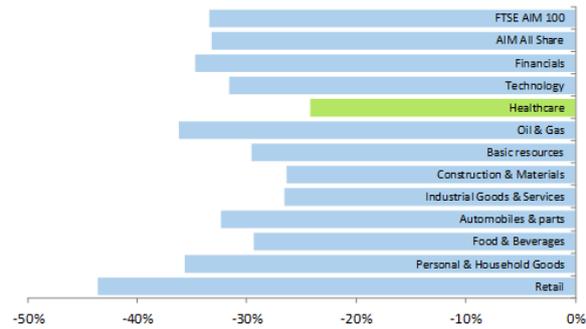
Novacyt (NCYT-GB), 117p, market cap. £78m

Clinical-stage pharma company focused on therapies for respiratory diseases.

News: Following completion of Public Health England's (PHE) formal evaluation of NCYT's COVID-19 test, the agency has commenced ordering the test. Orders are initially for 8 hospitals, and to provide stocks in those locations for 4 weeks. The total value is ~£1m.

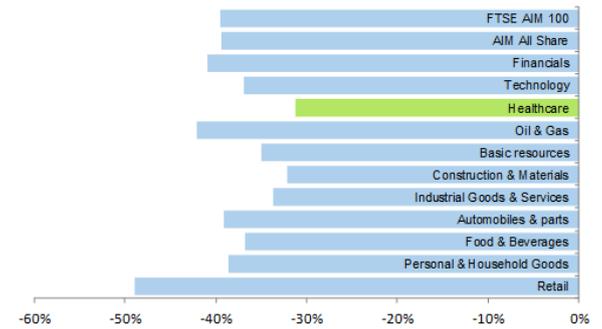
What's interesting: Represents the single largest order NCYT has ever received for the test, and as of March 13 the company had sold and received orders for over £3.7m of its CE-mark and research use only tests, including the PHE order. The test is produced by its Primerdesign molecular diagnostics division, and the orders so far represents ~8 months of sales under normal circumstances for that division. Given the escalating COVID-19 situation in the UK and abroad, it is likely that NCYT can expect other orders of a similar scale.

FTSE AIM all share sector performance (1 week)



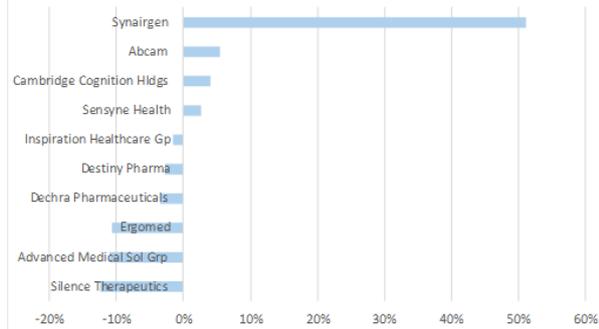
Source: FactSet

FTSE AIM all share sector performance (1 month)



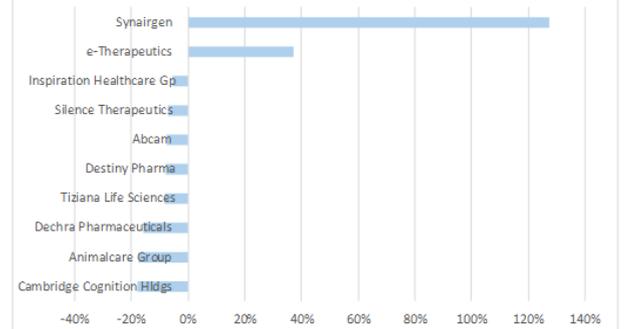
Source: FactSet

finnLife 50 - Top ten price performers (past week)



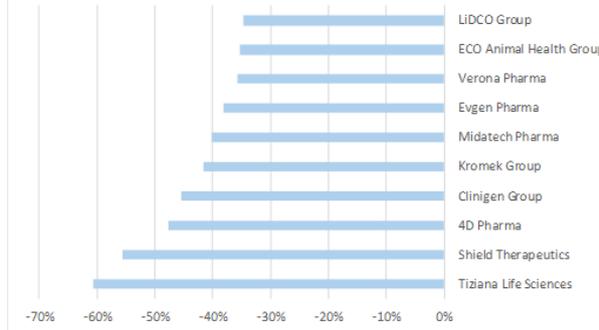
Source: FactSet

finnLife 50 - Top ten price performers (past month)



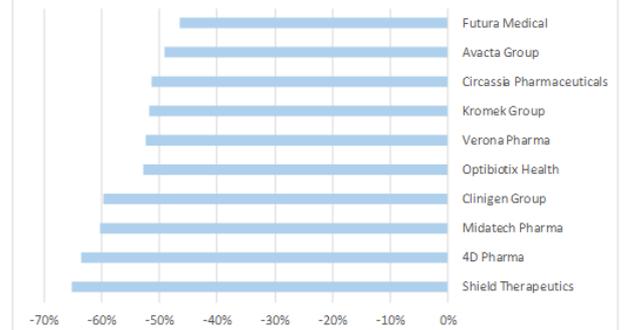
Source: FactSet

finnLife 50 - Bottom ten price performers (past week)



Source: FactSet

finnLife 50 - Bottom ten price performers (past month)



Source: FactSet

Research reports and comments in the past week

Company	Date	Title	Research Type
Synaigen*	18 March	COVID-19 Phase II trial to start imminently	Morning Note
Oncimmune Holdings*	17 March	NICE advice – external endorsement for EarlyCDT Lung	Company Note
Cambridge Cognition*	17 March	eCOA contract win with new pharma client	Morning Note

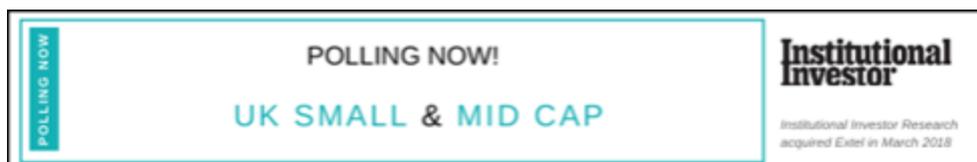
Upcoming roadshows and events in the smaller healthcare company space

Company	Results Date	Roadshow / Event Date
Cambridge Cognition preliminary results	24 Mar	24,25 March
Bioventix *	30 Mar	30,31 March and 1 April
Avacta preliminary results *	21 April	21, 22 April

II UK Small & Mid Cap Research Team 2020 Survey

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Please click on the link below to vote:



* Indicates a corporate client - RSVP [here](#) to express interest in roadshows

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