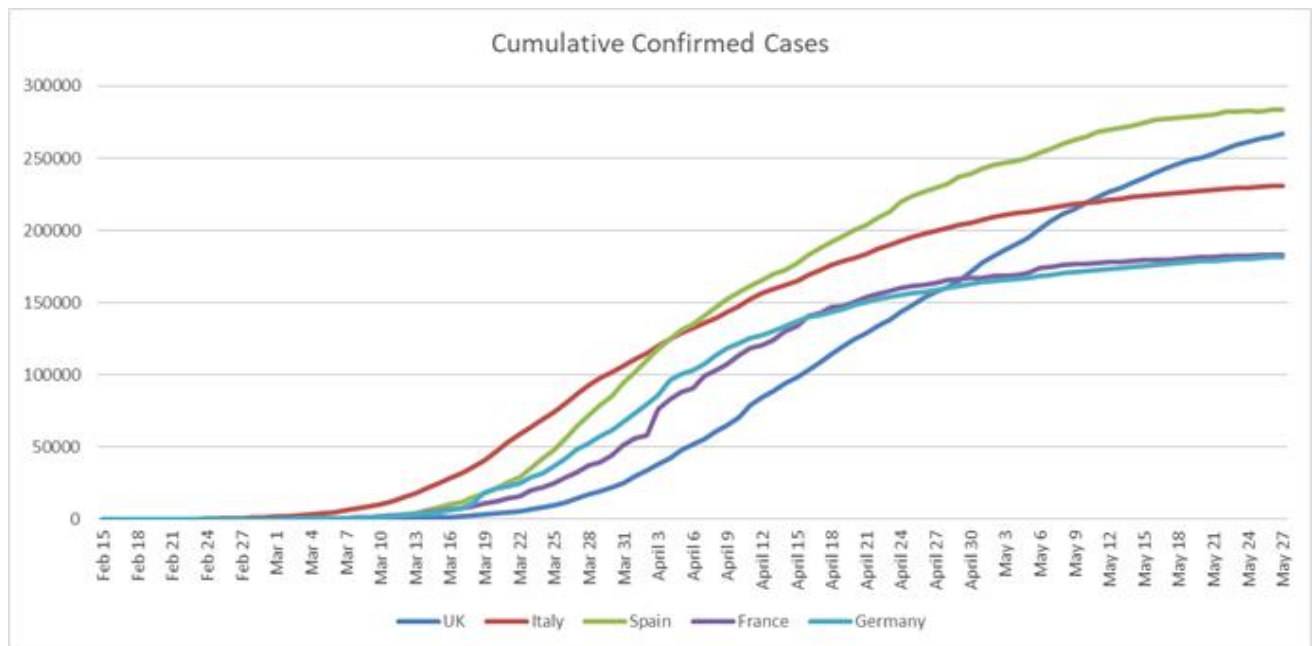


Weekly thoughts on the healthcare sector from finnCap's life sciences analysts:
Mark Brewer and Arshad Ahad

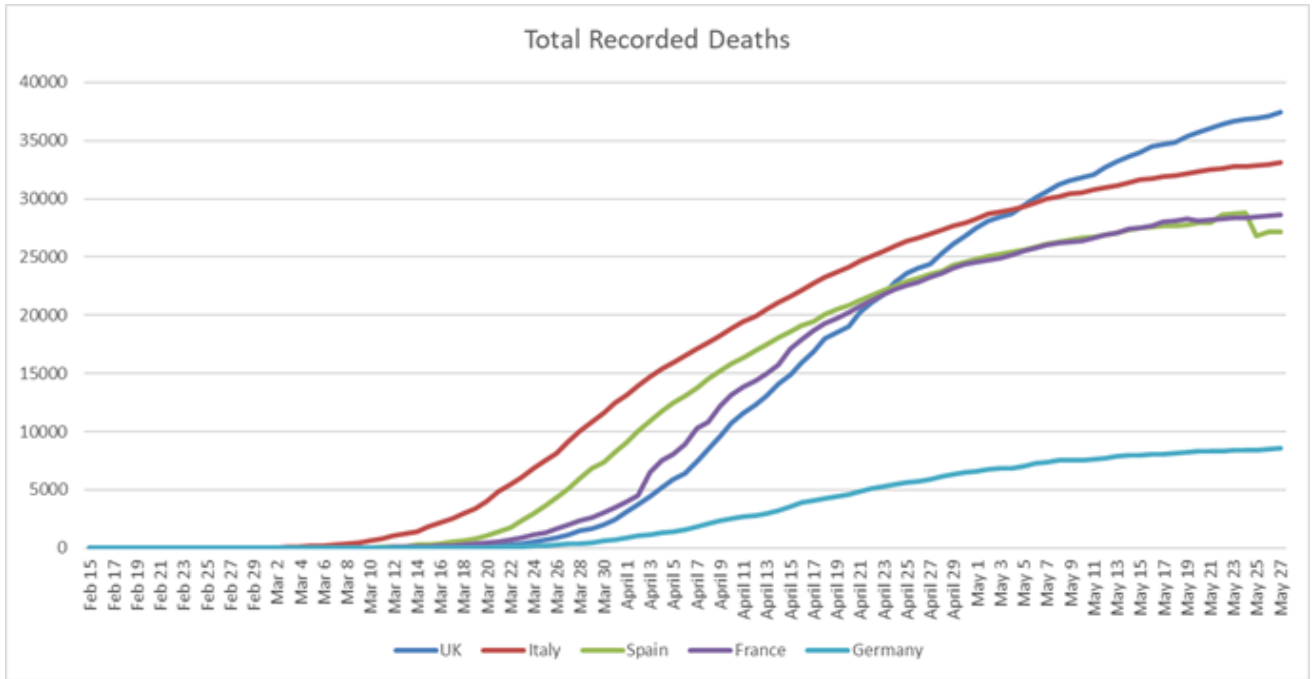
Market	Last	-1D	-1M	-3M	-12M	YTD	Health	Last	-1D	-1M	-3M	-12M	YTD
MSCI World Index	1,653	0.3%	5.9%	0.4%	3.2%	-8.2%	MSCI World Pharma/Biotech	219	1.8%	1.0%	10.4%	18.0%	2.6%
FTSE All Share	3,404	1.2%	4.7%	-6.4%	-13.6%	-18.1%	FTSE All Share Health	13,267	3.4%	3.9%	15.6%	23.0%	3.1%
AIM All Share	873	2.7%	8.7%	2.2%	-9.3%	-8.7%	AIM Health	10,815	2.7%	10.1%	15.9%	-0.7%	4.3%
AIM 100	4,487	3.4%	9.2%	2.9%	-11.8%	-8.6%							

The UK will soon overtake Spain to have the highest cumulative total of COVID-19 cases in Europe:



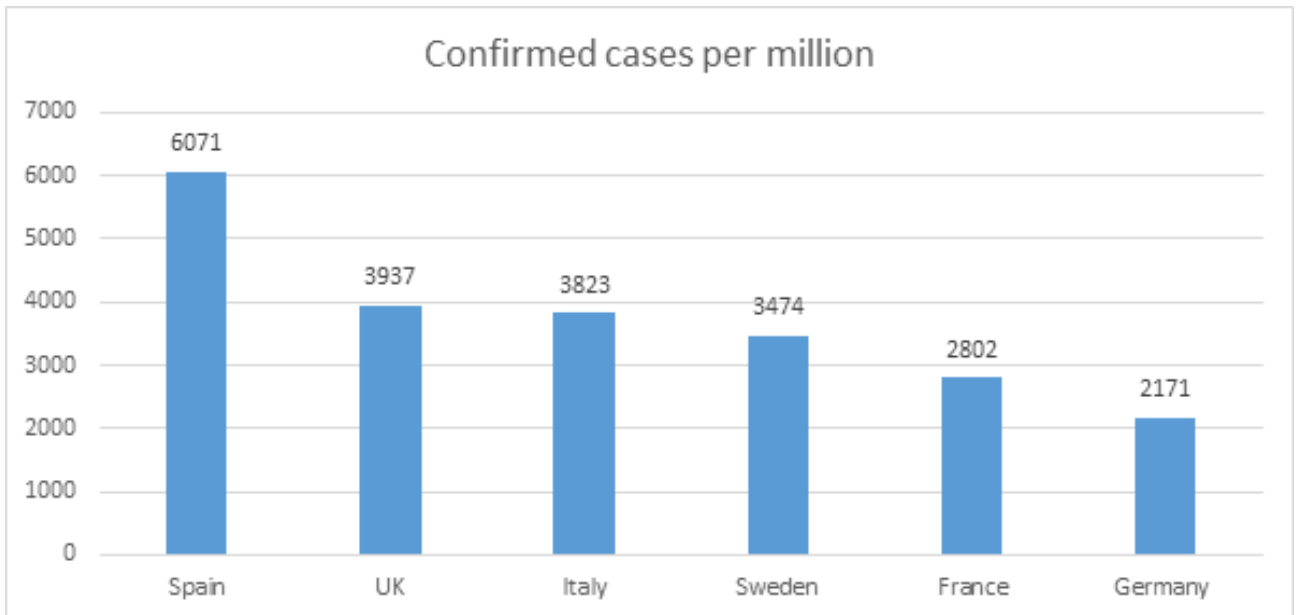
Source: worldometer, finnCap

- The UK already has the highest total recorded COVID-19 deaths in Europe
- (The decrease in total recorded deaths in Spain on May 26 is due to Spanish authorities retrospectively adjusting their data)

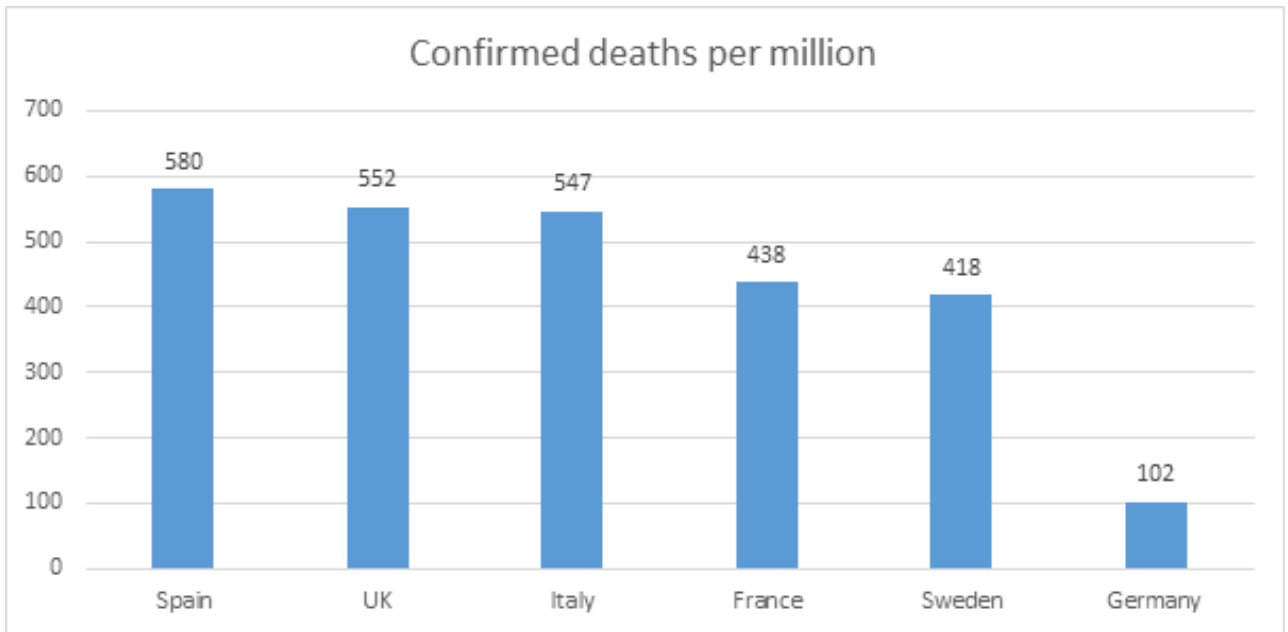


Source: worldometer, finnCap

- In terms of confirmed cases per million population, Spain ranks significantly higher than other European countries.
- When looking at confirmed deaths per million population, the gap between nations is much lower, although Spain and the UK are still ranked highest.

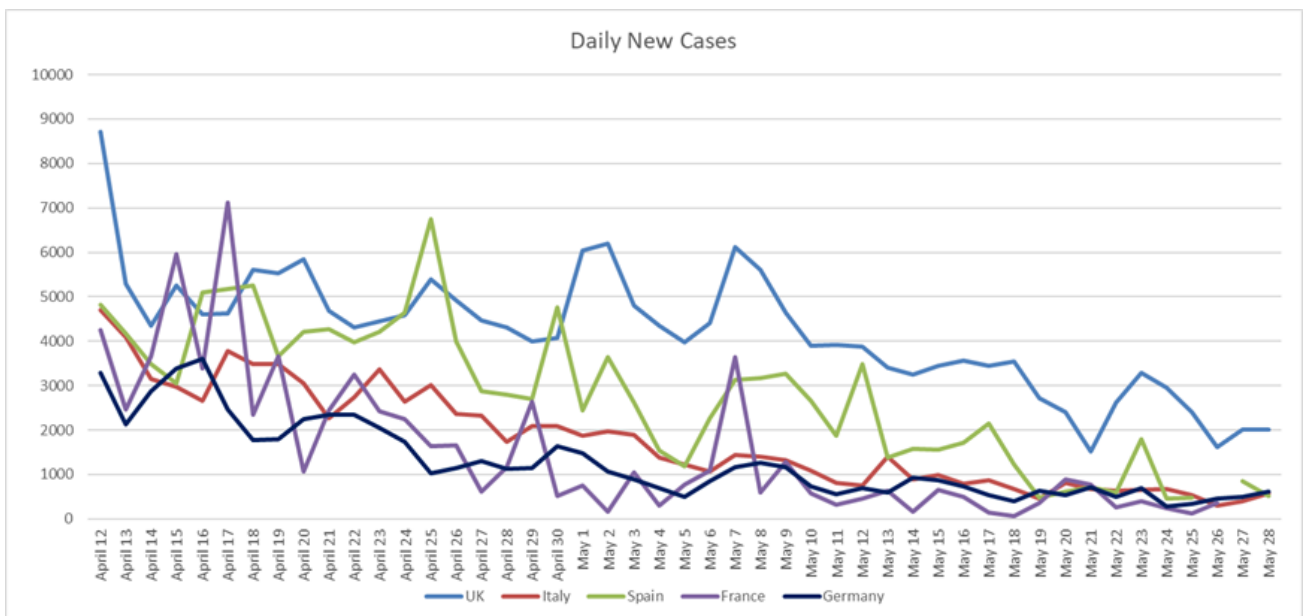


Source: finnCap

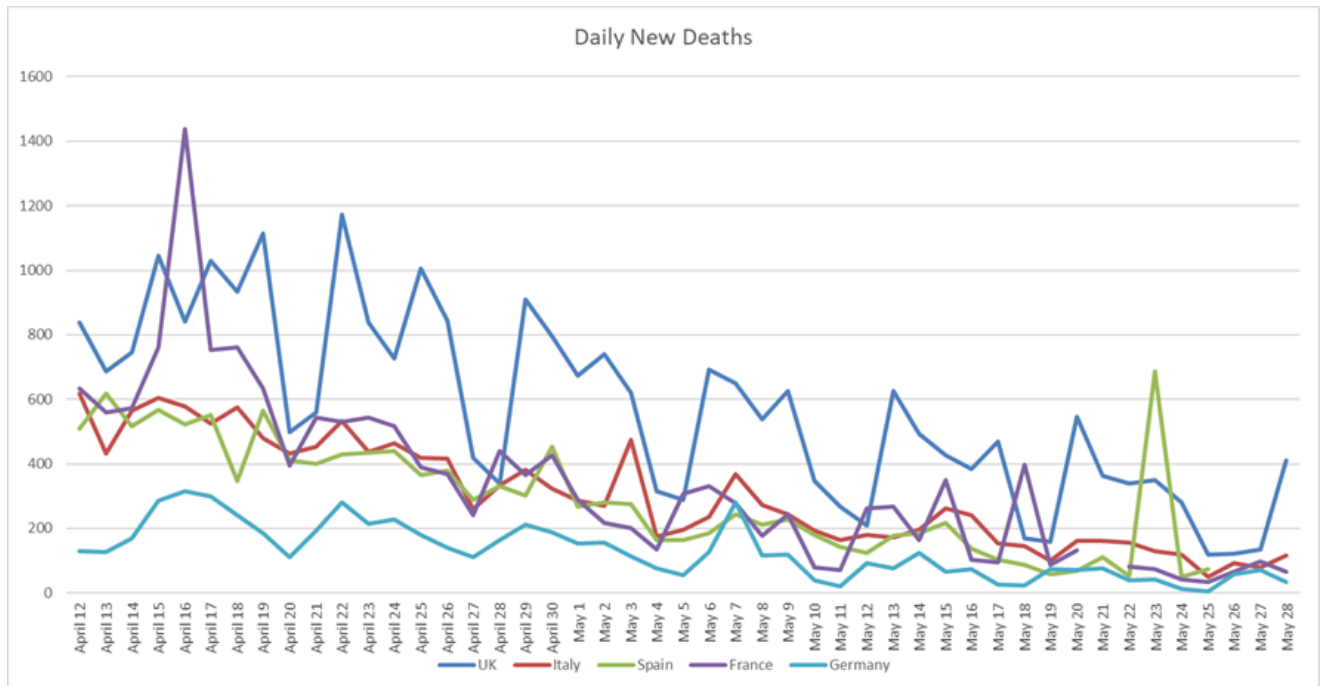


Source: finnCap

- The most reassuring graphs are the ones below, which show the overall declining trend in daily new cases and daily new deaths within the EU5.
- The UK is rank highest within the EU5 on both graphs.
- (Gaps on certain days in Spain and France are due to adjustments by national authorities leading to negative figures).



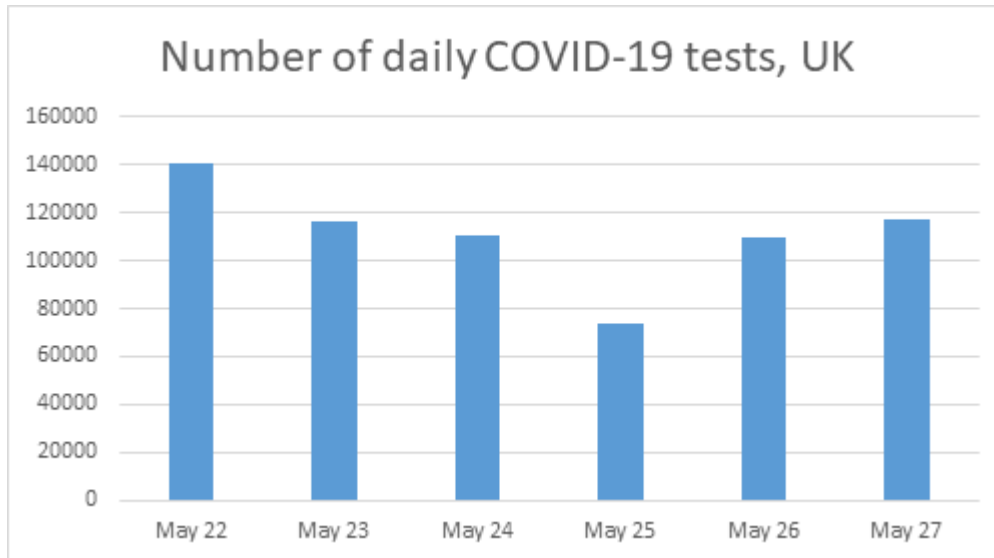
Source: worldometer, finnCap



Source: worldometer, finnCap

Testing Update

- As of 28 May: the FDA has authorised 113 tests under EUAs (Emergency Use Authorizations), which include 100 molecular tests, 12 antibody tests and 1 antigen test.
- Please see last week's [Health Matters](#) for an overview of key COVID-19 tests being developed by AIM companies including **AVCT***, **GDR***, **ODX***, **ORPH*** and **NCYT**.
- This week, **Yourgene (AIM: YGEN)** announced its labs have now launched a COVID-19 testing service to support private testing demand from defined testing populations such as GP surgeries, private clinics and corporate clients.
- YGEN also announced development of its own COVID-19 PCR test called Clarigene SARS-CoV-2, to assess active infections. YGEN intends to release a 'research use only' version of the test by end of June 2020, with a CE marketed diagnostic kit to follow in July 2020.
- As with the other AIM companies developing tests, YGEN's COVID-19 test could be transformational for the business, and there is room for, and indeed a need for, multiple players within this space.
- The figure below shows the number of tests carried out in the past 7 days. The Prime Minister has set a target daily capacity of 200,000 by the end of the month, although current testing rates are significantly below this, with only 73,726 tests being carried out on Monday.
- The government now advises everyone with symptoms to arrange a test online or via the phone



source: Department of Health and Social Care, finnCap

Track and Trace

- The government track and trace system was launched in England and Scotland yesterday.
- 25,000 tracers will contact people who test positive for the virus, and ask who they have had contact with. Any of those contacts deemed at risk of infection will be asked to self-isolate for 14 days (this will be voluntary, although the government has not ruled out the possibility of making it mandatory).
- The aim of the system is to lift blanket lockdown restrictions and move towards more localised and targeted measures.
- A government app to automatically alert people if they have been in contact with someone who tested positive is still being trialled in the Isle of Wight, with the government intending to launch the system in England next month.

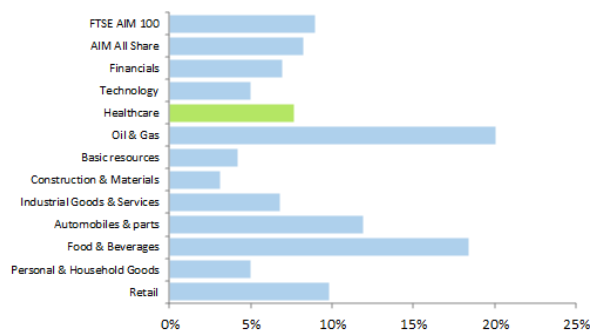
Treatment Update

- Synairgen* (AIM:SNG) announced yesterday that recruitment of 100 hospitalised patients in its clinical trial of SNG001 (inhaled formulation of interferon-beta-1a) in COVID-19 patients has now been completed.
- Top-line data from the trial is expected in July. In addition, the trial of SNG001 of COVID-19 patients within the home setting, to be conducted virtually, has commenced.
- We reiterate our rNPV based target price of 120p, of which c.80p relates to the use of SNG001 in COVID-19. The successful completion of this Phase II study (SG016) would imply a
- rNPV of as much as c.£475m or a c.360p target price – suggesting a c.£360m (240p)
- uplift on the current estimated NPV.
- **Generic Remdesivir:** On 12 May, Gilead Sciences signed deals with generic companies to manufacture and distribute generic versions of remdesivir to 127

countries. The companies can set their own prices but will not have to pay royalties to Gilead until the WHO declares an end to the public health emergency.

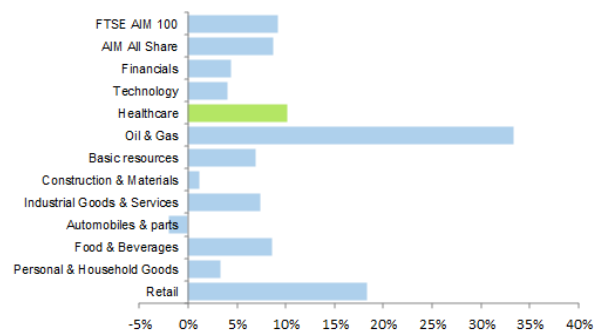
- Subsequently, on May 21, Beximco Pharmaceuticals (AIM: BXP) launched the world's first generic Remdesivir treatment, branded Bemsivir. BXP is donating Bemsivir to the Bangladesh government for supply to government hospitals, free of charge.
- **Oxford vaccine and AZ:** On May 21, it was announced that the US government would contribute \$1.2bn to AstraZeneca for development, production and delivery of the University of Oxford's vaccine (ChAdOx1nCoV-19), beginning this autumn.
- AZ says it can produce around 1 billion doses of the vaccine into next year, but is also planning to scout for partners and build capacity to broaden the potential roll-out. Which as of today includes Oxford Biomedica (LSE:OXB). OXB announced today that it has signed a one year Clinical and Commercial Supply agreement with AZ, relating to the manufacture of the vaccine candidate. The initial requirement requires OXB to provide AZ with multiple batches of the vaccine, the majority of which are expected to be produced throughout 2020.
- Earlier this week, the director of Oxford University's Jenner Institute said that it was a "race against the virus disappearing and against time", as the number of COVID-19 cases in the community continues to drop. "We're in the bizarre position of wanting COVID to stay, at least for a while".
- Challenge studies provide a way to investigate COVID-19 vaccines with much greater speed, and with fewer volunteers, by deliberately infecting volunteers with the virus. Open Orphan* (AIM: ORPH) are developing the world's first COVID-19 challenge model. The company expects to take 6-8 months to develop this challenge model, which should therefore benefit FY 2021 forecasts, which currently exclude any revenues from a COVID-19 challenge model.

FTSE AIM all share sector performance (1 week)



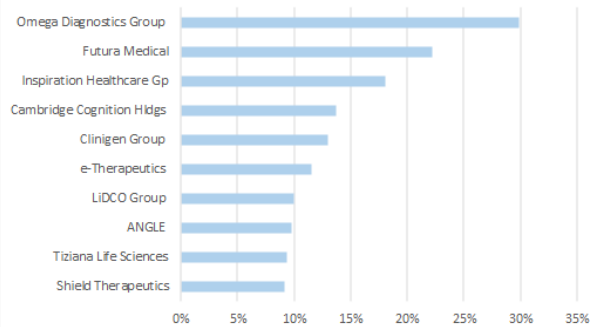
Source: FactSet

FTSE AIM all share sector performance (1 month)



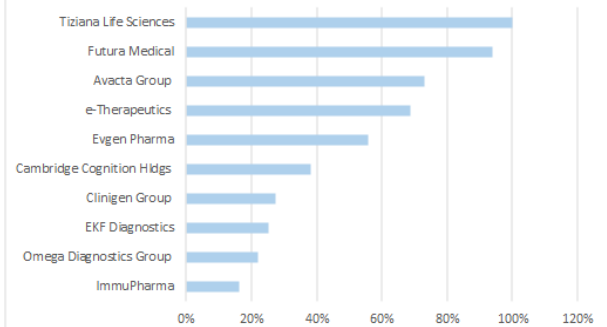
Source: FactSet

finnLife 50 - Top ten price performers (past week)



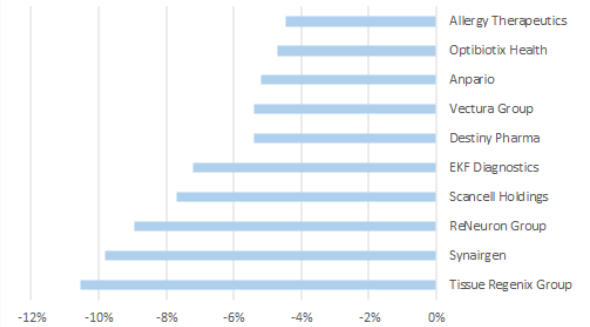
Source: FactSet

finnLife 50 - Top ten price performers (past month)



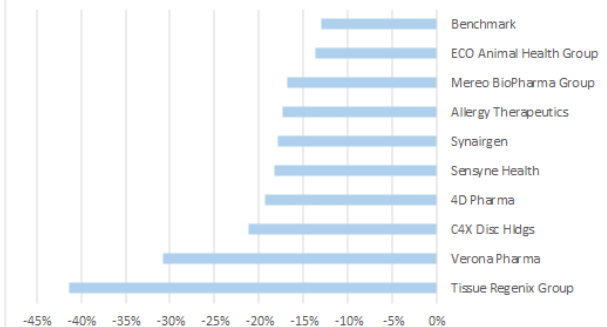
Source: FactSet

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 two weeks

Company	Date	Title	Research Type
Synairgen*	26-May	FY 2019 results and COVID-19 trial update	Morning Note
InnovaDerma*	26-May	Encouraging trading update	Morning Note
Open Orphan*	26-May	Open Orphan - Funding for COVID-19 challenge model	Company Note
Synairgen*	26-May	FY 2019 results and COVID-19 trial update	Company Note
genedrive*	22-May	COVID-19 test PCR test receives CE-IVD mark	Morning Note (link)
Oncimmune*	21-May	EarlyCDT Lung partnership	Morning Note (link)
Shield Therapeutics*	21-May	FY 2019 results	Company Note (link)

Avacta*	20-May	Distribution agreement for DTC COVID-19 antigen test	Morning Note (link)
genedrive*	18-May	Initial data from India demonstrates HCV ID kit utilit	Morning Note (link)

To UNSUBSCRIBE, please simply reply to that effect.

*Denotes corporate client of finnCap. This research cannot be classified as objective under finnCap research policy.

^ This company and finnCap have agreed that finnCap will produce and disseminate research and finnCap may receive remuneration in return for this service. This research cannot be classified as objective under the finnCap research policy.

A marketing communication under FCA Rules, this document has not been prepared in accordance with legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This research cannot be classified as objective under finnCap Ltd. research policy. Visit www.finncap.com

MAR Research disclosures can be found at <http://www.finncap.com/disclosures>

The recommendation system used for this research is as follows. We expect the indicated target price relative to the FT All Share Index to be achieved within 12 months of the date of this publication. A 'Hold' indicates expected performance relative to this index of +/-10%, a 'Buy' indicates expected outperformance >10% and a 'Sell' indicates expected underperformance of >10%.

Approved and issued by finnCap Ltd. for publication only to UK persons who are authorised persons under the Financial Services and Markets Act 2000 and to Professional customers. Retail customers who receive this document should ignore it. finnCap Ltd. uses reasonable efforts to obtain information from sources which it believes to be reliable, but it makes no representation that the information or opinions contained in this document are accurate, reliable or complete. Such information and opinions are provided for the information of finnCap Ltd.'s clients only and are subject to change without notice. finnCap Ltd.'s salespeople, traders and other representatives may provide oral or written market commentary or trading strategies to our clients that reflect opinions contrary to or inconsistent with the opinions expressed herein. This document should not be copied or otherwise reproduced. finnCap Ltd. and any company or individual connected with it may have a position or holding in any investment mentioned in this document or a related investment. finnCap Ltd. may have been a manager of a public offering of securities of this company within the last 12 months, or have received compensation for investment banking services from this company within the past 12 months, or expect to receive or may intend to seek compensation for investment banking services from this company within the next three months. Nothing in this document should be construed as an offer or solicitation to acquire or dispose of any investment or to engage in any other transaction. finnCap Ltd. authorised and regulated by the Financial Conduct Authority, London E14 5HS, and is a member of the London Stock Exchange.