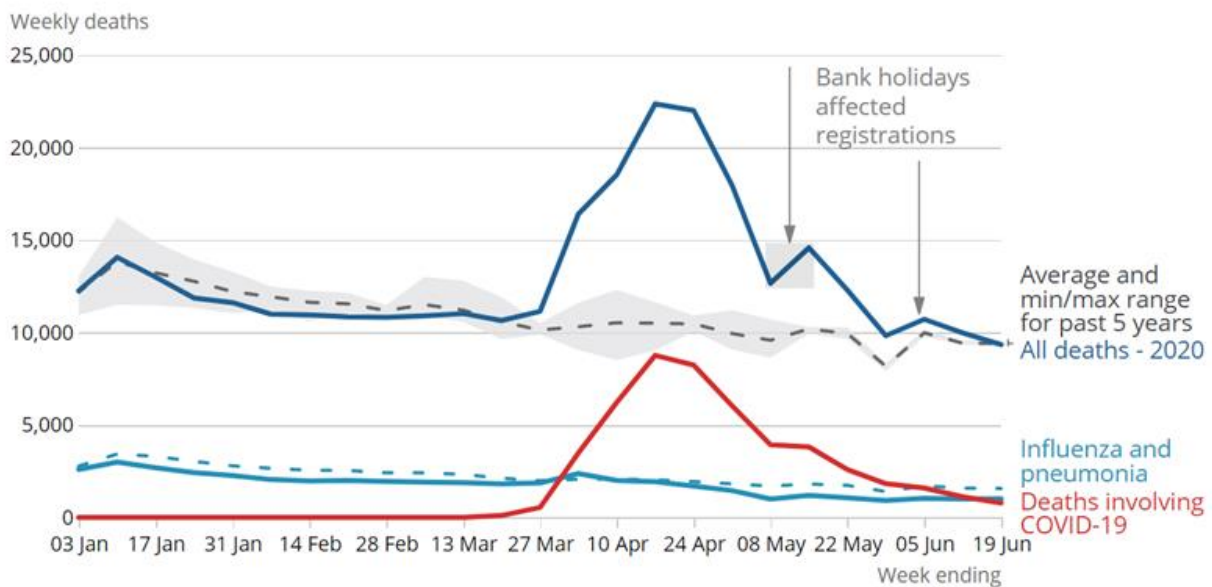


**Weekly thoughts on the healthcare sector from finnCap's life sciences analysts:
Mark Brewer and Arshad Ahad**

Market	Last	-1D	-1M	-3M	-12M	YTD	Health	Last	-1D	-1M	-3M	-12M	YTD
MSCI World Index	1,693	0.3%	2.0%	23.1%	1.0%	-5.9%	MSCI World Pharma/Biotech	219	0.4%	0.0%	14.9%	12.7%	2.4%
FTSE All Share	3,427	-0.1%	-0.1%	13.9%	-16.8%	-18.8%	FTSE All Share Health	12,863	0.5%	-2.4%	14.4%	13.5%	-0.1%
AIM All Share	884	-0.1%	0.0%	32.6%	-3.8%	-7.8%	AIM Health	10,739	0.7%	-1.4%	29.8%	2.9%	3.6%
AIM 100	4,528	-0.4%	-0.4%	33.0%	-4.7%	-8.3%							

- The number of excess deaths caused by COVID-19 are falling.
- The number of deaths registered in England and Wales over the week ending 19th June fell below the national average (0.7% below) for the first time since lockdown was imposed.

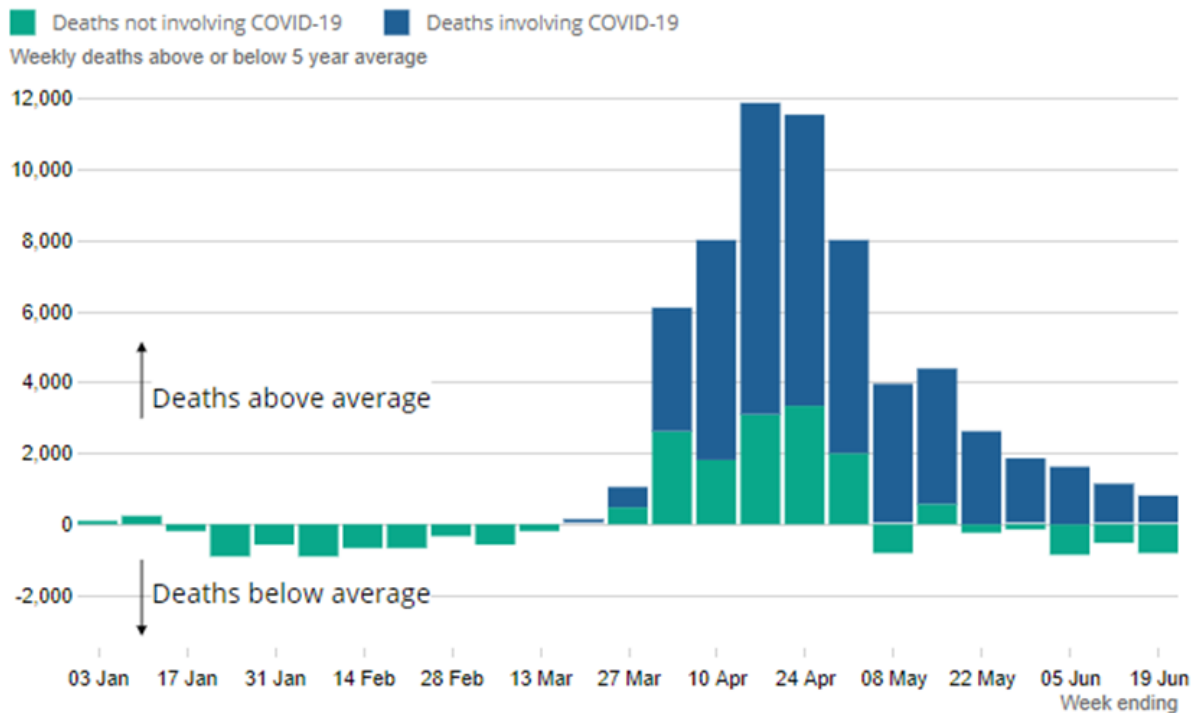
Number of deaths registered by week, England and Wales, 28 December 2019 to 19 June 2020



Source: Office for National Statistics – Deaths registered weekly in England and Wales

Figure 2: The number of excess deaths involving COVID-19 continued to decrease

Number of deaths registered by week, England and Wales, 28 December 2019 to 19 June 2020



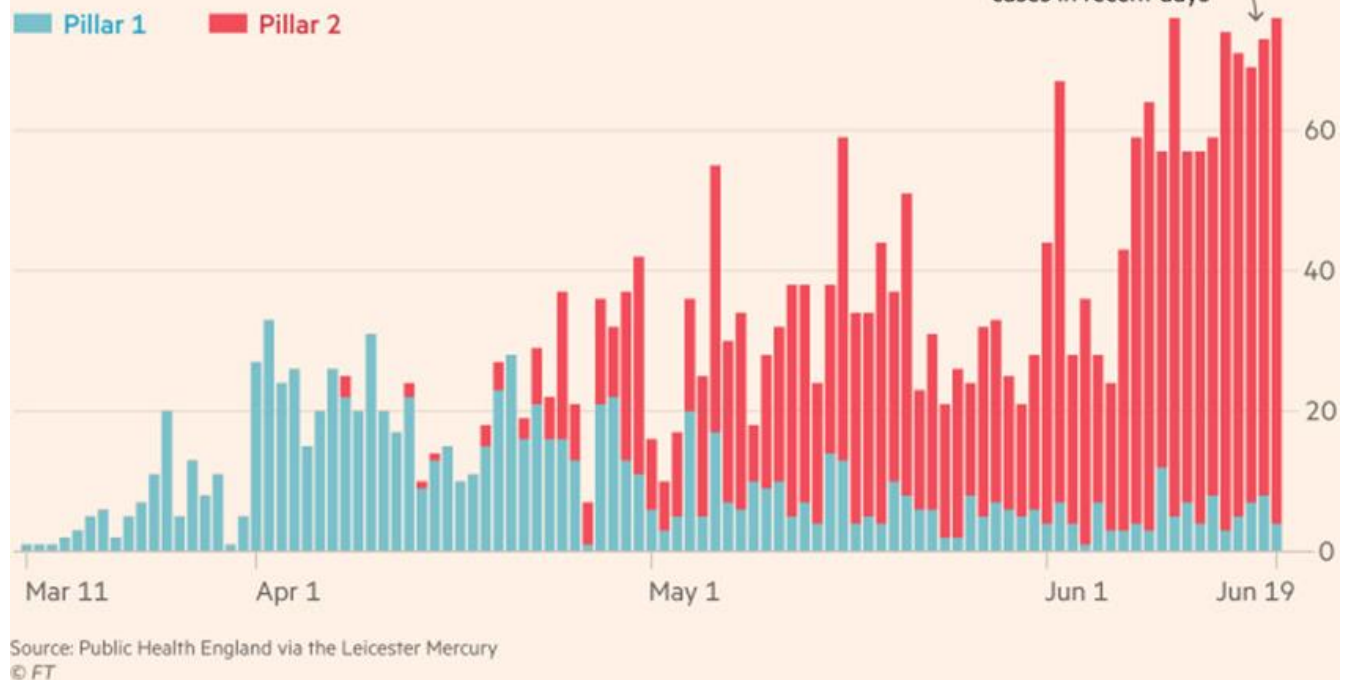
Source: Office for National Statistics – Deaths registered weekly in England and Wales

Lockdown Latest

- This week Leicester became the first city in Britain to have a local lockdown imposed, after public health officials expressed alarm at a significant rise in COVID-19 cases.
- All non-essential shops closed from Tuesday, with schools to close from today. Residents are to avoid non-essential travel. The planned easing of some restrictions in England from Saturday will not apply to Leicester. The government will review whether it can lift these measures in two weeks time.
- The ability of local leaders to manage new outbreaks is being hampered by gaps in the reporting of data for cities and regions. The government publishes UK-wide figures for COVID-19 cases every day, which includes tests from hospitals and from commercial labs. However, at a subnational level, the total of new daily cases only contain hospital tests. This gap in subnational and regional data has been cited by local political leaders in Leicester as one reason for a delay in locking down the city earlier.
- Going forward, improvements in these processes will be vital in ensuring that the inevitable future local lockdowns are successful, and that they are implemented as early as possible to minimise spikes of infection.

Leicester's new outbreak is visible only in **pillar 2 data**, which the government does not make public

Daily confirmed Covid-19 cases in Leicester, by testing pillar

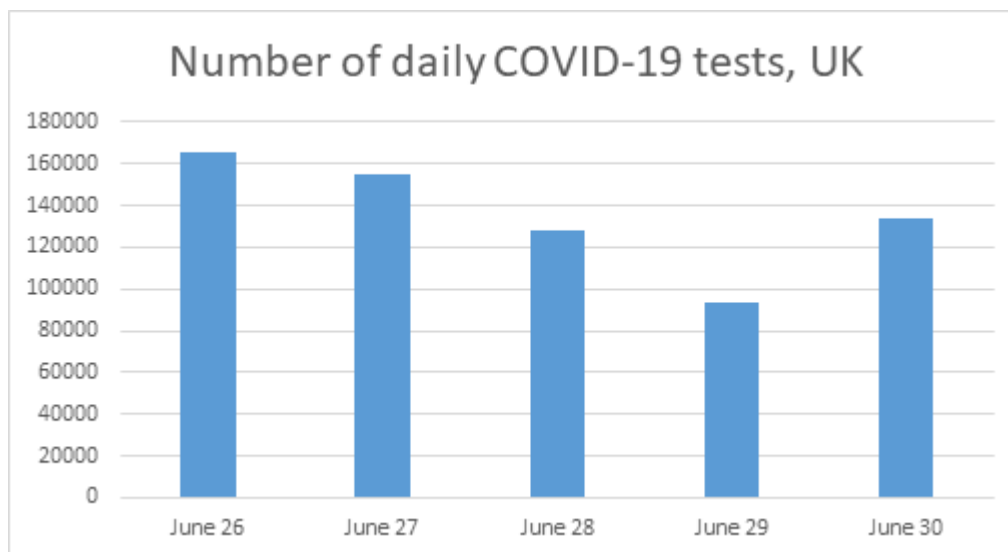


Treatment Update

Remdesivir price revealed

- For private insurance plans, Gilead has set a list price of \$520 per vial of Remdesivir. The cost for a five-day treatment course using six vials, which most patients are expected to receive, would add up to \$3,120.
- For governments (of developed countries), the price will be lower, at \$390 per vial or \$2,340 per course.
- In developing countries, generic Remdesivir is available from local drugmakers such as Hetero Labs, Cipla and Beximco (AIM: BXP), with costs around \$390 - \$780 per treatment
- In an update last week, the Institute for Clinical and Economic Review (ICER) found that Remdesivir would be cost-effective at around \$4,580 to \$5,080 per patient.
- However, if preliminary data for low-cost dexamethasone are confirmed in a peer-reviewed paper, ICER said Remdesivir's cost should be cut to around \$2,520 - \$2,800.
- ICER has suggested that doctors are viewing dexamethasone as the standard of care for COVID-19, with Remdesivir merely an "adjunct" to it.
- Yesterday it was reported that the US has bought up nearly all global stocks of Remdesivir for the next three months.

Testing Update



source: Department of Health and Social Care, finnCap

Remdesivir price revealed

- On 30 June, Yourgene (AIM: YGEN) launched its Clarigene SARS-CoV-2 test for research use only.
- The test is a PCR-based antigen test, with a turnaround time of 80 minutes, following RNA extraction and setup.
- Preliminary data has shown the test to have 100% specificity (although sensitivity figures have not been disclosed).
- A CE marked test is on track for release for the end of July 2020.
- Yourgene already has over 300 laboratory customers and a growing global network of distribution channels in place through which to drive sales of the tests once approved, targeting a pipeline of opportunities.

Omega Diagnostics*: COVID-19 Antibody Test Design Freeze

- On 29 June it was announced that Abingdon Health, lead partner of the UK-Rapid Test Consortium (UK-RTC) had attained design freeze for the COVID-19 Rapid Test. Manufacturing protocols will now be transferred to Omega Diagnostics (AIM: ODX) to undertake its own validation work to show equivalent performance and demonstrate that the test can be manufactured at scale.
- An evaluation of pilot batch products showed a test sensitivity of 100% and specificity of 98.4%
- Omega intends to produce 100,000 tests per week, scaling up to 200,000 tests per week by the end of September. Whilst we do not know the price that Omega will receive per test, we have assumed c.£1.50 per foil wrapped device, with a gross margin of c.50%. This would imply peak revenues of c.£0.3m per week

Avacta*: Point-of-care Antigen Test Update

- On 24th June Avacta (AIM: AVCT) provided a positive update on progress of its SARS-CoV-2 antigen test confirming that Cytiva has produced the first point-of-care strip tests using its Affimers and generated initial data that shows they can detect the spike protein (antigen target) in model samples at concentrations within the clinical range found in saliva of patients with COVID-19.
- With work still to be done to optimise the test, validate the final product and secure regulatory clearances, this programme remains on track for a summer launch.
- If Avacta is able to successfully develop a test(s) in that time frame given the increasing acceptance of potential second waves of infection in global markets and the virus remaining in the community into 2021 and beyond, the valuation upside is considered substantial.

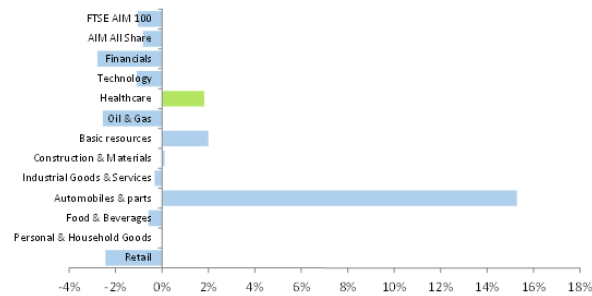
Track and Trace Update

- The following figure provides a breakdown on UK contact tracing from 25 May – 17 June.
- It is from Anthony Costello, a former WHO director, and member of Independent Sage.
- Costello is very critical of the test and trace system and describes it as “failing”, with most contact traced by public health rather than call centres, and no data on isolation.

How did NHS Test, Trace & Isolate do from 25 May – 17 June?

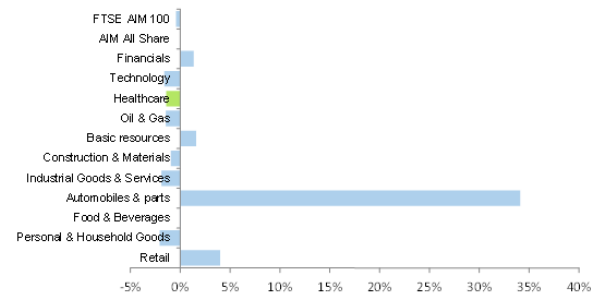


FTSE AIM all share sector performance (1 week)



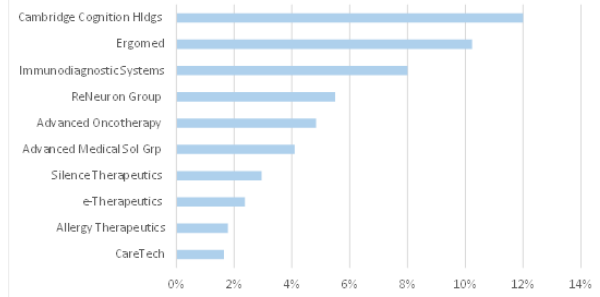
Source: FactSet

FTSE AIM all share sector performance (1 month)



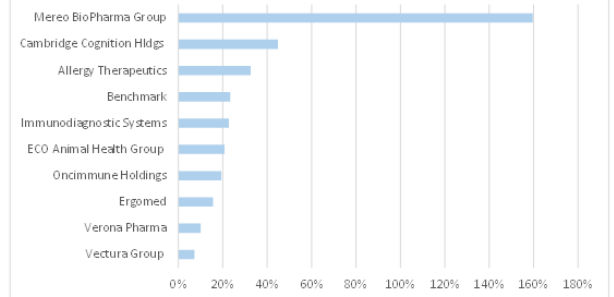
Source: FactSet

finnLife 50 - Top ten price performers (past week)



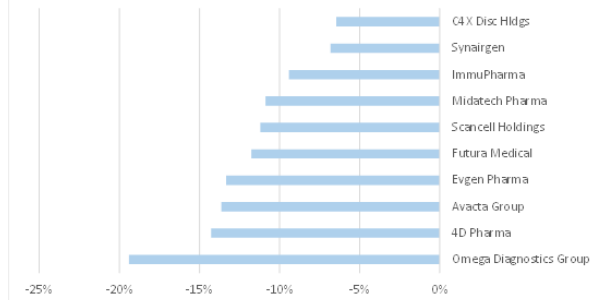
Source: FactSet

finnLife 50 - Top ten price performers (past month)



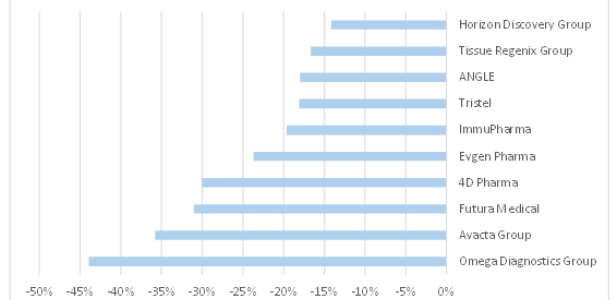
Source: FactSet

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
Omega Diagnostics*	02-Jul	COVID-19 update – ELISA test approved in India	Morning Note
Cambridge Cognition*	30-Jun	Trading update	Morning Note
Omega Diagnostics*	29-Jun	COVID-19 antibody test design freeze	Morning Note
ANGLE*	25-Jun	Prelims – back in the saddle post-COVID disruption	Company Note
Avacta*	24-Jun	SARS-CoV-2 point-of care antigen test – update	Morning Note
Allergy Therapeutics*	24-Jun	Profit upgrade	Morning Note
Open Orphan*	24-Jun	FY 2019 results	Company Note
ANGLE*	22-Jun	Lockdown easing – analytical and clinical work re-starts	Morning Note
Omega Diagnostics*	22-Jun	£8m fundraise with Open Offer of up to £3m	Company Note

Synaigen*	18-Jun	COVID-19 home setting trial amendments	Morning Note
Avacta*	18-Jun	Potential COVID-19 therapeutic – progress	Morning Note

Upcoming roadshows and events

Company Name	Ticker	Event Type	Time of Meeting	Date(s) - 1:1's & Group meetings available
SDI Group PLC	SDI	Preliminary Results Roadshow Group Conference Call	11.30-12.25	22-Jul

An archive of previous Health Matters can be found [here](#).

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