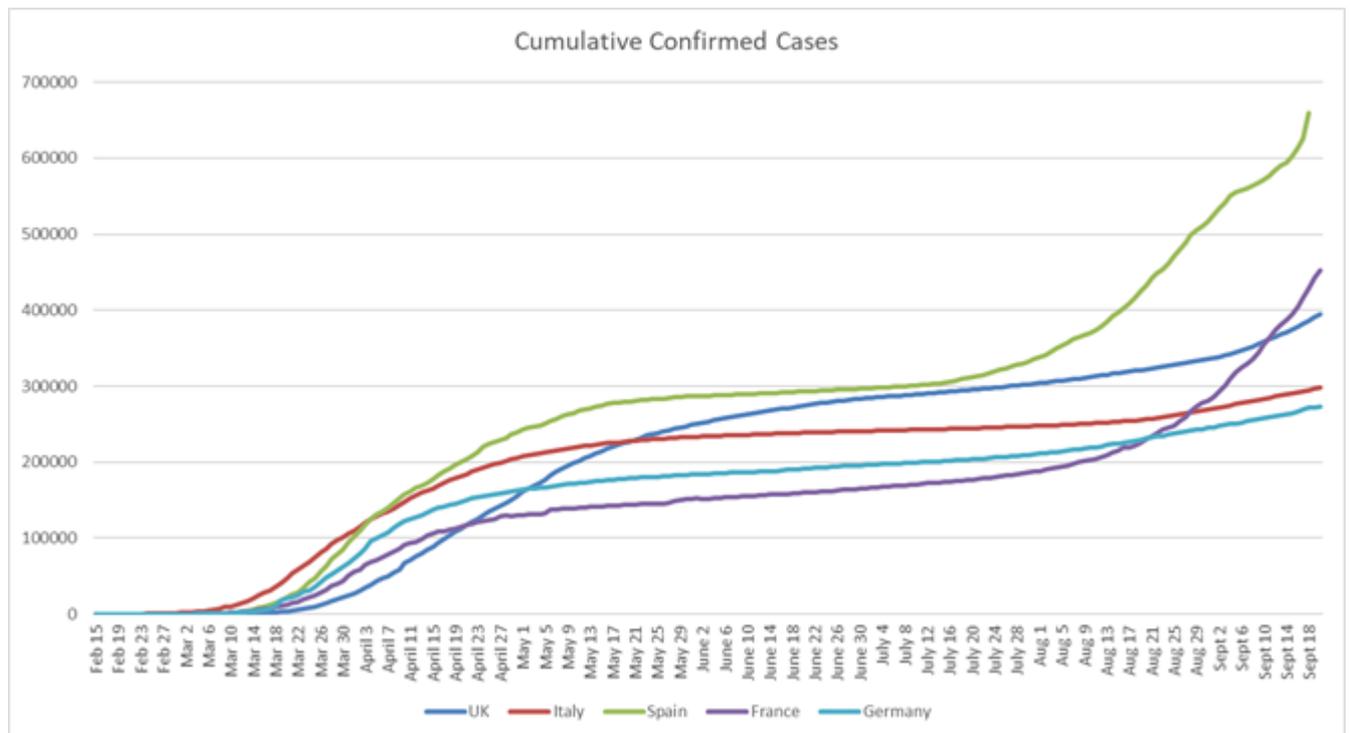
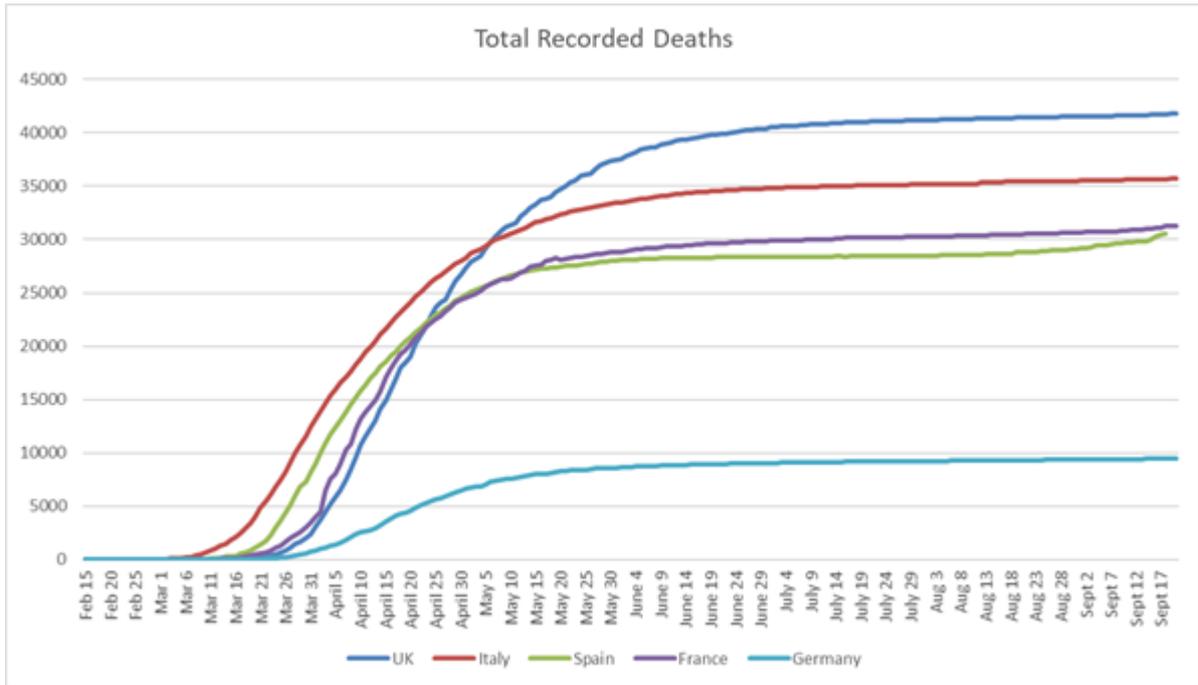


Weekly thoughts on the healthcare sector from finnCap's life sciences analysts: Mark Brewer and Arshad Ahad

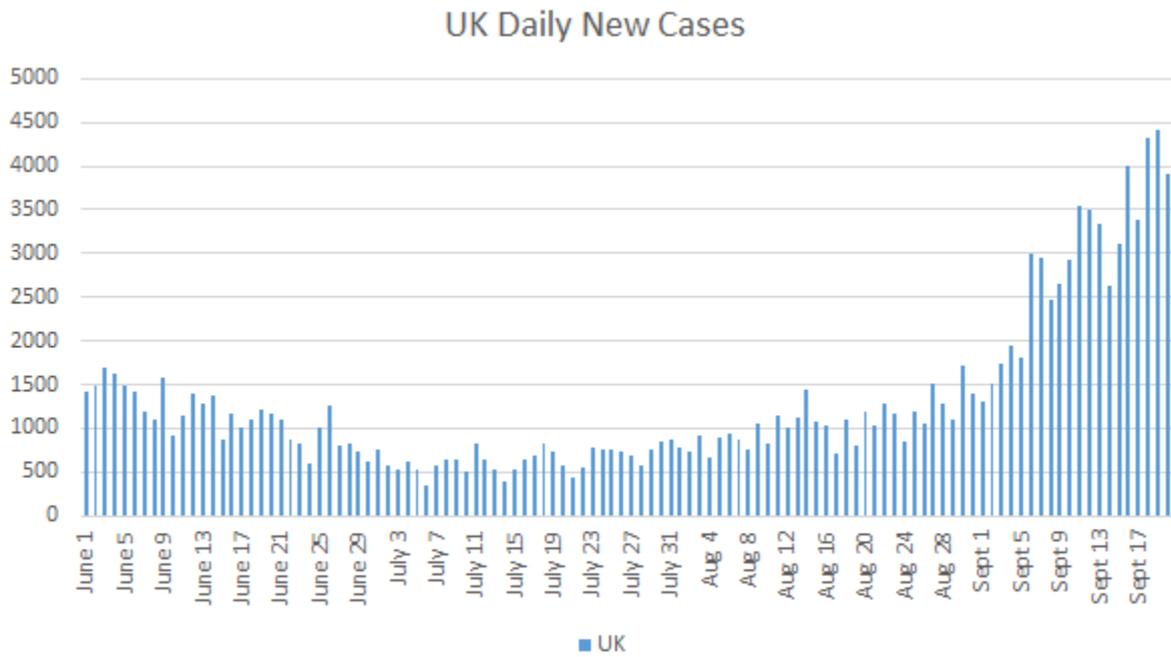
Market	Last	-1D	-1M	-3M	-12M	YTD	Health	Last	-1D	-1M	-3M	-12M	YTD
MSCI World Index	1,788	0.0%	-1.0%	5.6%	5.8%	-0.7%	MSCI World Pharma/Biotech	222	0.0%	0.0%	0.5%	15.2%	3.8%
FTSE All Share	3,290	0.0%	0.1%	-3.7%	-17.0%	-20.0%	FTSE All Share Health	12,855	0.0%	1.7%	-1.1%	4.8%	-0.1%
AIM All Share	964	0.0%	1.7%	9.3%	9.8%	1.6%	AIM Health	11,656	0.0%	0.4%	10.5%	19.5%	12.4%
AIM 100	4,891	0.0%	1.8%	8.4%	9.4%	0.5%							

- The following figure visualises the significantly increased rate of COVID-19 transmission within the EU5.
- Spain and France are worst affected. France had been the EU5 country with the lowest number of COVID-19 cases, but has risen to become the second worst affected country, as a result of exponential growth from August onwards.
- Thankfully, the death rates in the EU5 have remained relatively stable, despite the large increase in cases, although Spain had a large uptick in daily deaths between September 15-18. Tough new restrictions are coming into force in parts of Madrid, with more than 800,000 residents ordered to stay at home.
- Sources for the following graphs: Worldometer, finnCap.

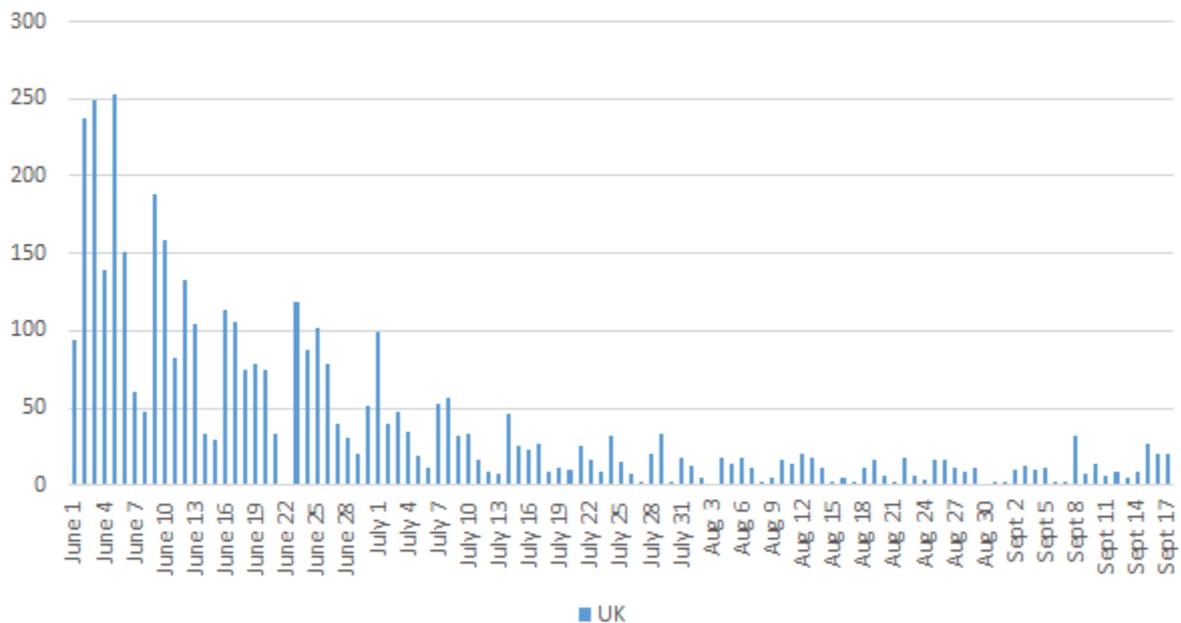




UK at 'critical point'



UK Daily New Deaths



- The Chief Medical Officer for England, Chris Whitty and UK Chief Scientific Adviser, Sir Patrick Vallance, will make a televised address to the public today, warning that a “critical point has been reached”.
- The Prime Minister is considering imposing nationwide curbs to contain the exponential trajectory of cases. On September 18, new restrictions came into place in the North East, affecting almost 2m people – which include restricted opening times for pubs and restaurants and limits on house-hold mixing. Elsewhere, In Lancashire, Merseyside and parts of the Midlands and West Yorkshire, there are new rules banning separate household from meeting each at other at home or in private gardens.
- London could become the latest area to be subject to regional restrictions, with the mayor, Sadiq Khan, to meet council leaders today, stating “The situation is clearly worsening ... it is better for both health and business to move too early than too late.” He believes the capital city may be just "two or three days" behind the hotspots of the North West and North East of England.
- A series of hospitals will be designated as coronavirus-free zones during the second wave of the outbreak, in a significant policy shift designed to ensure the NHS continues treatment for cancer and other conditions. The NHS is determined not to repeat the widespread suspension of normal service that occurred during the first wave, which lead to more deaths and created a backlog of treatments.

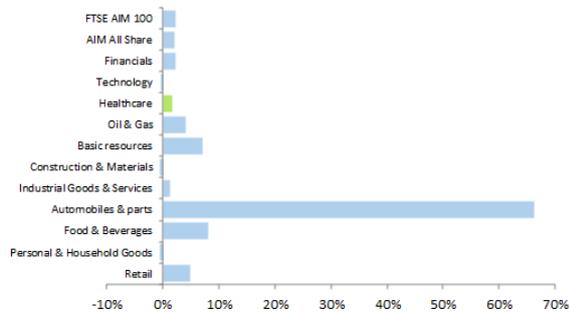
Treatment updates

- The safety scare that triggered the clinical hold of the University of Oxford/AstraZeneca vaccine is considered “unlikely” to be related to the vaccine. Trials have resumed in the UK, Brazil, South Africa and India, while the US study remains on pause. The trial of this vaccine has been paused twice, after two participants, both British women, developed transverse myelitis, an inflammation of the spinal cord that can cause paralysis. The first pause was in July, although was not publicly revealed as it was restarted after it was determined that the volunteer has multiple sclerosis – which can cause transverse myelitis. The second pause, followed the second suspected case in a volunteer, who has now recovered. Pausing trials is a routine action that happens whenever there is a potentially unexplained illness, in order to determine whether the illness is related to the vaccine. However, this incident does serve as a reminder of the importance of running large scale trials prior to approving any vaccine – a process that has not been respected by Russia in light of its Sputnik V vaccine, or by President Trump’s in his politicisation of the vaccine and intentions to approve a vaccine in time for the presidential election in November.
- Moderna said it will consider applying for an FDA emergency use authorisation for its vaccine in high risk groups, if interim phase 3 data shows the vaccine is at least 70% effective. An independent safety review board is set to review Moderna’s data as soon as a total of 53 subjects in the trial are infected with COVID-19. Moderna expects this review to take place in November, but it could happen as early as October. The FDA has stated its minimum threshold for approval is a vaccine with 50% effectiveness.
- Pfizer has reported a ‘mostly mild to moderate’ safety profile for its COVID-19 vaccine, in partnership with BioNTech. In Phase 3 data through to August 27, trial participants who received the first dose experienced mostly fatigue and headache, with other cases of muscle pain, diarrhoea, chills and joint pain reported. Pfizer and BioNTech are planning to deliver 100m doses 2020 and 1.3bn in 2021.
- However, vaccine scepticism is rising around the world. In the US, a survey taken last week found that only 27% of respondents would get a vaccine as soon as it is ready, down 6 percentage points from a month ago. 32% of those polled had “significantly reduced” confidence in a vaccine after news of the trial pause of the Oxford/AZ vaccine.
- Russia, the first country to license a novel coronavirus vaccine, will supply 100m doses of its Sputnik V vaccine to Dr. Reddy’s Laboratories in India, where the drugmaker plans to run a phase 3 trial. The deal comes after the Russian Direct Investment Fund (RDIF) reached agreements with Indian manufacturers to produce 300m doses of the vaccine in India. Phase 3 trials, involving at least 40,000 people, were launched in Russia on Aug. 26 but have yet to be completed.

- Clinical trial suspensions triggered by COVID-19 peaked in early June, and have risen again after an initial drop, with over 28,000 sites currently on pause. The hardest hit are phase 2 and 3 trials.

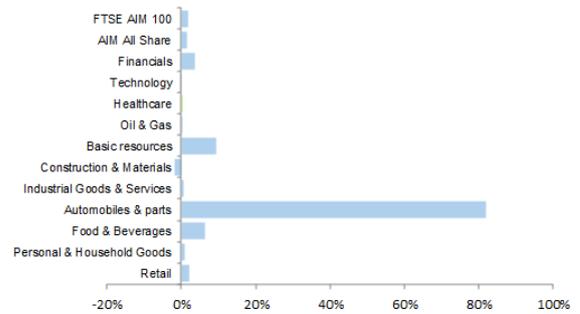
Overall, we are at the precipice of a second wave of the virus in Europe and around the world, after having experienced some months of recovery. It remains to be seen whether the lessons we learnt during the first wave will be enough to contain the second wave, or at least to manage it better than last time. This pandemic is a once-in-a-generation opportunity for the pharma industry to repair its reputation and demonstrate its value to the world, however, ultimately this will depend on how the next few months play out. This is especially true in respect to the various data read-outs for vaccine candidates, after which their will need to be considerations for approval, access to the vaccine and pricing, which are contentious issues and may undo the high goodwill the industry is now experiencing.

FTSE AIM all share sector performance (1 week)



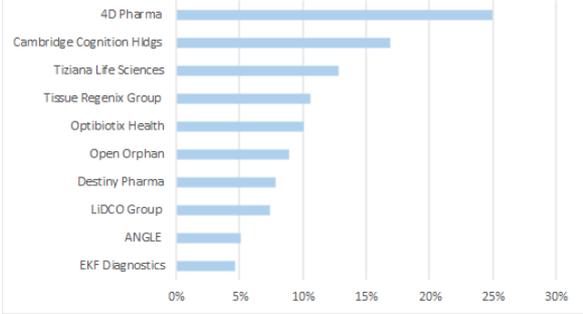
Source: FactSet

FTSE AIM all share sector performance (1 month)



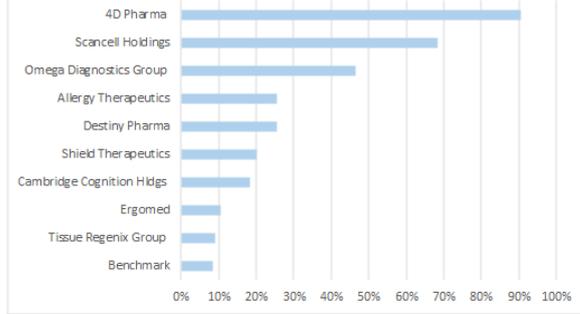
Source: FactSet

finnLife 50 - Top ten price performers (past week)



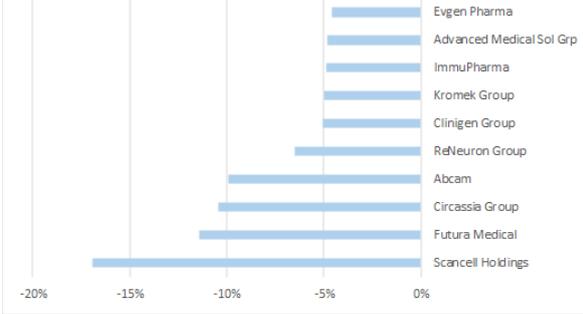
Source: FactSet

finnLife 50 - Top ten price performers (past month)



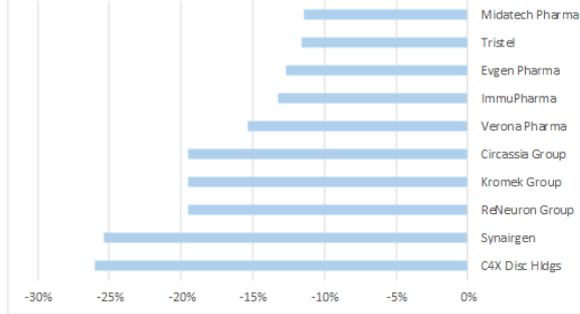
Source: FactSet

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
Destiny Pharma*	17-Sep	Interims – on track for Q1 2021 Phase 2b readout
Shield Therapeutics*	16-Sep	Interims in line, awaiting US partner
Evgen Pharma*	15-Sep	\$10.5m Licence Agreement with Juvenescence Ltd
Synairgen*	08-Sep	Phase II COPD data supportive of COVID-19 outcomes
Avacta*	07-Sep	SARS-CoV-2 ELISA laboratory test to be launched
Byotrol*	07-Sep	Innovate UK grant award
Destiny Pharma*	07-Sep	Co-development collaboration and Innovate UK grant
Omega Diagnostics*	07-Sep	Rapid antibody test – 2,000 volunteer study completed

Upcoming roadshows and events

Company Name	Ticker	Event Type	Roadshow/Event Date
<u>Cambridge Cognition</u>	<u>COG</u>	<u>Interim Results</u>	22-24 September
Avacta	AVCT	Interim Results	22-24 September
<u>Byotrol</u>	<u>BYOT</u>	<u>Interim Results</u>	24 and 28 September
InnovaDerma	IDP	Interim Results	30 September and 1 October
<u>Tristel</u>	<u>TSTL</u>	<u>Preliminary Results</u>	19-21 October
Bioventix plc	BVXP	Full year results	19-21 October
<u>Angle</u>	<u>AGL</u>	<u>Interim Results</u>	29 October

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

[Download our latest Q3 Quarterly Report, on the theme of Cell and Gene Therapy here.](#)

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performance relative to this index of +/-10%, a 'Buy' indicates expected outperformance >10% and a 'Sell' indicates expected underperformance of >10%.

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