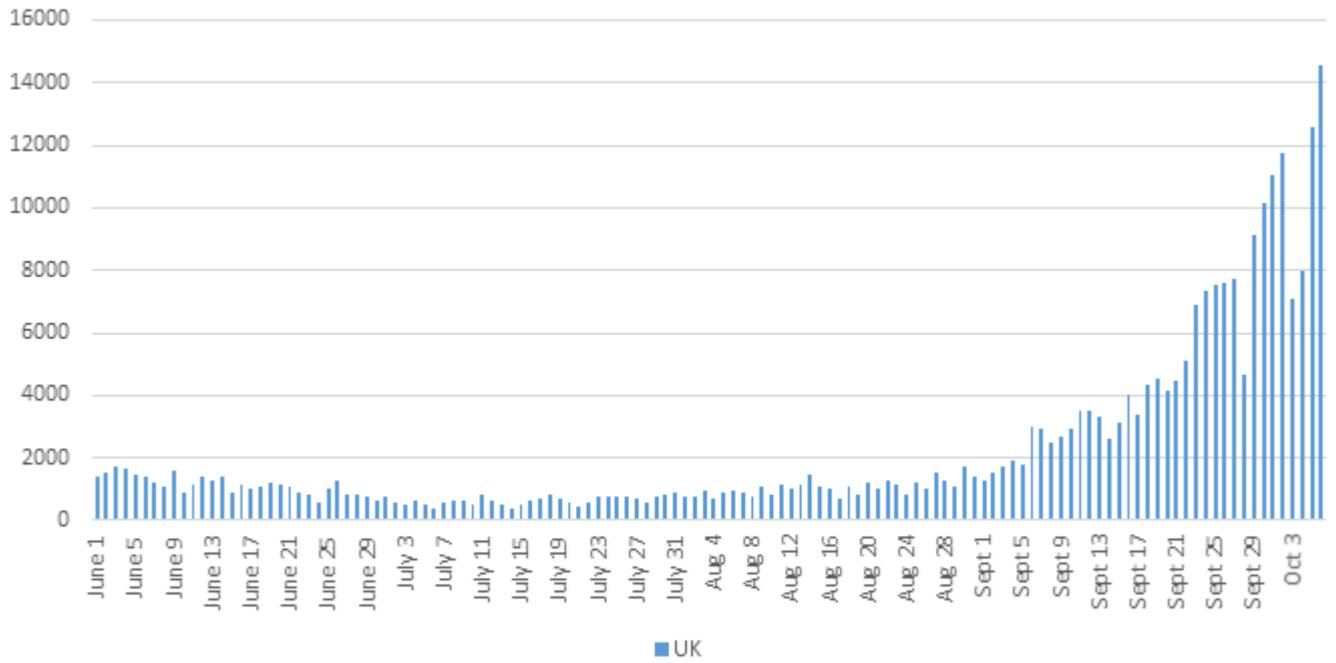


**Weekly thoughts on the healthcare sector from finnCap's life sciences analysts: Mark Brewer and Arshad Ahad**

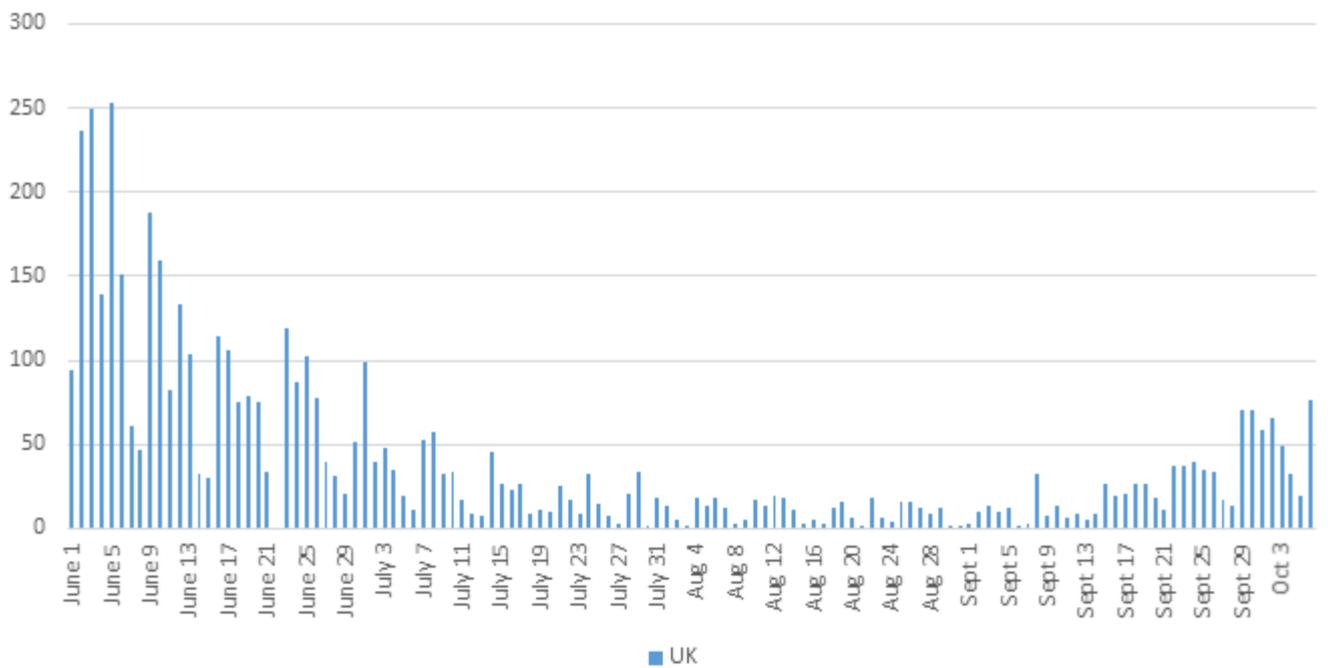
Market	Last	-1D	-1M	-3M	-12M	YTD	Health	Last	-1D	-1M	-3M	-12M	YTD
MSCI World Index	1,826	1.2%	0.3%	6.4%	10.3%	1.4%	MSCI World Pharma/Biotech	218	0.7%	0.3%	-1.3%	15.1%	2.1%
FTSE All Share	3,337	0.0%	0.3%	-2.7%	-15.5%	-20.5%	FTSE All Share Health	12,163	-0.5%	-1.7%	-5.6%	-0.8%	-5.5%
AIM All Share	974	0.1%	1.6%	10.3%	12.8%	1.6%	AIM Health	11,400	-0.8%	0.0%	4.6%	23.3%	9.9%
AIM 100	4,973	0.2%	2.2%	10.6%	13.1%	0.9%							

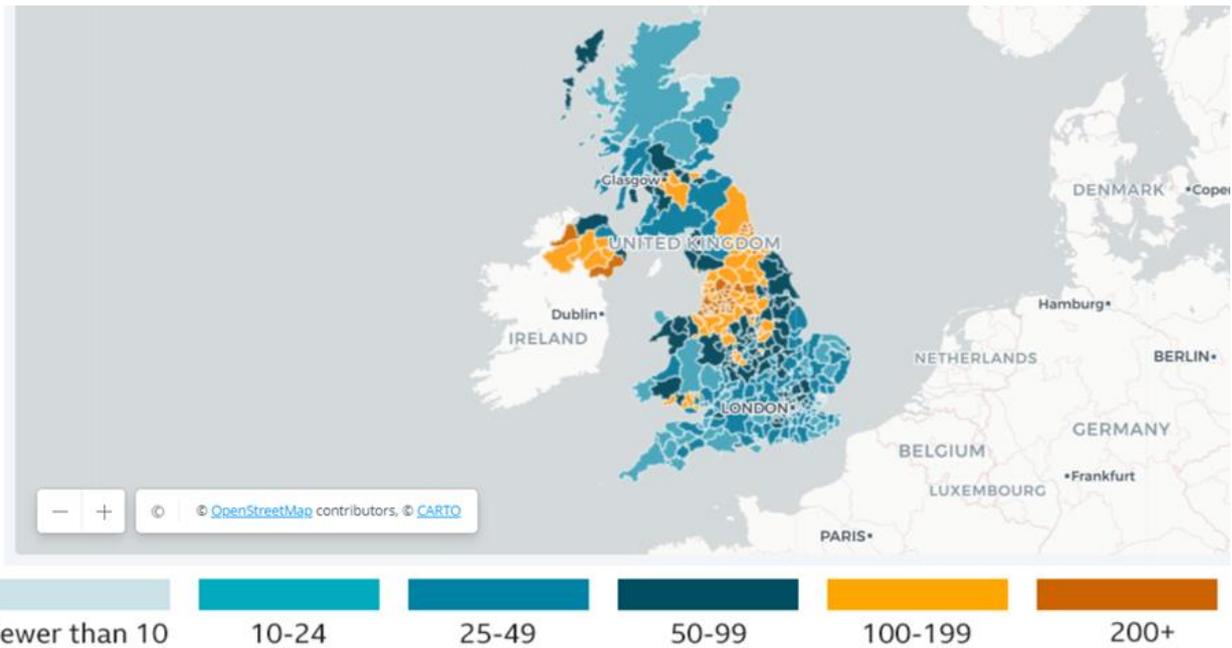
- On 5 October, it was reported that c.16,000 cases of COVID-19 in the UK had gone unreported between 25 September – 2 October due to an IT error (incorrect usage of Microsoft Excel by Public Health England).
- This error comes during a critical period of the second-wave, and it provided an artificially low infection number for the period, and more importantly, delayed the track and trace process for those missed cases. It meant that there was a delay in tracking and tracing up to 48,000 contacts of those infected.
- The graph below distributes the backlogged cases over the historical time series, based on the information provided by the government. The number of daily cases are unprecedented for the UK, and are increasing each day (Source: Worldometer).
- The average daily deaths in October is 50, compared to 11 for the first half of September.
- Manchester and surrounding areas have the highest rate of infections in England (496 cases per 100,000 people).

### UK Daily New Cases

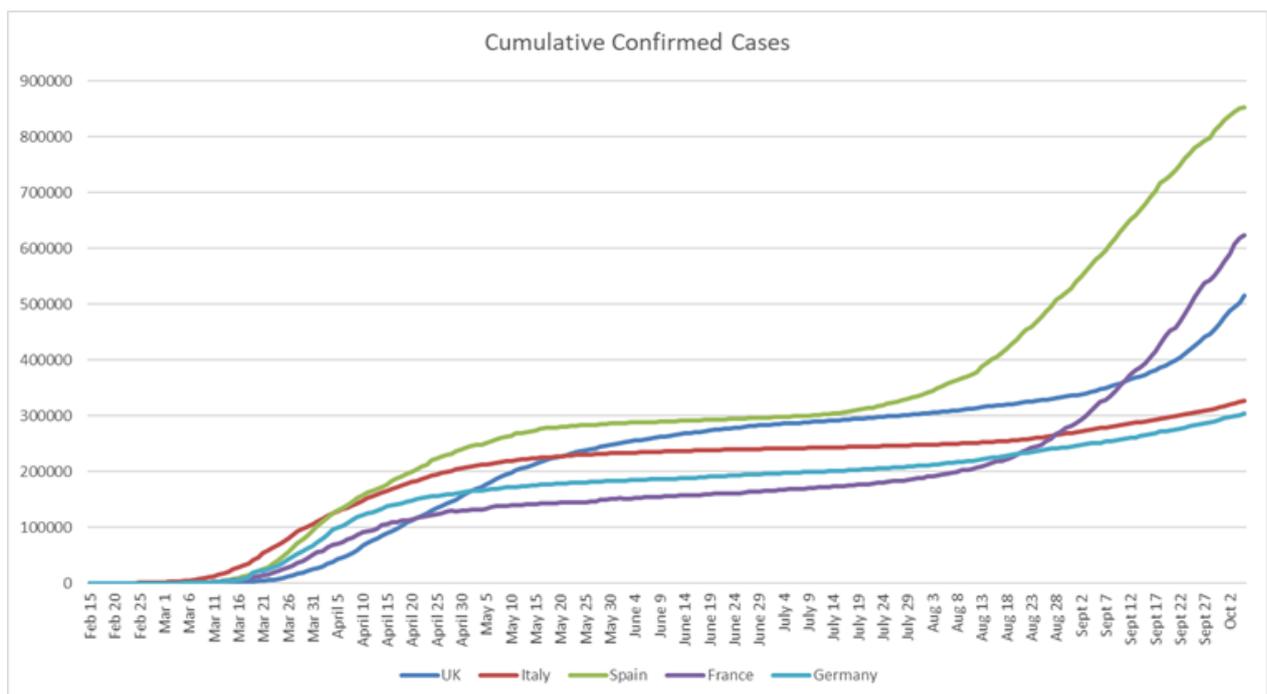


### UK Daily New Deaths





Source: BBC



## Vaccine, Treatment and Testing Update

### EMA begins second 'rolling review' of COVID-19 vaccine

- On 1 October, the EMA began its first 'rolling review' of a COVID-19 vaccine – Oxford University and AstraZeneca's vaccine candidate. The EMA is evaluating the first batch of data on the vaccine (which has come from lab studies, rather than clinical data).

- The aim of a rolling review is to speed up the approval process. Traditionally, all data on a medicine's effectiveness are required to be submitted together at the start of evaluation.
- On October 6, the EMA began its second rolling review, and began to evaluate Pfizer and BioNTech's vaccine candidate.
- The first rollout of a vaccine could be as close as three months away. The head of the coronavirus vaccine task force has confirmed that the vaccine will be for those over 50, the vulnerable, health workers and care home workers. The government is aiming to vaccinate about 30m out of the total 67m UK population.
- It is likely that, at least in the medium-term, a COVID-19 vaccine will not completely prevent transmission of the disease, but will limit it. Thus, COVID-19 tests and treatments will still be required, and the introduction or roll-out of a vaccine will not be the 'end' of this crisis.

### **Omega Diagnostics\*: UK-RTC order for 1m COVID-19 antibody tests**

- The UK Rapid Test Consortium (UK-RTC), of which Omega Diagnostics\* (AIM: ODX) is a partner and supplier, has received its first order for 1m COVID-19 rapid antibody tests from the UK government.
- The tests will 1.) help the government build a heat-map of how the virus has spread across the country, 2.) help establish the effectiveness of any future vaccine (which provides protection by creating new antibodies).
- Omega expects to manufacture c.175,000 of these first 1m tests but over the term of the supply agreement, Omega will manufacture no less than 25% of the demand from total orders placed. Omega plans to be able to produce up to 200,000 tests per week by early November
- The home antibody self-test is expected in the near term. It requires pre-approval from the MHRA and an extensive validation study performed by Ulster University involving over 1,000 participant blood samples, which is currently under peer review for publication.
- Although pricing is yet to be disclosed, we estimate Omega will receive c.£1.50 per foil wrapped device, with a gross margin of c.50%; implying peak revenues of c.£0.3m per week (ie. up to c.£5.7m additional revenues in FY 2021).

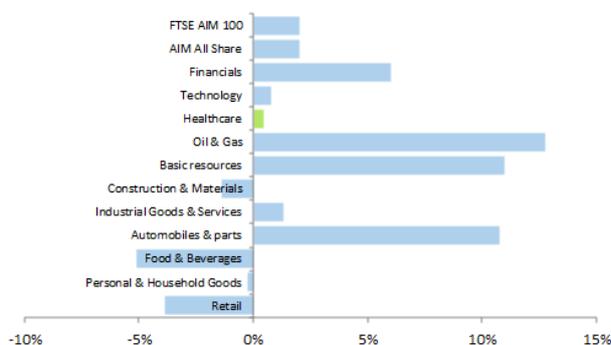
### **GSK and Vir Biotechnology: launch of global Phase 3 for anti-COVID-19 monoclonal antibody**

- On 6 October, GSK and Vir Biotechnology launched a global Phase 3 study of their monoclonal antibody, VIR-7831 for early treatment of COVID-19 patients at high risk of hospitalisation.
- The Phase 3 follows a positive assessment of Phase 2 data by an Independent Data Review Board.
- The Phase 3 trial will target 1,300 non-hospitalised patients, and measure progression to hospitalisation or death.
- A full data read-out is expected in January 2021, although initial results could be ready by year end.
- VIR-7832 is a monoclonal antibody that has shown the ability to neutralize SARS-CoV-2 live virus. The antibody binds to an epitope on SARS-CoV-2 that is shared with

SARS-CoV-1 (also known as SARS), indicating that the epitope is highly conserved, which may make it more difficult for escape mutants to develop.

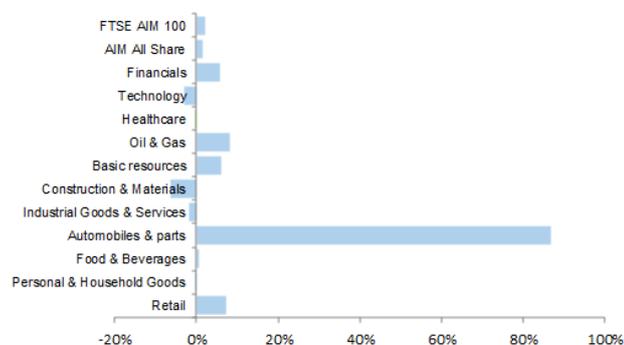
- A positive result from the Phase 3 would be significant because there are currently no drugs available to prevent patients from failing severely ill with the disease. Thus far, dexamethasone has been proven to have an effect on patients already on ventilators or with dangerously low oxygen levels, and Remdesivir has FDA emergency use approval to treat already hospitalised patients. On 7 October, Eli Lilly submitted a request for an emergency use authorisation for bamlanivimab (LY-CoV555) which is a neutralising IgG1 monoclonal antibody directed against the spike protein of SARS-CoV-2. Lilly has requested EUA in higher-risk patients who have been recently diagnosed with mild to moderate COVID-19.

**FTSE AIM all share sector performance (1 week)**



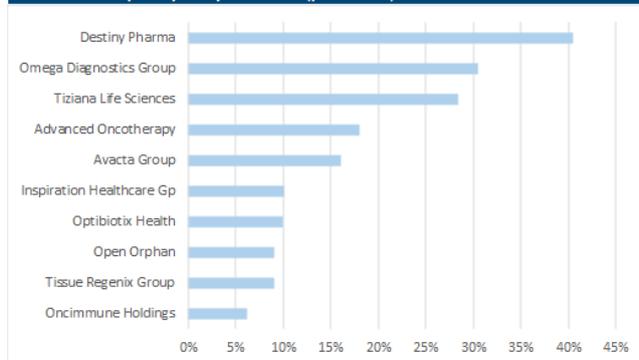
Source: FactSet

**FTSE AIM all share sector performance (1 month)**



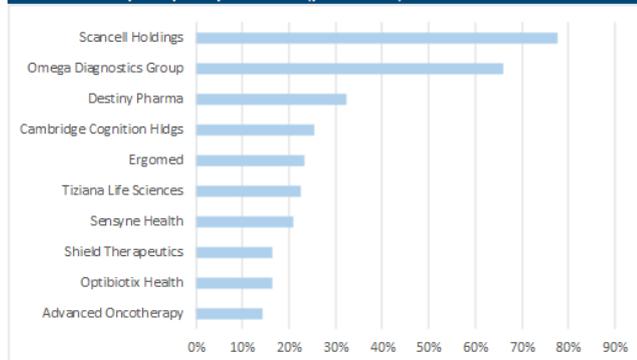
Source: FactSet

**finnLife 50 - Top ten price performers (past week)**



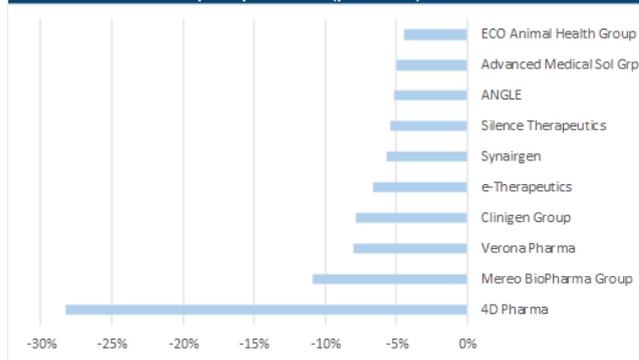
Source: FactSet

**finnLife 50 - Top ten price performers (past month)**



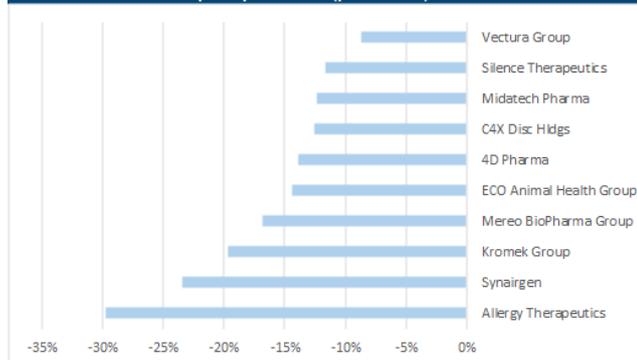
Source: FactSet

**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
Cambridge Cognition*	07-Oct	£0.75m contract win adds to FY 2021 visibility
Omega Diagnostics*	07-Oct	UK-RTC order for 1m COVID-19 rapid antibody tests
InnovaDerma*	30-Sep	FY 2020 finals – growth drivers beyond COVID
Open Orphan*	30-Sep	H1 2020 – Laying the foundations for transformation
Synaigen*	29-Sep	Interims and fuller Phase II data analysis
ANGLE*	28-Sep	FDA submission – a significant valuation milestone
Avacta*	28-Sep	Interim results – new forecast, new target price
Open Orphan*	28-Sep	£4.3m contract win with top ten vaccine company
Byotrol*	28-Sep	FY 2020 results – positive outlook drives upgrades
Allergy Therapeutics	28-Sep	FY 2020 – record pre-R&D EBIT
ANGLE*	23-Sep	Peer reviewed publication, using Parsortix in MBC
Cambridge Cognition*	22-Sep	Strong interims with 57% 2021 revenue visibility
Destiny Pharma*	17-Sep	Interims – on track for Q1 2021 Phase 2b readout

## Upcoming roadshows and events

Company Name	Ticker	Event Type	Roadshow/Event Date
<b>Tristel plc</b>	<b>TSTL</b>	<b>Preliminary Results Roadshow</b>	<b>19th &amp; 20th October – Conference Calls</b>
<b>Bioventix plc</b>	<b>BVXP</b>	<b>Preliminary Results Roadshow</b>	<b>19th – Group Conference Call at 12pm 20th &amp; 21st October – Conference Calls</b>

[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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