



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	2,047	0.1%	4.0%	9.3%	12.4%	1.8%	MSCI World Pharma/Biotech	229	-0.7%	2.5%	3.2%	6.2%	2.5%
FTSE All Share	3,821	-0.6%	3.7%	13.1%	-9.3%	3.9%	FTSE All Share Health	11,440	-2.0%	-5.4%	-7.5%	-11.7%	1.4%
AIM All Share	1,181	0.0%	11.1%	18.7%	22.6%	1.9%	AIM Health	13,041	1.0%	15.0%	11.4%	24.9%	5.5%
AIM 100	5,979	-0.1%	10.5%	17.7%	21.4%	1.3%							

UK Vaccination Update

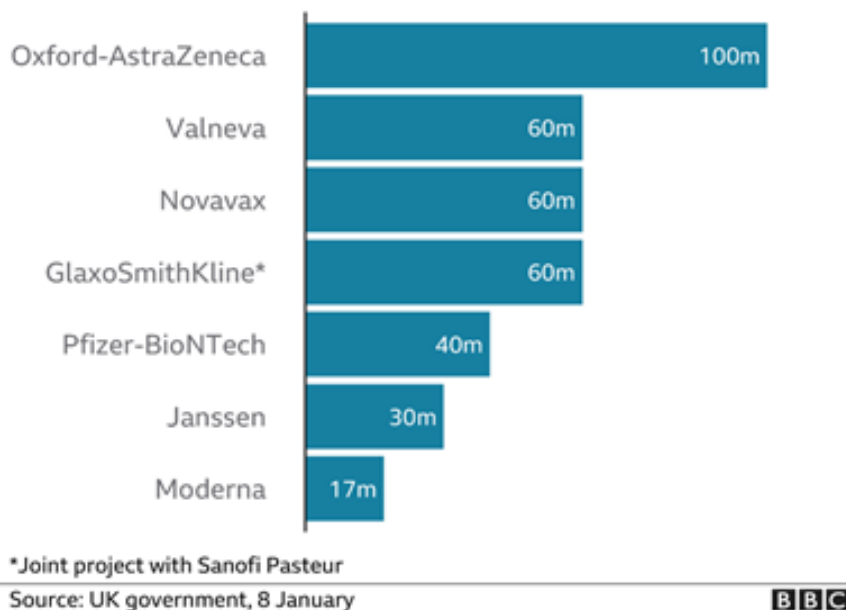
UK Vaccination Timeline	Groups
Jan to mid-Feb (~13.9m people)	Care home residents and workers People aged 80+ and Frontline health and social care workers Ages 75-79 Ages 70-74 and clinically extremely vulnerable people
End of Feb onwards (~24.8m people)	Ages 65-69 Ages 16-64 with underlying health conditions Ages 60-64 Ages 55-59 Ages 50-54
By autumn (~13.7m people)	All adults (>18 years) in UK who want to be vaccinated

Source: BBC, Office for National Statistics, finnCap

- Number of people who have received first dose: **2,431,648** (as of 11 January, since first vaccination on 8 December, i.e. c.0.5m doses per week).
- Number of people who have received second dose: **412,167**.
- One-third of the over-80s have already have already had their first jab.
- Matt Hancock said it is highly likely that people will be vaccinated against COVID-19 annually, as with the flu.
- If the government is to meet its target of giving at least the first dose to individuals, it needs to be vaccinating c.2m people per week by 24 January rising to c.3m per

week by mid-February. The issue is not just one of NHS logistics, but also depends on the ability of AstraZeneca and Pfizer/BioNTech to supply that number of doses per week (Moderna doses not due to arrive until spring). Evidence to date is not convincing!

How many millions of doses of vaccine has the UK ordered?



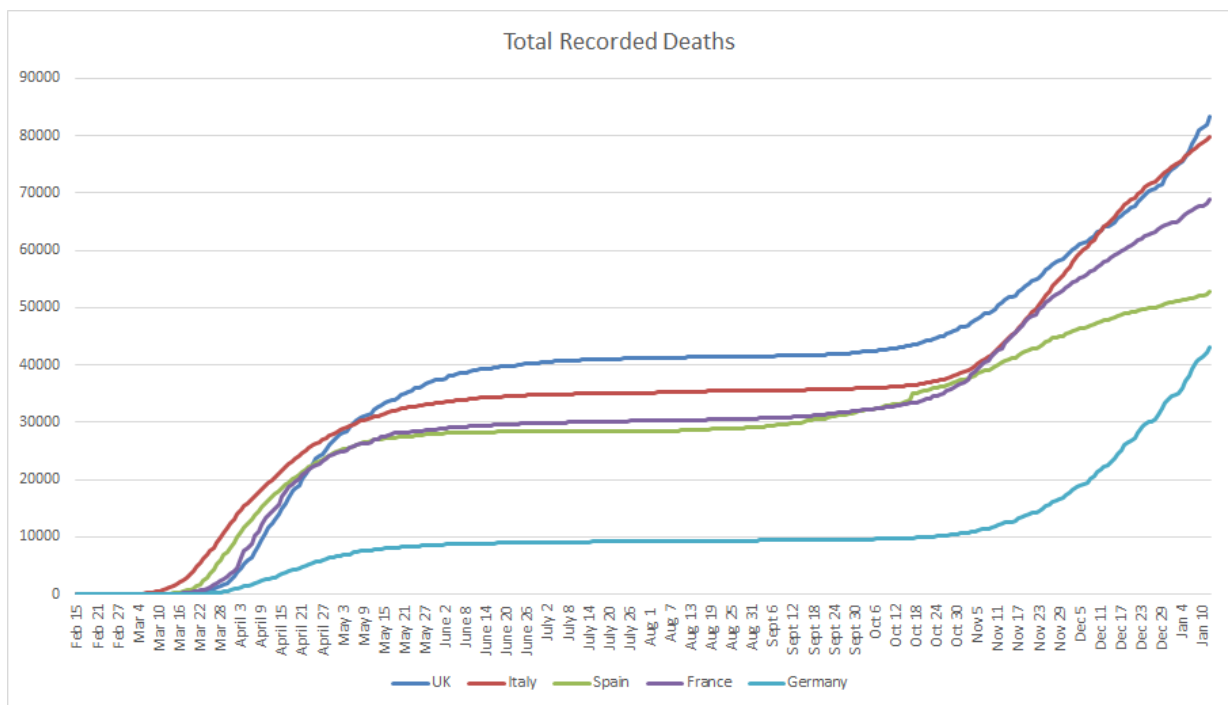
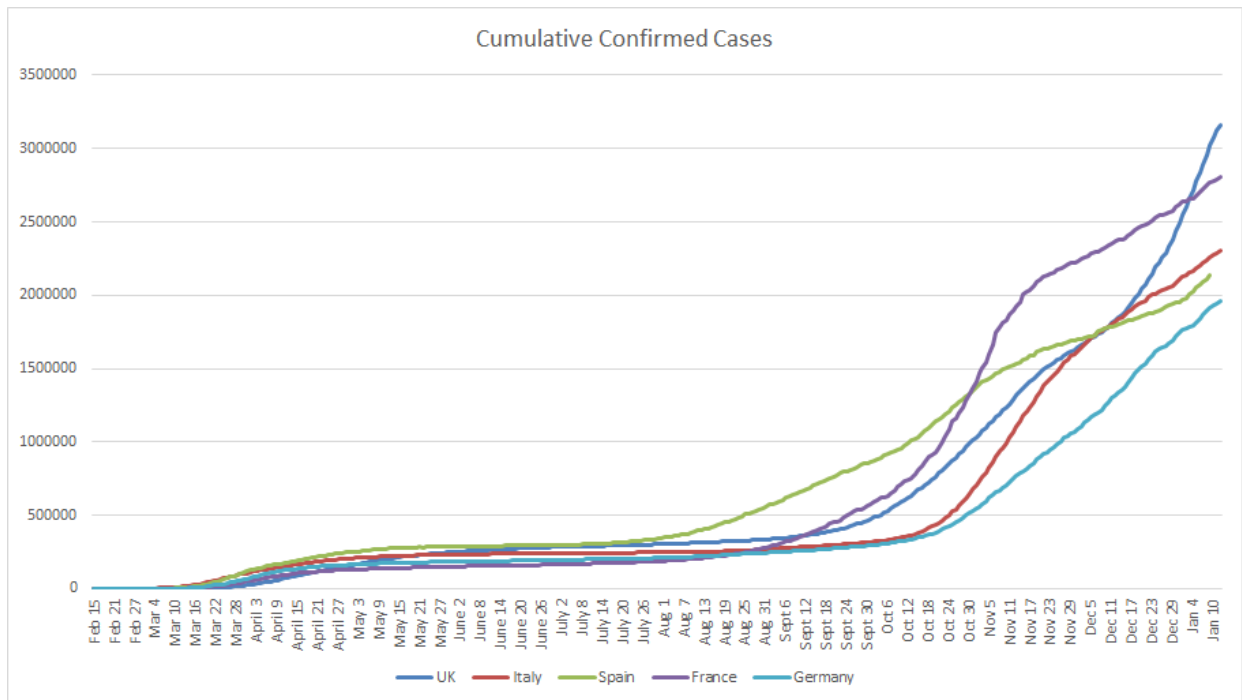
Approved vaccines:

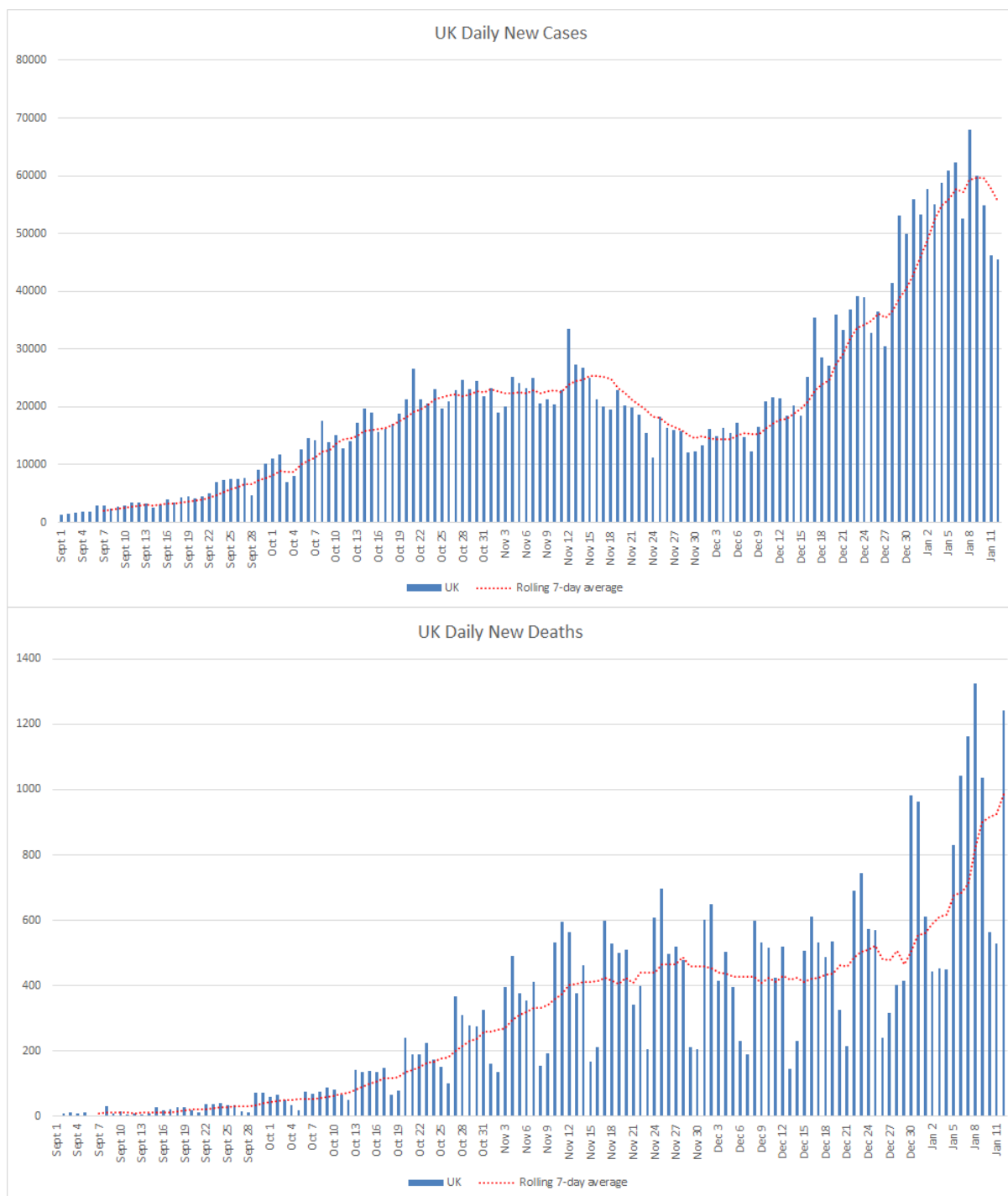
- Pfizer/BioNTech (-70c storage)
- Oxford/AstraZeneca (stored at regular fridge temperature)
- Moderna (-20c storage, doses will not be available in the UK until spring)

How many doses have arrived?

- Of the 100 million AstraZeneca/Oxford jabs ordered, only 530,000 were ready for nationwide rollout on 4 January. Although, the government has said this number will rise to "tens of millions" by the end of March.
- Pfizer says the number it has sent to the UK is now "in the millions".

Source for following graphs: Worldometer, finnCap





12 for 21

finncap's research team have chosen 12 investment ideas for the new year in the [12 for 21](#) ideas piece. Within life sciences, two companies we have chosen are:

Avacta: After a stellar 2020 performance in which much of the groundwork was prepared, and the balance sheet strengthened to execute on its identified plans, we expect Avacta to deliver on multiple fronts in 2021; launching SARS-CoV-2 antigen tests (lateral flow and BAMS assay), generating first-in-man safety and efficacy data for its first (of potentially

many) targeted chemotherapies, and licensing/partnership activity in both areas. A target price of 310p is based on a sum-of-the parts analysis with high/low scenarios of 796p and 211p, largely reflecting different assumptions for the commercialisation of rapid SARS-CoV-2 antigen tests. This target should rise with positive clinical data, increasing rNPV and building greater platform value.

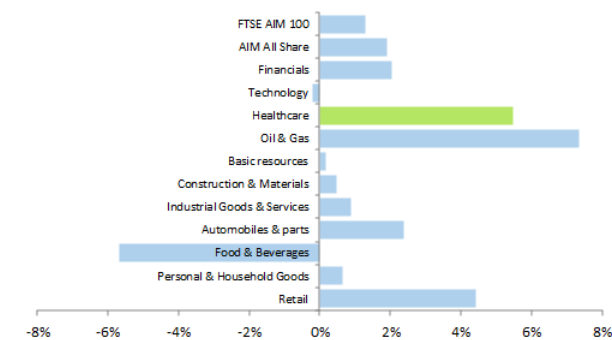
Open Orphan: Open Orphan is a pharmaceutical services company and CRO which is the world leader in the testing of vaccines and antivirals using human challenge trials. Having become profitable in Q4 2020, it is poised for a transformational year in 2021. ORPH has developed the world's only COVID-19 challenge model and the UK Government has reserved the first three slots to test vaccines using it, which could result in studies worth £8-10m each. Alongside this, ORPH has a world-leading portfolio of eight 'traditional' challenge models. With a strong forward order book, and a wide array of additional opportunities and non-core assets, there is significant room for upside to our target price of 28p.

AIM Healthcare Performance in 2020



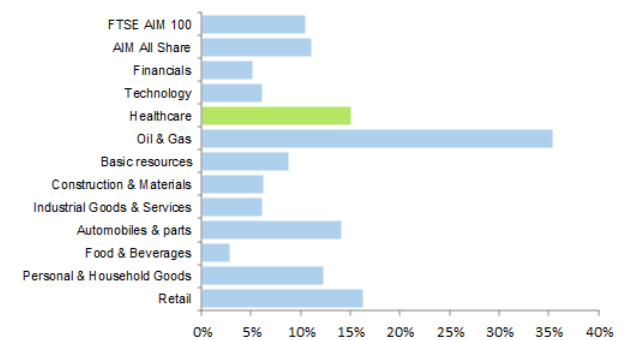
The AIM Healthcare index rose by 19% in 2020, boosted by COVID-19 testing stocks and significantly outperforming the larger-cap FT All Share Health and World Health indices, which declined by 12% and rose by 4%, respectively. 24 finnLife 50 stocks exhibited double-digit percentage increases in 2020, a further 10 exhibited triple-digit percentage increases, and one posted a quadruple-digit rise. These are Synairgen* (+2,520%), followed by Avacta* (+561%), Open Orphan* (+467%), e-Therapeutics (+465%), Omega Diagnostics* (+354%), Oncimmune(+327%), Ergomed (+168%), LiDCO (+140%), Cambridge Cognition* (+139%), Tiziana Life Sciences (+126%) and EKF Diagnostics(+109%).

FTSE AIM all share sector performance (1 week)



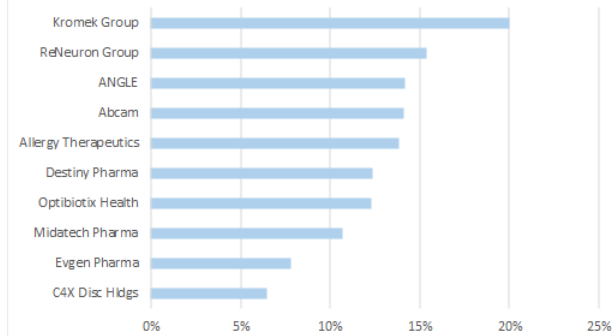
Source: FactSet

FTSE AIM all share sector performance (1 month)



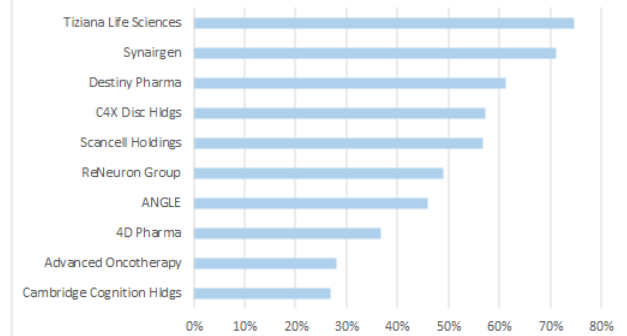
Source: FactSet

finnLife 50 - Top ten price performers (past week)



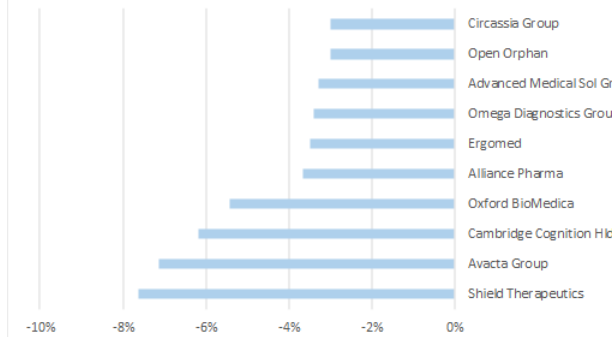
Source: FactSet

finnLife 50 - Top ten price performers (past month)



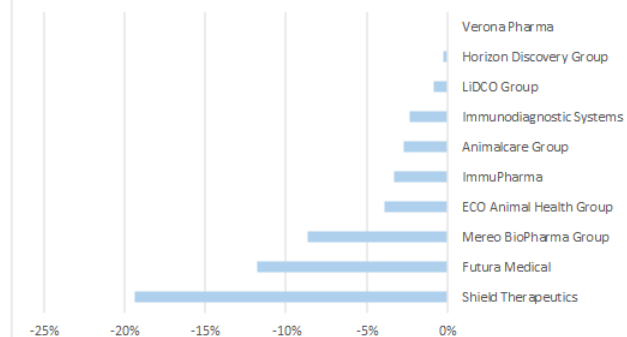
Source: FactSet

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
Allergy Therapeutics*	13-Jan	Positive 6-month trading update with strong cashflow
InnovaDerma*	11-Jan	6-month trading update
Open Orphan*	11-Jan	First volunteer dosed in Phase I COVID-19 vaccine trial
Avacta*	07-Jan	pre CISION™ licence with POINT Biopharma
Open Orphan*	06-Jan	Further contract renewal with top-3 pharma client
finnCap Sector Note	06-Jan	12 for 21
Allergy Therapeutics*	05-Jan	Peanut allergy vaccine update
Destiny Pharma*	05-Jan	XF-73 Phase 2b trial completes recruitment

Upcoming roadshows and events

<u>Company Name</u>	<u>Ticker</u>	<u>Event Type</u>	<u>Roadshow/Event Date</u>
Tristel plc	TSTL	Interim Results Roadshow	22nd & 23rd February – Conference Calls

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

[Download our latest Q4 2020 Quarterly Report, on the theme of COVID-19 Diagnostics here.](#)

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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%.

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