APRIL 2020

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ATLANTIC CAPITAL MARKETS

Companies Combatting Covid-19

8 Shares you need to know about

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As Coronavirus tightens its grip across the world the race is on for Vaccines and testing kits. Over the last couple of month's the usually more slightly obscure world of the biotech stocks is becoming far more mainstream. And as the disease continues to spread it's becoming rapidly apparent that there is room for more than one winner. The race is certainly on, as global need for testing kits and vaccines increases, but who's going to have the best ones out in the market and more importantly who's will be released the quickest!. Stocks in this area are undoubtedly going to get a lot of attention in the near term.

However, it is also worth highlighting that a lot of the stocks in the race are small and could easily fall to the wayside. Until the race is won, it is an open competition and some of them are set to benefit greatly from the race to find a vaccine and equally to get the best testing kits into the market to identify the infected quickly. The ability to test for the illness quickly and then get it treated is the number one concern for all governments across the globe. In this special report we highlight some of the stocks in the race and what they do.

The two main products

Test Kits- These kits are critical to the early detection of the Illness and in turn then help to stem the flow of the disease spreading and help to get to treat the patient sooner, thus increasing survival rates. These kits have a very real application need right here right now.

Vaccines – These are a particularly fickle area to be looking at, largely because the general expectation is that the Virus could burn out before a vaccine can get through all the testing stages and be rolled out in time. Looking at a firm purely hinged on a vaccine may well feel right here and now but the firm needs to have depth to its offering.

GenMark Diagnostics

MARKET :- NASDAQ

TICKER :- GNMK

In 1993, a novel technology was invented by a team that included Jon Faiz Kayyem, PhD at The California Institute of Technology (CalTech). This invention combined nucleic acids and microelectronics to produce an electronic sensor for DNA detection. His invention was based on electrical detection of nucleic acids on a cassette-based detection platform. In 2009, a collaboration between Dr. Kayyem and Christopher Gleeson began. The two redefined the company strategy, and brought in a new board of directors, executive leadership team, and commercial management. In 2010, the company known at that time as Osmetech, was named GenMark Diagnostics and listed on NASDAQ. Mr. Gleeson remained an integral part of GenMark's growth in the years that followed, serving as Chairman of the Board until his retirement in 2014. Dr. Kayyem currently serves as strategic advisor to GenMark management and Board.

GenMark's ePlex molecular diagnostics

GenMark's ePlex Respiratory Pathogen Panel detects and identifies the most common viral and bacterial organisms associated with upper respiratory infection. The clinical presentation of respiratory pathogens is very similar which does complicate proper diagnosis and appropriate therapy selection. The comprehensive design of the ePlex RP Panel may help improve patient care by identifying pathogens that are often missed by traditional methods. Accurately determining the cause of infection has been shown to reduce length of stay and time in isolation. This Kit actively targets several strains of the Coronavirus and there has been news recently that GenMark had shipped its first test kits designed to detect the SARS-CoV-2 novel coronavirus.

GenMark's ePlex molecular diagnostics platform is already achieving commercial success. The company recently reported that sales for ePlex in the fourth quarter jumped 59% year over year to $60.3mn, generating more than two-thirds of total revenue in the quarter.

Novacyt Group

MARKET :- LSE

TICKER :- NCYT

Novacyt Group is an Anglo-French biotech focused on clinical diagnostics. The Business has its main offices in Camberley in the UK and Vélizy-Villacoublay in France. They produce in vitro and molecular diagnostic tests, supplying an extensive range of assays and reagents worldwide. They have become an international specialist in cancer and infectious diseases and has gone on to diversify sales from diagnostic products used in LBC, oncology, microbiology, haematology and serology testing.

They support a large and growing global customer base which spreads across the board from hospitals to large corporates, with their proprietary technology platform NOVAPREP®, which is a unique next generation liquid based cytology solution focused on cancer management.

Novel Coronavirus Strain 2019-nCoV

Novacyt claim their coronavirus test is faster than rival methods by focusing on a narrow sequence of DNA coding. To assess whether a patient is infected, laboratories screen DNA under a method known as generation sequencing. The samples are large and require lengthy review.

The test kit is to be sold for up to £5 per unit and would be produced in Britain. Currently to assess whether a patient is infected. Current testing takes between six hours to a day. The second methodology, which is what Novacyt is using, is where they look at a much narrower set of sequence associated with the specific strain of coronavirus.

Novacyt says its test is quicker but also more cost effective because it can be used on various testing platforms.

Moderna

MARKET :- NASDAQ

TICKER :- MRNA

Moderna was founded in 2010 and the name was originally written "ModeRNA".It was based on basic science work by Derrick Rossi at Harvard, whose lab developed a method for modifying mRNA, transfecting into human cells, and dedifferentiating them into stem cells, and then causing them to differentiate into desired cell types. Rossi approached fellow Harvard faculty member Tim Springer about starting a company. After some further validating experiments, the company was founded.

Human studies of Moderna Inc.'s experimental coronavirus vaccine is moving very rapidly and will enter human trials imminently said Richard Hatchett, chief executive officer of the Coalition for Epidemic Preparedness Innovations, a group overseeing development of shots against deadly infections.

Human tests of drugs and vaccines usually progress in three phases to evaluate such measures as safety and effectiveness. Moderna's vaccine could hit the second phase of these tests very quickly.

Rapid Development – a word of Caution

While the company's managed to translate the coronavirus's genetic code and turn that into a testable vaccine in just 42 days there is still considerable time before it's ready for testing on humans, and then possibly at least 12 months until it is ready for release.

Novavax

MARKET :- NASDAQ

TICKER :- NVAX

Novavax Inc. is a clinical-stage vaccine company headquartered in Gaithersburg, Maryland with additional facilities in Rockville, Maryland and Uppsala, Sweden. Novavax received an $89mn research grant from the Gates Foundation for development of vaccines for maternal immunization. It has an ongoing Phase III clinical trial in older adults for its candidate vaccine for seasonal influenza, NanoFlu. The company positions NanoFlu for the unmet need for a more effective vaccine against influenza, particularly in the elderly who often experience serious and sometimes life-threatening complications. In January 2020, it was granted fast track status by the US Food and Drug Administration (FDA) for NanoFlu.

Coronavirus Vaccine Development

Novavax is also no stranger to coronavirus vaccine development. The biotech has developed vaccines for MERS-CoV and SARS that demonstrated 100% protection in preclinical studies. This previous research gave Novavax a launch pad that enabled it to move quickly when the novel coronavirus threat emerged.

The company is currently evaluating several nanoparticle-based COVID-19 vaccines in preclinical tests to determine the best one to advance to testing in humans. Novavax announced on Feb. 26 that it plans to initiate a phase 1 clinical study of the selected COVID-19 vaccine in either May or June.

Regeneron Pharmaceuticals

MARKET :- NASDAQ

TICKER :-REGN

Regeneron Pharmaceuticals, Inc. is an American biotechnology company headquartered in Eastview, near Tarrytown, New York. The company was founded in 1988. The original focus of the business was neurotrophic factors and the regenerative capabilities they possess.

Regeneron Pharmaceuticals wasn't really involved at the start however they did start to gain attention when they announced that its rheumatoid arthritis drug, Kevzara, could help treat COVID-19 patients. More specifically, Kevzara is designed to reduce the amount of inflammation that arthritis patients typically have by inhibiting certain proteins called interleukins. These proteins are directly involved in regulating the body's response to inflammation. The idea is that Kevzara, which affects the interleukin-6 (IL-6) pathway, could also reduce the inflammatory response seen in COVID-19 patients, helping reduce the severity of their symptoms.

Gilead Sciences

MARKET :- NASDAQ

TICKER :- GILD

Gilead's origins stem back to 1987 and was originally founded under the name Oligogen by Michael L. Riordan. Riordan graduated from Washington University in St. Louis, the Johns Hopkins School of Medicine and the Harvard Business School. Riordan served as CEO from the company's founding until 1996. Menlo Ventures, a venture capital firm where Riordan had previously worked, made the first investment in Gilead of $2mn. Riordan also recruited scientific advisers including Harold Varmus, a Nobel laureate who later became Director of the National Institutes of Health, and Jack Szostak, recipient of the Nobel Prize for Physiology or Medicine in 2009.

Gilead Sciences was one of the first companies to announce work on potential treatments. Remdesivir, an antiviral drug candidate originally designed to treat Ebola, showed promising early results in mitigating symptoms in patients with COVID-19. Since then, Remdesivir has embarked on

two late-stage trials in China, two more late-stage trials in Asia, and one trial involving U.S. health authorities. However, a recent scientific paper examining 12 COVID-19 patients treated with the drug showed mixed results regarding Remdesivir's efficacy. Gilead's CEO has since stated that further clinical updates would be forthcoming this month, so investors should keep their eyes peeled for additional information coming soon.

Inovio Pharmaceuticals

MARKET :- NASDAQ

TICKER :- INO

Inovio Pharmaceuticals is an American biotechnology company, founded in 1983 and headquartered in Pennsylvania. The business is focused on the discovery, development, and commercialization of synthetic DNA products for treating cancers and infectious diseases.

The company announced it had begun work on a COVID-19 vaccine back in January. The vaccine, INO-4800 has now officially entered phase 1 clinical testing.

Inovio are no stranger to creating vaccines specially for coronaviruses, they also have the INO-4700, which is currently in phase 2 of trials, is a vaccine designed to prevent MERS (Middle Eastern Respiratory Syndrome), a disease caused by another coronavirus that has symptoms similar to COVID-19. Past experience and success in creating a MERS vaccine candidate have many investors excited about Inovio's chances with INO-4800.

Inovio has also said it will be producing one million vaccine doses by the end of the year. While that would be an impressive achievement for a company of its size, it's still questionable whether it could truly produce and distribute such quantities around the world.

Quidel

MARKET :- NASDAQ

TICKER :- QDEL

Quidel's operations began in 1979 and launched its first products in 1984. Quidel Corporation was formed in 1991 when Quidel and Monoclonal Antibodies merged. Since its merger, Quidel has expanded its product base through internal development and acquisition with a focus on increasing

its research and development efforts to accelerate the rate of new product introductions

Quidel's core competencies and capabilities include immunoassay development, automated manufacturing, monoclonal antibody characterization and development, and molecular assay development. Quidel makes rapid diagnostic testing kits in four categories:

Rapid immunoassay,

Cardiac immunoassay,

Specialized diagnostics

Mmolecular diagnostics.

On March 17, the company received emergency use authorization from the Food and Drug Administration for its Lyra SARS-CoV-2 Assay. This is one of their testing kits used for the qualitative detection of nucleic acid from SARS-CoV-2. The firm has long been involved in the flu testing arena. The Centres for Disease Control estimates there have been between 12,000 and 61,000 deaths from influenza annually in the U.S. since 2010.