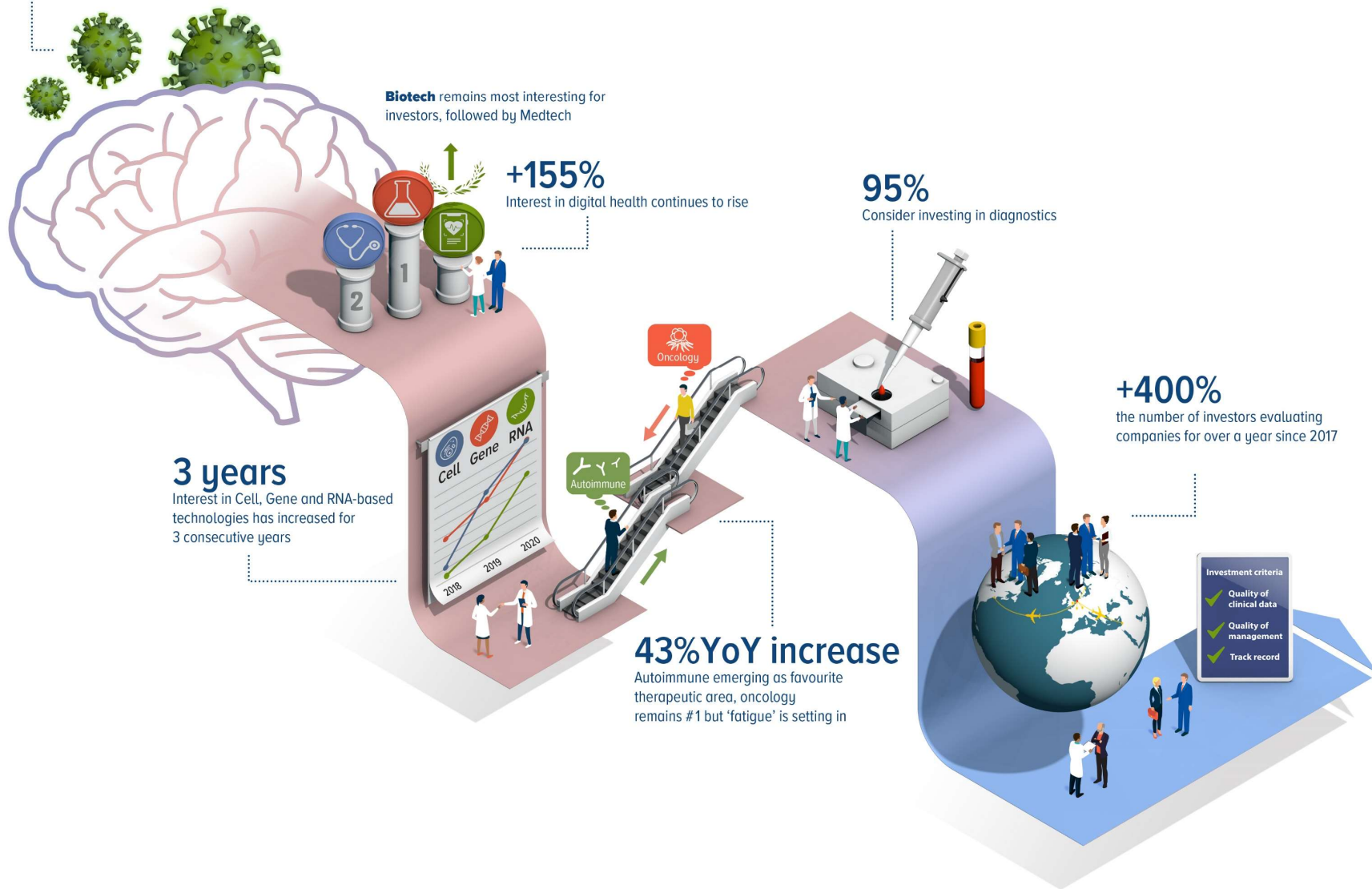


COVID-19 themes

- Impact on clinical trial timelines and designs
- Concerns over financing
- Increasing focus on anti-virals, vaccines & infectious disease diagnostics
- Sharp increase in virtual meetings and roadshows

Looking inside the mind of investors



The impact of the COVID-19 pandemic on capital markets and the life sciences industry



Capital markets recap

Week 1 (09-13 Mar)	<ul style="list-style-type: none"> • Uncertainty in the markets triggers a strong sell-off • Non-stock specific fire sale driven by hedge and quant funds deleveraging positions
Week 2 (16-20 Mar)	<ul style="list-style-type: none"> • COVID-19 cases surpass 100k and grow exponentially • Sales continue, however slightly more biased towards companies with weaker balance sheets
Week 3 (23-27 Mar)	<ul style="list-style-type: none"> • Trading becomes stock specific • Fear of redemptions at large funds • Consensus on that the bottom is yet to come
Week 4 (30 Mar-03 Apr)	<ul style="list-style-type: none"> • Rebalancing positions to create liquidity for redemptions, averaging down on long term convictions • Quarterly rebalancing provides upwards pressure in the market
Week 5 (06-10 Apr)	<ul style="list-style-type: none"> • Markets rally on news of government stimulus packages and news that the pandemic could be nearing its peak • Divergence in sector-specific performance
Week 6 (13-17 Apr)	<ul style="list-style-type: none"> • Earnings season kicked off, with banks' profitability severely hit by substantial provisions to cover potential loan losses • Investors are positioning cautiously, concerned by fast recovery
Week 7 (20-24 Apr)	<ul style="list-style-type: none"> • Normalisation of the market, volatility goes down • Return of capital markets activity • Scale of economic impact of COVID-19 starts to become clear

Looking ahead

- Investors picking stocks selectively looking for “winners” and undervalued companies
- Drying-up of government-provided liquidity will further separate winners from losers
- Volatility is expected to remain elevated until macro-economic figures and earnings results provide clarity on the long-term impact of the coronavirus
- Unprecedented oil rout could drag broader markets down
- Q1 earnings reports will give a glimpse of the impact on company performance until March, although most of the pain will only become visible in the Q2 earnings reports

Key themes for life sciences industry



Impact on clinical timelines and designs

- Many non-critical clinical trials are being delayed or postponed to free up hospital capacity and avoid potential contamination at hospitals
- Leading to a delay in clinical data and new milestones
- At-home and telemedicine studies are picking up



Concerns over financing

- Market conditions complicate raising of sufficient capital at good terms
- Cash-burning companies, such as development-stage life sciences firms, start to implement cash burn mitigation strategies to extend cash runway
- Companies with strong balance sheets emerge as “winners”



Increasing focus on anti-virals, vaccines & infectious disease diagnostics

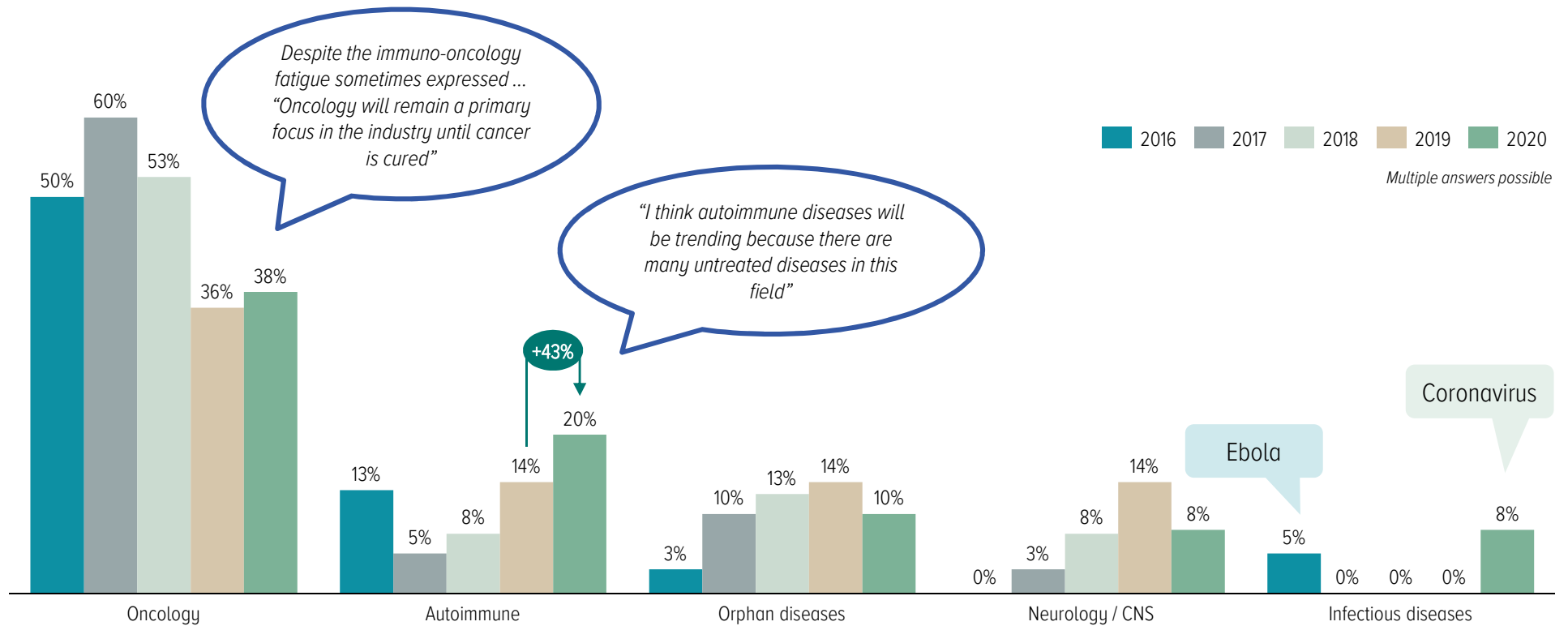
- Companies developing COVID-19 treatments or SARS-CoV-2 tests become investors' favourites, boosting their share prices substantially
- Several firms have pivoted from their original strategy to focus primarily on developing new treatments or tests



Sharp increase in virtual meetings and roadshows

- Face-to-face meetings are being replaced by virtual meetings and calls
- Investors and executives embrace new technologies facilitating meetings
- Investors conferences around the world have been cancelled, but several organisations provide a virtual alternative

Infectious diseases has re-emerged as an interest for investors, with oncology and autoimmune in back-of-mind

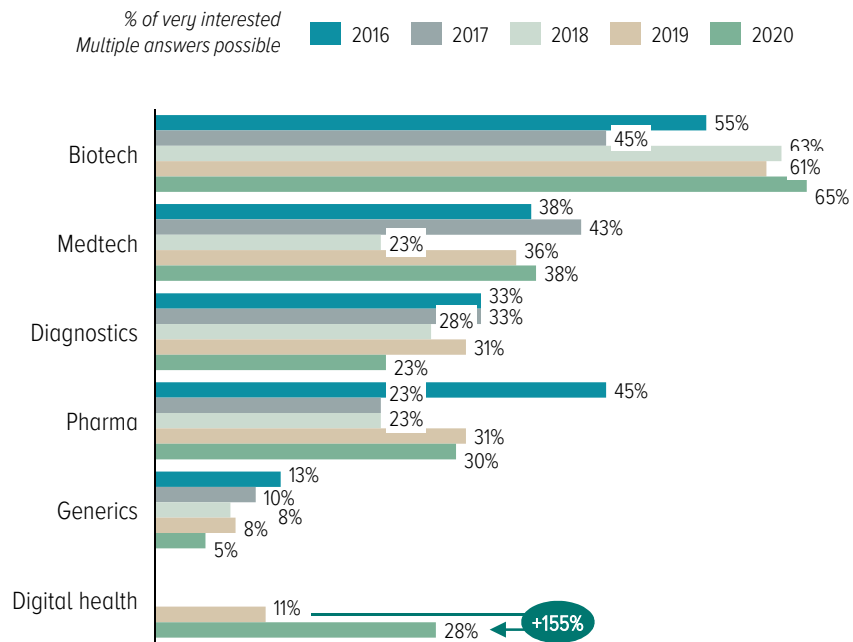


In terms of disease areas, Oncology remains the number one field of interest to investors. It has maintained its position for many years, however a slight decline is showing as investors talk about (immuno-)oncology 'fatigue' – there are simply too many companies and drug candidates around these days. The largest year-on-year increase was seen in the autoimmune diseases area, showing an increase of 43% compared to last year. Investors feel like there are many untreated diseases in that area which warrant increased attention.

Interest in infectious diseases spikes in light of a looming pandemic. Over 75% of the interviews were conducted prior to the global health emergency so the 8% is likely to be an underrepresentation

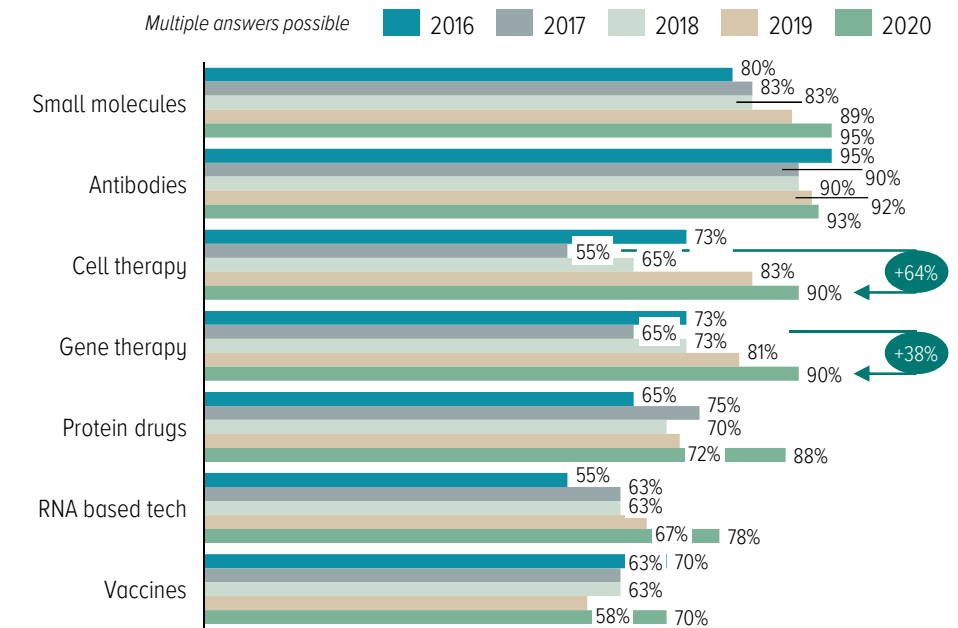
By tracking investor sentiment over the years, clear interest trends can be deduced

In Life Sciences, which of the following business sectors are you currently interested in?



As was the case in previous years, Biotech remains the most interesting business sector within Life Sciences. The second most interesting business sector is Medtech. Digital Health came in fourth, showing the greatest year-on-year increase (155%). We began tracking this business sector starting in 2019, as we recognised the growing trend driven by an increased interest in this field

Which of the following therapeutic technologies are you currently interested in?



Three relatively new and 'flashy' therapeutic technologies are Cell, Gene, and RNA-based technologies. Investor interest in these technologies has been consistently increasing over the past three years, showing a clear trend. They now rank amongst classic therapeutic technologies such as small molecules and antibodies

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