



## Recession-Proof Value Stock: 1 Pharma Stock to Buy Today

### Description

**Aeterna Zentaris** ([TSX:AEZS](#))(NASDAQ:AEZS) is a specialty [biopharmaceutical company](#) commercializing and developing therapeutics and diagnostic tests. The company's lead product, Macimorelin, is the first and only United States (U.S.) Food and Drug Administration (FDA) and European Commission approved oral test indicated for the diagnosis of adult growth hormone deficiency (AGHD).

Macimorelin is currently marketed in the U.S. under the tradename Macrile through a licence agreement with **Novo Nordisk** ([NYSE:NVO](#)), where Aeterna receives royalties on net sales. According to a commercialization and supply agreement, the company plans to seek regulatory approvals and then commercialize Macimorelin in Israel.

### Lucrative royalties

Additionally, upon receipt of [pricing and reimbursement approvals](#), Aeterna expects that Macimorelin will be marketed in Europe and the United Kingdom through a licence agreement with Consilient Health, and Aeterna will receive royalties on net sales and other potential payments. The company is also leveraging the clinical success and compelling safety profile of Macimorelin to develop it for the diagnosis of childhood-onset growth hormone deficiency, an area of significant unmet need.

### Diverse revenue base

The company is actively pursuing business development opportunities for the commercialization of Macimorelin in Asia and the rest of the world, in addition to other non-strategic assets to monetize value. Aeterna's total revenue for the 12-month period ended December 31, 2020, was \$3.7 million as compared with \$0.5 million for the same period in 2019, representing an increase of \$3.2 million.

The 2020 revenue was comprised of \$2.4 million in product sales, \$0.9 million in licensing revenue, \$0.3 million in supply chain and \$0.07 million in royalty income. In 2020, all revenue was earned from Novo Nordisk.

## Development of a vaccine against COVID-19

On February 2, 2021, the company announced that it had entered an exclusive option agreement to evaluate a preclinical potential COVID-19 vaccine developed at a university. The vaccine technology developed uses the typhoid fever vaccine, Salmonella Typhi, as a carrier strain and has the potential to be an orally active vaccine against infection with SARS-CoV-2 and development of COVID-19.

Under the option agreement with the university, Aeterna has the right to negotiate an exclusive worldwide licence to develop technology for the prevention of coronavirus diseases, including COVID-19. Management believe that, if it is determined that there is sufficient data to advance into human clinical trials, the development program for this particular COVID-19 vaccine is expected to be abbreviated, because clinical safety data and manufacturing technology is already available for the underlying vaccine strain.

## Leveraging platform technology

On March 14, 2021, the company exercised the option in the option agreement and entered a licence agreement with a university. Pursuant to the terms of the university licence agreement, the company has been granted an exclusive, world-wide, licence to certain patents and know-how owned by the university to research, develop, manufacture, and sell a potential COVID-19 vaccine using the university's bacterial vaccine platform technology.

Recently, the company also announced that it had licensed the exclusive worldwide rights to develop, manufacture, and commercialize targeted, highly specific, autoimmunity modifying proteins, currently in early preclinical development, for the potential treatment of spectrum disorder. This could significantly enhance shareholder value.

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