ANGLE PLC

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ANGLE's Parsortix liquid biopsy proving to be more than just a cancer detection device

- ANGLE is developing Parsortix blood test that can detect cancer
- FDA submission underway after trial met objectives
- Healthy cash balance
- Other tests in development

What ANGLE does
ANGLE plc (LON:AGL, OTCQX:ANPCY) is the firm behind Parsortix - a simple blood test which can help doctors spot the signs of cancer at an early stage.

Blood tests - or liquid biopsies as they are known to clinicians - are seen as having important advantages over the tissue samples that are commonly used by hospitals: they are less traumatic, return results quicker and are cheaper.

READ: Liquid biopsies - the breakthrough cancer tests ANGLE is developing
WATCH: Parsortix device plays critical role in ground-breaking research on cancer spread
Parsortix is to different to many of its rivals as, rather than testing for fragments of dead cancer cells, it detects and captures circulating tumour cells (CTCs).

CTCs provide the tell-tale signs of cancer and their capture can allow doctors to more accurately assess treatment options.

This method is seen as more reliable because other tests have shown that fragments of dead cancer cells are present in around a quarter of people over 65 who do not have cancer. CTCs, on the other hand, give a complete picture because they can only be found in people with cancer.

ANGLE is currently working with the US medical regulator with the hopes of getting a green light early in 2020.

Key clinical trial meets objectives
The AIM-listed company is looking to become the first company to receive clearance from the US Food & Drug Administration for a platform that captures and harvests intact CTCs from patient blood for subsequent analysis.

A clinical trial of 400 women with breast cancer met its primary objectives, revealing Parsortix is able to harvest cancer cells from the blood of a significant proportion of metastatic breast cancer patients.

While it also achieved exploratory goals such as being able to "interrogate" patient blood using certain analysis techniques, the FDA has requested analytical study work that ANGLE says it can complete a minimal cost.

Awaiting US regulatory clearance
In late July, ANGLE said it was still "on track" for FDA submission early in the fourth quarter of 2019, which means there is a prospect of clearance in the first quarter of next year.

Being the first to secure FDA clearance for such a test is significant.

Price: 70.5p

Market Cap: £12611100000M

1 Year Share Price Graph

Share Information

Code:		AGL
Listing:		AIM
52 week	**High**	**Low**
	79.99p	**38.00p**
Sector:		**Pharma & Biotech**
Website:		**www.angleplc.com**

Company Synopsis:
ANGLE PLC develops products for use in rare cell diagnostics that enable early, accurate identification of an individual's condition for the prevention, treatment, and monitoring of disease.

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"This clearance, considered the gold standard for approval of medical diagnostic systems globally, would further competitively differentiate the Parsortix system and should lead to an acceleration in commercial adoption of the system in both research and clinical settings," said chief executive and founder Andrew Newland.

"This would be a key step in establishing the Parsortix system as the system of choice for CTC liquid biopsy, securing a leading position in the emerging multi-billion-dollar liquid biopsy market."

Foetal and ovarian testing
Cancer is where Parsortix has been gaining the most traction - with more than 200 of its devices are in use around the world, but the system has also showed promise in harvesting foetal cells, which could help detect abnormalities such as Down's Syndrome in unborn children.

READ: ANGLE finds a new angle for Parsortix
In the small-scale study, Parsortix was able to distinguish between male and female chromosomes and, in one case, correctly identified trisomy 21, the marker for Down's.

Parents and doctors are willing to pay a hefty price to ensure the health of their unborn babies, with the non-invasive prenatal testing market estimated to be worth around US$600mln. Analysts expect it to grow to US$1bn a year by 2022.

A pre-study of an ovarian cancer triage test, which combines Parsortix with its sample-to-answer Parsortix HyCEAD Ziplex analysis platform, is due to start a 200-patient clinical verification study "imminently", the company said at the end of July, with completion expected in early 2020.

Once the new performance data is available and, assuming comparable results to the previous study, ANGLE intends to establish this test as a laboratory developed test in-house and/or with third party laboratories, expecting demand to stem from significantly improved patient outcomes and its lower costs.

Healthy cash balance
In the meantime, ANGLE has an ample amount of cash, finishing its financial year to 30 April with £11mln of cash and then topping this up with a net £16.9mln in June.

Full-year results in July were in line with an earlier trading update, with revenue and grant income up 25% to £853,000, with an adjusted net loss of £8.6mln compared to £7.2mln the previous year.

This reflected clinical study costs for Parsortix and costs associated with the acquisition of Axela's Ziplex molecular analysis platform the previous year, said broker FinnCap.

FinnCap's analysts retained their target price of 135p, which is based on a risk-adjusted discounted cashflow (DCF) valuation.

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