ANGLE

FY21 results: prepared for commercial success

28 April 2022

- ANGLE's end-December 2021 cash of £31.8m (end-June 2021: £21.0m), boosted by July's £18.9m (net) equity raise, provides ample funds for planned investment to exploit future commercial opportunities. FY21 operating expenses of £18m were directed towards studies to develop and validate clinical applications of the Parsortix system and its commercial use, as well as openings of US and UK clinical laboratories and a pharma services offering. Current cash, plus an anticipated £4.5m R&D tax credit receipt, continues to represent a cash runway through to Q223.
- Opening of ANGLE's UK and US clinical laboratories enabled launch of a pharma services offering, providing analysis of CTCs (circulating tumour cells) for clinical trials. The grant of CLIA and UKAS accreditation (on track for H222) will permit validated clinical tests also to be offered. The first of these laboratory developed tests (LDTs) will be the ovarian cancer LDT, pending positive top line results of the ovarian cancer assay clinical verification study which are now expected mid-2022. Development of a second LDT, for prostate cancer, should soon be underway once collaboration terms are finalised with a large US urology clinic network.
- The nascent pharma services business is gaining momentum. Two of the three partners secured in 2021 signed additional contracts for further clinical trials in 2022. Despite a relatively lengthy sales process, two new customers have also been added this year. Pharma services includes assay development (eg detecting proteins of interest expressed by CTCs) with subsequent use in clinical trials allowing longitudinal analysis of patient blood samples before, during, and after investigational drug treatment to monitor responses (information not available via traditional biopsies).
- A key catalyst remains potential FDA clearance of the Parsortix system as a Class II medical device for harvesting CTCs for subsequent analysis in metastatic breast cancer (mBC). A comprehensive response to the FDA's additional information request (AIR) on the submission, under the De Novo pathway, completed in June 2021. While a regular and constructive dialogue continues, the timing of a decision remains unclear. A positive outcome would make Parsortix the first CTC harvesting system approved and only the third product authorisation for any liquid biopsy.

Price	91p
Market Cap	£214.0m
Primary exchange	AIM
Sector	Healthcare
Company Code	AGL
Corporate client	Yes

Company description:

ANGLE is a specialist diagnostics company. Its proprietary Parsortix technology can capture and harvest very rare cells, including CTCs (circulating tumour cells), from a blood sample. The FDA approval for its clinical use to guide precision cancer care will open up further multiple commercial opportunities.

Trinity Delta view: During 2021 ANGLE laid important foundations ahead of key events that should accelerate commercial prospects. Positive momentum in pharma services contracts and corporate partnerships coupled to new assay and LDT development will contribute to top-line growth. However, potential FDA clearance of the Parsortix system in mBC is a clear focus for many investors and will provide important validation for external partners. ANGLE is well positioned to capitalise on growing recognition of the utility of CTC analysis in investigating protein markers on cancer cells, without the limitations of ctDNA (circulating tumour DNA) liquid biopsy (inapplicable to proteins) or tissue biopsies (unsuitable for longitudinal monitoring). We value ANGLE at £506m ($658m), or 215p/share.

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