

ANGLE

Revenue building & growth opportunities are developing

7 September 2023

- ANGLE's H123 revenues trebled YoY to £1.2m (H122: £0.4m), with growth in both pharma services and in product sales. The order book is solid, with £2.5m of future revenues already sold, and revenues are on-track to meet FY23 expectations (TD FY23e: £3.0m). Operating costs increased slightly to £11.4m (H122: £10.6m). Together, these led to a net loss of £9.8m (H122: £9.2m). End-June 2023 cash was £22.2m (31 Dec 2022: £31.9m), and the cash runway has been extended into Q125 (from H224) through deferral of some spend and some cost cutting, which is expected to save c £5m by end-2024, without impacting near-term revenue opportunities.
- Following the new pharma services contract with Crescendo Biologics ([April 2023 Lighthouse](#)), a contract for clinical trial services was executed in May 2023 with existing customer Artios Pharma. This was on the back of a bespoke assay development contract which successfully delivered two DDR (DNA damage response) assays. These assays will now be used in a Phase I clinical trial that is expected to complete around end-2024. New pharma services contracts, including with large pharma, are expected to be signed during H223, which will contribute to future growth.
- In terms of Parsortix menu content, the Portrait Flex CTC (circulating tumour cell) assay was recently launched as a service from ANGLE's laboratories (for research use by pharma services customers). Portrait Flex is an assay used to enumerate and characterise CTCs, and can include a customer's therapeutic biomarker of interest. ANGLE is developing a number of imaging ("Portrait") assays, including PD-L1 and HER2, as well as molecular ("Landscape") assays for multiple clinically relevant biomarkers using third-party platforms which are currently being evaluated, to analyse CTCs harvested by Parsortix.
- ANGLE is also conducting various clinical studies towards establishing the Parsortix system as a tool in patient management, including prostate cancer (DOMINO), ovarian cancer (EMBER) and INFORM (1000 patients in four different cancers of which >200 have been recruited). Patient samples processed with Parsortix have been stored for future molecular analysis via third-party systems. Meaningful clinical data are expected by year-end.

Price	11.50p
Market Cap	£34.8m
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 clearance for its clinical use to guide precision cancer care should open up multiple commercial opportunities.

Trinity Delta view: Realising the significant commercial potential of Parsortix requires a number of elements to drive uptake. These include developing both "content" (menus of assays using CTCs harvested by Parsortix) to support both the products and services businesses, and on generating clinical data with Parsortix to demonstrate utility in patient management. ANGLE is growing the assay pipeline and clinical studies are ongoing, with data expected by YE23. Once protocols are developed on third-party molecular systems, this should open up a large installed base that could adopt Parsortix. Together with new pharma services contracts, this will be key for future growth. Whilst commercialisation of Parsortix is still at an early stage, momentum is clearly building and ANGLE is continuing to make progress in developing potentially sizeable revenue opportunities. Our DCF-based valuation is £253m, equivalent to 97p/share.

Analysts

Lala Gregorek

lgregorek@trinitydelta.org
+44 (0) 20 3637 5043

Franc Gregori

fgregori@trinitydelta.org
+44 (0) 20 3637 5041

Philippa Gardner

pgardner@trinitydelta.org
+44 (0) 20 3637 5042

Lala Gregorek

lgregorek@trinitydelta.org
+44 (0) 20 3637 5043

Franc Gregori

fgregori@trinitydelta.org
+44 (0) 20 3637 5041

Disclaimer

Trinity Delta Research Limited ("TDRL"; firm reference number: 725161), which trades as Trinity Delta, is an appointed representative of Equity Development Limited ("ED"). The contents of this report, which has been prepared by and is the sole responsibility of TDRL, have been reviewed, but not independently verified, by ED which is authorised and regulated by the FCA, and whose reference number is 185325.

ED is acting for TDRL and not for any other person and will not be responsible for providing the protections provided to clients of TDRL nor for advising any other person in connection with the contents of this report and, except to the extent required by applicable law, including the rules of the FCA, owes no duty of care to any other such person. No reliance may be placed on ED for advice or recommendations with respect to the contents of this report and, to the extent it may do so under applicable law, ED makes no representation or warranty to the persons reading this report with regards to the information contained in it.

In the preparation of this report TDRL has used publicly available sources and taken reasonable efforts to ensure that the facts stated herein are clear, fair and not misleading, but make no guarantee or warranty as to the accuracy or completeness of the information or opinions contained herein, nor to provide updates should fresh information become available or opinions change.

Any person who is not a relevant person under section of Section 21(2) of the Financial Services & Markets Act 2000 of the United Kingdom should not act or rely on this document or any of its contents. Research on its client companies produced by TDRL is normally commissioned and paid for by those companies themselves ('issuer financed research') and as such is not deemed to be independent, as defined by the FCA, but is 'objective' in that the authors are stating their own opinions. The report should be considered a marketing communication for purposes of the FCA rules. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and it is not subject to any prohibition on dealing ahead of the dissemination of investment research. TDRL does not hold any positions in any of the companies mentioned in the report, although directors, employees or consultants of TDRL may hold positions in the companies mentioned. TDRL does impose restrictions on personal dealings. TDRL might also provide services to companies mentioned or solicit business from them.

This report is being provided to relevant persons to provide background information about the subject matter of the note. This document does not constitute, nor form part of, and should not be construed as, any offer for sale or purchase of (or solicitation of, or invitation to make any offer to buy or sell) any Securities (which may rise and fall in value). Nor shall it, or any part of it, form the basis of, or be relied on in connection with, any contract or commitment whatsoever. The information that we provide is not intended to be, and should not in any manner whatsoever be, construed as personalised advice. Self-certification by investors can be completed free of charge at www.fisma.org. TDRL, its affiliates, officers, directors and employees, and ED will not be liable for any loss or damage arising from any use of this document, to the maximum extent that the law permits.

Copyright 2023 Trinity Delta Research Limited. All rights reserved.

More information is available on our website: www.trinitydelta.org