

Angle

A boost for prostate cancer indication

New Parsortix data

Pharma & biotech

16 June 2017

Price 72.25p

Market cap £54m

Estimated net cash (£m) at end-April 2017 5.5

Shares in issue 74.8

Free float 90%

Code AGL

Primary exchange AIM

Secondary exchange OTC QX

Share price performance



Business description

Angle is a specialist diagnostics company. The proprietary Parsortix cell separation platform can be used for detecting and harvesting very rare circulating tumour cells from blood samples. The resulting liquid biopsy enables the analysis of these cells for precision cancer care. Angle has identified ovarian cancer, prostate cancer and metastatic breast cancer as the most likely indications.

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Yesterday Angle announced that researchers from Queen Mary University of London's Barts Cancer Institute (BCI) published [new data](#) further supporting Angle's Parsortix system for use in prostate cancer applications including an unexpected fundamental discovery that might ignite interest as a new research area in cancer metastasis. The study analysed blood samples from 81 prostate cancer patients and showed that Parsortix captured so-called EMTing cancer cells, those circulating tumour cells (CTCs) that are undergoing epithelial to mesenchymal transition. EMTing cells were correlated with whether the cancer became metastatic. Namely, the researchers found that EMTing cells combined with the gold standard PSA test had 92% accuracy in predicting metastasis, significantly outperforming PSA alone. The ability to capture EMTing and EMTed cells is what differentiates Parsortix from many other liquid biopsy systems. We are updating our estimates.

Year end	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
04/13	0.97	(0.65)	(1.61)	0.0	N/A	N/A
04/14	0.00	(2.04)	(2.39)	0.0	N/A	N/A
04/15	0.00	(3.55)	(7.50)	0.0	N/A	N/A
04/16	0.36	(5.03)	(7.97)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, share-based payments

The novel finding was the first ever proof that megakaryocytes are present in the blood of prostate cancer patients, albeit very rare. Usually these cells are found in bone marrow and produce platelets for blood clotting. In contrast with EMTed cells (cancer cells that have completed the EMT process), megakaryocytes were found to be associated with better outcomes for prostate cancer patients. The team developed a combined scoring system based on EMTed cells and megakaryocytes harvested by Parsortix. Using data from a subset of 40 patients followed over a 20-month period, the scoring system was able to identify patients who were 10 times more likely to die from the disease in the short term.

BCI researchers believe there is potential that megakaryocytes are similarly linked to improved patient survival in other cancer types as well. For Angle we see several implications in the short and longer term. In the short term we see the news as a boost for prostate cancer application, which may prompt us to revise our success probability to reach the market in our model (see our March 2016 [update note](#)). Given that the discovery of megakaryocytes in the blood stream is fundamental, it may trigger other research groups to start investigating this area. So far, only Angle's Parsortix has been shown to have the ability to capture these cells, which may translate into higher Parsortix sales for research use. In the long run, the discovery could lead to higher interest in using liquid biopsy tools for diagnosing cancer patients.

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