EDISON

Angle

Milestone in ovarian cancer application

Parsortix clinical trial results

Pharma & biotech

This morning Angle reported initial results from its two lead clinical trials with Parsortix, a liquid biopsy system. The two studies ran in parallel in Europe (ANG-001) and the US (ANG-003) and explored Parsortix's efficacy in triaging women with ovarian masses before surgery ie looking at whether the tumour is benign or malignant to estimate the extent of the necessary surgery. Both studies recruited 200 patients each and reported sensitivity was up to 95%, while specificity was much higher than existing tests. Angle has refrained from releasing further data, as it believes that the diagnostic algorithms (combining Parsortix findings, RNA markers and patient data) that were developed during the trials could be patented.

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 next step is for the test to be optimised, as Angle believes some modifications to the analysis technique could improve performance still further. It will then seek to conduct validation studies to get the CE mark and FDA approval. The update on the further strategy is broadly in line with our expectations, although specific timelines for the validation studies are yet to be clarified. Notably, triaging is just part of the potential in ovarian cancer application. Parsortix captures circulating tumour cells and allows gene expression analysis to determine whether the tumour is malignant. The gene expression, however, could eventually also be used to select the most effective drugs. This would be highly desirable with neoadjuvant chemotherapy for example, when the drugs are given before the surgery. In general, gene expression profiling is widely perceived as one of the major tools for personalised medicine in the future.

Of the three potential clinical applications, using Parsortix for ovarian cancer is the most advanced. The two current studies followed the original report by the Medical University of Vienna in January 2015, when the researchers reported "unprecedented sensitivity and specificity" in the first small trial in ovarian cancer. The best-studied serum biomarker for ovarian cancer, CA-125, is elevated in c 85% of women with advanced ovarian cancer but its sensitivity is only c 50% in early-stage disease and the specificity is poor, meaning that serum levels are raised in a number of benign conditions and other cancers, as detailed in our outlook note. The FDA-approved OVA1 (Vermillion) is a blood test and software algorithm used to evaluate ovarian masses for malignancy before surgery. OVA1 has a sensitivity of c 92% but a specificity of just c 54%, resulting in a significant level of false positives, which results in women often being 'over-diagnosed' and leading to 'over-preparation' for the surgery.

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Price	**67.00p**
Market cap	**£50m**
Net cash (£m) at end April 2017e	5.5
Shares in issue	74.8m
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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