Event – Alizyme given chance to charm investors with Colal-Pred

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Pivotal phase III data due at the end of this month for ulcerative colitis drug Colal-Pred, if positive, could be the start of some much needed good news for UK biotechnology group Alizyme, which has seen its shares fall by 83% in the last 12 months, and its market capitalisation dip to a 10-year low of £36.5m ($75m).

There is a lot riding on Colal-Pred’s success thanks to recent set backs the group has endured and the lack of other definite catalysts, all of which have contributed to the share price decline. Getting Colal-Pred through the trials with flying colours is also important because it is the most advanced drug in the Alizyme’s pipeline, accounting for 35% of the group’s $774m net present value according to EvaluatePharma’s NPV Analyzer.

A positive outcome, which would be the precursor to a European filing this year, would go some way to improving sentiment following the decision in April to suspend further development of renzapride, a phase III treatment for irritable bowel syndrome.

The problem with partnering

But even if the data are a hit, with the drug partnered in all regions following what some saw as a disappointing deal in the US and more recently the less than impressive 42.5m ($67.4m) deal with Norgine in Europe, investors should expect only a modest rise in the shares.

That is, however, not the case with the only other mature drug in the pipeline, phase II weight loss treatment cetilistat, which Alizyme has struggled to find a US or European partner for despite more than two years of trying. The inability to spur interest on either side of the Atlantic to fund large and expensive phase III trials has left the drug marooned in development, with no clinical trials taking place in either region since 2005.

What potential US and European partners are waiting for before jumping in with their cheque books is phase II data from cetilistat’s Japanese partner, Takeda, to see if the drug, which has only been tested for 12 weeks by Alizyme, will show sustained weight loss over a six-month period.

Today, a spokesperson for the group said that Alizyme was "heavily involved" in talks with a number of pharma partners, including Takeda, over the rest-of-the-world rights to the drug.

To little too late?

But with Takeda, who has had the drug since 2005, seemingly dragging its heels over publishing this critical data or announcing its decision to move the drug into phase III, when the drug is eventually approved it will be joining a very crowded market place. Competition will include over-the-counter treatment Alli and potentially other drugs such as Vivus’ Qnexa and NeuroSearch’s tesofensine, which have shown superior weight loss to cetilistat in trials.

As such, with the uncertainty surrounding both the data and partnering discussions for cetilistat, the clinical trial data from Colal-Pred could provide an opportunity to at least offer long-suffering Alizyme investors some good news, and a welcome distraction to the deeper issues within the company that involve not phase III data, but phase II data.