The RNAi specialist gets an $800m cash injection under a central nervous system tie-up with Regeneron.

If Alnylam investors awoke today fretting about the ending of a Sanofi deal they need not have worried: that alliance was concluding on a high. And the icing on the cake came just hours later, in the form of a new collaboration with Sanofi’s longstanding partner Regeneron, worth $400m in up-front cash plus a $400m equity investment.

The most advanced aspect of the new tie-up is the planned combination of Regeneron’s pozelimab with Alnylam’s cemdisiran in C5 complement-mediated diseases. Beyond this the deal is essentially a discovery alliance in ocular and CNS diseases, underlining the boldness of Regeneron’s bet.

Moreover, the alliance has an unusual frontend-loaded structure: only $200m is specified in milestone payments. Alnylam and Regeneron have an existing collaboration in Nash, focusing on the HSD17B13 gene that is associated with reduced risk of chronic liver diseases, so clearly Regeneron must have liked what it saw.

Largest ever

On an analyst call today Alnylam said the Regeneron deal was the largest it had ever signed.

The two companies will split rights and responsibilities to CNS assets 50/50, while ocular disease work will follow a milestone/royalty structure. The same 50/50 framework has been in place for the Nash tie-up since last November.

The only specifically disclosed part of the new agreement at present is the companies’ combination strategy in C5 complement diseases, signalling efforts to muscle in on Alexion’s Soliris turf (Ra joins the challenge to Alexion’s Soliris stranglehold, December 12, 2018).

Stifel analysts today wrote that this brought into play assets that investors would not previously have priced into the stock. Indeed, pozelimab, a phase I anti-C5 MAb, and cemdisiran, a CCR5 RNAi therapeutic in phase II, carry negligible sellside revenue forecasts, according to EvaluatePharma consensus.

Unshackled?

Alnylam said one reason why it was now able to focus on its pipeline was the conclusion of the Sanofi tie-up, but it is not clear whether the ending of one deal effectively unshackled Alnylam and allowed it to sign another.
Alnylam stressed that it was pleased to conclude the five-year Sanofi deal, and the two companies appear now to be going it alone with the assets on which they had focused. Thus Onpattro and vutrisiran remain in Alnylam’s hands in return for a royalty to Sanofi, which will retain rights to fitusiran as before.

The only noteworthy changes are Alnylam’s promise to advance an undisclosed rare genetic disease project, into whose clinical development Sanofi can opt later, and the ending of a lock-in that had prevented the French group disposing of its equity holding in Alnylam.

Perhaps this is one reason why Alnylam opened down 3% today. And maybe some Alnylam bulls were expecting news of a buyout rather than just another collaboration.