Quince Therapeutics Completes the Sale of Legacy Protease Inhibitor Portfolio to Lighthouse Pharmaceuticals

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SOUTH SAN FRANCISCO, Calif.--(BUSINESS WIRE)--Jan. 27, 2023-- Quince Therapeutics, Inc. (Nasdaq: QNCX), a biopharmaceutical company advancing innovative precision therapeutics targeting debilitating and rare diseases, announced the sale of the company's legacy small molecule protease inhibitor portfolio, including COR588, COR388, COR852, and COR803, pursuant to an asset purchase agreement with Lighthouse Pharmaceuticals, Inc., an entity co-founded by Casey Lynch, former chief executive officer of Quince's predecessor company Cortexyme.

Lead compound COR588 is a selective, oral small molecule inhibitor of lysine-gingipain that is Phase 2 ready for further evaluation in the treatment of Alzheimer's disease with mild to moderate dementia and biomarker evidence of *P. gingivalis* infection. Precision targeting of gingipains with small molecule inhibitors represents an innovative therapeutic approach to addressing *P. gingivalis,* a bacterium associated with dementia and other degenerative and inflammatory disorders.

"This transaction represents the fulfillment of our previously stated objective to out-license Quince's legacy protease inhibitor portfolio," said Dirk Thye, M.D., Quince's chief executive officer. "We are pleased to transfer these programs to Lighthouse as they have a tremendous amount of expertise, experience, and historical knowledge of the compounds and therapeutic area. Given the role of Lighthouse's principals in advancing the foundational science and clinical development related to these assets, we believe they are in a strong position to build upon the existing human and preclinical data to advance these compounds."

"This acquisition enables the important continued development of gingipain inhibitors for dementia and other disorders," said Casey Lynch, Lighthouse Pharmaceutical's chief executive officer. "Informed by the learnings from previous late-stage clinical studies, Lighthouse will move quickly to advance COR588 into key clinical studies to further validate this treatment paradigm and bring innovative treatments to patients."

Highlights of the asset purchase agreement include:

- Lighthouse gains exclusive rights to develop, manufacture, and commercialize Quince's legacy protease inhibitor portfolio globally;
- Protease inhibitor portfolio includes lysine- and arginine-gingipain inhibitors COR588, COR388, COR852, in addition to COR803, which is a coronavirus 3CLpro targeted program with demonstrated *in vivo* efficacy;
- Potential for Quince to receive up to $150 million in regulatory and commercial milestones payments on a product-by-product basis, subject to conditions in the agreement;
- Potential tiered royalty rates on a product-by-product basis ranging from high single-digit to mid-teens of annual net sales related to the two existing clinical stage programs, and low single-digit royalties for the preclinical programs, subject to conditions in the agreement;
- Share of sublicense income or acquisition value of clinical and preclinical assets on a product-by-product basis; and
- Quince to receive a 7.5% ownership stake of Lighthouse Common stock with anti-dilution through the first $10 million raised.

Quince expects to benefit from the reduction of more than $500,000 of annualized expenses associated with the operational and financial support of these protease inhibitor assets.

About Quince Therapeutics

Quince Therapeutics is focused on advancing innovative precision therapeutics targeting debilitating and rare diseases. The company discovered a broad bone-targeting drug platform designed to precisely deliver small molecules, peptides, or large molecules directly to the site of bone fracture and disease to promote more rapid healing with fewer off-target safety concerns compared to non-targeted therapeutics. Quince's discovery pipeline is positioned for rapid expansion across multiple skeletal therapeutic indications to address underserved therapeutic areas with major, unmet medical needs, including osteogenesis imperfecta, fractures, spinal fusion, and other severe bone diseases. The company's lead compound NOV004 is an anabolic peptide engineered to precisely target and concentrate at the bone fracture site, which preclinical studies demonstrate result in rapid increases in bone density, strength, and healing directly at the site of bone fracture. For more information, visit www.quincetx.com and follow Quince Therapeutics on LinkedIn and @Quince_Tx on Twitter.

About Lighthouse Pharmaceuticals

Lighthouse Pharmaceuticals is a clinical stage private biopharmaceutical company pioneering precision medicine approaches to major unmet medical needs based on expertise in small molecule protease inhibition. Lighthouse's lead program, LHP588, beginning Phase 2 clinical studies, targets a specific, infectious pathogen, *Porphyromonas gingivalis*, which is associated with chronic degenerative and inflammatory disorders including dementia, periodontal disease, atherosclerosis, and orodigestive cancers. For more information, visit www.lighthousepharma.com.

Forward-looking Statements

Statements in this news release contain “forward-looking statements” that are subject to substantial risks and uncertainties. Forward-looking statements contained in this news release may be identified by the use of words such as “anticipate,” “expect,” “will,” “can,” “may,” “should,” “estimate,” “project,” “potential,” “encouraged,” “positioned,” or other similar words. Examples of forward-looking statements include, among others, the potential to realize expense reductions, and to receive royalties, sublicense license, acquisition value, milestone and other payments, if any, associated with the transaction with Lighthouse; clinical development and strategic development path and related timing for NOV004; the company’s plans to pursue the strategic expansion of its development pipeline; the timing and success of the company’s clinical trials and related data, including plans and the ability to initiate, conduct and/or complete the Phase 1 clinical studies for NOV004 and advance to a lead indication; and the timing of announcements and updates relating to its clinical trials and related data; the potential therapeutic benefits, safety, and efficacy of the company’s product candidate and discovery pipeline. Forward-looking statements are based on Quince Therapeutic’s current expectations and are subject to inherent uncertainties, risks, and assumptions that are difficult to predict and could cause actual results to differ materially from what the company expects. Further, certain forward-looking statements are based on assumptions as to future events that may not prove to be accurate. Factors that could cause actual results to differ include, but are not limited to, the risks and uncertainties described in the section titled “Risk Factors” in the company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) on March 1, 2022, its Quarterly Report on Form 10-Q filed with the SEC on November 9, 2022, and other reports as filed with the SEC. Forward-looking statements contained in this news release are made as of this date, and Quince Therapeutics undertakes no duty to update such information except as required under applicable law.

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