Quince Therapeutics Completes Acquisition of EryDel S.p.A.

October 23, 2023

SOUTH SAN FRANCISCO, Calif.--(BUSINESS WIRE)--Oct. 23, 2023-- Quince Therapeutics, Inc. (Nasdaq: QNCX), a late-stage biotechnology company developing an innovative drug delivery technology that leverages a patient's own biology to deliver rare disease therapeutics, announced the successful completion of its acquisition of EryDel S.p.A., a privately-held, late-stage biotech company. Quince's newly acquired Phase 3 lead asset, EryDex, targets a rare neurodegenerative disease, Ataxia-Telangiectasia (A-T). Currently, there are no approved treatments for A-T and the market represents a $1+ billion estimated peak sales opportunity globally. EryDex utilizes a highly differentiated and proprietary technology platform for autologous intracellular drug encapsulation (AIDE), which is designed to optimize the biodistribution of dexamethasone sodium phosphate (DSP; a pro-drug) by using an A-T patient's own red blood cells to deliver the sustained therapeutic over a once monthly treatment period.

"The successful closing of the EryDel acquisition is an exciting step forward in fulfilling our vision to build a leading rare disease biotechnology company," said Dirk Thye, M.D., Quince's Chief Executive Officer. "We are dedicated to developing treatments utilizing our proprietary AIDE technology platform that hold the potential to help children and families affected by rare and debilitating diseases such as A-T. Quince's priority is to advance the Phase 3 clinical trial of EryDex to evaluate its safety and efficacy for the treatment of A-T, then expand our development efforts into other potential indications that leverage our proprietary AIDE technology platform."

Quince is well-capitalized into 2026 and intends to focus its development expertise and financial resources toward advancing a single global Phase 3 NEAT (**N**eurologic Effects of **E**ryDex on Subjects with **A**-**T**) clinical trial, which is a multicenter, randomized, double-blind, placebo-controlled study to evaluate the neurological effects of EryDex on patients with A-T. Enrollment for the Phase 3 NEAT trial is expected to begin in the second quarter of 2024. The company plans to enroll approximately 86 A-T patients aged six to nine years-old and approximately 20 additional A-T patients aged 10 years or older. This pivotal clinical trial will be conducted under a Special Protocol Assessment (SPA) that has been agreed with the U.S. Food & Drug Administration (FDA), which should allow for the submission of a New Drug Application (NDA) following completion of this single study, assuming positive results.

Quince's integrated senior leadership team holds extensive development, clinical, regulatory, and commercial expertise, and includes:

- Dirk Thye, M.D. – Chief Executive Officer and member of Quince's Board of Directors
- Charles Ryan, J.D., Ph.D. – President
- Guenter R. Janhofer, M.D., Ph.D. – Chief Medical Officer
- Brendan Hannah, M.B.A. – Chief Business Officer and Principal Financial Officer
- Giovanni Mambrini, MSc – Chief Technology Officer
- Thomas Sabia, M.B.A. – Chief Commercial Officer
- Pamela Williamson, RAC, FRAPS, M.B.A. – Head of Regulatory Affairs

EryDel's former Chief Executive Officer, Luca Benatti, Ph.D., also joins Quince's Board of Directors.

The acquisition of EryDel was completed with no upfront cash payment, using a stock-for-stock exchange and potential downstream milestone cash payments. EryDel stockholders now own 15.2% of Quince's outstanding shares and may be issued up to an additional 725,036 shares of the company's common stock (equal to 16.6% of Quince's currently outstanding shares – inclusive of the shares issued) upon the first anniversary of the transaction closing. EryDel stockholders also will be entitled to up to $485 million in potential total downstream cash payments, including up to $5 million in development milestones, $25 million at NDA acceptance, $60 million in approval milestones, and $395 million on market and sales milestones, with no royalties paid to EryDel stockholders. The transaction includes the assumption of EryDel's $13 million (€10 million in principal) European Investment Bank (EIB) loan with scheduled payments beginning in the second half of 2026.

About Quince Therapeutics

Quince Therapeutics (Nasdaq: QNCX) is a late-stage biotechnology company dedicated to unlocking the power of a patient's own biology to deliver innovative and life-changing therapeutics to those living with rare diseases. For more information on the company and its latest news, visit www.quincetx.com and follow Quince Therapeutics on social media platforms LinkedIn and X.

Forward-looking Statements

Statements in this news release contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 as contained in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the "safe harbor" created by those sections. All statements, other than statements of historical facts, may be forward-looking statements. Forward-looking statements contained in this news release may be identified by the use of words such as "believe," "may," "should," "expect," "anticipate," "plan," "believe," "estimated," "potential," "intend," "will," "can," "seek," or other similar words. Examples of forward-looking statements include, among others, statements relating to Quince's acquisition of EryDel; the expected benefits of the transaction, including the continued current and future clinical development and potential expansion of EryDel assets, related platform, and related timing and costs; the strategic development path for EryDex; planned regulatory agency submissions and clinical trials and timeline, prospects, and milestone expectations; the timing and success of the clinical trials and related data, including plans and the ability to initiate, fund, conduct and/or complete current and additional studies;

the potential therapeutic benefits, safety, and efficacy of EryDex; statements about its ability to obtain, and the timing relating to, further development of EryDex; therapeutic and commercial potential; the integration of EryDel's business, operations, and employees into Quince; Quince's future development plans and related timing; its cash position and projected cash runway; the company's focus, objectives, plans, and strategies; and the ability to execute on any strategic transactions. Forward-looking statements are based on Quince'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 Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission (SEC) on August 3, 2023, and other reports as filed with the SEC. Forward-looking statements contained in this news release are made as of this date, and Quince undertakes no duty to update such information except as required under applicable law.

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