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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2025
OR
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____
Commission File Number: 001-38890

Quince Therapeutics, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**90-1024039**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
611 Gateway Boulevard, Suite 273 South San Francisco, California	**94080**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (415) 910-5717

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	QNCX	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 6, 2025, the registrant had 55,681,490 shares of common stock, $0.001 par value per share, outstanding.

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Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements. All statements other than statements of historical facts contained in this report, including statements regarding our future results of operations and financial position, business strategy, drug candidates, planned preclinical studies and clinical trials, research and development costs, regulatory approvals, timing and likelihood of success, as well as plans and objectives of management for future operations, are forward-looking statements. In some cases, forward-looking statements may be identified by words such as "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "could," "would," "expect," "objective," "plan," "potential," "seek," "grow," "target," "if," and similar expressions intended to identify forward-looking statements.

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives and financial needs. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions, including risks described in the section titled “Risk Factors” set forth in Part II, Item 1A of this Quarterly Report on Form 10-Q and in our other filings with the Securities and Exchange Commission (the "SEC"). It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this Quarterly Report on Form 10-Q may not occur, and actual results may differ materially and adversely from those anticipated or implied in the forward-looking statements. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- our ability to successfully execute on our current strategic direction;
- future research and development activities, including the scope, success, cost and timing of any future development activities, preclinical studies and clinical trials, including clinical trials of eDSP or other pipeline compounds we advance through the drug development process;
- the timing and focus of any potential future clinical trials, and the reporting of data from those trials;
- our ability and timing of seeking and obtaining FDA and any other regulatory approvals for our drug candidates;
- the willingness of the FDA or other regulatory authorities to accept any future completed or planned clinical and preclinical studies and other work, as the basis for review and approval of our drug candidates for their respective indications;
- whether regulatory authorities determine that additional trials or data are necessary in order to accept a new drug application for review and/or approval;
- the ability of any future clinical trials to demonstrate safety and efficacy of eDSP and other drug candidates, and other positive results;
- our financial performance;
- our ability to continue as a going concern, the sufficiency of our existing cash and cash equivalents to fund our future operating expenses and capital expenditure requirements;
- the accuracy of our estimates regarding expenses, future revenue, capital requirements, and needs for additional financing;
- our expectations related to the use of our available cash;
- our ability to service our debt obligations and maintain compliance with associated covenants;
- our ability to obtain funding for our operations, including funding necessary to develop and commercialize our drug candidates;

- our expectations regarding the potential market size and the size of the patient populations for our drug candidates, if approved for commercial use, and the potential market opportunities for commercializing our drug candidates;
- our plans relating to commercializing our drug candidates, if approved;
- our plans and ability to establish sales, marketing and distribution infrastructure to commercialize any drug candidates for which we obtain approval;
- our ability to attract and retain key scientific and clinical personnel;
- our ability to contract with third-party suppliers and manufacturers and their ability to perform adequately;
- our reliance on third parties to conduct clinical trials of our drug candidates, and for the manufacture of our drug candidates for preclinical studies and clinical trials;
- dependence upon the integrity of our supply chain, including multiple single-source suppliers;
- our reliance on third-party suppliers for certain of our raw materials and components;
- our ability to expand our drug candidates into additional indications and patient populations;
- the success of competing therapies that are or may become available;
- the beneficial characteristics, safety and efficacy of our drug candidates;
- governmental or regulatory delays, information requests, clinical holds, and regulatory developments in the United States and other jurisdictions;
- our ability to obtain and maintain regulatory approval of our drug candidates, and any related restrictions, limitations and/or warnings in the label of any approved drug candidate;
- our ability to obtain and maintain CE Certificates of conformity for the medical device components of our eDSP System in accordance with applicable legislation governing medical devices;
- our ability to transition CE Certifications under the previous Medical Device Directive, to a regulatory framework under MDR;
- our plans and ability to obtain or protect intellectual property rights, including extensions of existing patent terms where available;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our drug candidates and technology;
- potential claims relating to our intellectual property;
- our ability to grow our organization and increase the size of our facilities to meet our anticipated growth; and
- our ability to maintain compliance with Nasdaq listing requirements.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report on Form 10-Q.

You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by law, we do not intend to update any of these forward-looking statements after the date of this Quarterly Report on Form 10-Q or to conform these statements to actual results or revised expectations.

You should read this Quarterly Report on Form 10-Q with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

This Quarterly Report on Form 10-Q contains estimates, projections and other information concerning our industry, our business and the markets for our drug candidates. We obtained the industry, market and similar data set forth in this report from our own internal estimates and research and from academic and industry research, publications, surveys and studies conducted by third parties, including governmental agencies. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. While we believe that the data we use from third parties are reliable, we have not separately verified these data. Further, while we believe our internal research is reliable, such research has not been verified by any third party. You are cautioned not to give undue weight to any such information, projections and estimates.

DEFINED TERMS

Unless the context requires otherwise, references to "Quince," "the Company," "we," "us," or "our" in this Quarterly Report on Form 10-Q refer to Quince Therapeutics, Inc. and its consolidated subsidiaries. We also have used several other terms in this Quarterly Report on Form 10-Q, most of which are explained or defined below.

Abbreviated Term	Defined Term
AIDE	Autologous Intracellular Drug Encapsulation
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
A-T	Ataxia-Telangiectasia
ATTeST	Ataxia Telangiectasia Trial with the eDSP System
the Code	Internal Revenue Code of 1986, as amended
CODM	Chief Operating Decision Maker
COVID-19	Coronavirus disease
Credits	Tax credits
CRO	Contract Research Organization
CTR	European Union pharmaceutical legislation known as the Clinical Trials Regulation
Debt Agreement	Unsecured line of credit agreement between EryDel and the European Investment Bank, which the Company guaranteed on October 20, 2023 in connection with the EryDel Acquisition
DMD	Duchenne muscular dystrophy
DSP	Dexamethasone Sodium Phosphate
EC	European Commission
EryDel	Quince Therapeutics, S.p.A (previously named EryDel S.p.A.)
eDSP	Encapsulated dexamethasone sodium phosphate encapsulated in patient's own red blood cells (previously referred to as EryDex)
eDSP System	Automated combination product to encapsulate dexamethasone sodium phosphate in red blood cells
EIB	European Investment Bank
EU	European Union
EIB Loan	Unsecured line of credit between EryDel and the European Investment Bank
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FDA	United States Food and Drug Administration
GAAP	generally accepted accounting principles in the United States
GMP	Good Manufacturing Practice
HHS	United States Department of Health and Human Services
ICARS	International Cooperative Ataxia Rating Scale
IPR&D	In-process Research and Development

IRA	Inflation Reduction Act of 2022
Lighthouse	Lighthouse Pharmaceuticals, Inc.
MAA	Marketing Authorization Application
MDR	Medical Devices Regulation 2017/745
MPEEM	Multi-Period Excess Earnings Method
Nasdaq	The Nasdaq Stock Market LLC
NDA	New Drug Application
NEAT	eDSP Phase 3 Clinical Trial (Neurological Effects of eDSP on Subjects with A-T)
Novosteo	Novosteo, Inc.
OLE	Open-Label Extension Clinical Trial
PD	Pharmacodynamic
PK	Pharmacokinetic
PRF	Purdue Research Foundation
R&D	Research and Development
RBC	Red Blood Cell
RSA	Restricted Stock Awards
RSU	Restricted Stock Units
SAE	Serious Adverse Event
Sarbanes-Oxley Act	The Sarbanes-Oxley Act of 2002
SEC	United States Securities and Exchange Commission
Securities Act	Securities Act of 1933
SPA	Special Protocol Assessment

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

QUINCE THERAPEUTICS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands except share amounts)

	September 30, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,452	$ 6,212
Short-term investments	19,836	34,572
Prepaid expenses and other current assets	2,914	3,252
Total current assets	29,202	44,036
Property and equipment, net	616	315
Operating lease right-of-use assets	481	498
Intangible assets	67,726	60,045
Other assets	11,874	9,584
Total assets	$ 109,899	$ 114,478
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 3,403	$ 2,903
Accrued expenses and other current liabilities	5,121	4,375
Current portion of debt	17,520	—
Total current liabilities	26,044	7,278
Debt	—	14,321
Long-term operating lease liabilities	359	394
Long-term contingent consideration	61,213	56,691
Deferred tax liabilities	5,593	4,963
Warrant liabilities	14,853	—
Other long-term liabilities	778	685
Total liabilities	108,840	84,332
Stockholders' equity:		
Preferred stock, $0.001 par value, 10,000,000 authorized, no shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively.	—	—
Common stock, $0.001 par value, 250,000,000 shares authorized, 54,494,965 and 44,001,643 issued and outstanding as of September 30, 2025 and December 31, 2024, respectively.	54	44
Additional paid in capital	415,705	406,609
Accumulated other comprehensive income (loss)	6,293	(35)
Accumulated deficit	(420,993)	(376,472)
Total stockholders' equity	1,059	30,146
Total liabilities and stockholders' equity	$ 109,899	$ 114,478

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

QUINCE THERAPEUTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)
(In thousands, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating expenses:				
Research and development	$ 8,083	$ 4,916	$ 22,781	$ 12,765
General and administrative	3,281	3,630	11,412	13,296
Goodwill impairment charge	—	—	—	17,130
Fair value adjustment for contingent consideration	2,066	(2,683)	4,522	2,082
Total operating expenses	13,430	5,863	38,715	45,273
Loss from operations	(13,430)	(5,863)	(38,715)	(45,273)
Fair value adjustment for debt	(549)	(449)	(1,494)	(1,252)
Fair value adjustment for warrants	291	—	(4,173)	—
Warrant issuance costs	(42)	—	(914)	—
Interest income	300	683	1,017	2,393
Other income (expense), net	(58)	150	(174)	(158)
Net loss before income tax expense	(13,488)	(5,479)	(44,453)	(44,290)
Income tax benefit (expense)	46	(13)	(68)	(80)
Net loss	(13,442)	(5,492)	(44,521)	(44,370)
Other comprehensive loss:				
Foreign currency translation adjustments	125	2,158	6,386	203
Unrealized gain (loss) on available-for-sale securities	12	174	(58)	169
Total comprehensive loss	$ (13,305)	$ (3,160)	$ (38,193)	$ (43,998)
Net loss per share - basic and diluted	$ (0.25)	$ (0.13)	$ (0.92)	$ (1.03)
Weighted average shares of common stock outstanding - basic and diluted	53,951,371	43,164,136	48,234,306	43,090,632

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

QUINCE THERAPEUTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(In thousands, except share and per share amounts)

For the three months ended September 30, 2025 and 2024

	Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Income / (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of June 30, 2025	53,624,180	$ 53	$ 413,078	$ 6,156	$ (407,551)	$ 11,736
Issuance of common stock in connection with the ATM offerings, net	870,785	1	1,372	—	—	1,373
Stock based compensation	—	—	1,255	—	—	1,255
Foreign currency translation adjustment	—	—	—	125	—	125
Unrealized gain (loss) on available for sale investments	—	—	—	12	—	12
Net loss	—	—	—	—	(13,442)	(13,442)
Balance as of September 30, 2025	54,494,965	$ 54	$ 415,705	$ 6,293	$ (420,993)	$ 1,059
Balance as of June 30, 2024	43,276,606	$ 43	$ 404,360	$ 1,087	$ (358,522)	$ 46,968
Stock based compensation	—	—	1,124	—	—	1,124
Foreign currency translation adjustment	—	—	—	2,158	—	2,158
Unrealized gain (loss) on available for sale investments	—	—	—	174	—	174
Net loss	—	—	—	—	(5,492)	(5,492)
Balance as of September 30, 2024	43,276,606	$ 43	$ 405,484	$ 3,419	$ (364,014)	$ 44,932

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

QUINCE THERAPEUTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)
(In thousands, except share and per share amounts)

For the nine months ended September 30, 2025 and 2024

	Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Income / (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2024	44,001,643	$ 44	$ 406,609	$ (35)	$ (376,472)	$ 30,146
Issuance of common stock and warrants in private placement offering, net	6,671,928	6	740	—	—	746
Issuance of common stock in connection with the ATM offerings, net	3,637,334	4	4,259	—	—	4,263
Issuance of common stock on exercise of stock options	184,060	—	183	—	—	183
Stock based compensation	—	—	3,914	—	—	3,914
Foreign currency translation adjustment	—	—	—	6,386	—	6,386
Unrealized gain (loss) on available for sale investments	—	—	—	(58)	—	(58)
Net loss	—	—	—	—	(44,521)	(44,521)
Balance as of September 30, 2025	54,494,965	$ 54	$ 415,705	$ 6,293	$ (420,993)	$ 1,059
Balance as of December 31, 2023	42,973,215	$ 43	$ 401,638	$ 3,047	$ (319,644)	$ 85,084
Issuance of common stock on exercise of stock options and vesting of restricted stock units	303,391	—	225	—	—	225
Stock based compensation	—	—	3,621	—	—	3,621
Foreign currency translation adjustment	—	—	—	203	—	203
Unrealized gain (loss) on available for sale investments	—	—	—	169	—	169
Net loss	—	—	—	—	(44,370)	(44,370)
Balance as of September 30, 2024	43,276,606	$ 43	$ 405,484	$ 3,419	$ (364,014)	$ 44,932

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

QUINCE THERAPEUTICS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	For the Nine Months Ended September 30,	
	2025	2024
Cash flows from operating activities		
Net Loss	$ (44,521)	$ (44,370)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation	3,914	3,621
Depreciation and amortization	103	170
Change in the fair value of contingent consideration liabilities	4,522	2,082
Change in fair value of debt, net	1,318	1,252
Change in fair value of warrants	4,173	—
Non-cash goodwill and intangible asset impairment charge	—	17,130
Amortization of discount on available-for-sale investments	(826)	(1,858)
Changes in operating assets and liabilities, net of acquisitions:		
Prepaid expenses and other current assets	214	(2,025)
Right of use assets, operating leases and operating lease liabilities	80	(170)
Other assets	(607)	(292)
Accounts payable	214	(424)
Accrued expenses and other current liabilities	472	532
Net cash used in operating activities	(30,944)	(24,352)
Cash flow from investing activities:		
Purchase of investments	(29,496)	(89,562)
Proceeds from maturities of investments	45,000	100,727
Purchase of property and equipment	(348)	(124)
Net cash provided by investing activities	15,156	11,041
Cash flows from financing activities:		
Payment of contingent consideration	—	(5,000)
Proceeds from issuance of common stock, common warrants, and pre-funded warrants pursuant to private placement offering, net of issuance costs	11,426	—
Proceeds from issuance of common stock upon public offering, net of issuance costs	4,266	—
Proceeds from issuance of common stock upon exercise of stock options	183	225
Net cash provided by (used in) financing activities	15,875	(4,775)
Effect of exchange rate changes on cash	153	9
Net increase (decrease) in cash and cash equivalents	240	(18,077)
Cash and cash equivalents at beginning of period	6,212	20,752
Cash and cash equivalents at end of period	$ 6,452	$ 2,675
Supplemental disclosures of cash flow and non-cash information:		
Interest payment on debt	$ (176)	$ —
Right-of-use assets obtained in exchange for new operating lease liabilities	$ —	$ 232

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

QUINCE THERAPEUTICS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 1. Organization

Description of Business

Quince Therapeutics, Inc. is a late-stage biotechnology company dedicated to unlocking the power of a patient's own biology for the treatment of rare diseases.

Quince's proprietary AIDE technology is an innovative drug/device combination platform that uses an automated process to encapsulate a drug into a patient's own red blood cells. Our Phase 3 lead asset, eDSP, leverages the AIDE technology to encapsulate DSP into a patient's own red blood cells, and is targeted to treat a rare pediatric neurodegenerative disease, A-T.

Liquidity and Capital Resources

The Company has incurred losses and negative cash flows from operations since inception and expects to continue to generate operating losses for the foreseeable future. As of September 30, 2025, the Company had an accumulated deficit of $421.0 million. Since inception through September 30, 2025, the Company has funded operations primarily with the net proceeds from the sale of our securities, from the net proceeds from the Company's initial public offering (the "IPO") and from the net proceeds of the private investment in public equity transaction ("PIPE Financing"). As of September 30, 2025, the Company had cash, cash equivalents, and short-term investments of $26.3 million.

The Company evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern within one year after the date that these unaudited condensed consolidated financial statements are issued. The transition to profitability is dependent upon the successful development, approval and commercialization of our product candidate, and the achievement of a level of revenues adequate to support our cost structure. Based on its current operating plan, the Company believes that its cash and cash equivalents balance as of September 30, 2025 will not be sufficient to fund operations and capital expenditures for at least the twelve months following the issuance of these unaudited condensed consolidated financial statements, and the Company will need to obtain additional funding. The Company intends to obtain additional funding through available financing sources which may include additional public offerings of common stock, private financing of debt or equity, and/or the pursuit of strategic partnerships, licensing arrangements or collaborations. Management's belief with respect to the Company's ability to fund operations is based on estimates that are subject to risks and uncertainties. If actual results are different from management's estimates, the Company may need to seek additional funding sooner than would otherwise be expected. There can be no assurance that the Company will be able to obtain additional funding on acceptable terms, if at all. If the Company is unable to obtain sufficient funding, it may be required to delay development efforts, limit activities and reduce research and development costs, which could adversely affect its business prospects. Because of the uncertainty in securing additional funding and the insufficient amount of cash and cash equivalent resources as of September 30, 2025, management concluded that substantial doubt exists with respect to the Company's ability to continue as a going concern within one year after the date that these unaudited condensed consolidated financial statements are issued.

The accompanying unaudited condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the ordinary course of business. The unaudited condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of this uncertainty.

In connection with the acquisition of EryDel on October 20, 2023 (the "EryDel Acquisition"), the Company became a guarantor in respect of an unsecured line of credit between EryDel and the European Investment Bank (the "EIB Loan" or "Debt Agreement"). As of September 30, 2025, the Company had 10.0 million euros ($11.7 million) outstanding on the EIB Loan, with an original requirement to maintain a minimum cash balance of 14.65 million euros ($17.2 million) until full repayment (the "Minimum Cash

Covenant"). The Company could voluntarily prepay, and in cases of default or change in control, EIB could accelerate the debt. In November 2024, the Company amended the Debt Agreement (the "Amendment"), waiving the Minimum Cash Covenant from January 1, 2025 and up to the earlier of December 31, 2025, or the date the Minimum Cash Covenant is restored. As of September 30, 2025, the Minimum Cash Covenant had not been restored. Under the terms of the Amendment, the Company agreed to amendments requiring monthly cash balance reporting, restrictions on acquisitions, quarterly payments of 2% out of the total 9% deferred interest during the waiver period, and a one-time fee of 20 thousand euros ($22 thousand). In September 2025, the Company entered into a second amendment (the "Second Amendment"), providing that (i) for the period from January 1, 2026 to March 31, 2026 (the "Second Amendment Period"), the required minimum cash balance will be reduced to 5.0 million euros and (ii) during the Second Amendment Period, out of the overall 9% deferred interest rate due in respect of Tranche A and Tranche B under the EIB Facility, 1% will be converted into Fixed Rate to be paid on March 31, 2026 in respect of Tranche A and Tranche B. The amendment was accounted for as a modification.

Management expects to incur additional losses in the future to fund the Company's operations and conduct product research and development and may need to raise additional capital to fully implement its business plan. The Company may raise additional capital through the issuance of equity securities, debt financings or other sources including out-licensing or partnerships, in order to further implement its business plan. However, if such financing is not available when needed and at adequate levels, the Company will need to reevaluate its operating plan and may be required to delay the development of product candidates.

Note 2. Summary of Significant Accounting Policies

Basis of Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of Quince Therapeutics, Inc. and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with GAAP for interim financial information and pursuant to the instructions of the SEC on Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the management's opinion, all adjustments (consisting only of normal recurring adjustments) considered necessary for the fair statement of the results of operations and cash flows for the periods presented have been included.

The condensed consolidated balance sheet as of September 30, 2025, the condensed consolidated statements of operations and comprehensive loss for the three and nine months ended September 30, 2025 and 2024, the condensed consolidated statements of stockholders' equity for the three and nine months ended September 30, 2025 and 2024, the condensed consolidated statements of cash flows for the nine months ended September 30, 2025 and 2024, and the financial data and other financial information disclosed in the notes to the condensed consolidated financial statements are unaudited. These financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2024 included in the Company's Form 10-K filed with the SEC on March 24, 2025. The results of operations for the three and nine months ended September 30, 2025 are not necessarily indicative of the results to be expected for the year ending December 31, 2025 or for any other future annual or interim period.

Risks and Uncertainties

The Company's future results of operations involve a number of risks and uncertainties. Factors that could affect the Company's future operating results and cause actual results to vary materially from expectations include, but are not limited to, uncertainty of results of clinical trials and reaching milestones, uncertainty of regulatory approval of the Company's potential drug candidates, uncertainty of market acceptance of the Company's drug candidates, competition from substitute products and larger companies, securing and protecting proprietary technology, strategic relationships and dependence on key individuals and sole source suppliers.

The Company's drug candidates will require approvals from the FDA and comparable foreign regulatory agencies prior to commercial sales in their respective jurisdictions. There can be no assurance that any drug candidate will receive the necessary approvals.

Use of Estimates

The preparation of the Company's consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and expenses, as well as related disclosure of contingent assets and liabilities. The most significant estimates used in the Company's condensed consolidated financial statements relate to the determination of the fair value of identifiable assets and liabilities in connection with business combinations including associated intangible assets and goodwill, the fair value of contingent consideration and warrant liabilities, accruals for research and development costs, useful lives of long-lived assets, stock-based compensation and related assumptions, the incremental borrowing rate for leases and income tax uncertainties, including a valuation allowance for deferred tax assets, eligibility of expenses for the Australia research and development refundable tax credits, impairment of intangible assets, including goodwill; and contingencies. The Company bases its estimates on historical experience and on various other market specific and other relevant assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ materially from the Company's estimates.

Foreign Currency Translation and Transactions

The functional currency of the Company's wholly-owned subsidiaries are the Euro and Australian Dollar. The Company's financial results and financial position are translated into U.S. dollars using exchange rates at balance sheet dates for assets and liabilities and using average exchange rates for income and expenses. The resulting translation differences are presented as a separate component of accumulated other comprehensive income (loss), as a separate component of equity.

Foreign currency transactions are translated into the functional currencies using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses, resulting from the settlement of such transactions and from the re-measurement of monetary assets and liabilities denominated in foreign currencies using exchange rates at balance sheet date and non-monetary assets and liabilities using historical exchange rates, are recognized in the condensed consolidated statements of operations and comprehensive loss.

Segment Information

The Company manages its business activities on a consolidated basis and operates as one operating and reportable segment, which is the business of developing and commercializing the Company's proprietary AIDE technology platform. The key factors used to identify the reportable segments are the organization of its business and alignment of the Company's internal operations and the nature of its AIDE technology. Operating segments are defined as components of an enterprise for which discrete financial information is available and is evaluated regularly by the CODM, in deciding how to allocate resources and assess performance.

The Company's Chief Executive Officer, who is the CODM, reviews financial information on a consolidated basis for purposes of allocating and evaluating financial performance. The CODM evaluates the Company's performance and resource allocation by analyzing consolidated financial information. See Note 14 Segment Information for further details.

Intangible Assets

Definite lived Intangible Assets

Intangible assets with a definite useful life are amortized on a straight-line basis over the estimated useful life of the related assets. The Company regularly reviews whether current conditions or events suggest that the carrying values of its acquired definite lived intangible assets might not be recoverable. When such conditions are identified, an estimate of the undiscounted future cash flows

from these assets, or relevant asset groupings, is compared to their carrying value to determine if an impairment exists. If an impairment is identified, the loss is calculated as the difference between the carrying value of the intangible asset and its fair value, which is based on the net present value of the estimated future cash flows.

Indefinite lived Intangible Assets

Intangible assets with an indefinite useful life are not amortized. Intangible assets acquired in a business combination or an acquisition that are used in research and development activities (regardless of whether they have an alternative future use) shall be considered indefinite lived until the completion or abandonment of the associated research and development efforts. Intangible assets acquired in a business combination are initially recorded at fair value. During the period that those assets are considered indefinite lived, they shall not be amortized but shall be tested for impairment. Once the research and development efforts are completed or abandoned, the entity shall determine the useful life of the assets. An indefinite lived intangible asset shall be tested for impairment annually and more frequently if events or changes in circumstances indicate that it is more likely than not that the asset is impaired. The Company first assesses qualitative factors to determine whether it is more likely than not that the fair value of the intangible asset is less than its carrying amount. If that is the case, the Company performs a quantitative impairment test, and, if the carrying amount of the Company exceeds its fair value, then the Company will recognize an impairment charge for the amount by which its carrying amount exceeds its fair value, not to exceed the carrying amount of the intangible asset. Qualitative factors to be considered include but are not limited to:

- Cost factors such as increases in raw materials, labor, or other costs that have a negative effect on future expected earnings and cash flows
- Legal/regulatory factors or progress and results of clinical trials
- Other relevant entity-specific events such as changes in management, key personnel, strategy, or customers; contemplation of bankruptcy; or litigation that could affect significant inputs used to determine the fair value of the indefinite-lived intangible asset
- Industry and market considerations such as a deterioration in the environment in which an entity operates, or a more competitive environment
- Macroeconomic conditions such as deterioration in general economic conditions, limitations on accessing capital, fluctuations in foreign exchange rates, or other developments in equity and credit markets that could affect significant inputs used to determine the fair value of the indefinite-lived intangible asset.

Contingent Consideration

The Company determines the acquisition date fair value of contingent consideration using a probability-weighted discounted cash flow method, with significant inputs that are not observable in the market and thus represents a Level 3 fair value measurement as defined in ASC Topic 820, Fair Value Measurement. The significant inputs in the Level 3 measurement not supported by market activity included our probability assessments of expected future cash flows related to the Company's acquisition of EryDel in October 2023, during the contingent consideration period, appropriately discounted considering the uncertainties associated with the earnout obligation, and calculated in accordance with the terms of the definitive agreement. The liabilities for the contingent consideration are established at the time of the acquisition and will be evaluated on a quarterly basis based on additional information as it becomes available. Any change in the fair value adjustment is recorded in the earnings of that period. During the three and nine months ended September 30, 2025, the Company recorded adjustments of $2.1 million and $4.5 million, respectively, to increase the fair value of its contingent consideration related to the acquisition of EryDel. The adjustment is reflected within operating loss on the condensed consolidated statements of operations and comprehensive loss. Changes in the fair value of the contingent consideration obligations may result from changes in probability assumptions with respect to the likelihood of achieving the various contingent payment

obligations. Significant increases or decreases in the inputs noted above in isolation would result in a significantly lower or higher fair value measurement.

Cash, Cash Equivalents and Investments

The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Cash equivalents include marketable securities. Management determines the appropriate classification of its investments in debt securities at the time of purchase and at the end of each reporting period. Investments with maturities beyond three months at the date of purchase and which mature at, or less than twelve months from the balance sheet date are classified as short-term investments. Collectively, cash equivalents and short-term investments are considered available-for-sale and are recorded at fair value. Unrealized gains and losses are recorded as a component of other comprehensive income (loss) in the consolidated statements of operations and included as a separate component of consolidated statements of stockholders' equity. Realized gains and losses are included in interest income in the condensed consolidated statements of operations and comprehensive loss.

Premiums (discounts) are amortized (accreted) over the life of the related investment as an adjustment to yield using the straight-line interest method. Dividend and interest income are recognized when earned. These amounts are recorded in "interest income" in the condensed consolidated statements of operations and comprehensive loss.

Warrants

The Company accounts for warrants as equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms. The assessment considers whether the warrants are freestanding financial instruments, meet the definition of a liability, and whether the warrants meet all of the requirements for equity classification, including whether the warrants are indexed to the Company's own common stock, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For warrants that meet all criteria for equity classification, the warrants are recorded as a component of additional paid-in capital in the condensed consolidated balance sheets at the time of issuance. For warrants that do not meet all the criteria for equity classification, the warrants are recorded as liabilities at their initial fair value on the date of issuance, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized within the condensed consolidated statements of operations. The fair value of the warrants is estimated using the Black-Scholes option pricing model (see Note 9 Warrants).

Recently Adopted Accounting Pronouncements

There were no new accounting standards adopted during the three and nine months ended September 30, 2025.

Recent Accounting Pronouncements Not Yet Adopted

The following are new accounting pronouncements that the Company is evaluating for future impacts on its financial statements:

ASU 2023-09, *Improvements to Income Tax Disclosures (ASC 740)*. In December 2024, the FASB issued this ASU to establish new income tax disclosure requirements in addition to modifying and eliminating certain existing requirements. Under this ASU, entities must consistently categorize and provide greater disaggregation of information in the rate reconciliation. They must also further disaggregate income taxes paid. The ASU is effective for periods beginning after December 2025 under a prospective approach. Early adoption is permitted. The Company is evaluating the disclosure requirements related to the new standard.

ASU 2024-03, *Disaggregation of Income Statement Expenses ("DISE")*. In November 2024, the FASB issued a new accounting standard to improve the disclosures about an entity's expenses and address requests from investors for more detailed information about the types of expenses included in commonly presented expense captions. The new standard is effective for annual reporting

periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with retrospective application permitted. The Company is evaluating the disclosure requirements related to the new standard.

All other newly issued accounting pronouncements not yet effective have been deemed either immaterial or not applicable.

Note 3. Fair Value Measurements

The fair value of the Company's financial instruments reflects the amounts that the Company estimates that it would receive in connection with the sale of an asset or pay in connection with the transfer of a liability in an orderly transaction between market participants at the measurement date (exit price). The Company discloses and recognizes the fair value of the assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 - Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable. Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Company's financial instruments are carried in the accompanying condensed consolidated balance sheets at amounts that approximate fair value.

The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the asset or liability. The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period. There were no transfers within the hierarchy during the nine months ended September 30, 2025 and year ended December 31, 2024.

The Company elected the fair value option for the EIB Loan guaranteed by the Company in connection with the EryDel Acquisition. The Company adjusted the EIB Loan to fair value through the change in fair value of debt in the accompanying condensed consolidated statements of operations and comprehensive loss. Subsequent unrealized gains and losses on items for which the fair value option is elected are reported in earnings. The Company will break out any change in value due to credit loss in accumulated other comprehensive loss. For the three and nine months ended September 30, 2025 and year ended December 31, 2024, there was no change in value due to credit loss.

Financial assets and liabilities subject to fair value measurements on a recurring basis and the level of inputs used in such measurements by major security type as of September 30, 2025 and December 31, 2024 are presented in the following tables (in thousands):

	Fair Value Measurements as of September 30, 2025			
	Total	Level 1	Level 2	Level 3
Assets:				
Money market funds	$ 4,241	$ 4,241	$ —	$ —
Government and agency notes	19,836	—	19,836	—
Total Assets	$ 24,077	$ 4,241	$ 19,836	$ —
Liabilities:				
Contingent consideration	61,213	—	—	61,213
Debt	17,520	—	—	17,520
Common warrants	11,595	—	—	11,595
Pre-Funded warrants	3,258	—	—	3,258
Total	$ 93,586	$ —	$ —	$ 93,586

	Fair Value Measurements as of December 31, 2024			
	Total	Level 1	Level 2	Level 3
Assets:				
Money market funds	$ 3,702	$ 3,702	$ —	$ —
Government and agency notes	34,572	—	34,572	—
Total Assets	$ 38,274	$ 3,702	$ 34,572	$ —
Liabilities:				
Contingent consideration	56,691	—	—	56,691
Long-term debt	14,321	—	—	14,321
Total	$ 71,012	$ —	$ —	$ 71,012

The Company classifies government and agency notes as Level 2 investments as the Company uses quoted prices for similar assets sourced from certain third-party pricing services. The third-party pricing services generally utilize industry standard valuation models for which all significant inputs are observable, either directly or indirectly, to estimate the price or fair value of the securities. The primary input generally includes reported trades of or quotes on the same or similar securities. The Company does not make additional judgments or assumptions made to the pricing data sourced from the third-party pricing services.

Level 3 Liabilities

Contingent Consideration

The following table reflects the changes in present value of acquisition related accrued earnouts of contingent consideration liability using significant unobservable inputs (Level 3) for the nine months ended September 30, 2025 and 2024 (in thousands):

	September 30, 2025	September 30, 2024
Beginning balance	$ 56,691	$ 57,706
Change in fair value	4,522	2,082
Payout of contingent earnout based on milestone achievement	—	(5,000)
Ending balance	$ 61,213	$ 54,788

To estimate the fair value of the contingent consideration, the Company used a probability-weighted discounted cash flow model with an expected present value valuation technique with significant unobservable fair value inputs and is therefore classified as a Level 3 measurement. The estimates of fair value are uncertain and changes in the estimated inputs may result in significant adjustments to the

fair value. The unobservable inputs consisted of the expected timing of milestone completion dates, probability of achievement, and discount rate. The change in the fair value of the contingent consideration is primarily driven by the passage of time related to the contingent consideration earnout.

The following table summarizes the assumptions used in the valuation of the contingent consideration (in thousands except for percentages):

	September 30, 2025	December 31, 2024
Expected timing of milestones completion dates	2026 - 2038	2026 - 2038
Discount rate	14.6%	14.5%
Probability of achievement	1% - 56.5%	1% - 56.5%

Debt

The following table presents the changes in the fair value of the Level 3 EIB Loan for the nine months ended September 30, 2025 and 2024 (in thousands):

	September 30, 2025	September 30, 2024
Beginning balance	$ 14,321	$ 13,429
Change in fair value	1,494	1,252
Interest payment	(176)	—
Due to foreign currency translation	1,881	218
Ending balance	$ 17,520	$ 14,899

To estimate the fair value of the EIB Loan, the Company used an expected present value valuation technique with significant unobservable inputs resulting in classification as a Level 3 measurement. The estimate of fair value is uncertain and changes in the estimated inputs may result in significant adjustments to the fair value. The unobservable inputs consisted of discount rate which includes the credit quality of the Company and credit spreads for comparable debt.

The following table summarizes the assumptions including the unobservable inputs related to the Company's debt:

	September 30, 2025	December 31, 2024
Discount rate	13%	13%

Warrants

During the nine months ended September 30, 2025, the Company issued common and pre-funded warrants which are classified as liabilities based on an assessment of the warrant’s specific terms and applicable authoritative guidance in ASC 480. The Company estimates the fair value of the common and pre-funded warrants utilizing the Black-Scholes option pricing model, which is dependent upon several level 3 inputs that are not observable in active markets, such as expected term, volatility, risk-free interest rate, and expected dividends. Each of these inputs is subjective and generally requires significant judgment to determine.

As of September 30, 2025, the aggregate fair value of the outstanding warrant liability was approximately $14.9 million.

The following table summarizes key inputs used in the valuation of the liability classified warrants as of the issuance date and as of September 30, 2025:

	As of issuance date	As of September 30, 2025
Expected term	5.0 years	4.7 years
Common stock market price	$ 1.20	$ 1.63
Common warrants exercise price	$ 1.20	$ 1.20
Pre-Funded warrants exercise price	$ 0.001	$ 0.001
Risk-free interest rate	3.97%	3.68%
Expected volatility	108.35%	110.44%

The following table presents the changes in the fair value of the Level 3 liability classified warrants for the nine months ended September 30, 2025:

	(in thousands)
Balance as of December 31, 2024	$ —
Issuance of warrants	10,680
Change in fair value of warrants	4,173
Balance as of September 30, 2025	$ 14,853

Note 4. Cash, Cash Equivalents and Investments

The following tables categorize the fair values of cash, cash equivalents and investments measured at fair value on a recurring basis on the condensed consolidated balance sheets (in thousands):

	September 30, 2025	December 31, 2024
Cash and cash equivalents:		
Cash	$ 2,211	$ 2,510
Money market funds	4,241	3,702
Total cash and cash equivalents	$ 6,452	$ 6,212
Short-term investments:		
Government and agency notes	19,836	34,572
Total short-term investments	$ 19,836	$ 34,572

The Company's investments are classified as available-for-sale securities. As of September 30, 2025, the weighted average remaining contractual maturities of available-for-sale securities was approximately 2 months. The unrealized gain (loss) activity related to the Company’s available-for-sale securities is included in the Company’s accumulated other comprehensive income. There were no significant realized gains or losses recognized on the sale or maturity of available-for-sale securities for the three and nine months ended September 30, 2025 and 2024, and as a result, the Company did not reclassify any amounts out of accumulated other comprehensive income. Based on the Company’s review of its available-for-sale securities, the Company has no available-for-sale securities in loss positions as of September 30, 2025. No other-than-temporary impairments on these securities were recognized for the three and nine months ended September 30, 2025 and 2024.

The Company periodically assesses its investment in available-for-sale securities for impairment losses and credit losses. The amount of credit losses is determined by comparing the difference between the present value of future cash flows expected to be collected on these securities and the amortized cost. Factors considered in assessing credit losses include the position in the capital structure, vintage and amount of collateral, delinquency rates, current credit support, and geographic concentration. There have been no impairments or credit losses related to available-for-sale securities for the three and nine months ended September 30, 2025 and 2024.

For available-for-sale debt securities in an unrealized loss position, the Company first assesses whether it intends to sell, or it is more likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding

intent or requirement to sell is met, the security's amortized cost basis is written down to fair value and recognized in interest and other income, net in the statement of operations and comprehensive loss. If neither criteria is met, the Company evaluates whether the decline in fair value is related to credit-related factors or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. Credit-related impairment losses, limited by the amount that the fair value is less than the amortized cost basis, are recorded through an allowance for credit losses in interest and other income, net.

Any unrealized losses from declines in fair value below the amortized cost basis as a result of non-credit factors are recognized in accumulated other comprehensive income, net of tax as a separate component of stockholders' equity, along with unrealized gains. Realized gains and losses and declines in fair value, if any, on available-for-sale securities are included in interest and other income, net in the condensed consolidated statement of operations and comprehensive loss.

For purposes of identifying and measuring credit-related impairments, the Company's policy is to exclude applicable accrued interest from both the fair value and amortized cost basis of the related security. The Company has elected to write-off uncollectible accrued interest receivable balances in a timely manner, which is defined by the Company as when interest due becomes 90 days delinquent. The accrued interest write-off will be recorded by reversing interest income. Accrued interest receivable is recorded in other current assets on the condensed consolidated balance sheets.

The following table summarizes the available-for-sale securities (in thousands):

	Fair Value Measurements as of September 30, 2025			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Money market funds	$ 4,241	$ —	$ —	$ 4,241
Government and agency notes	19,825	11	—	19,836
Total cash equivalents and investments	$ 24,066	11	$ —	$ 24,077
Classified as:				
Cash equivalents (original maturities within 90 days)				$ 4,241
Short-term investments (maturities within one year)				19,836
Total cash equivalents and investments				$ 24,077

	Fair Value Measurements as of December 31, 2024			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Money market funds	$ 3,702	$ —	$ —	$ 3,702
Government and agency notes	34,503	69	—	34,572
Total cash equivalents and investments	$ 38,205	$ 69	$ —	$ 38,274
Classified as:				
Cash equivalents (original maturities within 90 days)				$ 3,702
Short-term investments (maturities within one year)				34,572
Total cash equivalents and investments				$ 38,274

Note 5. Balance Sheet Components

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following (in thousands):

	September 30, 2025	December 31, 2024
Prepaid research and development expenses	$ 749	$ 1,300
Short-term Italian research and development refundable tax credit	995	882
Prepaid insurance	816	629
Prepaid expenses	258	357
Other current assets	96	84
Total prepaid expenses and other current assets	$ 2,914	$ 3,252

The Company is eligible to obtain an R&D tax credit as companies in Italy that invest in eligible research and development activities, regardless of the legal form and economic sector in which they operate, can benefit from a R&D tax credit. Such tax credits can only be used to offset payments of certain taxes and contributions (e.g., social contributions, VAT payables, registration fees, income and withholding taxes and other tax-related items that companies usually pay monthly). The Company recognized reductions to R&D expense of $0.7 million and $1.6 million for the three and nine months ended September 30, 2025, and reductions of $0.4 million and $1.2 million for the three and nine months ended September 30, 2024, respectively.

Other Assets

Other assets consisted of the following (in thousands):

	September 30, 2025	December 31, 2024
Long-term Italian research and development refundable tax credit	$ 5,038	$ 4,053
VAT receivable	6,758	5,453
Equity investments in Lighthouse Pharmaceuticals, Inc.	78	78
Total other assets	$ 11,874	$ 9,584

Property and Equipment, Net

Property and equipment, net consist of the following (in thousands):

	September 30, 2025	December 31, 2024
Computer equipment	$ 64	$ 55
Computer software	32	28
Lab equipment	1,061	635
Leasehold improvement	38	34
Office furniture	228	202
Less: accumulated amortization and depreciation	(807)	(639)
Property and equipment, net	$ 616	$ 315

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following (in thousands):

	September 30, 2025	December 31, 2024
Personnel expenses	$ 2,612	$ 2,482
Research and development expenses	2,100	1,029
Professional fees	—	460
Current portion of operating lease liabilities	114	96
Other	295	308
Total accrued expenses and other current liabilities	$ 5,121	$ 4,375

For the nine months ended September 30, 2025 and 2024, the severance accrual activity was as follows (in thousands):

	2025	2024
Beginning accrued severance	$ —	$ 341
Incurred during the period	413	41
Severance paid during the period	(269)	(382)
Ending accrued severance	$ 144	$ —

During the nine months ended September 30, 2025 and 2024, the Company incurred severance costs related to personnel separation, reflecting payments made and accrued to departing employees.

Note 6. Leases

In January 2024, the Medolla Lease Agreement for the office space was renegotiated. The new Medolla Lease Agreement includes an additional space and commenced on February 1, 2024, and will end on January 31, 2030, substituting the Medolla Lease Agreement commenced in June 2018.

The Company recognizes lease expense on a straight-line basis over the term of its operating lease. During the three and nine months ended September 30, 2025, the Company recorded lease expense of $38 thousand and $0.1 million, respectively. During the three and nine months ended September 30, 2024, the Company recorded lease expense of $35 thousand and $0.1 million, respectively.

Supplemental balance sheet information related to leases as follows (in thousands except lease terms and discount rates):

	September 30, 2025	December 31, 2024
Assets:		
Operating lease right of use asset, net	$ 481	$ 498
Liabilities:		
Short-term operating lease liability	114	96
Long-term operating lease liability	359	394
Total lease liabilities	$ 473	$ 490
Other information:		
Weighted average remaining lease term	3.9 years	4.6 years
Weighted average discount rate	9.12%	9.11%

Future minimum lease payments under lease agreements as of September 30, 2025, were as follows (in thousands):

Fiscal Year		
2025 (remainder of the year)	$	38
2026		149
2027		142
2028		128
2029		101
Total lease payments		558
Less: imputed interest		(85)
Total remaining lease liability	$	473

Note 7. Debt

In connection with the acquisition of EryDel on October 20, 2023, the Company became a guarantor in respect of the EIB Loan. The EIB Loan was amended and restated as of the acquisition date. The EIB Loan provides for maximum borrowings of 30.0 million euro through four tranches; tranche A, 3.0 million euro; tranche B, 7.0 million euro; tranche C, 10.0 million euro; and tranche D, 10.0 million euro. Each tranche is subject to conditions precedent related to the Company's business and capitalization. As of September 30, 2025, only tranches A and B have been drawn. All amounts due under tranche A and B are payable on their maturity date of August 2026. Tranche C and D are payable in equal installments of principal together with all amounts outstanding under the tranches on the repayment date. The first repayment date of tranche C shall fall not earlier than twelve months from the disbursement date of such tranche. The last repayment date of tranche C and tranche D shall fall not later than 5 years from the disbursement date of tranche C and tranche D, respectively. The EIB Loan bears interest at fixed rates for each tranche and is payable on the maturity date for each Tranche (with the exception of 2% cash interest which shall accrue and be payable quarterly during fiscal year 2025 pursuant to the terms of the Amendment, which shall correspondingly reduce the deferred interest rate accruing during such period). The fixed rates range from 7.0% to 9.0% per annum. As of September 30, 2025, principal of 10.0 million euros ($11.7 million) was outstanding on the EIB Loan and is classified as current portion of debt on the condensed consolidated balance sheet at fair value with imputed interest of 9.0% included.

The original Debt Agreement requires the Company to maintain the Minimum Cash Covenant of 14.65 million euros ($17.2 million) until the outstanding obligations under the Debt Agreement, together with accrued interest and all other amounts accrued or outstanding under the agreement, is repaid in full. Furthermore, the Company may at any time voluntarily prepay, in whole or in part, together with certain fees as set forth in the Debt Agreement, the outstanding obligations under the Debt Agreement. In the event of a default or a change in control, as specified in the Debt Agreement, EIB may, subject to certain grace periods, accelerate the outstanding obligations under the EIB Loan.

In November 2024, the Company entered into the Amendment of the Debt Agreement with EIB which waives the Minimum Cash Covenant from January 1, 2025 and up to the earlier of December 31, 2025, or the date the Minimum Cash Covenant is restored. As of September 30, 2025, the Minimum Cash Covenant had not been restored. Under the terms of the Amendment, the Company agreed to amendments requiring monthly reporting of cash balances and additional limitations on certain permitted acquisitions. Additionally, during the waiver period, the Company agreed to convert 2% out of the total 9% deferred interest on Tranches A and B to be payable quarterly, with payments made on March 31, 2025, June 30, 2025, September 30, 2025, and a one-time fee of 20 thousand euros ($22 thousand) in connection with the Amendment.

In September 2025, the Company entered into a second amendment (the "Second Amendment"), providing that (i) for the period from January 1, 2026 to March 31, 2026 (the "Second Amendment Period"), the required minimum cash balance will be reduced to 5.0 million euros and (ii) during the Second Amendment Period, out of the overall 9% deferred interest rate due in respect of Tranche A and Tranche B under the EIB Facility, 1% will be converted into Fixed Rate to be paid on March 31, 2026 in respect of Tranche A and Tranche B.

For the three and nine months ended September 30, 2025, the Company paid 0.1 million euros ($0.1 million) and 0.2 million euros ($0.2 million), respectively, in interest payments.

The Debt Agreement includes a provision for additional remuneration to be paid in addition to interest. The amount of additional remuneration to be paid is equal to 2.5% of revenue up to 125.0 million euros, plus 1.85% of revenue between 125.0 and 250.0 million euros, plus 1.0% of revenue in excess of 250.0 million euros, multiplied by a varying percentage based on how many tranches have been drawn. The varying percentage is equal to 30.0% in the event tranche A has been drawn, 50.0% in the event tranche A and B have been drawn, 80.0% in the event tranche A, B and C have been drawn, and 100.0% in the event all four tranches have been drawn. The additional remuneration is payable for seven years, during the period January 1, 2026, through December 31, 2032. In the event of an occurrence of an event of default or prepayment, the Company may be required to pay an additional remuneration buyout fee.

The Company elected to account for the EIB Loan at fair value, which requires the EIB Loan to be recorded at fair value at issuance and at the end of each reporting period. Gains or losses upon remeasurement are to be recorded in other income (expense), net in the condensed consolidated statements of operations and comprehensive income. The Company presents separately in other comprehensive income the portion of the total change in the fair value of the EIB Loan that results from a change in instrument-specific credit risk. The EIB Loan's fair value at the date it was assumed adjusted its carrying value based on using a discounted cash flow analysis with a discount rate based on a yield curve that was adjusted for credit rating. The change in fair value as of September 30, 2025 was determined using a discounted cash flow analysis discounted at the market yield. The significant inputs used to measure the market yield as of September 30, 2025 relative to the date the EIB Loan was assumed was the change in credit quality of the Company, the change in credit spreads for comparable debt instruments, and the change in the risk-free rate. As of September 30, 2025, the fair value of the EIB Loan is $17.5 million, which includes a fair value adjustment of $1.5 million and foreign currency translation of $1.9 million during the nine months ended September 30, 2025.

Future minimum principal payments, as of September 30, 2025 are as follows (in thousands):

Fiscal Year	Amount
2025	$ —
2026	11,748
2027 and thereafter	—
Total future payments	11,748
Imputed interest and fair value adjustments	5,772
Total Debt as of September 30, 2025	$ 17,520

Note 8. Stockholders' Equity

Common Stock

On June 4, 2025, the Company's shareholders approved an amendment to the Company's certificate of incorporation to increase the total number of authorized shares of Common Stock from 100,000,000 to 250,000,000.

ATM Program

On December 18, 2024, the Company entered into a Controlled Equity Offering[SM] Sales Agreement, with Cantor Fitzgerald & Co. and H.C. Wainwright & Co., LLC, or the Agents, relating to the sale of shares of the Company's common stock, par value $0.001 per share. In accordance with the terms of this agreement, as of September 30, 2025, the Company may offer and sell up to $21.9 million of shares of common stock.

During the nine months ended September 30, 2025, the Company utilized its ATM program to raise net proceeds of approximately $4.3 million by issuing 3,637,334 shares of common stock. As of September 30, 2025, $17.5 million remained available to be sold under the ATM program.

June 2025 Private Placement

On June 12, 2025, the Company entered into a Securities Purchase Agreement (the "Securities Purchase Agreement"), with certain institutional investors (the "Investors") and certain members of the Company's management (together with the Investors, the "Purchasers") pursuant to which the Company issued and sold to the Purchasers in a private placement ("June 2025 Private Placement"): (i) 6,671,928 shares (the "Shares") of its common stock, par value $0.001 per share (the "Common Stock"), (ii) pre-funded warrants (the "Pre-Funded Warrants") to purchase up to an aggregate of 2,000,000 shares of Common Stock, and (iii) accompanying warrants to purchase up to an aggregate of 8,671,928 shares of Common Stock (the "Common Warrants"), for aggregate gross proceeds of approximately $11.5 million (excluding up to approximately $10.4 million of aggregate gross proceeds that may be received in the future upon the cash exercise in full of the Common Warrants issued in the Private Placement), before deducting placement agent fees and other expenses payable by the Company.

Note 9. Warrants

Warrants Issued with June 2025 Private Placement

On June 12, 2025, in connection with the sale and issuance common stock as part of the June 2025 Private Placement, the Company issued Pre-Funded Warrants to purchase up to an aggregate of 2,000,000 shares of Common Stock at an exercise price of $0.001 per share, and Common Warrants to purchase up to an aggregate of 8,671,928 shares of Common Stock at an exercise price of $1.20 per share. Each Share and each Pre-Funded Warrant sold pursuant to the Securities Purchase Agreement was accompanied by one Common Warrant. The combined purchase price of each Share and accompanying Common Warrant was $1.325 (which included $0.125 per Common Warrant in accordance with the rules and regulations of Nasdaq). The combined purchase price of each Pre-Funded Warrant and accompanying Common Warrant was $1.324 (equal to the combined purchase price per Share and accompanying Common Warrant, minus $0.001).

The Common Warrants can be exercised into either common stock or Pre-Funded Warrants at the holders' option, and both Common Warrants and Pre-Funded Warrants contain purchase rights that could result in holders receiving securities that more than offsets or neutralizes the effect of a distribution event. As a result of the aforementioned provisions, both Common Warrants and Pre-Funded Warrants fail the indexation guidance under ASC 815 and are classified as liabilities. The Pre-Funded Warrants and Common Warrants liabilities were recorded at fair value as of the issuance date and September 30, 2025, and subject to adjustment to estimated fair value at each balance sheet date until the warrants are settled.

The proceeds from June 2025 Private Placement were first allocated to the full fair value of the Pre-Funded Warrants and Common Warrants due to the liability classification. As disclosed in Note 3, the fair value of the Pre-Funded Warrants and Common Warrants at issuance was $10.7 million. The remaining proceeds of $0.8 million, before issuance costs, were allocated to the Common Stock.

During the three months ended September 30, 2025, the Company recognized a fair value gain on warrant liability of $0.3 million, and during the nine months ended September 30, 2025, the Company recognized a fair value loss of $4.2 million. Proceeds from June 2025 Private Placement are shown as cash from financing transactions and the loss on the change in fair value of the warrant liability is included as an adjustment to reconcile the net loss to net cash used in operating activities in the statements of cash flows for the nine months ended September 30, 2025.

In addition, offering expenses of $0.9 million out of total offering expenses of $1.0 million related to the June 2025 Private Placement were recorded as a component of other expenses as the proceeds were allocated to the warrant liability. The offering expenses were allocated to each instrument based on their respective fair value at issuance.

All of the Pre-Funded Warrants and Common Warrants issued in connection with the June 2025 Private Placement remained outstanding as of September 30, 2025. The following table is a summary of the Company's warrants outstanding as of September 30, 2025:

	Number of Common Stock Issuable	Exercise Price	Expiration Date
Pre-Funded Warrants	2,000,000	$ 0.001	None
Common Warrants	8,671,928	$ 1.20	June 12, 2030

Note 10. Stock-Based Compensation

The Company operates three stock-based compensation plans as of September 30, 2025:

- 2019 Equity Incentive Plan (Quince)
- 2019 Equity Incentive Plan (Novosteo)
- 2022 Inducement Plan (Quince)

2019 Equity Incentive Plan (Quince)

On December 4, 2014, the Company's stockholders approved the 2014 Stock Plan ("2014 Plan"), and on April 25, 2019 amended, restated and re-named the 2014 Plan as the 2019 Equity Incentive Plan (the "Quince 2019 Plan"), which became effective as of May 7, 2019, the day prior to the effectiveness of the registration statement filed in connection with the IPO. The remaining shares available for issuance under the 2014 Plan were added to the shares reserved for issuance under the Quince 2019 Plan.

The Quince 2019 Plan provides for the grant of stock options (including incentive stock options and non-qualified stock options), stock appreciation rights, restricted stock, RSUs, performance units, and performance shares to the Company's employees, directors, and consultants. As of September 30, 2025, the maximum aggregate number of shares that may be issued under the Quince 2019 Plan is 13,515,484 shares of the Company's common stock. In addition, the number of shares available for issuance under the Quince 2019 Plan will be annually increased on the first day of each fiscal years beginning with fiscal 2020, by an amount equal to the least of (i) 2,146,354 shares of common stock; (ii) 4% of the outstanding shares of its common stock as of the last day of its immediately preceding fiscal year; and (iii) such other amount as the Board of Directors may determine.

The Quince 2019 Plan may be amended, suspended or terminated by the Board of Directors at any time, provided such action does not impair the existing rights of any participant, subject to stockholder approval of any amendment to the Quince 2019 Plan as required by applicable law or listing requirements. Unless sooner terminated by the Company's Board of Directors, the Quince 2019 Plan will automatically terminate on April 23, 2029.

As of September 30, 2025, the Company had 1,109,434 shares available for future issuance under the Quince 2019 Plan.

Stock Options

Stock options under the Quince 2019 Plan may be granted for periods of up to 10 years and at prices no less than 100% of the fair market value of the shares on the date of grant. If, at the time of grant, the optionee directly owns stocks representing more than 10% of the voting power of all our outstanding capital stock, the exercise price for these options must be at least 110% of the fair value of the underlying common stock. Stock options granted to employees and non-employees generally have a maximum term of ten years and vest over four years from the vesting commencement date, of which 25% vest on the one-year anniversary of the vesting commencement date, and 75% vest in equal monthly installments over the remaining three years or monthly vesting over 3 to 4 years. We may grant options with different vesting terms from time to time. Unless an employee's or non-employee's termination is due to cause, disability or death, upon termination of service, any unexercised vested options will be forfeited at the end of the three months from the termination date or expiration of the option, whichever is earlier.

Activity for service-based stock options under the Quince 2019 Plan is as follows:

	Number of Options and Unvested Shares	Weighted Average Exercise Price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
				(In thousands)
Balance as of December 31, 2024	**7,408,005**	$ 3.16	8.37	$ 4,285
Options granted	3,247,256	1.58	—	—
Options exercised	(184,060)	1.00	—	120
Options cancelled / forfeited	(168,050)	1.03	—	—
Balance as of September 30, 2025	**10,303,151**	$ 2.73	8.20	$ 2,776
Options vested and expected to vest as of September 30, 2025	10,303,151	2.73	8.20	2,776
Options exercisable as of September 30, 2025	4,513,037	$ 4.44	7.57	$ 1,309

For the three and nine months ended September 30, 2025, the Company recognized stock-based compensation expense of $0.8 million and $2.5 million, respectively, related to options granted to employees and non-employees. For the three and nine months ended September 30, 2024, the Company recognized stock-based compensation expense of $0.7 million and $2.2 million, respectively, related to options granted to employees and non-employees. The compensation expense is allocated on a departmental basis, based on the classification of the option holder. No income tax benefits have been recognized in the consolidated statement of operations and comprehensive loss for stock-based compensation arrangements. As of September 30, 2025, total unamortized employee stock-based compensation was $7.4 million, which is expected to be recognized over the remaining estimated vesting period of 2.15 years.

2019 Equity Incentive Plan (Novosteo)

On May 19, 2022, in accordance with the terms of Agreement and Plan of Merger and Reorganization between the Company, Novosteo, Inc., and the other parties thereto, the Company assumed the 2019 Novosteo, Inc. Equity Incentive Plan (the "2019 Novosteo Plan"). The 2019 Novosteo Plan provides for the grant of stock options (including incentive stock options and non-qualified stock options), stock appreciation rights, restricted stock, RSUs, performance units, and performance shares to the Novosteo legacy employees. On the closing date, each outstanding Novosteo stock option granted under Novosteo's equity compensation plans was converted into a corresponding stock option with the number of shares underlying such option and the applicable exercise price adjusted based on the exchange ratio of 0.0911. Each such converted stock option continues to be subject to substantially the same terms and conditions as applied to the corresponding Novosteo stock option prior to the Acquisition. The maximum aggregate number of shares that may be issued under the 2019 Novosteo Plan is 544,985 shares of the Company's common stock.

The 2019 Novosteo Plan may be amended, suspended or terminated by the Board of Directors at any time, provided such action does not impair the existing rights of any participant, subject to stockholder approval of any amendment to the 2019 Novosteo Plan as required by applicable law or listing requirements. Unless sooner terminated by the Board of Directors, the 2019 Novosteo Plan will automatically terminate on May 20, 2029.

Stock options under the 2019 Novosteo Plan may be granted for periods of up to 10 years and at prices no less than 100% of the fair market value of the shares on the date of grant. If, at the time of grant, the optionee directly owns stocks representing more than 10% of the voting power of all our outstanding capital stock, the exercise price for these options must be at least 110% of the fair value of the underlying common stock. Stock options granted to employees and non-employees generally have a maximum term of ten years and vest over four years from the vesting commencement date, of which 25% vest on the one-year anniversary of the vesting commencement date, and 75% vest in equal monthly installments over the remaining three years or monthly vesting over 3 to 4 years. We may grant options with different vesting terms from time to time. Unless an employee's or non-employee's termination is due to cause, disability or death, upon termination of service, any unexercised vested options will be forfeited at the end of the three months from the termination date or expiration of the option, whichever is earlier.

As of September 30, 2025, the Company had 246,797 shares available for future issuance under the 2019 Novosteo Plan.

Activity for service-based stock options under the 2019 Novosteo Plan is as follows:

	Number of Options and Unvested Shares	Weighted Average Exercise Price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
				(In thousands)
Balance as of December 31, 2024	**163,839**	$ 0.55	7.23	$ 216
Options granted	—	—	—	—
Options exercised	—	—	—	—
Options cancelled / forfeited	—	—	—	—
Balance as of September 30, 2025	**163,839**	$ 0.55	6.48	$ 177
Options vested and expected to vest as of September 30, 2025	163,839	0.55	6.48	177
Options exercisable as of September 30, 2025	125,034	$ 0.55	6.48	$ 135

For the three and nine months ended September 30, 2025, the Company recognized stock-based compensation expense of $49 thousand and $146 thousand, respectively, related to options granted to employees and non-employees for the 2019 Novosteo Plan. For the three and nine months ended September 30, 2024, the Company recognized stock-based compensation expense of $49 thousand and $146 thousand, respectively, related to options granted to employees and non-employees for the 2019 Novosteo Plan. The compensation expense is allocated on a departmental basis, based on the classification of the option holder. No income tax benefits have been recognized in the condensed consolidated statement of operations and comprehensive loss for stock-based compensation arrangements. As of September 30, 2025, total unamortized employee stock-based compensation was $94 thousand, which is expected to be recognized over the remaining estimated vesting period of 0.48 years.

Restricted Stock Awards

	Restricted Stock Awards Outstanding	
	Number of Shares	Weighted Average Grant Date Fair Value
Unvested - December 31, 2024	**78,417**	**$ 3.30**
RSAs granted	—	—
RSAs vested	(73,009)	3.30
RSAs cancelled	—	—
Unvested - September 30, 2025	**5,408**	**$ 3.30**

For the three and nine months ended September 30, 2025, the Company recognized stock-based compensation expense of $0.1 million and $0.3 million, respectively, related to restricted stock awards. For the three and nine months ended September 30, 2024, the Company recognized stock-based compensation expense of $0.1 million and $0.2 million, respectively, related to restricted stock awards. The compensation expense is allocated on a departmental basis, based on the classification of the award holder. No income tax benefits have been recognized in the condensed consolidated statement of operations and comprehensive loss for stock-based compensation arrangements. The fair value of vested restricted stock awards was $0.1 million and $0.3 million for the three and nine months ended September 30, 2025, and $0.1 million and $0.2 million for the three and nine months ended September 30, 2024, respectively. As of September 30, 2025, total unamortized employee stock-based compensation was $9 thousand, which is expected to be recognized over the remaining estimated vesting period of 0.09 years.

2022 Inducement Plan

On May 9, 2022, the Company's Board of Directors approved 4,000,000 shares of common stock that may be offered or issued under the Quince Therapeutics, Inc. 2022 Inducement Plan (the "2022 Inducement Plan"). The 2022 Inducement Plan was adopted by the independent members of the Board of Directors without stockholder approval pursuant to Rule 5635(c)(4) of the Nasdaq Listing Rules (“Nasdaq Rule 5635(c)(4)”). In accordance with Nasdaq Rule 5635(c)(4), awards under those plans may only be made to an employee

who has not previously been an employee or member of the Board of Directors or of any board of directors of any parent or subsidiary of the Company, or following a bona fide period of non-employment by the Company or a parent or subsidiary, if he or she is granted such award in connection with his or her commencement of employment with the Company or a subsidiary and such grant is an inducement material to his or her entering into employment with the Company or such subsidiary. The terms and conditions of the 2022 Inducement Plan are substantially similar to those of the Quince 2019 Plan.

Options under the 2022 Inducement Plan may be granted for periods of up to 10 years at prices no less than 100% of the fair market value of the shares on the date of grant. Options granted to employees may have different performance goals or other vesting provisions (including continued employment) in accordance with the applicable award agreement. Unless an employee's termination service is due to disability or death, upon termination of service, any unexercised vested options will be forfeited at the end of the three months from the date of termination or expiration of the option, whichever is earlier.

As of September 30, 2025, the Company had 1,666,694 shares available for future issuance under the 2022 Inducement Plan.

Activity for service-based stock options under the 2022 Inducement Plan is as follows:

	Number of Options and Unvested Shares	Weighted Average Exercise Price	Weighted average remaining contractual life (years)	Aggregate intrinsic value
				(In thousands)
Balance as of December 31, 2024	**2,333,306**	$ 2.98	7.39	—
Options granted	—	—	—	—
Options exercised	—	—	—	—
Options cancelled / forfeited	—	—	—	—
Balance as of September 30, 2025	**2,333,306**	$ 2.98	6.65	—
Options vested and expected to vest as of September 30, 2025	2,333,306	2.98	6.65	—
Options exercisable as of September 30, 2025	1,944,421	$ 2.98	6.65	—

For the three and nine months ended September 30, 2025, the Company recognized stock-based compensation expense of $0.3 million and $1.0 million, respectively, related to options granted to employees for the 2022 Inducement Plan. For the three and nine months ended September 30, 2024, the Company recognized stock-based compensation expense of $0.3 million and $1.0 million, respectively, related to options granted to employees for the 2022 Inducement Plan. The compensation expense is allocated on a departmental basis, based on the classification of the option holder. No income tax benefits have been recognized in the condensed consolidated statement of operations and comprehensive loss for stock-based compensation arrangements. As of September 30, 2025, total unamortized employee stock-based compensation was $0.8 million, which is expected to be recognized over the remaining estimated vesting period of 0.64 years.

Stock-Based Compensation Expense

The following table summarizes employee and non-employee stock-based compensation expense for the three and nine months ended September 30, 2025 and 2024 and the allocation within the condensed consolidated statements of operations and comprehensive loss (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
General and administrative expense	$ 820	$ 786	$ 2,606	$ 3,096
Research and development expense	435	338	1,308	525
Total stock-based compensation	$ 1,255	$ 1,124	$ 3,914	$ 3,621

Note 11. Income Taxes

The Company has a history of losses and expects to incur a loss for 2025. The Company maintains a full valuation allowance against its net deferred tax assets as the Company believes it is not more likely than not that the benefit will be realized. The primary difference between the effective tax rate and the statutory tax rate relates to the change in valuation allowance.

The Company recorded $46 thousand tax benefit for the three months ended September 30, 2025, primarily due to the true-up of the Australian tax expense and $68 thousand of tax expense for the nine months ended September 30, 2025, primarily related to foreign withholding tax and interest on the uncertain tax position liability.

The Company's subsidiaries in Australia received cash payments of R&D tax incentives in prior periods, a qualifying condition of which was that the related R&D expenditure was 'at risk'. During the quarter ended June 30, 2025, the Australian entities were dissolved. It is reasonably possible that the Australian tax authorities may determine that the initial R&D expenditures were not 'at risk' and seek to recover the related incentives previously paid to the Company of $0 up to $2.7 million. The outcome of a potential recoupment of amounts by the Australian Tax Authorities is inherently unpredictable and involves a series of complex assessments by management about future events.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was signed into law in the U.S. which contains a broad range of tax reform provisions affecting businesses. The Company is evaluating the full effects of the legislation, but it currently does not expect the OBBBA to have a material impact on its estimated annual effective tax rate in 2025 or on its interim period financial statements, due to the Company's full valuation allowance.

Note 12. Net Loss Per Share

Basic and diluted net loss per common share is determined by dividing the net loss by the weighted-average common shares outstanding during the period, as follows (net loss in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Numerator:				
Net loss	$ (13,442)	$ (5,492)	$ (44,521)	$ (44,370)
Denominator:				
Weighted average common shares outstanding	53,951,371	43,164,136	48,234,306	43,090,632
Net loss per share, basic and diluted	$ (0.25)	$ (0.13)	$ (0.92)	$ (1.03)

The following outstanding potentially dilutive shares have been excluded from the calculation of diluted net loss per share for the periods presented because including them would have been antidilutive:

	September 30,	
	2025	2024
Stock options issued and outstanding	12,800,296	10,045,651
Common warrants	6,671,928	—
Pre-Funded warrants	2,000,000	—
Restricted stock awards	5,408	102,753
Total	21,477,632	10,148,404

Note 13. Intangible Assets

EryDel Intangible Assets

The following table provides details of the carrying amount of the Company's indefinite-lived intangible asset (in thousands):

	(in thousands)
In-process research and development:	
Balance as of December 31, 2024	$ 59,619
Foreign currency translation adjustments	7,644
Balance as of September 30, 2025	$ 67,263

The following table provides details of the carrying amount of the Company's finite-lived intangible asset (in thousands, except useful life):

		As of September 30, 2025			As of December 31, 2024		
	Useful life	Cost	Accumulated Amortization	Net Carrying Value	Cost	Accumulated Amortization	Net Carrying Value
Finite life intangible assets:							
Trade name	21 years	$ 460	(47)	$ 413	$ 460	(26)	$ 434
Foreign currency translation adjustments				50			(8)
Total				$ 463			$ 426

The Company performs annual impairment reviews of its intangible assets during the fourth fiscal quarter or more frequently if appropriate. As of September 30, 2025, the Company did not incur any impairment losses related to its EryDel intangible assets. The remaining amortization period for the trade name is 19.1 years as of September 30, 2025.

Goodwill

As part of the EryDel Acquisition, the Company recorded goodwill, the excess of the fair value of purchase consideration over the fair value of net tangible and identifiable intangible assets acquired.

The Company evaluates goodwill at least annually, as well as whenever events or changes in circumstances suggest that the carrying amount may not be recoverable. As of June 30, 2024, the Company performed an impairment evaluation of goodwill after assessing qualitative factors that indicated a possible impairment of goodwill.

Under the qualitative assessment, management considers relevant events and circumstances including but not limited to macroeconomic conditions, industry and market considerations, overall Company performance and events directly affecting the Company. It was noted during the assessment that the Company's market capitalization was significantly below its carrying value and a further quantitative analysis was conducted to determine to the extent, if any, the Company's carrying value exceeded its fair value as of June 30, 2024. The quantitative analysis used fair value based on market capitalization adjusted for control premium based on market comparable transactions. This quantitative analysis resulted in the Company's fair value being significantly below its carrying value, resulting in a non-cash goodwill impairment charge of $17.1 million being recorded during fiscal year 2024.

The following table summarizes the changes in the carrying amount of goodwill (in thousands):

Balance as of December 31, 2023	$ 17,625
Impairment charge	(17,130)
Foreign currency translation adjustments	(495)
Balance as of September 30, 2024	$ —

Note 14. Segment Information

The Company manages its business activities on a consolidated basis and operates as one operating and reportable segment, which is the business of developing and commercializing the Company's proprietary AIDE technology platform. The key factors used to identify the reportable segments are the organization of its business and alignment of the Company's internal operations and the nature of our AIDE technology. Operating segments are defined as components of an enterprise for which discrete financial information is available and is evaluated regularly by the CODM, in deciding how to allocate resources and assess performance.

The Company's Chief Executive Officer, who is the CODM, reviews financial information on a consolidated basis for purposes of allocating and evaluating financial performance. The CODM evaluates the Company's performance and resource allocation by analyzing consolidated net loss, as reported on the condensed consolidated statement of operations. This assessment involves comparing net loss across prior periods, the Company's forecast, and total expenditures related to eDSP product development and the ongoing Phase 3 NEAT clinical trial.

The measure of segment assets reviewed by the CODM is the consolidated total assets, as reported on the condensed consolidated balance sheet. The following table presents the measure of segment assets regularly provided to the CODM (in thousands):

	September 30, 2025	December 31, 2024
Cash, cash equivalents and short-term investments	26,288	40,784

The following table presents financial information, including significant segment expenses, which are regularly provided to the CODM and included within condensed consolidated statements of operations and comprehensive loss (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Research and development:				
Personnel	$ 1,263	$ 1,233	$ 3,876	$ 2,777
Stock-based compensation	435	338	1,308	525
Clinical and contract manufacturing	6,986	3,741	19,055	10,781
Other	(601)	(396)	(1,458)	(1,318)
General and administrative:				
Personnel	1,100	1,156	3,866	4,150
Stock-based compensation	820	785	2,606	3,096
Consulting and professional costs	722	840	2,974	3,453
Other	639	849	1,966	2,597
Goodwill impairment charge	—	—	—	17,130
Fair value adjustment for contingent consideration	2,066	(2,683)	4,522	2,082
Total operating expenses	13,430	5,863	38,715	45,273
Loss from operations	(13,430)	(5,863)	(38,715)	(45,273)
Fair value adjustment for debt	(549)	(449)	(1,494)	(1,252)
Fair value adjustment for warrants	291	—	(4,173)	—
Other segment items	246	820	(139)	2,155
Net loss	$ (13,442)	$ (5,492)	$ (44,521)	$ (44,370)

Other segment items within net loss include warrant issuance costs, interest income, other income (expense), net, and income tax expense.

The Company's long-lived assets consist primarily of property, plant and equipment, net, and operating lease right-of-use assets are maintained in Italy. As of September 30, 2025 and December 31, 2024, no individual country other than the U.S. accounted for 10% or more of these assets.

Note 15. Subsequent Events

In October 2025, the Company increased the amount available for sale under the ATM program to $75.0 million, with approximately $68.5 million remaining available for issuance. During October and through the date of filing, the Company raised net proceeds of approximately $2.0 million by issuing 1,186,525 shares of common stock.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited condensed consolidated financial statements and related notes, included in "Part I. Item 1. Financial Statements" of this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements that involve risk and uncertainties, such as statements of our plans, objectives, expectations, and intentions, that are based on the beliefs of our management. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the "Risk Factors" section of this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K. Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q to the "Company," "Quince," "we," "us," and "our" refer to Quince Therapeutics, Inc. and its consolidated subsidiaries.

Overview

We are a late-stage biotechnology company dedicated to unlocking the power of a patient's own biology for the treatment of rare diseases. Our proprietary AIDE technology is an innovative drug/device combination platform that uses an automated process to encapsulate a drug into a patient's own red blood cells. Red blood cells have several characteristics that make them an excellent vehicle for drug delivery, including better safety and tolerability, enhanced tissue distribution, reduced immunogenicity, and prolongation of circulating half-life. Our AIDE technology is designed to harness many of these benefits to allow for new and improved therapeutic options for patients living with high unmet medical needs. eDSP is the first product in development that leverages our AIDE technology and is composed of DSP encapsulated in autologous red blood cells targeted to treat a rare pediatric neurodegenerative disease, A-T. DSP is a corticosteroid well-described for its anti-inflammatory properties, but is also coupled with serious adverse events, including adrenal suppression. eDSP is designed to maintain the well-described efficacy of DSP while reducing or eliminating the significant adverse events that accompany chronic corticosteroid treatment. The altered biodistribution, pharmacokinetics, and pharmacodynamics of eDSP enabled by autologous red blood cells may, therefore, improve the safety profile, and maintain or increase the desired therapeutic effect of DSP.

Currently, there are no approved treatments for A-T and the global market, based on our internal estimates and assumptions, represents a more than $1 billion peak commercial opportunity. We believe this makes eDSP an ideal lead asset to demonstrate the clinical and commercial potential of our AIDE technology.

We intend to focus our development expertise and financial resources toward advancing a Phase 3 NEAT clinical trial, which is an international multicenter, randomized, double-blind, placebo-controlled study to evaluate the neurological effects of eDSP on patients with A-T. As of July 16, 2025, we completed enrollment of our Phase 3 NEAT clinical trial with a total of 105 participants, including 83 participants in the six to nine year-old primary analysis population and 22 participants aged 10 years or older. Concluding the NEAT study with 83 enrolled participants in the six to nine year-old primary analysis population reflects powering of approximately 90% to determine statistical significance on the primary endpoint. To date, 100% of NEAT study participants have elected to transition to the OLE study.

We expect to report topline results from the Phase 3 NEAT clinical trial in the first quarter of 2026. Assuming positive study results, we plan to submit a New Drug Application (NDA) to the U.S. Food and Drug Administration (FDA) in the second half of 2026. The Phase 3 NEAT clinical trial is being conducted under a Special Protocol Assessment agreement with the FDA. We were also granted FDA Fast Track designation for our eDSP System for the treatment of patients with A-T based on the potential to address a high unmet medical need.

Additional clinical activities include completing a pre-planned safety analysis meeting conducted by an independent data and safety monitoring board (iDSMB) for our Phase 3 NEAT clinical trial with the iDSMB recommending that the study continue without any modifications. Study initiation activities are ongoing to support our European Union pediatric investigational plan (PIP) – named the Pediatric Encapsulated Dexamethasone Sodium Phosphate (PeD) study – to evaluate the safety and pharmacokinetics of eDSP in smaller patients with A-T who weigh between nine and 15 kilograms. We also participated at the 54th Child Neurology Society (CNS) Annual Meeting with a poster presentation of patient-reported walking capacity in children with A-T, which describes the pattern of

age-related walking capacity loss in patients with A-T and compare the subjective walking scale to the two measures – International Cooperative Ataxia Rating Scale (ICARS) and Rescored modified ICARS (RmICARS) – used in our Phase 3 NEAT clinical trial. Results showed that all three scales tracked age-related loss of ambulation in a similar way, suggesting suitability of RmICARS walking capacity components in assessing A-T disease progression. In addition, we published an advanced population pharmacokinetic (PK) modeling study in the scientific journal *CPT: Pharmacometrics & Systems Pharmacology (PSP)* that addresses the development of a pediatric PK model based on data from the study of healthy adults and pediatric patients with A-T administered monthly with eDSP and predicts the exposure data in the A-T patient population over a six-month period.

We plan to utilize our strategic relationship with Option Care Health, Inc., the nation's largest independent provider of home and ambulatory infusion services, to support the commercial development and efficient launch of our lead asset, eDSP, for the treatment of A-T in the U.S., assuming positive study results and subsequent regulatory approval. We expect that the strategic relationship will leverage Option Care Health's network of specialty pharmacies and ambulatory infusion suites to provide for the administration of eDSP in an effective and efficient way while delivering this innovative treatment to patients. Option Care Health has more than 90 full-service pharmacies and 180-plus ambulatory infusion suites located across the U.S. In addition, we continue to advance commercial readiness activities, including completion of qualitative payer research covering more than 200 million U.S. lives. We believe that the findings of such research were highly encouraging with payers recognizing the significant unmet need in A-T and expressing broad support for eDSP as a potential first-to-market treatment, assuming positive NEAT study results.

We plan to expand our development pipeline to include additional indications for eDSP where chronic corticosteroid treatment is or has the potential to become a standard of care. We selected DMD as our second development program. We consider DMD an excellent indication for eDSP as corticosteroids are the standard of care for this rare disease, and their utility is limited by significant toxicities. We continue to advance the evaluation of DMD as our second targeted eDSP indication, including preparing for protocol finalization, contract research organization (CRO) evaluation and selection, and site feasibility in preparation for dosing the first patient in a DMD Phase 2 clinical study in 2026.

Financial Overview

Our strategic focus is to apply our resources and capital toward the advancement of our proprietary AIDE technology platform and Phase 3 lead asset, eDSP, targeted to treat A-T. With cash, cash equivalents, and short-term investments of $26.3 million as of September 30, 2025, we expect to fund operations into the second quarter of 2026, or into the second half of 2026 if warrants from the Company's financing in June 2025 are exercised in full for cash. However, there can be no guarantee as to when such warrants may be exercised, if at all. In addition, we expect to expand and accelerate our development pipeline by funding new program expansion into DMD and other high priority rare disease indications for our lead asset eDSP.

Components of Results of Operations

Operating Expenses

Our operating expenses since inception have consisted primarily of R&D activities and G&A costs.

Research and Development Expenses

Our research and development expenses consist of expenses incurred in connection with the research and development of our research programs. These expenses include payroll and personnel expenses, including stock-based compensation, for our research and product development employees, laboratory supplies, product licenses, consulting costs, contract research, regulatory, quality assurance, preclinical and clinical expenses, allocated rent, facilities costs and depreciation. We expense both internal and external research and development costs as they are incurred. Non-refundable advance payments and deposits for services that will be used or rendered for future research and development activities are recorded as prepaid expenses and recognized as an expense as the related services are performed.

We expect our research and development expenses to remain in the current levels as we continue our Phase 3 NEAT clinical trial and expand into new indications, including Phase 2 study in DMD.

General and Administrative

General and administrative expenses consist principally of personnel-related costs, including payroll and stock-based compensation, for personnel in executive, finance, human resources, business and corporate development, and other administrative functions, professional fees for legal, consulting, insurance and accounting services, allocated rent and other facilities costs, depreciation, and other general operating expenses not otherwise classified as research and development expenses.

Fair Value Adjustment for Contingent Consideration

We record fair value adjustment for contingent consideration primarily due to the expected timing of achieving various milestones, and the passage of time related to the contingent consideration earnout resulting from the EryDel Acquisition. Changes in the fair value of the contingent consideration obligations may result from changes in probability assumptions with respect to the likelihood of achieving the various contingent payment obligations.

Fair Value Adjustment for Debt

We record fair value adjustment for debt primarily due to the passage of time and the interest accrued for the loan with the EIB.

Fair Value Adjustment for Warrants

We record fair value adjustment for warrant liability calculated using the Black-Scholes option pricing model, adjustments are due to changes in the Company's stock price, the expected term, volatility, risk-free interest rate, and expected dividends.

Warrant Issuance Costs

Warrant issuance costs consist of expenses incurred in connection with the offering of our private placement warrants, which are classified as liabilities.

Interest Income

Interest income consists primarily of interest earned on our short-term and long-term investments portfolio.

Other Expense, net

Other income (expense), net consists primarily of the effects of foreign currency exchange rates.

Critical Accounting Estimates

For a description of our significant accounting policies, see Note 2 to our condensed consolidated financial statements.

Of our policies, the following are considered critical to an understanding of our consolidated financial statements as they require the application of subjective and complex judgment, involving critical accounting estimates and assumptions impacting our condensed consolidated financial statements:

- Research and Development Expenses
- Identifiable Intangible Assets
- Contingent Consideration

- Debt
- Warrant Liability

Warrant Liability

Accounting for liability classified warrants requires management to exercise judgment and make estimates and assumptions regarding their fair value. (For more information about the material inputs and assumptions used to value the liability classified warrants, refer to Note 9 to the condensed consolidated financial statements.) The warrant liabilities are initially recorded at fair value upon the date of issuance and subsequently remeasured to fair value at each reporting date, with changes recognized in the condensed consolidated statements of operations. Changes in the fair value of the liability classified warrants will continue to be recognized until the warrants are exercised, expire or qualify for equity classification.

For a discussion about the other critical accounting estimates and assumptions impacting our condensed consolidated financial statements, see the *Critical Accounting Estimates* section within MD&A of our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 24, 2025.

Results of Operations

Comparison of the three months ended September 30, 2025 to the three months ended September 30, 2024

The following sets forth our results of operations for the three months ended September 30, 2025 and 2024 (in thousands, except for percentages):

	For the Three Months Ended September 30,		Change	
	2025	2024	$	%
Operating expenses:				
Research and development	$ 8,083	$ 4,916	$ 3,167	64%
General and administrative	3,281	3,630	(349)	(10)%
Fair value adjustment for contingent consideration	2,066	(2,683)	4,749	(177)%
Total operating expenses	13,430	5,863	7,567	129%
Loss from operations	(13,430)	(5,863)	(7,567)	129%
Fair value adjustment for debt	(549)	(449)	(100)	22%
Fair value adjustment for warrants	291	—	291	
Warrant issuance costs	(42)	—	(42)	
Interest income	300	683	(383)	(56)%
Other income (expense), net	(58)	150	(208)	(139)%
Net loss before income tax expense	(13,488)	(5,479)	(8,009)	146%
Income tax benefit (expense)	46	(13)	59	(454)%
Net loss	$ (13,442)	$ (5,492)	$ (7,950)	145%

Research and Development Expenses *(in thousands, except for percentages):*

	Three Months Ended September 30,		Change	
	2025	2024	$	%
Direct research and development expenses:				
eDSP	$ 6,201	$ 3,210	$ 2,991	93%
Other direct research costs	54	—	54	
Indirect research and development expenses:				
Personnel related (including stock-based compensation)	1,698	1,572	126	8%
Facilities and other research and development expenses	130	134	(4)	(3)%
Total research and development expenses	$ 8,083	$ 4,916	$ 3,167	64%

Research and development expenses were $8.1 million for the three months ended September 30, 2025, compared to $4.9 million for the three months ended September 30, 2024, an increase of $3.2 million.

The costs for eDSP development increased by $3.0 million compared to the same period from the prior year due to the continuation costs related to our Phase 3 NEAT clinical trial and OLE. This increase was primarily due to an increase of clinical trial costs of $3.0 million), an increase of eDSP consulting spend of $0.3 million, and a decrease in manufacturing costs of $0.3 million.

Our personnel related costs increased by $0.1 million during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024, mainly as a result of an increase of $0.1 million in allocated stock-based compensation costs.

Facilities and other research and development expenses remained flat for the three months ended September 30, 2025, as compared to the three months ended September 30, 2024.

General and Administrative Expenses

General and administrative expenses decreased by $0.3 million for the three months ended September 30, 2025 as compared to the three months ended September 30, 2024. The change in general and administrative expenses is primarily due to decreases of $0.1 million in consulting and professional costs and approximately $0.2 million in other professional and administrative expenses.

Fair Value Adjustment for Contingent Consideration

For the three months ended September 30, 2025, we recorded a fair value adjustment for contingent consideration which resulted in a $4.7 million increase primarily due to the passage of time.

Fair Value Adjustment for Debt

For the three months ended September 30, 2025, we recorded a fair value adjustment for debt which resulted in a $0.1 million charge primarily due to the passage of time and the interest accrued and paid for the loan with the EIB.

Fair Value Adjustment for Warrants

For the three months ended September 30, 2025, we recorded a fair value adjustment for warrants which resulted in a $0.3 million charge primarily due to the change in the price of our common stock.

Interest Income

Interest income decreased by $0.4 million for the three months ended September 30, 2025, as compared to the three months ended September 30, 2024. The change was due to decreased yields on our investment portfolio and decreased average balances.

Other Income (Expense), net

Other income (expense), net decreased by $0.2 million for the three months ended September 30, 2025 primarily due to the effects resulting from changes in foreign exchange rates.

Income Tax Benefit (Expense)

We recorded tax benefit of $46 thousand for the three months ended September 30, 2025 and tax expense of $13 thousand for the three months ended September 30, 2024. Tax benefit is primarily due to the true-up of the Australian tax in the three months ended September 30, 2025.

Results of Operations

Comparison of the nine months ended September 30, 2025 to the nine months ended September 30, 2024

The following sets forth our results of operations for the nine months ended September 30, 2025 and 2024 (in thousands, except for percentages):

	For the Nine Months Ended September 30,		Change	
	2025	2024	$	%
Operating expenses:				
Research and development	$ 22,781	$ 12,765	$ 10,016	78%
General and administrative	11,412	13,296	(1,884)	(14)%
Goodwill impairment charge	—	17,130	(17,130)	(100)%
Fair value adjustment for contingent consideration	4,522	2,082	2,440	117%
Total operating expenses	38,715	45,273	(6,558)	(14)%
Loss from operations	(38,715)	(45,273)	6,558	(14)%
Fair value adjustment for debt	(1,494)	(1,252)	(242)	19%
Fair value adjustment for warrants	(4,173)	—	(4,173)	0%
Warrant issuance costs	(914)	—	(914)	0%
Interest income	1,017	2,393	(1,376)	(58)%
Other income (expense), net	(174)	(158)	(16)	10%
Net loss before income tax expense	(44,453)	(44,290)	(163)	0%
Income tax expense	(68)	(80)	12	(15)%
Net loss	$ (44,521)	$ (44,370)	$ (151)	0%

Research and Development Expenses *(in thousands, except for percentages):*

	Nine Months Ended September 30,		Change	
	2025	2024	$	%
Direct research and development expenses:				
eDSP	$ 17,093	$ 8,916	$ 8,177	92%
Other direct research costs	235	117	118	101%
Indirect research and development expenses:				
Personnel related (including stock-based compensation)	5,184	3,303	1,881	57%
Facilities and other research and development expenses	269	429	(160)	(37)%
Total research and development expenses	$ 22,781	$ 12,765	$ 10,016	78%

Research and development expenses were $22.8 million for the nine months ended September 30, 2025, compared to $12.8 million for the nine months ended September 30, 2024, an increase of $10.0 million.

The costs for eDSP development increased by $8.2 million compared to the same period from the prior year due to the ramping up and continuation costs related to our Phase 3 NEAT clinical trial and OLE. This increase was primarily due to an increase in clinical trial costs of $7.2 million), an increase in eDSP consulting of $1.3 million, and a decrease in manufacturing costs of $0.3 million.

Our personnel related costs increased by $1.9 million during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024, mainly as a result of an increase of $0.8 million in allocated stock-based compensation costs and a $1.1 million increase in other personnel related expenses, including payroll taxes and benefits.

Facilities and other research and development expenses decreased by $0.2 million for the nine months ended September 30, 2025, as compared to the nine months ended September 30, 2024 primarily due to a decrease in rent, storage and facilities expenses.

General and Administrative Expenses

General and administrative expenses decreased by $1.9 million to $11.4 million for the nine months ended September 30, 2025, from $13.3 million for the nine months ended September 30, 2024. The decrease in general and administrative expenses is primarily due to decreases of $0.8 million in allocated stock-based compensation and personnel related expenses, $0.5 million in consulting and professional costs and $0.6 million decrease in other professional and administrative expenses year over year.

Goodwill Impairment Charge

During the nine months ended September 30, 2024, we conducted an impairment analysis of our goodwill that resulted from the acquisition of EryDel in October 2023. That assessment included a qualitative assessment of deteriorating macro-economic conditions, including inflationary pressures and high interest rates, and the continuing decline in our market capitalization from the date of the acquisition. This qualitative assessment indicated that our goodwill was potentially impaired. To determine the extent, if any, by which our goodwill was impaired, we conducted additional quantitative analyses which resulted in our fair value being significantly below our current carrying value. As a result of the analyses, we recorded a non-cash goodwill impairment charge of $17.1 million for the nine months ended September 30, 2024.

Fair Value Adjustment for Contingent Consideration

For the nine months ended September 30, 2025, we recorded a fair value adjustment for contingent consideration which resulted in a $2.4 million charge due to the passage of time.

Fair Value Adjustment for Debt

For the nine months ended September 30, 2025, we recorded a fair value adjustment for debt which resulted in a $0.2 million charge primarily due to the passage of time and the interest accrued and paid for the loan with the EIB.

Fair Value Adjustment for Warrants

For the nine months ended September 30, 2025, we recorded a fair value adjustment for warrants which resulted in a $4.2 million charge primarily due to the change in the price of our common stock.

Interest Income

Interest income decreased by $1.4 million for the nine months ended September 30, 2025, as compared to the nine months ended September 30, 2024. The change was due to decreased yields on our investment portfolio and decreased average balances.

Other Income (Expense), net

Other income (expense), net decreased by $16 thousand for the nine months ended September 30, 2025 primarily due to unrealized gains resulting from changes in foreign exchange rates.

Income Tax Expense

We recorded $68 thousand of tax expense for the nine months ended September 30, 2025 and $80 thousand for the nine months ended September 30, 2024. Tax expense is primarily driven by foreign withholding tax, interest on uncertain tax position liability and net of tax benefit from decrease in EryDel's deferred tax liabilities.

Liquidity and Capital Resources

We have not generated any revenue and we have never been profitable. To date, we have financed our operations primarily through the issuance and sale of our securities. From inception through September 30, 2025, we received net proceeds of approximately $320.1 million from the issuance of redeemable convertible preferred stock, convertible promissory notes, common warrants, pre-funded warrants, and common stock.

We have incurred net losses since the commencement of our operations. As of September 30, 2025, we had an accumulated deficit of $421.0 million. We incurred a net loss of $13.4 million and $44.5 million in the three and nine months ended September 30, 2025, respectively. We do not expect to generate product revenue unless and until we obtain marketing approval for and commercialize a drug candidate, and we cannot assure you that we will ever generate significant revenue or profits.

We evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern within one year after the date that the unaudited condensed consolidated financial statements are issued. We have incurred losses and generated negative operating cash flows since our inception and anticipate that we will continue to incur losses for at least the next several years. The transition to profitability is dependent upon the successful development, approval and commercialization of our product candidate, and the achievement of a level of revenues adequate to support our cost structure. As of September 30, 2025, we had cash, cash equivalents and short-term investments of $26.3 million. Based on our current operating plan, we believe that our cash and cash equivalents balance as of September 30, 2025 will not be sufficient to fund operations and capital expenditures for the twelve months following the filing of this Quarterly Report on Form 10-Q, and we will need to obtain additional funding. We intend to obtain additional funding through available financing sources which may include additional public offerings of common stock, private financing of debt or equity, and/or the pursuit of strategic partnerships, licensing arrangements or collaborations. Management’s belief with respect to our ability to fund operations is based on estimates that are subject to risks and uncertainties. If actual results are different from management’s estimates, we may need to seek additional funding sooner than would otherwise be expected. There can be no assurance that we will be able to obtain additional funding on acceptable terms, if at all. If we

are unable to obtain sufficient funding, we may be required to delay development efforts, limit activities and reduce research and development costs, which could adversely affect our business prospects. Because of the uncertainty in securing additional funding and the insufficient amount of cash and cash equivalent resources as of September 30, 2025, we concluded that substantial doubt exists with respect to our ability to continue as a going concern within one year after the date that these unaudited condensed consolidated financial statements are issued.

Our cash, cash equivalents, and marketable debt securities are held in a variety of deposit accounts, interest-bearing accounts, U.S government securities, debt securities in government-sponsored entities, and money market funds. Cash in excess of immediate requirements is invested with a view toward liquidity and capital preservation, and we seek to minimize the potential effects of concentration and credit risk. Our cash equivalents and short-term investments are held in money market funds and government agency obligations.

While we currently believe that our existing cash, cash equivalents and investments will be sufficient to fund our planned operations through Phase 3 NEAT topline results and into the second quarter of 2026, that assumption does not include any costs or cash expenditures associated with initiating additional programs.

Capital Resources

Our primary use of cash is to fund operating expenses, which consist primarily of research and development expenditures related to eDSP, the initiation and continuation of the Phase 3 NEAT clinical trial and OLE, and general and administrative expenditures. Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our outstanding accounts payable and accrued expenses.

We expect that we will require additional capital to develop our drug candidates and fund operations for the foreseeable future. We may seek to raise capital through private or public equity or debt financings, collaborative or other arrangements with other companies, or through other sources of financing. Adequate additional funding may not be available to us on acceptable terms or at all. Our failure to raise capital as and when needed could have a negative impact on our financial condition and our ability to pursue our business strategies. We anticipate that we will need to raise substantial additional capital, the requirements of which will depend on many factors, including:

- the progress, costs, trial design, results of and timing of our Phase 3 NEAT clinical trial and any potential future trials;
- the outcome, costs and timing of seeking and obtaining FDA and any other regulatory approvals;
- payment of future milestones to EryDel shareholders and payments to the EIB in respect of obligations under the EIB Loan;
- the number and characteristics of drug candidates that we pursue;
- our ability to maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with the licensing, filing, prosecution, defense and enforcement of any patents or other intellectual property rights;
- our need and ability to retain management and hire scientific and clinical personnel;
- the effect of competing drugs and drug candidates and other market developments;
- our need to implement additional internal systems and infrastructure, including financial and reporting systems; and
- the economic and other terms, timing of and success of any collaboration, licensing or other arrangements into which we may enter in the future.

If we raise additional funds by issuing equity securities, our stockholders will experience dilution. Any future debt financing into which we enter may impose upon us additional covenants that restrict our operations, including limitations on our ability to incur liens

or additional debt, pay dividends, repurchase our common stock, make certain investments and engage in certain merger, consolidation or asset sale transactions. Any debt financing or additional equity that we raise may contain terms that are not favorable to us or our stockholders. If we are unable to raise additional funds when needed, we may be required to delay, reduce, or terminate some or all of our development programs and clinical trials. We may also be required to sell or license to others rights to our drug candidates in certain territories or indications that we would prefer to develop and commercialize ourselves.

Financing

Equity Financing

ATM Program

On December 18, 2024, we entered into a Controlled Equity Offering[SM] Sales Agreement, with Cantor Fitzgerald & Co. and H.C. Wainwright & Co., LLC, or the Agents, relating to the sale of shares of our common stock, par value $0.001 per share. In accordance with the terms of this agreement, we may offer and sell up to $21.9 million of shares of common stock.

During the three and nine months ended September 30, 2025, we utilized our ATM program to raise net proceeds of approximately $1.4 million and $4.3 million by issuing 870,785 shares and 3,637,334 shares of common stock, respectively. As of September 30, 2025, $17.5 million remained available to be sold under the ATM program. In October 2025, we increased the total amount available under the ATM program to $75.0 million and utilized our ATM program to raise net proceeds of approximately $2.0 million by issuing 1,186,525 shares of common stock.

June 2025 Private Placement

On June 12, 2025, we entered into a Securities Purchase Agreement (the "Securities Purchase Agreement"), with certain institutional investors (the "Investors") and certain members of our management (together with the Investors, the "Purchasers") pursuant to which we issued and sold to the Purchasers in a private placement (the "Private Placement"): (i) 6,671,928 shares (the "Shares") of our common stock, par value $0.001 per share (the "Common Stock"), (ii) pre-funded warrants (the "Pre-Funded Warrants") to purchase up to an aggregate of 2,000,000 shares of Common Stock, and (iii) accompanying warrants to purchase up to an aggregate of 8,671,928 shares of Common Stock (the "Common Warrants"), for aggregate gross proceeds of approximately $11.5 million (excluding up to approximately $10.4 million of aggregate gross proceeds that may be received in the future upon the cash exercise in full of the Common Warrants issued in the Private Placement), before deducting placement agent fees and other expenses payable by us. Each Share and each Pre-Funded Warrant sold pursuant to the Securities Purchase Agreement was accompanied by one Common Warrant. The combined purchase price of each Share and accompanying Common Warrant was $1.325 (which included $0.125 per Common Warrant in accordance with the rules and regulations of Nasdaq). The combined purchase price of each Pre-Funded Warrant and accompanying Common Warrant was $1.324 (equal to the combined purchase price per Share and accompanying Common Warrant, minus $0.001).

Debt

In connection with the acquisition of EryDel on October 20, 2023, we guaranteed the EIB Loan. The EIB Loan was amended and restated as of the acquisition date. The EIB Loan provides for maximum borrowings of 30.0 million euro through four tranches; tranche A, 3.0 million euro; tranche B, 7.0 million euro; tranche C, 10.0 million euro; and tranche D, 10.0 million euro. Each tranche is subject to conditions precedent related to our business and capitalization. As of September 30, 2025, only tranches A and B have been drawn. All amounts due under tranche A and B are payable on their maturity date of August 2026. Tranche C and D are payable in equal installments of principal together with all amounts outstanding under the tranches on the repayment dates specified in the relevant disbursement offer. The first repayment date of tranche C shall fall not earlier than twelve months from the disbursement date of such tranche. The last repayment date of tranche C and tranche D shall fall not later than 5 years from the disbursement date of tranche C and tranche D, respectively. The EIB Loan bears interest at fixed rates for each tranche and both principal and interest are payable on the maturity date for each tranche (with the exception of 2% cash interest which shall accrue and be payable quarterly

during fiscal year 2025 pursuant to the terms of the Amendment, which shall correspondingly reduce the deferred interest rate accruing during such period). The fixed rates range from 7.0% to 9.0% per annum. As of September 30, 2025, principal of 10.0 million euros ($11.7 million) was outstanding on the EIB Loan and classified as current portion of debt on the condensed consolidated balance sheet at fair value with imputed interest of 9.0% included.

We may voluntarily prepay, in whole or in part with a prepayment premium. In the event of an occurrence of an event of default, a change in control and certain other prepayment events, as specified in the Debt Agreement, we will be required to prepay the outstanding EIB Loan together with an additional remuneration buyout fee, as specified in the Debt Agreement. The Debt Agreement includes a provision for additional remuneration to be paid in addition to interest. The amount of additional remuneration to be paid is equal to 2.5% of revenue up to 125.0 million euros, plus 1.85% of revenue between 125.0 and 250.0 million euros, plus 1.0% of revenue in excess of 250.0 million euros, multiplied by a varying percentage based on how many tranches have been drawn. The varying percentage is equal to 30.0% in the event tranche A has been drawn, 50.0% in the event tranche A and B have been drawn, 80.0% in the event tranche A, B and C have been drawn, and 100.0% in the event all four tranches have been drawn. The additional remuneration is payable for seven years, during the period January 1, 2026, through December 31, 2032. In the event of an occurrence of an event of default or prepayment, we may be required to pay an additional remuneration buyout fee.

The Debt Agreement requires us to maintain a minimum cash balance of 14.65 million euros ($17.2 million) until the outstanding obligations under the Debt Agreement, together with accrued interest and all other amounts accrued or outstanding under the agreement, is repaid in full (the “Minimum Cash Covenant”). In November 2024, we entered into an amendment (the “Amendment”) of the Debt Agreement with EIB which waives the Minimum Cash Covenant from January 1, 2025, and up to the earlier of December 31, 2025, or the date the Minimum Cash Covenant is restored (such period, the “Waiver Period”). Under the terms of the Amendment, we agreed to amendments requiring monthly reporting of cash balances and additional limitations on certain permitted acquisitions. Additionally, solely during the waiver period, 2% cash interest on the outstanding principal amounts of tranches A and B are payable on March 31, 2025, June 30, 2025, September 30, 2025 and December 31, 2025, reducing the total deferred interest on tranches A and B to 7% for the duration of the Waiver Period, and a one-time fee of 20,000 euros in connection with the Amendment. In September 2025, we entered into a second amendment (the “Second Amendment”), providing that (i) for the period from January 1, 2026 to March 31, 2026 (the “Second Amendment Period”), our required minimum cash balance will be reduced to 5.0 million euros and (ii) during the Second Amendment Period, out of the overall 9% deferred interest rate due in respect of Tranche A and Tranche B under the EIB Facility, 1% will be converted into Fixed Rate to be paid on March 31, 2026 in respect of Tranche A and Tranche B. As of September 30, 2025, we have been in compliance with all covenants under the Debt Agreement.

Cash Flows

The following table sets forth the primary sources and uses of cash and cash equivalents for each of the periods presented below (in thousands):

	For the Nine Months Ended September 30,		
	2025	2024	Change
Net cash (used in) provided by:			
Operating activities	$ (30,944)	$ (24,352)	$ (6,592)
Investing activities	15,156	11,041	4,115
Financing activities	15,875	(4,775)	20,650
Effect of exchange rate changes on cash	153	9	144
Net increase (decrease) in cash and cash equivalents	$ 240	$ (18,077)	$ 18,317

Operating Activities

Net cash used in operating activities increased by $6.6 million during the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024, primarily due to higher operating payments driven by increased clinical development activities. Net cash used in operating activities was $30.9 million for the nine months ended September 30, 2025. Cash used in operating

activities was primarily due to our net loss of $44.5 million for the period, adjusted for $13.2 million of non-cash items, including $4.2 million change in the fair value of warrants, $3.9 million in stock-based compensation, $4.5 million change in the fair value of contingent consideration liabilities, $1.3 million change in the fair value of the EIB Loan, and a net increase in our operating assets of $0.3 million and a net increase in our accounts payable, and accrued expenses and other current liabilities of $0.7 million.

Investing Activities

Cash provided by investing activities was $15.2 million for the nine months ended September 30, 2025, primarily related to the proceeds from maturities of short-term investments of $45.0 million, and the purchase of investments of $29.5 million.

Cash provided by investing activities was $11.0 million for the nine months ended September 30, 2024, primarily related to the maturities of short-term investments of $100.7 million, and the purchase of investments of $89.6 million.

Financing Activities

Cash provided by financing activities was $15.9 million for the nine months ended September 30, 2025, which consisted of gross proceeds of $11.4 million from the issuance of common stock, common warrants, and pre-funded warrants in connection with June 2025 Private Placement, $4.3 million from the issuance of common stock in connection with the ATM offerings, and $0.2 million from the exercise of stock options in the period.

Cash used in financing activities was $4.8 million for the nine months ended September 30, 2024, which consisted of a cash milestone payment of $5.0 million, partially offset by proceeds of $0.2 million from the exercise of stock options in the period.

Contractual Obligations and Commitments

Our contractual obligations primarily consist of our obligations under non-cancellable operating leases and other purchase obligations.

We enter into contracts in the normal course of business with third party contract organizations for clinical trials, non-clinical studies and testing, manufacturing, and other services and products for operating purposes. The amount and timing of the payments under these contracts varies based upon the timing of the services. We have recorded accrued expense of approximately $5.1 million in our condensed consolidated balance sheet for expenditures incurred by these vendors as of September 30, 2025. We have approximately $22.9 million in cancellable future operating expense commitments based on existing contracts as of September 30, 2025. These obligations will be satisfied in the normal course of business, but generally no longer than 12 months. As of September 30, 2025, the fair value of the EIB Loan is $17.5 million and classified as current portion of debt on the condensed consolidated balance sheet at fair value. As of September 30, 2025 the fair value of long-term contingent consideration on our books for the earnout related to the EryDel Acquisition is $61.2 million, and the fair value of warrants issued in connection with the private placement is $14.9 million, refer to Note 3 to the condensed consolidated financial statements for further details.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act, and are not required to provide the information required under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act, is recorded, communicated to our management to allow timely decisions regarding required disclosure, summarized and reported within the time periods specified in the SEC's rules and forms. Any disclosure controls and

procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objective and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Under the supervision and with the participation of our management, including the Chief Executive Officer and Principal Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures, as such term is defined under Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of September 30, 2025. Based on that evaluation, the Chief Executive Officer and Principal Financial Officer have concluded that, as of such date, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may become involved in legal proceedings arising in the ordinary course of business. We are not currently a party to any litigation or legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, negative publicity and reputational harm, and other factors.

Item 1A. Risk Factors.

In addition to the other information set forth below and elsewhere in this report, you should carefully consider the factors discussed in "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024, which could materially affect our business, financial condition or future results. We may be unable for many reasons, including those that are beyond our control, to implement our business strategy successfully. The occurrence of any single risk or any combination of risks could materially and adversely affect our business, financial condition, results of operations, cash flows and the trading price of our common stock. As of the date of this report there has been no material change in any of the risk factors described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, except as set forth below.

Future sales of our common stock in the public market could cause our share price to fall.

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. Certain holders of our common stock have rights, subject to conditions, to require us to file registration statements covering their shares or to include their shares in Securities Act registration statements that we may file for ourselves or other stockholders. Once we register these shares, they can be freely sold in the public market.

Moreover, we have also registered under the Securities Act shares of common stock that we may issue under our equity compensation plans. The issuance of shares under awards granted under existing or future employee equity benefit plans may cause immediate and substantial dilution to our existing stockholders. In the future, we may issue additional shares of common stock or other equity or debt securities convertible into common stock in connection with a financing, acquisition, litigation settlement, employee arrangements or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and could cause our stock price to decline.

In addition, we have filed a shelf registration statement on Form S-3, or the Shelf Registration Statement, which permits us to sell from time-to-time up to $200.0 million of additional shares of our common stock or other securities in one or more offerings. In particular, we may offer and sell up to $75.0 million of shares of our common stock from time to time pursuant to the Controlled Equity Offering^{SM} Sales Agreement dated December 18, 2024, or the Sales Agreement, that we have entered into with Cantor Fitzgerald & Co. and H.C. Wainwright & Co., LLC. During the nine months ended September 30, 2025, we utilized our ATM program to raise net proceeds of $4.3 million by issuing 3,637,334 shares of common stock. In October 2025, we utilized our ATM program to raise net proceeds of $2.0 million by issuing 1,186,525 shares of common stock. Depending on market liquidity at the time, sales of our common stock pursuant to the Sales Agreement, or other sales of our common stock or other securities under the Shelf Registration Statement, may cause the trading price of our common stock to decline.

Furthermore, we have warrants currently outstanding which may be immediately exercised to purchase shares of common stock. To the extent that these warrants are exercised, or to the extent we issue additional shares of common stock in the future, as the case may be, there will be further dilution to holders of shares of the common stock.

Our outstanding warrants include put rights upon the occurrence of a fundamental transaction, which could make it difficult for us to complete a fundamental transaction that would otherwise be beneficial to our stockholders.

Our outstanding warrants include provisions that, in the event of certain fundamental transactions defined in the relevant agreements, provide the holders of such warrants with the right to require us, or the successor company in such transaction, to repurchase any unexercised portion of such warrants from the holder at their Black-Scholes value. In some circumstance this repurchase must be made in cash. Such Black-Scholes value may be significant and the requirement to pay such amount could prevent us from completing a transaction which would otherwise be accretive to shareholders or make such transaction more costly and reduce the value of such transaction to holders of our common stock.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

Not Applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits.

The exhibits filed or furnished as part of this Quarterly Report on Form 10-Q are set forth on the Exhibit Index and such Exhibit Index is incorporated herein by reference.

Exhibit Number	Description	Incorporated by Reference			Filed Herewith
		Form	Filing Date	Number	
3.1	Amended and Restated Certificate of Incorporation	8-K	5/13/2019	001-38890	
3.2	Certificate of Amendment to the registrant's Certificate of Incorporation, effective August 1, 2022	8-K	8/1/2022	001-38890	
3.3	Amended and Restated Bylaws	8-K	8/1/2022	001-38890	
10.1	Amendment to Accession, Amendment, and Restatement Agreement to the Finance Contract dated September 25, 2025 by and between Quince Therapeutics, Inc., EryDel Italy, Inc., EryDel US, Inc., EryDel USA, Inc., EryDel S.p.A., and the European Investment Bank				X
31.1	Certification of Principal Executive Officer pursuant to Rules 13a-14(a) and Rule 15d-14(a) of the Exchange Act				X
31.2	Certification of Principal Financial Officer pursuant to Rules 13a-14(a) and Rule 15d-14(a) of the Exchange Act				X
32.1#	Certification of Principal Executive Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
32.2#	Certification of Principal Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
101.INS	Inline XBRL Instance Document-the instance document does not appear in the Interactive Data file as its XBRL tags are embedded within the Inline XBRL document				X
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents				X
104	Cover Page formatted as Inline XBRL and contained in Exhibit 101				

In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release Nos. 33-8238 and 34-47986, Final Rule: Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, the certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purpose of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference

into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Quince Therapeutics, Inc.

Date: November 12, 2025

By: /s/ Dirk Thye
Dirk Thye
Chief Executive Officer and Chief Medical Officer
(Principal Executive Officer)

Date: November 12, 2025

By: /s/ Brendan Hannah
Brendan Hannah
Chief Business Officer, Chief Operating Officer, and Chief Compliance Officer
(Principal Financial Officer)

Exhibit 10.1

BY E-MAIL AND BY COURIER

QUINCE THERAPEUTICS S.P.A. (the **"Borrower"**)

3, Via Meucci, Bresso (MI), 20091, Italy

For the attention of: Chief Executive Officer

E-mail: info@pec.erydel.it and info@erydel.com

ERYDEL ITALY, INC., QUINCE THERAPEUTICS, INC.,

ERYDEL US, INC., ERYDEL USA, INC. (the **"Guarantors"**)

601 Gateway Blvd. Suite 1250

South San Francisco, CA 94080

Delaware, USA incorporation

For the attention of: Chief Business Officer

E-mail: BD@quincetx.com

Luxembourg, DATE \@ "dd MMMM yyyy" 30 October 2025 JU/OPS-POL/RFV/VD/FA/[assistant]/2025-[] PLU - AB

Subject: **ERYDEL (EGFF)**

Operation Number (Serapis N°): 2020-0006

Contract Numbers (FI N°): 91932 and 92599

Finance contract between the European Investment Bank (the "**Bank**") and the Borrower dated 24 July 2020, as amended from time to time prior to the date of this Letter (the "**Finance Contract**")

Amendment letter

We refer to the Finance Contract.

1. DEFINITIONS AND INTERPRETATION

1.1. In this amendment letter (the "**Letter**"):

"**Effective Date**" means the later of (i) the date on which this Letter is duly countersigned by the Borrower, and (ii) the date on which the Fee is received by the Bank.

1.2. Unless the context otherwise requires or unless otherwise defined, terms defined in the Finance Contract and expressions used in the Finance Contract have the same meaning when used in this Letter.

1.3. The principles of construction set out in the Finance Contract shall have effect as if set out in this Letter.

1.4. Any reference to an "Article" or, if applicable, a "Schedule" or an "Annex" is, unless the context otherwise requires or it is indicated otherwise, a reference to an Article, a Schedule or an Annex of this Letter.

1.5. Headings are for ease of reference only.

1.6. With effect from the Effective Date, any reference in the Finance Contract to "this Contract" (or other similar references) shall be read and construed as a reference to the Finance Contract, as amended by this Letter.

1.7. Each Schedule to this Letter (if any) forms an integral part of this Letter.

2. BACKGROUND

We refer to the information received from the Borrower, whereby the Borrower has requested the Bank to amend certain provisions of the Finance Contract, as further described below.

3. AMENDMENTS TO THE FINANCE CONTRACT

With effect from the Effective Date and without prejudice to the waiver granted on 12 November 2024, the Finance Contract shall be amended as set out below:

(i) The sub-paragraph (b) of paragraph 28 (*Minimum Cash Balance*) of Schedule H (*General Undertakings*) to the Finance Contract is deleted in its entirety and replaced with the following:

"the Guarantor 2 shall ensure that, until the amount of the Loan Outstanding, together with accrued interest and all other amounts accrued or outstanding under this Contract is repaid in full, it will have Cash in an amount at least equal in USD to the amount of
EUR 14,650,000 (fourteen million six hundred fifty thousand euro), except for the period from 1 January 2026 to 31 March 2026 where such amount should be of EUR 5,000,000 (five million euro)." ;

(ii) Starting from 1 January 2026 and up to 31 March 2026, out of the overall 9% (nine hundred basis points) Deferred Interest Rate due in respect of Tranche A and Tranche B, 1% (one hundred basis points) is hereby converted into Fixed Rate to be paid on 31 March 2026 — in respect of Tranche A and Tranche B.

4. FEES, COSTS AND EXPENSES

4.1. In consideration for the amendments above, the Borrower shall pay to the Bank, within the period and to the bank account indicated in the invoice issued by the Bank, an amendment fee in the amount of EUR 5,000 (five thousand euros) (the "**Fee**").

4.2. The Fee, once paid, is non-refundable and non-creditable against any other fees payable to the Bank.

4.3. Without prejudice to the provisions of Article 8 (*Charges and expenses*) of the Finance Contract, the Borrower shall pay to the Bank, within the period and to the bank account indicated by the Bank, any costs and expenses (including legal fees), charges, indemnities, losses or liabilities incurred by the Bank in connection with this Letter, as communicated to the Borrower by the Bank.

5. REPRESENTATIONS AND WARRANTIES

With reference to the facts and circumstances then existing on:

(a) the date the Borrower countersigns this Letter; and

(b) the Effective Date,

the Borrower makes hereunder the representations and warranties that are deemed repeated under and pursuant to Article 7 (*Undertakings and representations*) of the Finance Contract as if each reference in those representations and warranties to "this Contract" included a reference to (i) the Finance Contract, as amended; and (ii) this Letter.

6. MISCELLANEOUS

6.1. Other than in accordance with the provisions of Article 3 (*Amendments to the Finance Contract*) of this Letter, nothing in this Letter shall affect the rights of the Bank in respect of the occurrence of any Event of Default or breach (however described) or non-compliance in connection with the Finance Contract, including without limitation any Event of Default or breach (however described) or non-compliance in connection with the Finance Contract which has not been disclosed by the Borrower in writing prior to the date of this Letter or which arises on or after the date of this Letter.

6.2. The provisions of the Finance Contract shall, save as amended by this Letter, continue in full force and effect. This Letter is not (and shall not be deemed to be) a consent, agreement, amendment or waiver in respect of any terms, provisions or conditions of the Finance Contract, except as expressly agreed herein. The Bank reserves any other right or remedy it may have now or subsequently.

6.3. This Letter does not entail a novation of, or have a novative effect on, the Finance Contract.

6.4. The Bank issues this Letter acting in reliance upon the information supplied to the Bank by the Borrower until the date hereof in relation to such matters being true, complete and accurate. It shall be without prejudice to any rights which the Bank may have at any time in relation to any other circumstance or matter other than as specifically referred to in this Letter or in relation to any such information not being true, complete and accurate, which rights shall remain in full force and effect.

6.5. The Borrower shall, at the request of the Bank and at its own expense, do all such acts and things necessary or desirable to give effect to the amendments effected or to be effected pursuant to this Letter.

6.6. The Bank and the Borrower designate this Letter as a "Finance Document".

6.7. The provisions of Articles 9.4 (*Non-Waiver*), 10.2 (*Jurisdiction*), 10.3 (*Place of performance*), 10.6 (*Invalidity*), 10.7 (*Amendments*) and 11.1 (*Notices*) of the Finance Contract shall be incorporated into this Letter as if set out in full in this Letter and as if references in those clauses to "this Contract" are references to this Letter.

7. GOVERNING LAW

This Letter and any non-contractual obligations arising out of or in connection with it shall be governed by the laws of Italy.

8. SIGNING INSTRUCTIONS

8.1. Each Party confirms that it is its intention for this Letter to be executed either upon signing by each Party of this Letter in the format of non-editable PDF and signed by each Party's authorised signatories with QES, or signed electronically in accordance with the European regulations in force, in particular Regulation (EU) No. 910/2014 of the European Parliament and of the Council dated July 23, 2014. For this purpose, the parties hereto agree to use the online platform DocuSign (www.docusign.com)

8.2. This Letter is entered into by way of QES or Advanced Electronic Signatures.

Please return to the Bank, by and no later than 5 July 2025 (or by any such later date as the Bank, in its own discretion, will have agreed to accept), this Letter in electronic form duly signed by QES by your authorised representatives, for agreement and acceptance, together with a copy of the relevant authority of signatories (unless otherwise already provided to the Bank) to Francesc Altiero (f.altiero@eib.org).

Yours faithfully

EUROPEAN INVESTMENT BANK

/s/ Donald Fitzpatrick

Donald FITZPATRICK
Head of Division

/s/ Maria Skalidi

Maria SKALIDI
Investment Officer

Agreed and accepted for and on behalf of
QUINCE THERAPEUTICS S.P.A.

/s/ Brendan Hannah

Name: Brendan Hannah
Title: Secretary and Board Director
Date: 2025/09/26

ERYDEL ITALY, INC.

/s/ Brendan Hannah

Name: Brendan Hannah

Title: Secretary and Board Director

Date: 2025/09/26

QUINCE THERAPEUTICS INC.

/s/ Dirk Anders Thye

Name: Dirk Anders Thye

Title: CEO, CMO & Board Director

Date: 2025/09/26

ERYDEL US, INC.

/s/ Brendan Hannah

Name: Brendan Hannah

Title: Secretary and Board Director

Date: 2025/09/26

ERYDEL USA, INC.

/s/ Brendan Hannah

Name: Brendan Hannah

Title: Secretary and Board Director

Date: 2025/09/26

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dirk Thye, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Quince Therapeutics, Inc. for the quarter ended September 30, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2025

/s/ Dirk Thye

Dirk Thye

Chief Executive Officer and Chief Medical Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brendan Hannah, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Quince Therapeutics, Inc. for the quarter ended September 30, 2025;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2025

/s/ Brendan Hannah

Brendan Hannah

Chief Business Officer, Chief Operating Officer, and Chief Compliance Officer

(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of Quince Therapeutics, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof to which this Certification is attached as Exhibit 32.1 (the "Report"), I certify, pursuant to Rule 13a-149b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 12, 2025

By: /s/ Dirk Thye

Dirk Thye

Chief Executive Officer and Chief Medical Officer

(Principal Executive Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

Exhibit 32.2

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of Quince Therapeutics, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2025 as filed with the Securities and Exchange Commission on the date hereof to which this Certification is attached as Exhibit 32.2 (the "Report"), I certify, pursuant to Rule 13a-149b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 12, 2025

By: /s/ Brendan Hannah

Brendan Hannah

Chief Business Officer, Chief Operating Officer, and Chief Compliance Officer

(Principal Financial Officer)

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.