Pacira BioSciences Acquires Remaining Equity Stake of GQ Bio

February 27, 2025

-- Advances Pacira's "5x30" path to becoming an innovative biopharmaceutical organization --

-- Adds novel, high-capacity, local-delivery platform for the development of genetic medicines with disease-modifying potential for prevalent musculoskeletal diseases with significant unmet needs --

-- Brings preclinical portfolio and research and development talent --

-- Provides expected near-term and long-term financial benefits with elimination of future milestone payments --

PARSIPPANY, N.J., Feb. 27, 2025 (GLOBE NEWSWIRE) -- Pacira BioSciences, Inc. (Nasdaq: PCRX), the industry leader in its commitment to deliver innovative, non-opioid pain therapies to transform the lives of patients, today announced it has acquired the remaining 81 percent equity stake of GQ Bio Therapeutics GmbH for approximately $32 million, net of working capital and other transaction adjustments, to equity holders other than Pacira. The net purchase price includes $18 million of cash paid at closing, $8 million to be paid over three years pursuant to a key employee holdback agreement and a post-closing indemnity holdback of $6 million. The transaction builds upon Pacira's previous investments in GQ Bio, as well as the two companies' partnership for the development of a commercially scalable manufacturing process for PCRX-201 (enekinragene inzadenovec) and other products utilizing GQ Bio's high-capacity adenovirus, or HCAd, gene therapy vector platform.

GQ Bio is a privately held biopharmaceutical company with a novel, high-capacity, local-delivery platform that makes genetic medicines more efficient and enables the use of large and multiple gene constructs. GQ Bio also brings to Pacira a preclinical portfolio of assets with disease-modifying potential in prevalent musculoskeletal diseases, and research and development talent.

"We are confident that this transaction will enhance our ability to address unmet patient needs, while building on our 5x30 plan to transition into an innovative biopharmaceutical organization," said Frank D. Lee, chief executive officer of Pacira. "We have seen GQ Bio's platform generate encouraging clinical data with PCRX-201 in osteoarthritis, underscoring the potential of this novel platform."

"Beyond the lead indication in osteoarthritis, we believe the HCAd platform has great potential to solidify Pacira as a leading developer of new treatments for musculoskeletal pain and adjacencies by addressing the underlying cause of chronic pain using a targeted molecular approach. With nearly 1 in 4 Americans currently suffering from chronic pain, there is a critical need to address this national epidemic. Additionally, we see great potential for partnering in areas outside of our therapeutic focus to extend the HCAd platform into other conditions of high unmet need where local administration of a genetic medicine is warranted," continued Mr. Lee.

Transaction Details
Pacira intends to maintain GQ Bio's operations and invest in its HCAd gene therapy vector platform and innovative products built on the platform, leveraging Pacira's clinical, regulatory and commercial capabilities.

The transaction provides Pacira with substantial expected financial benefits by eliminating its obligations for up to $64 million in potential future milestone payments, including a $4.5 million milestone payment due upon initiation of a Phase 2 clinical trial of PCRX-201, which recently opened for enrollment.

About the HCAd Platform
GQ Bio's HCAd vector platform solves many of the challenges in the field of genetic medicine that have prevented its utilization in treating common diseases like osteoarthritis. Key features include:

- The HCAd vector is much more efficient at delivering genes into cells compared to many other gene therapies that rely on adenovirus associated virus, or AAV, vectors. As a result, the desired effect can be achieved with much smaller doses.
- The vector used in the HCAd platform can carry up to 30,000 base pairs of DNA, which enables gene therapy with multiple or larger genes compared to AAV vectors.
- Genetic medicines based on the HCAd platform can be administered locally and have the potential for redosing at therapeutically appropriate intervals.
- Lower dose levels and efficient delivery of genes into cells means that thousands of doses can be produced in a single batch. As a result, therapies built on the HCAd platform are expected to have a commercially attractive and viable cost of goods profile.

About the HCAd Pipeline
Pacira's novel product candidate PCRX-201 (enekinragene inzadenovec), originally developed by GQ Bio, features an innovative HCAd-based design. PCRX-201 is in clinical development for osteoarthritis of the knee. PCRX-201 is injected locally into the knee

joint to boost cellular production of interleukin-1 receptor antagonist (IL-1Ra) and block IL-1 pathway activation, significantly reducing chronic inflammation. PCRX-201's unique design also features an inflammation-responsive promoter to only produce IL-1Ra when needed, mimicking how the body naturally responds to inflammation.

At the American College of Rheumatology meeting in November 2024, Pacira reported promising data from a large Phase 1 study in which PCRX-201 provided sustained improvements in knee pain, stiffness, and function through two years following local administration, with a well-tolerated safety profile. The Company is preparing to initiate a randomized, double-blind Phase 2 study of PCRX-201 for the treatment of osteoarthritis of the knee which recently opened for enrollment.

In addition to preclinical product candidates based on the HCAd vector platform, the two companies have identified numerous well-validated cytokines that could be the basis for additional locally administered genetic therapies using the HCAd platform.

About Pacira
Pacira delivers innovative, non-opioid pain therapies to transform the lives of patients. Pacira has three commercial-stage non-opioid treatments: EXPAREL® (bupivacaine liposome injectable suspension), a long-acting local analgesic currently approved for infiltration, fascial plane block, and as an interscalene brachial plexus nerve block, an adductor canal nerve block, and a sciatic nerve block in the popliteal fossa for postsurgical pain management; ZILRETTA® (triamcinolone acetonide extended-release injectable suspension), an extended-release, intra-articular injection indicated for the management of osteoarthritis knee pain; and iovera®°, a novel, handheld device for delivering immediate, long-acting, drug-free pain control using precise, controlled doses of cold temperature to a targeted nerve. The Company is also advancing the development of PCRX-201, a novel, locally administered gene therapy with the potential to treat large prevalent diseases like osteoarthritis. To learn more about Pacira, visit www.pacira.com.

About GQ Bio Therapeutics GmbH
GQ Bio is pioneering a high-capacity adenovirus (HCAd) gene therapy vector platform that addresses some of the big challenges in the gene therapy field: Transfer of large and multiple genes with a single vector, highly efficient gene delivery (high transduction efficiency), and large-scale manufacturability. Based on its HCAd vector platform, GQ Bio develops transformative treatments for chronic, prevalent conditions such as osteoarthritis and intervertebral disc degeneration. GQ Bio is headquartered in Hamburg, Germany and has sites at Luckenwalde (greater Berlin area), Germany, as well as Eupen and Liège, Belgium. To learn more about GQ Bio, visit www.gq-biotx.com.

Forward-Looking Statements
Any statements in this press release about Pacira's future expectations, plans, trends, outlook, projections and prospects, and other statements containing the words "believes," "anticipates," "plans," "estimates," "expects," "intends," "may," "will," "would," "could," "can" and similar expressions, constitute forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Private Securities Litigation Reform Act of 1995, including, without limitation, statements related to: '5x30', our growth and business strategy, our future outlook, contributions of new directors and executives, our intellectual property and patent terms, the acquisition of GQ Bio and the anticipated benefits thereof, our growth and future operating results and trends, our strategy, plans, objectives, expectations (financial or otherwise) and intentions, and future financial results and growth potential, including our plans with respect to the repayment of our indebtedness, anticipated product portfolio, development programs, development of products, strategic alliances, and the Non-Opioids Prevent Addiction in the Nation ("NOPAIN") Act and other statements that are not historical facts. For this purpose, any statement that is not a statement of historical fact should be considered a forward-looking statement. We cannot assure you that our estimates, assumptions and expectations will prove to have been correct. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including risks relating to, among others: the failure to realize the anticipated benefits and synergies from the acquisition of GQ Bio; the ability to successfully integrate GQ Bio into our existing business; the commercial success of GQ Bio's high-capacity adenovirus gene therapy vector platform; future opportunities and plans for GQ Bio and its product candidates, including uncertainty of the expected financial performance of GQ Bio and its product candidates; disruption from the acquisition of GQ Bio, making it more difficult to conduct business as usual or maintain relationships with customers, employees or suppliers; the possibility that if we do not achieve the perceived benefits of the transaction as rapidly or to the extent anticipated by financial analysts or investors, the market price of our common stock could decline; risks associated with acquisitions, such as the risk that the acquired businesses will not be integrated successfully, that such integration may be more difficult, time-consuming or costly than expected or that the expected benefits of the transaction will not occur; our manufacturing and supply chain, global and U.S. economic conditions (including inflation and rising interest rates), and our business, including our revenues, financial condition, cash flow and results of operations; the success of our sales and manufacturing efforts in support of the commercialization of EXPAREL, ZILRETTA and iovera°; the rate and degree of market acceptance of EXPAREL, ZILRETTA and iovera°; the size and growth of the potential markets for EXPAREL, ZILRETTA and iovera° and our ability to serve those markets; our plans to expand the use of EXPAREL, ZILRETTA and iovera° to additional indications and opportunities, and the timing and success of any related clinical trials for EXPAREL, ZILRETTA and iovera°; the commercial success of EXPAREL, ZILRETTA and iovera°; the related timing and success of U.S. Food and Drug Administration supplemental New Drug Applications and premarket notification 510(k)s; the related timing and success of European Medicines Agency Marketing Authorization Applications; our plans to evaluate, develop and pursue additional product candidates utilizing our proprietary multivesicular liposome ("pMVL") drug delivery technology; the approval of the commercialization of our products in other jurisdictions; clinical trials in support of an existing or potential pMVL-based product; our commercialization and marketing capabilities; our ability to successfully complete capital projects; the outcome of any litigation; the recoverability of our deferred tax assets; assumptions associated with contingent consideration payments; assumptions used for estimated future cash flows associated with determining the fair value of the Company; the anticipated funding or benefits of our share repurchase program;

and factors discussed in the "Risk Factors" of our most recent Annual Report on Form 10-K and in other filings that we periodically make with the Securities and Exchange Commission (the "SEC"). In addition, the forward-looking statements included in this press release represent our views as of the date of this press release. Important factors could cause actual results to differ materially from those indicated or implied by forward-looking statements, and as such we anticipate that subsequent events and developments will cause our views to change. Except as required by applicable law, we undertake no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, and readers should not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this press release.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from those expressed or implied by these statements. These factors include the matters discussed and referenced in the "Risk Factors" of our most recent Annual Report on Form 10-K and in other filings that we periodically make with the SEC.

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