

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 June 30, 2026

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: 001-41742

Sagimet Biosciences Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

950 Tower Lane, Suite 1500

Foster City, California

(Address of principal executive offices)

20-5991472

(I.R.S. Employer Identification No.)

94404

(Zip Code)

(650) 561-8600

(Registrant’s telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Series A Common Stock, \$0.0001 par value per share	SGMT	Nasdaq Global Market

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 ☒

The number of shares of the registrant’s Series A and B common stock, \$0.0001 par value per share, outstanding at August 4, 2026 was 61,591,159 and 567,494, respectively.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this Quarterly Report) contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). All statements other than statements of historical facts contained in this Quarterly Report, including statements regarding our future results of operations and financial position, business strategy, drug candidates, planned preclinical studies and clinical trials, results of preclinical studies, 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. These statements involve known and unknown risks, uncertainties and other important factors that are in some cases beyond our control and may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “would,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “believe,” “estimate,” “predict,” “potential,” or “continue” or the negative of these terms or other similar expressions. Forward-looking statements contained in this Quarterly Report include, but are not limited to, statements about:

- our financial performance;
- our ability to obtain additional cash and the sufficiency of our existing cash, cash equivalents and marketable securities 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;
- the scope, progress, results and costs of developing denifanstat, TVB-3567 or any other drug candidates or combination therapies we may develop, and conducting preclinical studies and clinical trials;
- our ability to advance drug candidates into, and successfully complete, clinical trials within anticipated timelines;
- the timing and costs involved in obtaining and maintaining regulatory approval of denifanstat, TVB-3567 or any other drug candidates or combination therapies we may develop, and the timing or likelihood of regulatory filings and approvals, including our expectation to seek special designations or accelerated approvals for our drug candidates for various indications;
- current and future agreements with third parties in connection with the development and commercialization of denifanstat, TVB-3567 or any other future drug candidate or combination therapy;
- our estimate of the number of patients in the United States who suffer from the diseases we target and the number of subjects that will enroll in our clinical trials;
- our relationship with Ascleto BioScience Co. Ltd. (Ascleto), and its affiliate Gannex Pharma Co., Ltd. (Gannex), and the success of their development and registration efforts for denifanstat in China;
- the ability of our clinical trials to demonstrate the safety and efficacy of denifanstat, TVB-3567 and any other drug candidates or combination therapies we may develop;
- our plans relating to commercializing denifanstat, TVB-3567 and any other drug candidates or combination therapies we may develop, if approved, including the geographic areas of focus and our ability to build a commercial organization;
- the success of competing therapies that are or may become available;
- developments relating to our competitors and our industry, including competing drug candidates and therapies;

- our plans relating to the further development and manufacturing of denifanstat, TVB-3567 and any other drug candidates or combination therapies we may develop, including additional indications that we may pursue for denifanstat, TVB-3567 or other drug candidates or combination therapies;
- our ability to obtain sufficient non-dilutive funding or enter into a strategic collaboration to initiate future clinical trials for our combination of denifanstat and resmetirom in metabolic dysfunction-associated steatohepatitis (MASH), formerly known as nonalcoholic steatohepatitis (NASH);
- existing regulations and regulatory developments in the United States and other jurisdictions;
- our potential and ability to successfully manufacture and supply denifanstat, TVB-3567 and any other drug candidates or combination therapies we may develop for clinical trials and for commercial use, if approved;
- the rate and degree of market acceptance of denifanstat, TVB-3567 and any other drug candidates or combination therapies we may develop, as well as the pricing and reimbursement of denifanstat, TVB-3567 and any other drug candidates or combination therapies we may develop, if approved;
- our expectations regarding our ability to obtain, maintain, protect and enforce intellectual property protection for denifanstat, TVB-3567 and for any other future drug candidate or combination therapy;
- our ability to realize the anticipated benefits of any strategic transactions;
- our ability to attract and retain the continued service of our key personnel and to identify, hire, and then retain additional qualified personnel and our ability to attract additional collaborators with development, regulatory and commercialization expertise;
- the impact of macroeconomic conditions and geopolitical turmoil on our business and operations;
- our expectations regarding the period during which we will qualify as an emerging growth company under the JOBS Act; and
- our anticipated use of our existing cash, cash equivalents and marketable securities.

We have based these forward-looking statements largely on our current expectations and projections about our business, the industry in which we operate and financial trends that we believe may affect our business, financial condition, results of operations and prospects, and these forward-looking statements are not guarantees of future performance or development. These forward-looking statements speak only as of the date of this Quarterly Report and are subject to a number of risks, uncertainties and assumptions described in the section titled “Risk Factors” set forth in Part II, Item 1A “Risk Factors” in this Quarterly Report, the section titled “Risk Factors” set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025 and the section titled “Risk Factors” set forth in Part II, Item 1A of our subsequent Quarterly Reports on Form 10-Q. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein until after we distribute this Quarterly Report, whether as a result of any new information, future events or otherwise.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Quarterly Report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and you are cautioned not to unduly rely upon these statements.

PART I. FINANCIAL INFORMATION
Item 1. Condensed Financial Statements

SAGIMET BIOSCIENCES INC.
CONDENSED BALANCE SHEETS

(unaudited)
(in thousands, except for share and per share amounts)

	As of	
	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 165,896	\$ 35,021
Short-term marketable securities	74,232	78,103
Prepaid expenses and other current assets	3,860	3,280
Total current assets	243,988	116,404
Long-term marketable securities	17,436	—
Operating lease right-of-use assets	1,951	78
Other assets	55	—
Total assets	\$ 263,430	\$ 116,482
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 1,131	\$ 1,309
Accrued expenses and other current liabilities	4,204	3,714
Operating lease liabilities	84	78
Total current liabilities	5,419	5,101
Operating lease liabilities, long-term	1,856	—
Total liabilities	7,275	5,101
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Undesignated preferred stock, \$0.0001 per share: 10,000,000 shares authorized; no shares issued and outstanding at June 30, 2026 and December 31, 2025	—	—
Series A common stock, \$0.0001 per share: 500,000,000 shares authorized; 61,215,440 shares issued and outstanding at June 30, 2026; 31,954,105 shares issued and outstanding at December 31, 2025	6	3
Series B common stock, \$0.0001 per share: 15,000,000 shares authorized; 567,494 shares issued and outstanding at June 30, 2026 and December 31, 2025	—	—
Additional paid-in capital	627,178	457,607
Accumulated deficit	(370,952)	(346,349)
Accumulated other comprehensive (loss) income	(77)	120
Total stockholders' equity	256,155	111,381
Total liabilities and stockholders' equity	\$ 263,430	\$ 116,482

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

SAGIMET BIOSCIENCES INC.
CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(unaudited)
(in thousands, except for share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating expenses:				
Research and development	\$ 11,535	\$ 7,248	\$ 18,530	\$ 22,590
General and administrative	4,283	4,677	9,001	9,200
Total operating expenses	15,818	11,925	27,531	31,790
Loss from operations	(15,818)	(11,925)	(27,531)	(31,790)
Other income:				
Interest income and other, net	1,865	1,539	2,928	3,228
Total other income	1,865	1,539	2,928	3,228
Net loss	<u>\$ (13,953)</u>	<u>\$ (10,386)</u>	<u>\$ (24,603)</u>	<u>\$ (28,562)</u>
Net loss per share of Series A and Series B common stock outstanding, basic and diluted	<u>\$ (0.26)</u>	<u>\$ (0.32)</u>	<u>\$ (0.57)</u>	<u>\$ (0.89)</u>
Weighted-average shares of Series A and Series B common stock outstanding, basic and diluted	<u>53,114,533</u>	<u>32,195,366</u>	<u>42,893,900</u>	<u>32,195,355</u>
Net loss	\$ (13,953)	\$ (10,386)	\$ (24,603)	\$ (28,562)
Other comprehensive loss:				
Net unrealized loss on marketable securities	(85)	(45)	(197)	(154)
Total comprehensive loss	<u>\$ (14,038)</u>	<u>\$ (10,431)</u>	<u>\$ (24,800)</u>	<u>\$ (28,716)</u>

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

SAGIMET BIOSCIENCES INC.
CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited)
(in thousands, except share amounts)

	Series A Common Stock		Series B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensi ve Income	Total Stockholders' Equity
	Shares	Amount	Shares	Amount			(loss)	
Balance at January 1, 2026	31,954,105	\$ 3	567,494	\$ —	\$ 457,607	\$ (346,349)	\$ 120	\$ 111,381
Issuance of Series A common stock for vesting of restricted stock units	63,508	—	—	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	1,839	—	—	1,839
Unrealized loss on marketable securities	—	—	—	—	—	—	(112)	(112)
Net loss	—	—	—	—	—	(10,650)	—	(10,650)
Balance at March 31, 2026	<u>32,017,613</u>	<u>\$ 3</u>	<u>567,494</u>	<u>\$ —</u>	<u>\$ 459,446</u>	<u>\$ (356,999)</u>	<u>\$ 8</u>	<u>\$ 102,458</u>
Sale of Series A common stock, net of issuance costs of \$11,145	29,166,700	3	—	—	163,852	—	—	163,855
Issuance of Series A common stock upon exercise of stock options	15,056	—	—	—	96	—	—	96
Issuance of Series A common stock for purchases under employee stock purchase plan	16,071	—	—	—	93	—	—	93
Stock-based compensation expense	—	—	—	—	3,691	—	—	3,691
Unrealized loss on marketable securities	—	—	—	—	—	—	(85)	(85)
Net loss	—	—	—	—	—	(13,953)	—	(13,953)
Balance at June 30, 2026	<u>61,215,440</u>	<u>\$ 6</u>	<u>567,494</u>	<u>\$ —</u>	<u>\$ 627,178</u>	<u>\$ (370,952)</u>	<u>\$ (77)</u>	<u>\$ 256,155</u>

	Series A Common Stock		Series B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensi ve Income	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at January 1, 2025	30,674,855	\$ 3	1,520,490	\$ —	\$ 450,883	\$ (295,311)	\$ 230	\$ 155,805
Stock-based compensation expense	—	—	—	—	1,472	—	—	1,472
Unrealized loss on marketable securities	—	—	—	—	—	—	(109)	(109)
Net loss	—	—	—	—	—	(18,176)	—	(18,176)
Balance at March 31, 2025	<u>30,674,855</u>	<u>\$ 3</u>	<u>1,520,490</u>	<u>\$ —</u>	<u>\$ 452,355</u>	<u>\$ (313,487)</u>	<u>\$ 121</u>	<u>\$ 138,992</u>
Issuance of Series A common stock upon exercise of stock options	99	—	—	—	1	—	—	1
Stock-based compensation expense	—	—	—	—	1,598	—	—	1,598
Unrealized loss on marketable securities	—	—	—	—	—	—	(45)	(45)
Net loss	—	—	—	—	—	(10,386)	—	(10,386)
Balance at June 30, 2025	<u>30,674,954</u>	<u>\$ 3</u>	<u>1,520,490</u>	<u>\$ —</u>	<u>\$ 453,954</u>	<u>\$ (323,873)</u>	<u>\$ 76</u>	<u>\$ 130,160</u>

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

SAGIMET BIOSCIENCES INC.
CONDENSED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	Six Months Ended June 30,	
	2026	2025
Cash flows from operating activities		
Net loss	\$ (24,603)	\$ (28,562)
Adjustments to reconcile net loss to net cash used in operating activities:		
Accretion of discount on marketable securities, net	(157)	(761)
Non-cash operating lease expense	78	77
Stock-based compensation expense	5,530	3,070
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(826)	(722)
Accounts payable, accrued expenses and other current liabilities	401	3,339
Operating lease liabilities	(78)	(78)
Other assets	(55)	—
Net cash used in operating activities	(19,710)	(23,637)
Cash flows from investing activities		
Purchases of marketable securities	(46,647)	(58,528)
Sales and maturities of marketable securities	32,843	48,651
Net cash used in investing activities	(13,804)	(9,877)
Cash flows from financing activities		
Proceeds from sale of Series A common stock	175,000	—
Payment of issuance costs	(10,800)	—
Proceeds from exercise of stock options	96	1
Proceeds from purchases under employee stock purchase plan	93	—
Net cash provided by financing activities	164,389	1
Net increase (decrease) in cash and cash equivalents	130,875	(33,513)
Cash and cash equivalents at beginning of period	35,021	75,840
Cash and cash equivalents at end of period	<u>\$ 165,896</u>	<u>\$ 42,327</u>
Supplemental non-cash investing and financing activities:		
Right-of-use assets obtained in exchange for operating lease obligations	<u>\$ 1,951</u>	<u>\$ 152</u>
Issuance costs included in accrued expenses and accounts payable	<u>\$ 345</u>	<u>\$ —</u>
Deferred financing costs within accounts payable and accrued expenses	<u>\$ 25</u>	<u>\$ —</u>

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

SAGIMET BIOSCIENCES INC.**NOTES TO THE CONDENSED FINANCIAL STATEMENTS (unaudited)****1. Description of Business and Basis of Presentation*****Description of business***

Sagimet Biosciences Inc. (the Company), a Delaware corporation headquartered in Foster City, California, is a clinical-stage biopharmaceutical company developing novel therapeutics called fatty acid synthase (FASN) inhibitors that target dysfunctional metabolic and fibrotic pathways in diseases resulting from the overproduction of the fatty acid, palmitate. The Company's lead drug candidate, denifanstat, is an oral once-daily pill and selective FASN inhibitor in development for the treatment of acne, metabolic dysfunction-associated steatohepatitis (MASH) and select forms of cancer. Denifanstat met all primary and secondary endpoints in a Phase 3 clinical trial in moderate to severe acne vulgaris and was generally well-tolerated and showed improvements in all efficacy endpoints measured at 52 weeks (secondary endpoints of the trial) in an open-label Phase 3 clinical trial evaluating its long-term safety in patients with moderate to severe acne, both conducted by the Company's license partner, Ascletis BioScience Co. Ltd. (Ascletis), in China. The Company's second FASN inhibitor, TVB-3567, is a potent and selective small molecule FASN inhibitor in development for acne that is currently undergoing a first-in-human Phase 1 clinical trial.

Basis of presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted (GAAP) in the United States. Any reference in these notes to applicable guidance is meant to refer to GAAP as found in the Accounting Standards Codification (ASC) and Accounting Standards Updates (ASU) promulgated by the Financial Accounting Standards Board (FASB).

These unaudited interim financial statements and accompanying notes should be read in conjunction with the Company's annual financial statements and the notes thereto included in the Company's Form 10-K, as filed with the Securities and Exchange Commission (SEC) on March 11, 2026. The accompanying interim financial statements as of June 30, 2026 and for the three and six months ended June 30, 2026 and 2025 are unaudited but include all adjustments that management believes to be necessary for a fair presentation of the periods presented. Interim results are not necessarily indicative of results for a full year. Balance sheet amounts as of December 31, 2025 have been derived from the audited financial statements as of that date.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates include accruals of research and development expenses, accrued costs for services rendered under agreements with third-party contract research organizations (CROs) and stock option valuations and stock-based compensation. On an ongoing basis, the Company evaluates its estimates and judgments, which are based on historical and anticipated results and trends and on various other assumptions that management believes to be reasonable under the circumstances. Actual results could differ from those estimates.

Emerging growth company status

The Company is an emerging growth company (EGC) as defined in the Jumpstart Our Business Startups Acts of 2012, as amended (the JOBS Act), and may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not EGCs. The Company may take advantage of these exemptions until it is no longer an EGC under Section 107 of the JOBS Act and has elected to use the extended transition period for complying with new or revised accounting standards. As a result of this election, the Company's financial statements may not be comparable to those issued by companies that comply with the effective dates pursuant to public company FASB standards.

Liquidity

The accompanying unaudited financial statements have been prepared assuming the Company will continue as a going concern, which contemplates continuity of operations, realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company will require substantial additional capital to fund its research and development and ongoing operating expenses. As of June 30, 2026, the Company has relied on public and private equity and debt financings and proceeds from licensing arrangements to fund its operations. The Company has incurred recurring losses and negative cash flows from operations since inception, and, as of June 30, 2026, had an accumulated deficit of \$371.0 million and cash, cash equivalents and marketable securities of \$257.6 million. The Company expects to incur additional losses and negative cash flows from operations for the foreseeable future.

In August 2025, the Company entered into a Sales Agreement with Leerink Partners LLC to establish an at-the-market offering (2025 ATM Offering) through which the Company may sell, from time to time at its sole discretion, up to \$75.0 million shares of its Series A common stock. There were no sales under the 2025 ATM Offering since inception.

In April 2026, the Company completed an underwritten offering whereby it sold 29,166,700 shares of its Series A common stock at a price of \$6.00 per share for gross proceeds of approximately \$175.0 million. The net proceeds from the underwritten offering were \$163.9 million after deducting underwriting discounts, commissions and other offering expenses.

The Company expects that its cash, cash equivalents and marketable securities as of June 30, 2026 will be sufficient to fund the Company's operating expenses for at least the next 12 months from the issuance of these financial statements. In the future, the Company will need to raise additional funds until it is able to generate sufficient revenues to fund its development activities. The Company's future operating activities, coupled with its plans to raise capital or issue debt financing, may provide additional liquidity in the future, however these actions are not solely within the control of the Company, and the Company is unable to predict the outcome of these actions to generate the liquidity ultimately required.

2. Significant Accounting Policies

The Company's significant accounting policies are disclosed in the audited financial statements and the notes thereto, which are included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the SEC on March 11, 2026. Since the date of those audited financial statements, there have been no material changes to the Company's significant accounting policies.

Net loss per share attributable to common stockholders

Basic net loss per common share attributable to common stockholders is calculated by dividing the net loss by the weighted-average number of common shares outstanding during the period, without consideration of potentially dilutive securities. Diluted net loss per share attributable to common stockholders is computed by dividing the net loss by the weighted-average number of common shares and potentially dilutive securities outstanding for the period. For purposes of the diluted net loss per share attributable to common stockholders' calculation, common stock options, restricted stock units, performance stock units and common stock warrants are considered to be potentially dilutive securities. As the Company has reported a net loss for the periods presented, basic and diluted net loss per share attributable to common stockholders is the same as all potentially dilutive securities would have an anti-dilutive impact.

The following table presents the calculation of basic and diluted net loss per share for the three and six months ended June 30, 2026 and 2025 (in thousands, except share and per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Numerator:				
Net loss	\$ (13,953)	\$ (10,386)	\$ (24,603)	\$ (28,562)
Denominator:				
Weighted-average shares of Series A and Series B common stock outstanding, basic and diluted	53,114,533	32,195,366	42,893,900	32,195,355
Net loss per share of Series A and Series B common stock outstanding, basic and diluted	\$ (0.26)	\$ (0.32)	\$ (0.57)	\$ (0.89)

The following potentially dilutive securities have been excluded from the computation of diluted weighted-average shares of Series A and Series B common stock outstanding, as their effect would have been anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Options to purchase Series A common stock	7,570,930	5,738,868	7,570,930	5,738,868
Warrants to purchase Series A common stock	1,000	1,000	1,000	1,000
Restricted stock units	1,127,109	1,098,399	1,127,109	1,098,399
Performance stock units	616,800	—	616,800	—
Total	9,315,839	6,838,267	9,315,839	6,838,267

New accounting pronouncements not yet adopted

The Company considers the applicability and impact of all ASUs. ASUs not discussed below were assessed and either determined to be not applicable or expected to have a minimal impact on the Company's financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires public business entities to disclose, for interim and annual reporting periods, additional information about certain income statement expense categories. ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and is effective on either a prospective basis or retrospective basis. The Company is currently evaluating the impact of the adoption of this standard on its financial statements and related disclosures.

3. Fair Value Measurements and Fair Value of Financial Instruments

The authoritative guidance on fair value measurements establishes a three-tier fair value hierarchy for disclosure of fair value measurements as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

As of June 30, 2026 and December 31, 2025, financial assets measured at fair value on a recurring basis consisted of cash equivalents and marketable securities. Cash equivalents consist primarily of money market funds and other investments that are readily convertible into cash and have maturities of three months or less at the time of acquisition. The fair value of cash equivalents was \$165.4 million and \$34.7 million as of June 30, 2026 and December 31, 2025, respectively. The Company considers marketable securities with maturities greater than three months at the time of acquisition to be available-for-sale securities. The fair value of available-for-sale securities was \$91.7 million and \$78.1 million as of June 30, 2026 and December 31, 2025, respectively. These available-for-sale securities have expected maturities ranging from 0.5 to 19.3 months, and securities with an expected maturity greater than 12 months as of the balance sheet date, are classified in long-term. The fair value of marketable securities, which are Level 2 financial instruments, is based upon market prices quoted on the last day of the fiscal period or other observable market inputs. The Company obtains pricing information from its investment manager and generally determines the fair value of investment securities using standard observable inputs, including reported trades, broker-dealer quotes, bids and/or offers.

The Company evaluates securities with unrealized losses, if any, to determine whether the decline in fair value has resulted from credit loss or other factors, including various qualitative factors. As of June 30, 2026, the Company has not recognized any impairment or credit losses on the Company's available-for-sale securities. While the Company classifies these securities as available-for-sale, the Company does not intend to sell its investments and based on its current plans, the Company currently believes it has the ability to hold these investments until maturity.

The carrying values of the Company's accounts payable and accrued expenses and other current liabilities approximate their fair values due to the short-term nature of these liabilities.

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 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's Level 3 liabilities that are measured at fair value on a recurring basis consist of the Series A common stock warrant liability related to the warrant to purchase 1,000 shares of Series A common stock with an exercise price of \$69.94 per share and an expiration date of July 18, 2026, the third anniversary date of the closing of the Company's IPO. The fair value of the Series A common stock warrant liability was immaterial as of June 30, 2026 and December 31, 2025, as well as the change in fair value during the three and six months ended June 30, 2026 and 2025. There were no transfers within the hierarchy during the periods presented.

The following tables set forth the Company's financial assets that were measured at fair value on a recurring basis by level within the fair value hierarchy as of (in thousands):

		June 30, 2026			
	Valuation Hierarchy	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Assets					
Cash equivalents:					
Money market funds	Level 1	\$ 165,383	\$ —	\$ —	\$ 165,383
Total cash equivalents		165,383	—	—	165,383
Short-term marketable securities:					
Commercial paper	Level 2	20,481	—	(20)	20,461
Corporate debt securities	Level 2	2,980	—	(2)	2,978
U.S. Treasury securities	Level 2	40,963	6	(30)	40,939
Agency securities	Level 2	3,797	—	(5)	3,792
Asset-backed securities	Level 2	6,055	19	(12)	6,062
Total short-term marketable securities		74,276	25	(69)	74,232
Long-term marketable securities:					
U.S. Treasury securities	Level 2	17,469	—	(33)	17,436
Total long-term marketable securities		17,469	—	(33)	17,436
Total cash equivalents and marketable securities		\$ 257,128	\$ 25	\$ (102)	\$ 257,051

		December 31, 2025			
	Valuation Hierarchy	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Assets					
Cash equivalents:					
Money market funds	Level 1	\$ 33,219	\$ —	\$ —	\$ 33,219
U.S. Treasury securities	Level 2	1,499	—	—	1,499
Total cash equivalents		34,718	—	—	34,718
Short-term marketable securities:					
Commercial paper	Level 2	18,061	14	(4)	18,071
Corporate debt securities	Level 2	1,500	3	—	1,503
U.S. Treasury securities	Level 2	50,340	92	—	50,432
Agency securities	Level 2	2,033	1	—	2,034
Asset-backed securities	Level 2	6,049	16	(2)	6,063
Total short-term marketable securities		77,983	126	(6)	78,103
Total cash equivalents and marketable securities		\$ 112,701	\$ 126	\$ (6)	\$ 112,821

4. Prepaid Expenses and Other Current Assets

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

	As of	
	June 30, 2026	December 31, 2025
Prepaid clinical costs	\$ 1,406	\$ 973
Prepaid research and development costs	1,764	1,395
Prepaid insurance	30	431
Deferred financing costs	434	282
Other	226	199
Total prepaid expenses and other current assets	<u>\$ 3,860</u>	<u>\$ 3,280</u>

5. Accrued Expenses and Other Current Liabilities

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

	As of	
	June 30, 2026	December 31, 2025
Accrued payroll-related costs	\$ 956	\$ 1,617
Accrued clinical costs	1,067	561
Accrued research and development costs	1,840	1,242
Accrued general and administrative costs	315	267
Other	26	27
Total accrued expenses and other current liabilities	<u>\$ 4,204</u>	<u>\$ 3,714</u>

6. Commitments and Contingencies

License and other agreements

Ascleitis BioScience Co. Ltd

In January 2019, the Company entered into a license agreement that became effective in February 2019 with Ascleitis BioScience Co. Ltd. (Ascleitis), a subsidiary of Ascleitis Pharma Inc. (Ascleitis Pharma), a biotechnology company incorporated in the Cayman Islands and headquartered in Hangzhou, China. Ascleitis Pharma, through a subsidiary, was the lead investor in the Company's Series E redeemable convertible preferred stock financing in February 2019. The parties entered into this agreement with the intention to develop, manufacture, and commercialize the Company's proprietary FASN inhibitor, denifanstat, which Ascleitis refers to as ASC40. Under the terms of the license agreement, the Company granted Ascleitis and its affiliates an exclusive, royalty-bearing sublicensable right and license under the Company's intellectual property to develop, manufacture, commercialize and otherwise exploit denifanstat and other products containing denifanstat-related compounds in Greater China, consisting of the People's Republic of China, Hong Kong, Macau and Taiwan.

The Company is eligible to receive development and commercial milestone payments from Ascleitis in aggregate of up to \$122.0 million as well as tiered royalties ranging from percentages in the high single digits to mid-teens on future net sales of denifanstat in Greater China. The license and the research and development services components of this license agreement are representative of a relationship with a customer, and therefore, the Company evaluated the license agreement under the provisions of ASC 606, *Revenue from Contracts with Customers*. The developmental and commercial event-based milestone payments represent variable consideration, and the Company used the most likely amount method to estimate this variable consideration because the potential milestone payment is a binary event, as the Company will either receive the milestone payment or it will not. Given the high degree of uncertainty around achievement of these milestones, the Company determined the milestone amounts to be fully constrained and will not recognize revenue until the uncertainty associated with these payments is resolved. Any consideration related to royalties will be recognized if and when the related sales occur. The Company re-assesses the transaction price in each reporting period and when events whose outcomes are resolved or other changes in circumstances occur.

In July 2023, the Company entered into an Assignment and Assumption Agreement with Ascleitis and Ascleitis' affiliate Gannex Pharma Co., Ltd. (Gannex) under which Ascleitis, while remaining responsible for performance under the license agreement, assigned all of its rights and obligations under the license agreement to Gannex and Gannex assumed such rights and obligations, effective as of October 2019.

Assia Chemical Industries Ltd.

In September 2025, the Company entered into a term sheet with Assia Chemical Industries Ltd. (Assia), doing business as TAPI Technology & API Series (TAPI), a subsidiary of Teva Pharmaceutical Industries Ltd. and in December 2025, the Company entered into a license agreement with TAPI replacing the term sheet (License Agreement). Under the agreement, TAPI granted the Company a global, exclusive license to certain intellectual property rights covering innovative forms of TAPI's resmetirom active pharmaceutical ingredient (API) for Sagimet's technical evaluation and manufacture, and, if elected by the Company, further development of a fixed-dose combination (FDC) product containing denifanstat and resmetirom.

Upon execution of the term sheet in September 2025, a non-refundable up-front payment of \$2.5 million was due, which was paid and recognized in research and development expense during the year ended December 31, 2025. Pursuant to the License Agreement, the Company is obligated to pay TAPI potential additional manufacturing-related milestones of up to \$5.5 million as well as a low single-digit royalty on net sales of the FDC product. The License Agreement terminates upon the date certain TAPI know-how ceases to be confidential information or the last of the TAPI patents expires, whichever is later, unless earlier terminated by either party in accordance with the terms of the License Agreement.

Facility Lease Agreement

On March 12, 2019, the Company executed a 38-month non-cancelable operating lease agreement for 3,030 square feet of office space for its former headquarters facility in San Mateo, California, which commenced April 1, 2019. From 2021 through 2024, the Company amended the lease agreement several times to extend the term of the lease and adjust the monthly lease payment. In May 2025, the Company amended the lease agreement to extend the term of the lease through June 2026, which resulted in an increase in the Company's operating lease right-of-use asset and corresponding operating lease liability of \$0.2 million on the amendment date. The Company exited the San Mateo facility in June 2026.

On May 28, 2026, the Company executed a 66-month non-cancelable operating lease agreement for 7,204 square feet of office space for its new corporate headquarters in Foster City, California, which commenced on July 1, 2026 (the Lease Agreement). The Lease Agreement includes an extension option to extend the term for one additional period of three years, and the aggregate estimated base rent payments due over the initial term of the Lease Agreement is approximately \$3.0 million. The Company began occupying the space in June 2026, which resulted in an increase in the Company's operating lease right-of-use asset and corresponding lease liability of \$2.0 million on the date the space was made available for use by the Company.

Operating lease costs were \$40,000 and \$41,000 for the three months ended June 30, 2026 and 2025, respectively and \$80,000 and \$80,000 for the six months ended June 30, 2026 and 2025.

Guarantees and indemnifications

In the normal course of business, the Company enters into agreements that contain a variety of representations and provide for general indemnification. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future. In addition, the Company has entered into indemnification agreements with members of its board of directors and its executive officers that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. As of June 30, 2026, the Company does not have any material indemnification claims that were probable or reasonably possible and consequently has not recorded related liabilities.

Legal Proceedings

From time to time, the Company may become involved in various legal proceedings that arise in the ordinary course of its business. The Company records a liability for such matters when it is probable that future losses will be incurred and that such losses can be reasonably estimated. Significant judgment by the Company is required to determine both probability and the estimated amount. The Company is not party to any material legal proceedings as of June 30, 2026.

7. Stock-Based Compensation

The 2023 Stock Option and Incentive Plan (2023 Plan) was adopted by the board of directors, approved by the Company's stockholders on July 4, 2023, and became effective on July 13, 2023, replacing the 2017 Equity Incentive Plan. The number of shares initially reserved for issuance under the 2023 Plan was 2,585,968. The number of shares will automatically increase each January 1, by (i) 4% of the outstanding number of shares of the Company's Series A common stock on the immediately preceding December 31 or (ii) a lesser number of shares as determined by the compensation committee of the board of directors. In accordance with the 2023 Plan, the shares reserved for issuance automatically increased by 855,016 shares on January 1, 2024, by 1,226,994 shares on January 1, 2025 and by 1,278,164 shares on January 1, 2026. As of June 30, 2026, the aggregate maximum number of shares reserved for issuance under the 2023 Plan was 5,946,142, of which 141,151 shares were available for future grants. Option grants issued under the 2023 Plan are exercisable for up to 10 years from the date of issuance.

In March 2024, the Company established a pool of 1,000,000 shares of Series A common stock (Inducement Pool) from which equity grants in the form of options and restricted stock units may be issued as inducement for new employees to accept employment offers from the Company or for individuals returning to employment after a bona fide period of non-employment with the Company. Inducement Pool grants are granted outside of the 2023 Plan and do not require approval from the Company's stockholders pursuant to the Nasdaq inducement grant exception in accordance with Nasdaq Listing Rule 5635(c)(4). In February 2025, the Company increased the number of shares available for issuance by 300,000 shares, and further by 100,000 shares in April 2026 and by 525,000 shares in May 2026, increasing the total number of shares available for issuance under the Inducement Pool to 1,925,000 shares. As of June 30, 2026, 677,558 shares were available for future grants from the Inducement Pool.

Total stock-based compensation recorded in the condensed statements of operations and comprehensive loss related to stock options, restricted stock units and the ESPP (defined below) for employees and non-employees was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Stock options	\$ 2,623	\$ 1,316	\$ 4,096	\$ 2,539
Restricted stock units	1,046	282	1,384	531
Employee stock purchase plan	22	—	50	—
Total stock-based compensation expense	<u>\$ 3,691</u>	<u>\$ 1,598</u>	<u>\$ 5,530</u>	<u>\$ 3,070</u>
Included in:				
General and administrative expense	\$ 1,726	\$ 1,366	\$ 3,259	\$ 2,614
Research and development expense	1,965	232	2,271	456
Total stock-based compensation expense	<u>\$ 3,691</u>	<u>\$ 1,598</u>	<u>\$ 5,530</u>	<u>\$ 3,070</u>

During the three months ended June 30, 2026, the Company recognized \$1.6 million of incremental stock-based compensation expense in Research and Development expense within the condensed statements of operations and comprehensive loss pertaining to the implicit modification of certain stock options and restricted stock units for a former executive, who continues to act as a service provider.

Stock options

The Company grants stock options which consist of (i) time-based options, which vest and become exercisable, subject to the participant's continued employment or service through the applicable vesting date and (ii) performance-based options, which vest based on performance measures against predetermined objectives that include successful completion of qualified equity offerings or announced topline results for clinical trials and positive clinical results over a specified performance period. The Company's time-based options have various vesting schedules that range from vesting immediately to vesting over a four-year period.

The following table summarizes stock option activity for the six months ended June 30, 2026 (in thousands, except share and per share data):

	Number of Shares Underlying Outstanding Options	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (in Years)	Aggregate Intrinsic Value ⁽¹⁾
Outstanding, January 1, 2026	5,722,326	\$ 6.12	7.1	\$ 3,799
Granted	1,883,942	\$ 6.32		
Exercised	(15,056)	\$ 6.36		
Forfeited/expired	(20,282)	\$ 5.23		
Outstanding, June 30, 2026 ⁽²⁾	7,570,930	\$ 6.17	7.3	\$ 13,928
Vested and expected to vest, June 30, 2026	7,570,930	\$ 6.17	7.3	\$ 13,928
Exercisable at June 30, 2026	4,336,591	\$ 6.44	6.0	\$ 7,279

⁽¹⁾ Aggregate intrinsic value represents the difference between the fair value of the Company's Series A common stock on the last day of the fiscal period and the exercise price, multiplied by the number of options outstanding.

⁽²⁾ Includes 462,411 performance-based options with a weighted-average exercise price of \$6.44, all of which were fully vested and exercisable.

During the six months ended June 30, 2026 and 2025, the weighted average grant-date fair value per share of stock options granted was \$4.93 and \$3.77, respectively. The total intrinsic value of stock options exercised during the six months ended June 30, 2026 and 2025, was approximately \$40,000 and de minimis, respectively. Additionally, during the six months ended June 30, 2026 and 2025, cash received from the exercise of stock options was approximately \$0.1 million and \$1,000, respectively.

As of June 30, 2026, there was \$13.6 million of unrecognized compensation expense, which is expected to be recognized over a remaining weighted-average period of 2.9 years.

Valuation assumptions

The fair value of each stock option granted was estimated on the date of grant using the Black-Scholes option pricing model using the following assumptions:

	Six Months Ended June 30,	
	2026	2025
Expected volatility	93 - 97 %	95 - 96 %
Risk-free interest rate	3.8 - 4.3 %	4.1 - 4.3 %
Dividend yield	—	—
Expected term (in years)	5.3 - 6.1	5.3 - 6.0

The expected term is determined using the simplified method, which represents the average of the contractual term of the options and the weighted-average expected vesting period. The risk-free interest rate is determined by reference to the United States Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the option. The expected stock volatility rate is based on the volatility rates of comparable publicly held companies over a period equal to the expected term of the option. The Company also utilizes its limited available historical volatility, to a lesser weight, in its expected stock volatility calculation. The Company utilizes a dividend yield of zero based on the fact that the Company has never paid cash dividends to stockholders and has no current intentions to pay cash dividends.

Restricted stock units

The Company's restricted stock units generally vest over a four-year period in equal amounts on an annual basis, provided the employee remains continuously employed with the Company. The fair value of the restricted stock units is equal to the closing price of the Company's Series A common stock on the grant date.

The following table summarizes restricted stock unit activity:

	Restricted Stock Units	Weighted-Average Grant Date Fair Value
Outstanding, January 1, 2026	830,077	\$ 3.57
Granted	360,540	5.38
Vested/released	(63,508)	4.71
Outstanding June 30, 2026	1,127,109	\$ 4.08

As of June 30, 2026, the total unrecognized compensation expense related to unvested restricted stock units was \$3.1 million, which is expected to be recognized over a remaining weighted-average period of 2.7 years.

Performance stock units

A performance stock unit (PSU) represents one equivalent share of the Company's Series A common stock to be issued after achievement of the performance goals specified in the grant. The Company estimates the fair value of PSUs as of the grant date based upon the expected likelihood of achievement of the performance goals specified in the grant and the closing price of its Series A common stock on the date of grant. The Company recognizes stock-based compensation expense over the requisite service period, if it is probable that the performance goal will be achieved.

In May 2026, the Company granted 616,800 PSUs which are subject to a performance and a service condition to certain of its employees (the 2026 PSU Awards). The 2026 PSU Awards will vest upon the achievement of certain regulatory milestones, whereas one-third of such earned portion shall vest upon the Compensation Committee's determination of the achievement of each regulatory milestone and the remaining two-thirds will vest in two equal installments on the first and second anniversaries of the achievement date. The Company will begin recognizing compensation cost on the date that the performance condition becomes probable, with an initial recording of the cumulative expense that would have been recognized if the PSU expense had been recognized on a straight-line basis since the date of grant. The remaining unrecognized compensation cost will then be expensed prospectively on a straight-line basis over the remaining service period. As of June 30, 2026, the Company has not recognized any stock-based compensation expense related to the 2026 PSU Awards as the Company does not yet consider achievement of the performance metric to be probable. As of June 30, 2026, the total unrecognized compensation expense related to the unvested 2026 PSU Awards was \$4.5 million.

Employee stock purchase plan

The 2023 Employee Stock Purchase Plan (the ESPP) was adopted by the board of directors in July 2023 with an initial total of 215,497 shares of Series A common stock reserved for issuance. Under the ESPP plan, the amount of shares reserved automatically increases each January 1 through January 1, 2033, by the least of (i) 215,497 shares of Series A common stock, (ii) 1% of the outstanding number of shares of the Company's Series A common stock on the immediately preceding December 31 or (iii) such lesser number of shares of Series A common stock as determined by the administrator of the ESPP. In accordance with the ESPP, the shares reserved for issuance automatically increased by 213,754 shares on January 1, 2024, by 215,497 shares on January 1, 2025 and by 215,497 shares on January 1, 2026. As of June 30, 2026, the aggregate maximum number of shares reserved for issuance under the ESPP was 860,245, of which 844,174 shares remain available for future issuance. During the three and six months ended June 30, 2026, 16,071 shares were issued under the ESPP. There were no shares issued under the ESPP during the three and six months ended June 30, 2025.

8. Segment Reporting

Operating segments are defined as components of an entity about which discrete financial information is evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and assess performance. The Company operates and manages its business as one business segment, which is development and commercialization of therapeutics for the treatment of acne, MASH and other diseases where FASN plays a pathogenic role. Accordingly, the Company has one reportable segment. The Company

has a single management team that reports to the Chief Executive Officer, the Company's CODM, who comprehensively manages the entire Company. The accounting policies of the segment are the same as those described in the summary of significant accounting policies.

When evaluating the Company's financial performance, the CODM is regularly provided with more detailed expense information than what is included in the Company's statements of operations and comprehensive loss. The CODM uses net loss, as reported in the statements of operations and comprehensive loss, in evaluating the performance of the segment. Decisions regarding resource allocation are made primarily during the annual budget planning process and reallocated as needed throughout the year. The measure of segment assets is reported on the balance sheets as total assets.

The following table shows the Company's net loss, including the significant expense categories regularly provided to and reviewed by the CODM, for the three and six months ended June 30, 2026 and 2025 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Denifanstat external research and development expenses	\$ 6,338	\$ 4,758	\$ 9,465	\$ 18,094
TVB-3567 external research and development expenses	2,056	1,386	4,429	2,220
External general and administrative expenses	1,555	2,379	3,682	4,631
Personnel costs	2,092	1,775	4,262	3,726
Stock-based compensation	3,691	1,598	5,530	3,070
Other segment items ⁽¹⁾	(1,779)	(1,510)	(2,765)	(3,179)
Segment net loss	<u>\$ 13,953</u>	<u>\$ 10,386</u>	<u>\$ 24,603</u>	<u>\$ 28,562</u>

⁽¹⁾ Other segment items consist of (i) interest and other income, net and (ii) other internal operating research and development expenses.

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

The following discussion and analysis of our financial condition and results of operations should be read together with our unaudited condensed financial statements and related notes included elsewhere in this report on Form 10-Q for the quarter ended June 30, 2026 (Quarterly Report). This discussion and analysis and other parts of this Quarterly Report contain forward-looking statements based upon our current plans and expectations that involve risks, uncertainties and assumptions, such as statements regarding our plans, objectives, expectations, intentions and beliefs. Our actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this Quarterly Report. You should carefully read the "Risk Factors" section of this Quarterly Report to gain an understanding of the important factors that could cause actual results to differ materially from our forward-looking statements.

Overview

We are a clinical-stage biopharmaceutical company developing novel therapeutics called fatty acid synthase (FASN) inhibitors that target dysfunctional metabolic and fibrotic pathways in diseases resulting from the overproduction of the fatty acid, palmitate. Our lead drug candidate, denifanstat, is an oral once-daily pill and selective FASN inhibitor in development for the treatment of acne, metabolic dysfunction-associated steatohepatitis (MASH) and select forms of cancer. Denifanstat met all primary and secondary endpoints in a Phase 3 clinical trial in moderate to severe acne vulgaris and was generally well-tolerated and showed improvements in all efficacy endpoints measured at 52 weeks (secondary endpoints of the trial) in an open-label Phase 3 clinical trial evaluating its long-term safety in patients with moderate to severe acne, both conducted by our license partner, Ascletis BioScience Co. Ltd. (Ascletis), in China. Our second FASN inhibitor, TVB-3567, is a potent and selective small molecule FASN inhibitor in development for acne that is currently undergoing a first-in-human Phase 1 clinical trial.

FASN inhibition for the treatment of acne

Acne is one of the most common skin conditions in the United States, with approximately 50 million Americans affected annually and more than 5 million seeking medical treatment for acne each year. Acne affects around 85% of persons between the ages of 12 and 24. Moderate to severe acne accounts for 20% of acne sufferers, or approximately 10 million people in the United States annually. There is no cure for acne; and due to its pathology, most patients require chronic management and multiple annual courses of treatment for flare control.

Acne is a disorder in which dysregulation of fatty acid metabolism plays a key role. FASN is responsible through lipid synthesis for the production of skin oils (sebum). More than 80% of key sebum lipids such as palmitate and sapienic acid are produced by de novo lipogenesis (DNL)/FASN. In acne, excess sebum can lead to skin lesions and is a pro-inflammatory stimulus leading to exacerbation of those lesions, including development of nodules (nodular acne) and cysts (cystic acne).

Acne is a promising therapeutic area for application of FASN inhibitors because FASN is required for sebum production, which is upregulated in acne and leads to exacerbation of acne lesions including development of nodules and cysts.

Clinical data demonstrates denifanstat's potential to treat acne

In January 2026, Ascletis reported that denifanstat was generally well-tolerated in the open-label Phase 3 clinical trial (n=240) evaluating the long-term safety of 50mg once-daily denifanstat in patients with moderate to severe acne in China. Subjects treated with denifanstat showed improvements in all efficacy endpoints measured at 52 weeks (secondary endpoints of the trial).

In December 2025, Ascletis announced that the China National Medical Products Administration (NMPA) accepted its New Drug Application (NDA) for denifanstat for the treatment of moderate to severe acne.

In June 2025, Ascletis announced that denifanstat met all primary and secondary endpoints in its Phase 3 clinical trial in moderate to severe acne vulgaris in China. The Phase 3 clinical trial was a randomized, double-blind, placebo-controlled, multicenter clinical trial of 480 enrolled patients randomized 1:1 to receive denifanstat 50mg or placebo, once daily for 12 weeks.

Ascletis reported the following efficacy data from the Phase 3 clinical trial:

- All primary endpoints were met, including:
 - the percentage of treatment success (defined as an Investigator's Global Assessment (IGA) score of 0 (clear) or 1 (almost clear) with at least a 2-point decrease from baseline) (denifanstat 33.2% vs. placebo 14.6%, p<0.0001).

- the percentage change in total lesion count (denifanstat -57.4% vs. placebo -35.4%, $p < 0.0001$).
- the percentage change in inflammatory lesion count (denifanstat -63.5% vs. placebo -43.2%, $p < 0.0001$).
- The secondary endpoint of percentage change in non-inflammatory lesion count was also met (denifanstat -51.9% vs. placebo -28.9%, $p < 0.0001$).

Ascleitis reported that denifanstat was generally well-tolerated. Following 12 weeks of once-daily oral administration at 50 mg, the incidence rates of treatment emergent adverse events (TEAEs) were comparable between denifanstat and placebo.

Planned Phase 3 clinical trial of denifanstat in acne

Building on the recent successful Phase 3 clinical trial in China of denifanstat in moderate to severe acne, we plan to advance denifanstat into a registrational Phase 3 clinical trial in moderate to severe acne patients in the United States in the second half of 2026.

Phase 1 clinical trial of TVB-3567

In June 2025, we initiated a first-in-human Phase 1 clinical trial of our potent and selective small molecule FASN inhibitor, TVB-3567, for development of an acne indication. The Phase 1 clinical trial is a randomized double-blind placebo-controlled trial designed to evaluate the safety, tolerability, pharmacokinetics and pharmacodynamics of TVB-3567 in healthy participants with or without acne. The trial is comprised of several parts, including single ascending dose cohorts and multiple ascending dose cohorts in participants without acne, followed by testing in participants with acne including evaluation of pharmacodynamic biomarkers. Subject to consultation with regulatory authorities, and contingent on the results of the Phase 1 clinical trial, we anticipate initiating the Phase 2 clinical trial of TVB-3567 before the end of 2026.

MASH

The critical role of FASN overactivity in MASH makes it an attractive target for drug therapy. Denifanstat targets multiple drivers of MASH by reducing steatosis, inflammation and fibrosis. Denifanstat met all primary and multiple secondary endpoints in our Phase 2b FASCINATE-2 clinical trial evaluating denifanstat in 168 biopsy-confirmed MASH patients with stage F2 or F3 fibrosis compared to placebo at week 52. We completed a Phase 1 pharmacokinetic (PK) clinical trial of a combination of denifanstat and the thyroid hormone receptor beta (THR- β) agonist, resmetirom (commercially available as Rezdiffra), in December 2025. We anticipate that the denifanstat and resmetirom combination program will be Phase 2-ready in the second half of 2026. We will undertake no further clinical development in MASH until non-dilutive financing is obtained.

Components of results of operations

Research and development expenses

Research and development expenses represent costs incurred in performing research, development and manufacturing activities in support of our own product development efforts and include internal personnel-related costs (such as salaries, employee benefits and stock-based compensation) for our personnel in research and development functions; as well as external costs, including costs related to acquiring, developing and manufacturing supplies for preclinical studies, clinical trials and other studies, including fees paid to contract manufacturing organizations (CMOs); costs and expenses related to agreements with contract research organizations (CROs), investigative sites and consultants to conduct non-clinical and preclinical studies and clinical trials; and professional and consulting services costs. Research and development expenses also include the costs of acquired product licenses and related technology rights where there is no alternative future use.

All research and development expenses are charged to operations as incurred in accordance with Accounting Standards Codification 730, *Research and Development*. We account for non-refundable advance payments for goods and services that will be used in future research and development activities as expenses when the service has been performed or when the goods have been received, rather than when the payment is made.

We expect our research and development expenses to increase substantially for the foreseeable future as we advance our drug candidates into and through preclinical studies and clinical trials, pursue regulatory approval and expand our pipeline.

General and administrative expenses

Our general and administrative expenses consist primarily of costs and expenses related to: personnel (including salaries, employee benefits and stock-based compensation) in our executive, finance and accounting and other administrative functions; legal services, including relating to intellectual property and corporate matters; accounting, auditing, consulting and tax services; insurance; information technology; and facility and other allocated costs not otherwise included in research and development expenses.

We expect our general and administrative expenses to increase for the foreseeable future as we increase our headcount and continue to grow our corporate infrastructure.

Other income

Other income consists primarily of interest income earned on our cash, cash equivalents and marketable securities offset by amortization of premiums and accretion of discounts to maturity on our marketable securities.

Results of operations

Comparison of the three months ended June 30, 2026 and 2025

The following table summarizes our results of operations for the periods indicated (in thousands):

	Three Months Ended June 30,			
	2026	2025	\$ Change	% Change
Operating expenses:				
Research and development	\$ 11,535	\$ 7,248	\$ 4,287	59%
General and administrative	4,283	4,677	(394)	(8)%
Total operating expenses	15,818	11,925	3,893	33%
Loss from operations	(15,818)	(11,925)	(3,893)	33%
Total other income	1,865	1,539	326	21%
Net loss	\$ (13,953)	\$ (10,386)	\$ (3,567)	34%

Research and development – Research and development expenses for the three months ended June 30, 2026 and 2025 were comprised of the following (in thousands):

	Three Months Ended June 30,			
	2026	2025	\$ Change	% Change
External expenses				
Clinical development and research	\$ 4,262	\$ 3,811	\$ 451	12%
Manufacturing and non-clinical	3,376	1,817	1,559	86%
External consulting and other	756	516	240	47%
Subtotal - external expenses	\$ 8,394	\$ 6,144	\$ 2,250	37%
Internal expenses				
Personnel costs	\$ 1,090	\$ 843	\$ 247	29%
Stock-based compensation	1,965	232	1,733	747%
Other internal operating expenses	86	29	57	197%
Subtotal - internal expenses	\$ 3,141	\$ 1,104	\$ 2,037	185%
Total research and development expenses	\$ 11,535	\$ 7,248	\$ 4,287	59%

Research and development expenses increased by \$4.3 million, or 59%, for the three months ended June 30, 2026, compared to the three months ended June 30, 2025. This increase was due to a \$0.5 million increase in clinical development and research expenses driven by costs for the Phase 1 clinical trial of TVB-3567 initiated in June 2025, and other clinical development costs for the combination of denifanstat and resmetirom, which was partially offset by lower costs incurred for the Phase 3 denifanstat MASH clinical development program. This increase was also due to a \$1.6 million increase in manufacturing and non-clinical expenses related primarily to denifanstat toxicology studies as well as an increase of \$1.7 million in stock-based compensation driven by modification expense recognized.

External research and development expenses for the three months ended June 30, 2026 and 2025 were comprised of the following (in thousands):

	Three Months Ended June 30,		\$ Change	% Change
	2026	2025		
Denifanstat external research and development expenses	\$ 6,338	\$ 4,758	\$ 1,580	33%
TVB-3567 external research and development expenses	2,056	1,386	670	48%
Total external research and development expenses	\$ 8,394	\$ 6,144	\$ 2,250	37%

General and administrative – General and administrative expenses decreased by \$0.4 million, or 8%, for the three months ended June 30, 2026, compared to the three months ended June 30, 2025 primarily due to a \$1.0 million decrease in consulting and professional service expenses, which was partially offset by a \$0.4 million increase in stock-based compensation.

Other income – Other income increased by \$0.3 million for the three months ended June 30, 2026, compared to the three months ended June 30, 2025, due to an increase in interest income earned driven by a higher cash, cash equivalents and marketable securities balance during the three months ended June 30, 2026.

Comparison of the six months ended June 30, 2026 and 2025

The following table summarizes our results of operations for the periods indicated (in thousands):

	Six Months Ended June 30,		\$ Change	% Change
	2026	2025		
Operating expenses:				
Research and development	\$ 18,530	\$ 22,590	\$ (4,060)	(18)%
General and administrative	9,001	9,200	(199)	(2)%
Total operating expenses	27,531	31,790	(4,259)	(13)%
Loss from operations	(27,531)	(31,790)	4,259	(13)%
Total other income	2,928	3,228	(300)	(9)%
Net loss	\$ (24,603)	\$ (28,562)	\$ 3,959	(14)%

Research and development – Research and development expenses for the six months ended June 30, 2026 and 2025 were comprised of the following (in thousands):

	Six Months Ended June 30,			
	2026	2025	\$ Change	% Change
External expenses				
Clinical development and research	\$ 6,877	\$ 15,290	\$ (8,413)	(55)%
Manufacturing and non-clinical	5,746	3,940	1,806	46%
External consulting and other	1,271	1,084	187	17%
Subtotal - external expenses	\$ 13,894	\$ 20,314	\$ (6,420)	(32)%
Internal expenses				
Personnel costs	\$ 2,202	\$ 1,771	\$ 431	24%
Stock-based compensation	2,271	456	1,815	398%
Other internal operating expenses	163	49	114	233%
Subtotal - internal expenses	\$ 4,636	\$ 2,276	\$ 2,360	104%
Total research and development expenses	\$ 18,530	\$ 22,590	\$ (4,060)	(18)%

Research and development expenses decreased by \$4.1 million, or 18%, for the six months ended June 30, 2026, compared to the six months ended June 30, 2025. This decrease was primarily due to a \$8.4 million decrease in clinical development and research expenses related primarily to lower costs incurred for the Phase 3 denifanstat MASH clinical development program, which was partially offset by costs for the Phase 1 clinical trial of TVB-3567 initiated in June 2025, and other clinical development costs for the combination of denifanstat and resmetirom. This decrease was partially offset by a \$1.8 million increase in manufacturing and non-clinical expenses related primarily to denifanstat toxicology studies as well as an increase of \$1.8 million in stock-based compensation driven by modification expense recognized.

External research and development expenses for the six months ended June 30, 2026 and 2025 were comprised of the following (in thousands):

	Six Months Ended June 30,		\$ Change	% Change
	2026	2025		
Denifanstat external research and development expenses	\$ 9,465	\$ 18,094	\$ (8,629)	(48)%
TVB-3567 external research and development expenses	4,429	2,220	2,209	100%
Total external research and development expenses	\$ 13,894	\$ 20,314	\$ (6,420)	(32)%

General and administrative – General and administrative expenses decreased by \$0.2 million, or 2%, for the six months ended June 30, 2026, compared to the six months ended June 30, 2025 primarily due to a \$1.2 million decrease in consulting and professional service expenses, which was partially offset by a \$0.8 million increase in personnel costs, inclusive of a \$0.6 million increase in stock-based compensation.

Other income – Other income decreased by \$0.3 million for the six months ended June 30, 2026, compared to the six months ended June 30, 2025, due to a decrease in interest income earned driven by a lower average cash, cash equivalents and marketable securities balance as well as lower yields during the six months ended June 30, 2026.

Liquidity and capital resources

Sources and uses of cash

Since our inception, we have devoted substantially all of our resources to researching, discovering and developing our pipeline of proprietary FASN inhibitors and other drug candidates, organizing and staffing our company, performing business planning, establishing our intellectual property portfolio, raising capital and general and administration activities to support and expand such activities. We do not have any products approved for sale and have not generated any revenue from product sales. Our revenues to date have been generated solely from the license agreement with Ascleitis.

To date, we have financed our operations primarily through public and private equity and debt financings, including our IPO of Series A common stock in July 2023, our follow-on offering in January 2024 and an underwritten offering in April 2026, from which we received aggregate net proceeds of \$354.8 million. Prior to becoming a public company, we raised \$233.3 million in gross proceeds from the sale of our redeemable convertible preferred stock and convertible notes.

In August 2025, we entered into a Sales Agreement with Leerink Partners LLC to establish an at-the-market offering (2025 ATM Offering) through which we may sell, from time to time at our sole discretion, up to \$75.0 million shares of our Series A common stock. There were no sales under the 2025 ATM Offering since inception.

In April 2026, we completed an underwritten offering whereby we sold 29,166,700 shares of our Series A common stock at a price of \$6.00 per share for gross proceeds of approximately \$175.0 million. The net proceeds from the underwritten offering were \$163.9 million after deducting underwriting discounts, commissions and other offering expenses.

As of June 30, 2026, we had cash, cash equivalents and marketable securities of \$257.6 million. We do not expect to generate any revenue from commercial product sales unless and until we successfully complete development and obtain regulatory approval for one or more of our drug candidates, which we expect will take a number of years, if ever. We anticipate that we will continue to incur significant expenses for the foreseeable future as we continue to advance our drug candidates through preclinical and clinical trials; manufacture supplies for our preclinical studies and clinical trials; expand our corporate infrastructure, including the costs associated with being a public company; pursue regulatory approval of our drug candidates; hire additional personnel; acquire, discover, validate and develop additional drug candidates; and obtain, maintain, expand and protect our intellectual property portfolio.

Until we can generate a sufficient amount of revenue from the commercialization of our drug candidates or additional revenue from collaboration agreements with third parties, if ever, we expect to finance our future cash needs through public or private equity or debt financings, third-party funding and marketing and distribution arrangements as well as other collaborations, strategic alliances and licensing arrangements, or any combination of these approaches. The sale of equity or convertible debt securities may result in dilution to our stockholders and, in the case of preferred equity securities or convertible debt, those securities could provide for rights, preferences or privileges senior to those of our common stock. Debt financings may subject us to covenant limitations or restrictions on our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Our ability to raise additional funds may be adversely impacted by macroeconomic conditions, disruptions to and volatility in the credit and financial markets and geopolitical turmoil. There can be no assurance that we will be successful in acquiring additional funding at levels sufficient to fund our operations or on terms favorable or acceptable to us. If we are unable to obtain adequate financing when needed or on terms favorable or acceptable to us, we may be forced to delay, reduce the scope of or eliminate one or more of our research and development programs.

Our future capital requirements will depend on many factors, including:

- difficulties obtaining regulatory approval to commence a clinical trial or complying with conditions imposed by a regulatory authority regarding the scope or term of a clinical trial;
- conditions imposed on us by the FDA or other regulatory authorities regarding the scope or design of our clinical trials;

- delays in reaching or failing to reach agreement on acceptable terms with prospective CROs, CMOs, and trial sites, the terms of which can be subject to extensive negotiation and may vary significantly;
- insufficient supply of our drug candidates or other materials necessary to conduct and complete our clinical trials;
- difficulties obtaining institutional review board (IRB) or ethics committee approval to conduct a clinical trial at a prospective site;
- slow enrollment and retention rate of subjects in our clinical trials;
- the FDA or other regulatory authority requiring alterations to any of our study designs, our preclinical strategy or our manufacturing plans;
- governmental or regulatory delays and changes in regulatory requirements, policy and guidelines; serious and unexpected drug-related side effects related to the drug candidate being tested;
- lack of adequate funding to continue clinical trials;
- subjects experiencing severe or unexpected drug-related adverse effects;
- occurrence of severe adverse effects in clinical trials of the same class of agents conducted by other companies;
- any changes to our manufacturing process, suppliers or formulation that may be necessary or desired;
- third-party vendors not performing manufacturing and distribution services in a timely manner or to sufficient quality standards;
- third-party clinical investigators losing the licenses or permits necessary to perform our clinical trials, not performing our clinical trials on our anticipated schedule or consistent with the clinical trial protocol, good clinical practice (GCP), or other regulatory requirements;
- third-party contractors not performing data collection or analysis in a timely or accurate manner;
- third-party contractors becoming debarred or suspended or otherwise penalized by the FDA or other government or regulatory authorities for violations of regulatory requirements, in which case we may need to find a substitute contractor, and we may not be able to use some or all of the data produced by such contractors in support of our marketing applications; and
- failure of our third-party contractors, such as CROs and CMOs, or our investigators to comply with regulatory requirements or otherwise meet their contractual obligations in a timely manner.

A change in the outcome of any of these or other variables could significantly change our costs and timing associated with the development of our drug candidates. Furthermore, our operating plans may change in the future, and we may need additional funds to meet operational needs and capital requirements associated with such change.

We rely and will continue to rely on third parties in the conduct of our preclinical studies and clinical trials and for manufacturing and supply of our drug candidates. We have no internal manufacturing capabilities, and we will continue to rely on third parties for our preclinical study and clinical trial materials. Given our stage of development, we do not yet have a marketing or sales organization or commercial infrastructure. Accordingly, if we obtain regulatory approval for any of our drug candidates, we also expect to incur significant commercialization expenses related to product sales, marketing, manufacturing and distribution.

We enter into contracts in the normal course of business for products and services, including contract research and contract manufacturing services, which include provisions allowing for termination under certain conditions and timelines. These contracts generally do not include payments for early termination and are considered cancellable contracts.

Based on our current business plans, we believe that our existing cash, cash equivalents, and marketable securities as of June 30, 2026, will be sufficient for us to fund our operating expenses for at least the next 12 months from the issuance of this Quarterly Report.

Cash flows

The following table shows a summary of our cash flows for each of the periods presented below (in thousands):

	Six Months Ended June 30,	
	2026	2025
Net cash (used in) provided by:		
Operating activities	\$ (19,710)	\$ (23,637)
Investing activities	(13,804)	(9,877)
Financing activities	164,389	1
Net increase (decrease) in cash and cash equivalents	<u>\$ 130,875</u>	<u>\$ (33,513)</u>

Cash flows from operating activities. Net cash used in operating activities was \$19.7 million for the six months ended June 30, 2026, and primarily related to cash used to fund clinical and non-clinical development activities for denifanstat, clinical development and manufacturing activities for TVB-3567 and public company operating activities.

Net cash used in operating activities was \$23.6 million for the six months ended June 30, 2025, and primarily related to cash used to fund clinical and non-clinical development and manufacturing activities for denifanstat, inclusive of clinical-batch manufacturing and activities for the Phase 3 denifanstat MASH clinical development program, clinical development and manufacturing activities for TVB-3567 as well as costs to build out our corporate infrastructure and public company operating activities.

Cash flows from investing activities - Net cash used in investing activities was \$13.8 million for the six months ended June 30, 2026, and related to purchases of marketable securities of \$46.6 million, partially offset by proceeds received from the sale and maturity of marketable securities of \$32.8 million.

Net cash used in investing activities was \$9.9 million for the six months ended June 30, 2025, and related to purchases of marketable securities of \$58.5 million, partially offset by proceeds received from the sale and maturity of marketable securities of \$48.6 million.

Cash flows from financing activities - Net cash provided by financing activities was \$164.4 million for the six months ended June 30, 2026, and related to the proceeds from the April 2026 underwritten offering of \$175.0 million and \$0.2 million in proceeds from stock option exercises and 2023 Employee Stock Purchase Plan purchases during the period, partially offset by the payment of issuance costs related to the April 2026 underwritten offering of \$10.8 million.

Net cash provided by financing activities was approximately \$1,000 for the six months ended June 30, 2025, relating to proceeds from stock option exercises during the period.

Critical accounting policies and estimates

We prepare our financial statements in accordance with accounting principles generally accepted in the United States. The preparation of financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from the estimates made and changes in estimates may occur.

During the six months ended June 30, 2026, there were no material changes to our critical accounting estimates or in the methodology used for estimates from those described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in our Annual Report on Form 10-K for the year ended December 31, 2025.

Emerging growth company and smaller reporting status

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act (the JOBS Act). Under the JOBS Act, emerging growth companies can delay the adoption of new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. Other exemptions and reduced reporting requirements under the JOBS Act for emerging growth companies include an exemption from the requirement to provide an auditor’s report on internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, as amended, an exemption from any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation and less extensive disclosure about our executive compensation arrangements. We have elected to use the extended transition period for

complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that (i) we are no longer an emerging growth company or (ii) we affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

We will remain an emerging growth company until the earliest of (i) the last day of our first fiscal year in which we have total annual gross revenues of \$1.235 billion or more, (ii) December 31, 2028, (iii) the date on which we are deemed to be a large accelerated filer, under the rules of the SEC, which means the market value of equity securities that is held by non-affiliates exceeds \$700.0 million as of the prior June 30th and (iv) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the prior three-year period.

We are also a “smaller reporting company,” meaning that the market value of our stock held by non-affiliates is less than \$700 million and our annual revenue was less than \$100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company if either (i) the market value of our stock held by non-affiliates is less than \$250 million or (ii) our annual revenue is less than \$100 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than \$700 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

Recently adopted accounting pronouncements

See “Notes to the Financial Statements—Note 2” included in our unaudited interim financial statements in Item 1 of this Quarterly Report for more information.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Item 4. Controls and Procedures

Disclosure controls and procedures

We maintain “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, (Exchange Act), that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms and (2) accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Quarterly Report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of June 30, 2026, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in this Quarterly Report was (a) reported within the time periods specified by the SEC rules and regulations, and (b) communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding any required disclosure.

Changes in internal control over financial reporting

During the quarter ended June 30, 2026, there have been no changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15(d)-15(f) promulgated under the Exchange Act, 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 our business. Our management believes that there are currently no claims or actions pending against us, the ultimate disposition of which would have a material adverse effect on our results of operations, financial condition or cash flows.

Item 1A. Risk Factors

There have been no material changes in our risk factors from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025.

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

Recent sales of unregistered equity securities

There were no unregistered sales of equity securities during the period covered by this quarterly report on Form 10-Q.

Issuer purchases of equity securities

None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 trading plans

During the quarter ended June 30, 2026, none of our directors or officers (as defined in Rule 16a-1 under the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as those terms are defined in Item 408 of Regulation S-K).

Item 6. Exhibits

Exhibit Number	Description	Method of Filing
10.1	Office Lease between Hudson Metro Center, LLC and Sagimet Biosciences Inc., dated as of May 28, 2026	Filed herewith
10.2•	Executive Employment Agreement by and between Sagimet Biosciences Inc. and Andreas Grauer M.D., effective April 20, 2026	Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-41742) filed on May 12, 2026
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification of Principal Financial and Accounting Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32.1	Certification of Principal Executive Officer and Principal Financial and Accounting Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Furnished herewith
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document	Filed herewith
101.SCH	Inline XBRL Taxonomy Extension Schema Document	Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	Filed herewith
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	Filed herewith
• Indicates management contract or compensatory plan.		

SIGNATURES

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

SAGIMET BIOSCIENCES INC.

Date: August 11, 2026

By: /s/ David Happel
David Happel
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 11, 2026

By: /s/ Thierry Chauche
Thierry Chauche
Chief Financial Officer
(Principal Financial and Accounting Officer)

Office Lease

**METRO CENTER METRO
CENTER TOWER 950 TOWER LANE
FOSTER CITY, CALIFORNIA**

Between

HUDSON METRO CENTER, LLC, a Delaware limited liability company

as Landlord,

and

SAGIMET BIOSCIENCES INC., a Delaware corporation

as Tenant

OFFICE LEASE

This Office Lease (this “Lease”), dated as of the date set forth in Section 1.1, is made by and between **HUDSON METRO CENTER, LLC, a Delaware limited liability company (“Landlord”)**, and **SAGIMET BIOSCIENCES INC., a Delaware corporation (“Tenant”)**. The following exhibits are incorporated herein and made a part hereof: **Exhibit A** (Outline of Premises); **Exhibit B** (Work Letter); **Exhibit C** (Form of Confirmation Letter); **Exhibit D** (Rules and Regulations); **Exhibit E** (Judicial Reference) and; **Exhibit F** (Additional Provisions).

1 BASIC LEASE INFORMATION

- 1.1 Date: May 28, 2026
- 1.2 Premises.
- 1.2.1 **“Building”:** 950 Tower Lane, Foster City, California, commonly known as Metro Center Tower.
- 1.2.2 **“Premises”:** Subject to Section 2.1.1, 7,204 rentable square feet of space located on the 15th floor of the Building and commonly known as Suite 1500, the outline and location of which is set forth in **Exhibit A**. If the Premises include any floor in its entirety, all corridors and restroom facilities located on such floor shall be considered part of the Premises.
- 1.2.3 **“Property”:** The Building, the parcel(s) of land upon which it is located, and, at Landlord’s discretion, any parking facilities and other improvements serving the Building and the parcel(s) of land upon which such parking facilities and other improvements are located.
- 1.2.4 **“Project”:** The Property or, at Landlord’s discretion, any project containing the Property and any other land, buildings or other improvements.
- 1.3 Term
- 1.3.1 Term: The term of this Lease (the “**Term**”) shall begin on the Commencement Date and expire on the Expiration Date (or any earlier date on which this Lease is terminated as provided herein).
- 1.3.2 **“Commencement Date”:** The earlier of (i) the first date on which Tenant conducts business in the Premises, or (ii) the later to occur of (a) July 1, 2026; and (b) 14 days after the date hereof; provided, however, that if Landlord fails to deliver the Premises to Tenant pursuant to this Lease on or before the date described in the preceding clause (ii) as a result of any holdover or unlawful possession by another party, the Commencement Date shall be the date on which Landlord delivers possession of the Premises to Tenant pursuant to this Lease free from occupancy by any party.
- However, Tenant may enter the Premises as of the date hereof and before the Commencement Date (“**Early Entry Period**”), solely for the purpose of installing telecommunications and data cabling, equipment, furnishings and other personal property in the Premises. Other than the obligation to pay Monthly Rent (as defined below), all of Tenant’s obligations hereunder shall apply during such Early Entry Period.
- 1.3.3 **“Expiration Date”:** The last day of the 66th full calendar month beginning on the Commencement Date; provided, however, that if the Commencement Date is not the first day of a month, then the Expiration Date shall be the last day of the 66th full calendar month beginning immediately after the Commencement Date.
-

1.4 **“Base Rent”:**

Period During Term	Annual Base Rent Per Rentable Square Foot (rounded to the nearest 100th of a dollar)	Monthly Base Rent Per Rentable Square Foot (rounded to the nearest 100th of a dollar)	Monthly Installment of Base Rent
Commencement Date through last day of 12th full calendar month of Term	\$78.00	\$6.50	\$46,826.00
13th through 24th full calendar months of Term	\$80.34	\$6.70	\$48,230.78
25th through 36th full calendar months of Term	\$82.75	\$6.90	\$49,677.70
37th through 48th full calendar months of Term	\$85.23	\$7.10	\$51,168.03
49th through 60th full calendar months of Term	\$87.79	\$7.32	\$52,703.08
61st full calendar month of Term through Expiration Date	\$90.42	\$7.54	\$54,284.17

Notwithstanding the foregoing, Base Rent shall be abated in the following amount during the following applicable time periods:

- (i) \$46,826.00 per month for each of the first (1st), second (2nd) and third (3rd) full calendar months of the Term;
- (ii) \$48,230.78 per month for each of the 13th, 14th and 15th full calendar months of the Term.

1.5 **“Base Year”** for Expenses:
“Base Year” for Taxes:

Calendar year 2026.
Calendar year 2026.

1.6 **“Tenant’s Share”:**

1.7854% (based upon a total of 403,497 rentable square feet in the Building), subject to Section 2.1.1.

1.7 **“Permitted Use”:**

General office use consistent with a first-class office building. Notwithstanding any contrary provision hereof: (a) Tenant represents and warrants to Landlord that Tenant is not a Competitor (defined below), and (b) Tenant covenants that (i) Tenant shall not be a Competitor at any time during the term of this Lease during which the Premises includes a portion of the Competing Space (defined below); and (ii) Tenant shall not permit (pursuant to a sublease or otherwise) any Competitor to occupy any portion of the Premises that includes a portion of the Competing Space. As used herein, **“Competitor”** means any corporation or other legal entity (or a business division within any legal entity) that conducts as its primary business operations the development of video games or the publishing of video games. As used herein, **“Competing Space”** means any space located on the seventh floor of the Building. Notwithstanding any contrary provision hereof: (1) the Permitted Use shall exclude the Executive Suites Competing Use (defined below); and (2) Tenant shall neither use, nor permit (pursuant to a sublease or otherwise) any other party to use, any portion of the Premises for the Executive Suites Competing Use. As used herein, **“Executive Suites Competing Use”** means a shared executive suites office center.

- 1.8 **“Security Deposit”:** \$55,000.00, as more particularly described in Section 21.
Prepaid Base Rent: \$46,826.00, as more particularly described in Section 3.
- 1.9 Parking: 24 unreserved parking spaces, at the rate of \$0.00 per space per month.
- 1.10 Address of Tenant: Before the Commencement Date:

Sagimet Biosciences Inc.
155 Bovet Road, Suite 303
San Mateo, California 94402
Attn: Chief Legal & Administrative Officer

From and after the Commencement Date: the Premises.
- 1.11 Address of Landlord: Hudson Metro Center, LLC
c/o Hudson Pacific Properties
333 Twin Dolphin Drive, Suite 100
Redwood City, California 94065
Attn: Building manager

with copies to:

Hudson Metro Center, LLC
c/o Hudson Pacific Properties
333 Twin Dolphin Drive, Suite 100
Redwood City, California 94065
Attn: Managing Counsel

and

Hudson Metro Center, LLC
c/o Hudson Pacific Properties
11601 Wilshire Boulevard, Suite 900
Los Angeles, California 90025
Attn: Lease Administration
- 1.12 Broker(s): Jones Lang LaSalle (**“Tenant’s Broker”**), representing
Tenant, and Cushman & Wakefield (**“Landlord’s Broker”**), representing Landlord.
- 1.13 Building HVAC **“Building HVAC Hours”** means 8:00 a.m. to 6:00 p.m., Monday through Friday,
Hours and Holidays: excluding the day of observation of New Year’s Day, Presidents Day, Memorial Day,
Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and, at Landlord’s
discretion, any other locally or nationally recognized holiday that is observed by other
Comparable Buildings (defined in Section 25.10) (collectively, **“Holidays”**).
- 1.14 **“Tenant** Defined in Exhibit B, if any.
Improvements”:
- 1.15 **“Guarantor”:** None.

2 PREMISES AND COMMON AREAS.

2.1 The Premises.

2.1.1 Subject to the terms hereof, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. Landlord and Tenant acknowledge that the rentable square footage of the Premises is as set forth in Section 1.2.2 and the rentable square footage of the Building is as set forth in Section 1.6; provided, however, that Landlord may from time to time re-measure the Premises and/or the Building in accordance with any generally accepted measurement standards selected by Landlord and adjust Tenant’s Share based on such re-measurement; provided further, however, that any such re-measurement shall not affect the amount of Base Rent payable for, or the amount of any tenant allowance applicable to, the initial Term. At any time Landlord may deliver to Tenant a notice substantially in the form of Exhibit C, as a confirmation of the information set forth therein. Tenant shall execute and return (or, by notice to Landlord, reasonably object to) such notice within five (5) days after receiving it, and if Tenant fails to do so, Tenant shall be deemed to have executed and returned it without exception.

2.1.2 Except as expressly provided herein, the Premises are accepted by Tenant in their configuration and condition existing on the date hereof (or in such other configuration and condition as any existing tenant of the Premises may cause to exist in accordance with its lease), without any obligation of

Landlord to perform or pay for any alterations to the Premises, and without any representation or warranty regarding the configuration or condition of the Premises, the Building or the Project or their suitability for Tenant's business.

2.2 **Common Areas.** Tenant may use, in common with Landlord and other parties and subject to the Rules and Regulations (defined in Exhibit D), any portions of the Property that are designated from time to time by Landlord for such use (the "**Common Areas**").

3 **RENT.** Tenant shall pay all Base Rent and Additional Rent (defined below) (collectively, "**Rent**") to Landlord or Landlord's agent, without prior notice or demand or any setoff or deduction, at the place Landlord may designate from time to time, in money of the United States of America that, at the time of payment, is legal tender for the payment of all obligations. As used herein, "**Additional Rent**" means all amounts, other than Base Rent, that Tenant is required to pay Landlord hereunder. Monthly payments of Base Rent and monthly payments of Additional Rent for Expenses (defined in Section 4.2.2), Taxes (defined in Section 4.2.3) and parking (collectively, "**Monthly Rent**") shall be paid in advance on or before the first day of each calendar month during the Term; provided, however, that the installment of Base Rent for the first full calendar month for which Base Rent is payable hereunder shall be paid upon Tenant's execution and delivery hereof. Except as otherwise provided herein, all other items of Additional Rent shall be paid within 30 days after Landlord's request for payment. Rent for any partial calendar month shall be prorated based on the actual number of days in such month. Without limiting Landlord's other rights or remedies, (a) if any installment of Rent is not received by Landlord or its designee within five (5) business days after its due date, Tenant shall pay Landlord a late charge equal to 5% of the overdue amount; and (b) any Rent that is not paid within 10 days after its due date shall bear interest, from its due date until paid, at the lesser of 18% per annum or the highest rate permitted by Law (defined in Section 5). Tenant's covenant to pay Rent is independent of every other covenant herein.

4 EXPENSES AND TAXES.

4.1 **General Terms.** In addition to Base Rent, Tenant shall pay, in accordance with Section 4.4, for each Expense Year (defined in Section 4.2.1), an amount equal to the sum of (a) Tenant's Share of any amount (the "**Expense Excess**") by which Expenses for such Expense Year exceed Expenses for the Base Year, plus (b) Tenant's Share of any amount (the "**Tax Excess**") by which Taxes for such Expense Year exceed Taxes for the Base Year. No decrease in Expenses or Taxes for any Expense Year below the corresponding amount for the Base Year shall entitle Tenant to any decrease in Base Rent or any credit against amounts due hereunder. Tenant's Share of the Expense Excess and Tenant's Share of the Tax Excess for any partial Expense Year shall be prorated based on the number of days in such Expense Year.

4.2 **Definitions.** As used herein, the following terms have the following meanings:

4.2.1 "**Expense Year**" means each calendar year (other than the Base Year and any preceding calendar year) in which any portion of the Term occurs.

4.2.2 "**Expenses**" means all expenses, costs and amounts that Landlord pays or accrues during the Base Year or any Expense Year because of or in connection with the ownership, management, maintenance, security, repair, replacement, restoration or operation of the Property. Landlord shall act in a reasonable manner in incurring Expenses. Expenses shall include (i) the cost of supplying all utilities, the cost of operating, repairing, maintaining and renovating the utility, telephone, mechanical, sanitary, storm-drainage, and elevator systems, and the cost of maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections, the cost of contesting any Laws that may affect Expenses, and the costs of complying with any governmentally-mandated transportation-management or similar program; (iii) the cost of all insurance premiums and deductibles; (iv) the cost of landscaping and relamping; (v) the cost of parking-area operation, repair, restoration, and maintenance; (vi) a management fee in the amount (which fee may be imputed if Landlord has internalized management or otherwise acts as its own property manager and which fee is hereby acknowledged to be reasonable) of not less than 3% of gross annual receipts from the Property (excluding the management fee), together with other fees and costs, including consulting fees, legal fees and accounting fees, of all contractors and consultants in connection with the management, operation, maintenance and repair of the Property; (vii) the fair rental value of any management office space; (viii) wages, salaries and other compensation, expenses and benefits, including taxes levied thereon, of all persons engaged in the operation, maintenance and security of the Property, and costs of training, uniforms, and employee enrichment for such persons; (ix) the costs of operation, repair, maintenance and replacement of all systems and equipment (and components thereof) of the Property; (x) the cost of janitorial, alarm, security and other services, replacement of wall and floor coverings, ceiling tiles and fixtures in Common Areas, maintenance and replacement of curbs and walkways, repair to roofs and re-roofing; (xi) rental or acquisition costs of supplies, tools, equipment, materials and personal property used in the maintenance, operation and repair of the Property; (xii) the cost of capital improvements or any other items that are (A) intended to reduce current or future Expenses, enhance the safety or security of the Property or its occupants, or enhance the environmental sustainability of the Property's operations, (B) replacements or modifications of the nonstructural portions of the Base Building (defined in Section 5) or Common Areas that are required to keep the Base Building or Common Areas in good condition, or (C) required under any Law; (xiii) the cost of tenant-relation programs reasonably established by Landlord; and (xiv) payments under any existing or future reciprocal easement agreement, transportation management agreement, cost-sharing agreement or other covenant, condition, restriction or similar instrument affecting the Property.

Notwithstanding the foregoing, Expenses shall not include: (a) capital expenditures not described in clauses (xi) or (xii) above (in addition, any capital expenditure shall be included in Expenses only if paid or accrued after the Base Year and shall be amortized (including actual or imputed interest on the amortized cost) over such period of time as Landlord shall reasonably determine); (b) depreciation; (c) principal payments of mortgage or other non-operating debts of Landlord; (d) costs of repairs to the extent Landlord is reimbursed by insurance or condemnation proceeds; (e) except as provided in clause (xiii) above, costs of leasing space in the Building, including brokerage commissions, lease concessions, rental abatements and construction allowances granted to specific tenants; (f) costs of selling, financing or refinancing the Building; (g) fines, penalties or interest resulting from late payment of Taxes or Expenses; (h) organizational expenses of creating or operating the entity that constitutes Landlord; or (i) damages paid to Tenant hereunder or to other tenants of the Building under their respective leases.

If, during any portion of the Base Year or any Expense Year, the Building is not 100% occupied (or a service provided by Landlord to Tenant is not provided by Landlord to a tenant that provides such service itself, or any tenant of the Building is entitled to free rent, rent abatement or the like), Expenses for such year shall be determined as if the Building had been 100% occupied (and all services provided by Landlord to Tenant had been provided by Landlord to all tenants, and no tenant of the Building had been entitled to free rent, rent abatement or the like) during such portion of such year. Notwithstanding any contrary provision hereof, Expenses for the Base Year shall exclude (a) any market-wide cost increases resulting from extraordinary circumstances, including Force Majeure (defined in Section 25.2), boycotts, strikes, conservation surcharges, embargoes or shortages, and (b) at Landlord's option, the cost of any repair or replacement that Landlord reasonably expects will not recur on an annual or more frequent basis.

4.2.3 "**Taxes**" means all federal, state, county or local governmental or municipal taxes, fees, charges, assessments, levies, licenses or other impositions, whether general, special, ordinary or extraordinary, that are paid or accrued during the Base Year or any Expense Year (without regard to any different fiscal year used by such governmental or municipal authority) because of or in connection with the ownership, leasing or operation of the Property. Taxes shall include (a) real estate taxes; (b) general and special assessments; (c) transit taxes; (d) leasehold taxes; (e) personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems, appurtenances, furniture and other personal property used in connection with the Property; (f) any tax on the rent, right to rent or other receipts from any portion of the Property or as against the business of leasing any portion of the Property; (g) any assessment, tax, fee, levy or charge imposed by any governmental agency, or by any non-governmental entity pursuant to any private cost-sharing agreement, in order to fund the provision or enhancement of any fire-protection, street-, sidewalk- or road-maintenance, refuse-removal or other service that is (or, before the enactment of Proposition 13, was) normally provided by governmental agencies to property owners or occupants without charge (other than through real property taxes); and (h) payments in lieu of taxes under any tax increment financing agreement, abatement agreement, agreement to construct improvements, or other agreement with any governmental body or agency or taxing authority. Any costs and expenses (including reasonable attorneys' and consultants' fees) incurred in attempting to protest, reduce or minimize Taxes shall be included in Taxes for the year in which they are incurred. Notwithstanding any contrary provision hereof, Taxes shall be determined without regard to any "green building" credit and shall exclude (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, transfer taxes, estate taxes, federal and state income taxes, and other taxes to the extent (x) applicable to Landlord's general or net income (as opposed to rents or receipts attributable to operations at the Property), or (y) measured solely by the square footage, rent, fees, services, tenant allowances or similar amounts, rights or obligations described or provided in or under any particular lease, license or similar agreement or transaction at the Building; (ii) any Expenses, and (i) any items required to be paid or reimbursed by Tenant under Section 4.5.

4.3 **Allocation.** Landlord, in its reasonable discretion, may equitably allocate Expenses among office, retail or other portions or occupants of the Property. If Landlord incurs Expenses or Taxes for the Property together with another property, Landlord, in its reasonable discretion, shall equitably allocate such shared amounts between the Property and such other property.

4.4 **Calculation and Payment of Expense Excess and Tax Excess.**

4.4.1 **Statement of Actual Expenses and Taxes; Payment by Tenant.** Landlord shall give to Tenant, after the end of each Expense Year, a statement (the "**Statement**") setting forth the actual Expenses, Taxes, Expense Excess and Tax Excess for such Expense Year. If the amount paid by Tenant for such Expense Year pursuant to Section 4.4.2 is less or more than the sum of Tenant's Share of the actual Expense Excess plus Tenant's Share of the actual Tax Excess (as such amounts are set forth in such Statement), Tenant shall pay Landlord the amount of such underpayment, or receive a credit in the amount of such overpayment, with or against the Rent then or next due hereunder; provided, however, that if this Lease has expired or terminated and Tenant has vacated the Premises, Tenant shall pay Landlord the amount of such underpayment, or Landlord shall pay Tenant the amount of such overpayment (less any Rent due), within 30 days after delivery of such Statement. Any failure of Landlord to timely deliver the Statement for any Expense Year shall not diminish either party's rights under this Section 4.

4.4.2 **Statement of Estimated Expenses and Taxes.** Landlord shall give to Tenant, for each Expense Year, a statement (the "**Estimate Statement**") setting forth Landlord's reasonable estimates of the Expenses, Taxes, Expense Excess (the "**Estimated Expense Excess**") and Tax Excess (the "**Estimated Tax Excess**") for such Expense Year. Upon receiving an Estimate Statement, Tenant shall pay, with its next installment of Base Rent, an amount equal to the excess of (a) the amount obtained by

multiplying (i) the sum of Tenant's Share of the Estimated Expense Excess plus Tenant's Share of the Estimated Tax Excess (as such amounts are set forth in such Estimate Statement), by (ii) a fraction, the numerator of which is the number of months that have elapsed in the applicable Expense Year (including the month of such payment) and the denominator of which is 12, over (b) any amount previously paid by Tenant for such Expense Year pursuant to this Section 4.4.2. Until Landlord delivers a new Estimate Statement (which Landlord may do at any time), Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the sum of Tenant's Share of the Estimated Expense Excess plus Tenant's Share of the Estimated Tax Excess, as such amounts are set forth in the previous Estimate Statement. Any failure of Landlord to timely deliver any Estimate Statement shall not diminish Landlord's rights to receive payments and revise any previous Estimate Statement under this Section 4.

4.4.3Retroactive Adjustment of Taxes. Notwithstanding any contrary provision hereof, if, after Landlord's delivery of any Statement, an increase or decrease in Taxes occurs for the applicable Expense Year or for the Base Year (whether by reason of reassessment, error, or otherwise), Taxes for such Expense Year or the Base Year, as the case may be, and the Tax Excess for such Expense Year shall be retroactively adjusted. If, as a result of such adjustment, it is determined that Tenant has under- or overpaid Tenant's Share of such Tax Excess, Tenant shall pay Landlord the amount of such underpayment, or receive a credit in the amount of such overpayment, with or against the Rent then or next due hereunder; provided, however, that if this Lease has expired or terminated and Tenant has vacated the Premises, Tenant shall pay Landlord the amount of such underpayment, or Landlord shall pay Tenant the amount of such overpayment (less any Rent due), within 30 days after such adjustment is made.

4.5 Charges for Which Tenant Is Directly Responsible. Notwithstanding any contrary provision hereof, Tenant, promptly upon demand, shall pay (or if paid by Landlord, reimburse Landlord for) each of the following to the extent levied against Landlord or Landlord's property: (a) any tax based upon or measured by (i) the cost or value of Tenant's trade fixtures, equipment, furniture or other personal property, or (ii) the cost or value of the Leasehold Improvements (defined in Section 7.1) to the extent such cost or value exceeds that of a Building-standard build-out, as determined by Landlord; (b) any rent tax, sales tax, service tax, transfer tax, value added tax, use tax, business tax, gross income tax, gross receipts tax, or other tax, assessment, fee, levy or charge measured solely by the square footage, Rent, services, tenant allowances or similar amounts, rights or obligations described or provided in or under this Lease; (c) any tax assessed upon the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of any portion of the Property; and (d) any tax assessed on this transaction or on any document to which Tenant is a party that creates an interest or estate in the Premises.

4.6 Books and Records. Within 60 days after receiving any Statement (the "**Review Notice Period**"), Tenant may give Landlord notice ("**Review Notice**") stating that Tenant elects to review Landlord's calculation of the Expense Excess and/or Tax Excess for the Expense Year to which such Statement applies and identifying with reasonable specificity the records of Landlord reasonably relating to such matters that Tenant desires to review. Within a reasonable time after receiving a timely Review Notice (and, at Landlord's option, an executed confidentiality agreement as described below), Landlord shall deliver to Tenant, or make available for inspection at a location reasonably designated by Landlord, copies of such records. Within 60 days after such records are made available to Tenant (the "**Objection Period**"), Tenant may deliver to Landlord notice (an "**Objection Notice**") stating with reasonable specificity any objections to the Statement, in which event Landlord and Tenant shall work together in good faith to resolve Tenant's objections. Tenant may not deliver more than one Review Notice or more than one Objection Notice with respect to any Statement. If Tenant fails to give Landlord a Review Notice before the expiration of the Review Notice Period or fails to give Landlord an Objection Notice before the expiration of the Objection Period, Tenant shall be deemed to have approved the Statement. Notwithstanding any contrary provision hereof, Landlord shall not be required to deliver or make available to Tenant records relating to the Base Year, and Tenant may not object to Expenses or Taxes for the Base Year, other than in connection with the first review for an Expense Year performed by Tenant pursuant to this Section 4.6. If Tenant retains an agent to review Landlord's records, the agent must be with a CPA firm licensed to do business in the State of California with experience reviewing books and records kept for Comparable Buildings and its fees shall not be contingent, in whole or in part, upon the outcome of the review. Tenant shall be responsible for all costs of such review. The records and any related information obtained from Landlord shall be treated as confidential, and as applicable only to the Premises, by Tenant, its auditors, consultants, and any other parties reviewing the same on behalf of Tenant (collectively, "**Tenant's Auditors**"). Before making any records available for review, Landlord may require Tenant and Tenant's Auditors to execute a reasonable confidentiality agreement, in which event Tenant shall cause the same to be executed and delivered to Landlord within 30 days after receiving it from Landlord, and if Tenant fails to do so, the Objection Period shall be reduced by one day for each day by which such execution and delivery follows the expiration of such 30-day period. Notwithstanding any contrary provision hereof, Tenant may not examine Landlord's records or dispute any Statement if any Rent remains unpaid past its due date. If, for any Expense Year, Landlord and Tenant determine that the sum of Tenant's Share of the actual Expense Excess plus Tenant's Share of the actual Tax Excess is less or more than the amount reported, Tenant shall receive a credit in the amount of its overpayment, or pay Landlord the amount of its underpayment, against or with the Rent next due hereunder; provided, however, that if this Lease has expired or terminated and Tenant has vacated the Premises, Landlord shall pay Tenant the amount of its overpayment (less any Rent due), or Tenant shall pay Landlord the amount of its underpayment, within 30 days after such determination.

5 USE; COMPLIANCE WITH LAWS. Tenant shall not (a) use the Premises for any purpose other than the Permitted Use, or (b) do anything in or about the Premises that violates any of the Rules and Regulations, damages the reputation of the Project, interferes with, injures or annoys other occupants of the

Project, or constitutes a nuisance. Tenant, at its expense, shall comply with all Laws relating to (i) the operation of its business at the Project, (ii) the use, condition, configuration or occupancy of the Premises, (iii) any Supplemental Systems (defined below) serving the Premises, whether located inside or outside of the Premises, or (iv) the portions of Base Building Systems (defined below) located in the Premises. If, in order to comply with any such Law, Tenant must obtain or deliver any permit, certificate or other document evidencing such compliance, Tenant shall provide a copy of such document to Landlord promptly after obtaining or delivering it. If a change to any Common Area or the Base Building (other than any portion of a Base Building System located in the Premises) becomes required under Law (or if any such requirement is enforced) as a result of any Tenant-Requested Improvement (defined below), the installation of any trade fixture, or any particular use of the Premises (as distinguished from general office use), then Tenant, upon demand, shall (x) at Landlord's option, either make such change at Tenant's cost or pay Landlord the cost of making such change, and (y) pay Landlord a coordination fee equal to 10% of the cost of such change. As used herein, "**Law**" means any existing or future law, ordinance, regulation or requirement of any governmental authority having jurisdiction over the Project or the parties. As used herein, "**Supplemental System**" means any Unit (defined in Section 25.5), supplemental fire-suppression system, kitchen (including any hot water heater, dishwasher, garbage disposal, insta-hot dispenser, or plumbing), shower or similar facility, or any other system that would not customarily be considered part of the base building of a first-class multi-tenant office building. As used herein, "**Base Building System**" means any mechanical (including HVAC), electrical, plumbing or fire/life-safety system serving the Building, other than a Supplemental System. As used herein, "**Base Building**" means the structural portions of the Building, together with the Base Building Systems. As used herein, "**Tenant-Requested Improvement**" means any Leasehold Improvements (defined in Section 7.1 below) installed by or for the benefit of Tenant, whether pursuant to this Lease or pursuant to any prior lease or other agreement to which Tenant was a party.

6 SERVICES.

6.1 **Standard Services.** Landlord shall provide the following services on all days (unless otherwise stated below): (a) subject to limitations imposed by Law, customary heating, ventilation and air conditioning ("**HVAC**") in season during Building HVAC Hours, stubbed to the Premises; (b) electricity supplied by the applicable public utility, stubbed to the Premises; (c) water supplied by the applicable public utility (i) for use in lavatories and any drinking facilities located in Common Areas within the Building, and (ii) stubbed to the Building core for use in any plumbing fixtures located in the Premises; (d) janitorial services to the Premises, except on weekends and Holidays; and (e) elevator service (subject to scheduling by Landlord, and payment of Landlord's standard usage fee, for any freight service).

6.2 **Above-Standard Use.** Landlord shall provide HVAC service outside Building HVAC Hours if Tenant gives Landlord such prior notice and pays Landlord such hourly cost per zone as Landlord may require. Tenant shall not, without Landlord's prior consent, use equipment that may affect the temperature maintained by the air conditioning system or consume above-Building-standard amounts of any water furnished for the Premises by Landlord pursuant to Section 6.1. If Tenant's consumption of electricity or water exceeds the rate Landlord reasonably deems to be standard for the Building, Tenant shall pay Landlord, upon billing, the cost of such excess consumption, including any costs of installing, operating and maintaining any equipment that is installed in order to supply or measure such excess electricity or water. The connected electrical load of Tenant's incidental-use equipment shall not exceed the Building-standard electrical design load, and Tenant's electrical usage shall not exceed the capacity of the feeders to the Project or the risers or wiring installation.

6.3 **Interruption.** Subject to Section 11, any failure to furnish, delay in furnishing, or diminution in the quality or quantity of any service resulting from any application of Law, failure of equipment, performance of maintenance, repairs, improvements or alterations, utility interruption, or event of Force Majeure (each, a "**Service Interruption**") shall not render Landlord liable to Tenant, constitute a constructive eviction, or excuse Tenant from any obligation hereunder. Notwithstanding the foregoing, if all or a material portion of the Premises is made untenantable or inaccessible for more than five (5) consecutive business days after notice from Tenant to Landlord by a Service Interruption that (a) does not result from a Casualty (defined in Section 11), a Taking (defined in Section 13) or an Act of Tenant (defined in Section 10.1), and (b) can be corrected through Landlord's reasonable efforts, then, as Tenant's sole remedy, Monthly Rent shall abate for the period beginning on the day immediately following such 5-business-day period and ending on the day such Service Interruption ends, but only in proportion to the percentage of the rentable square footage of the Premises made untenantable or inaccessible and not occupied by Tenant.

7 REPAIRS AND ALTERATIONS.

7.1 **Repairs.** Subject to Section 11, Tenant, at its expense, shall perform all maintenance and repairs (including replacements) to the Premises, and keep the Premises in as good condition and repair as existed when Tenant took possession and as thereafter improved, except for reasonable wear and tear and repairs that are Landlord's express responsibility hereunder. Tenant's maintenance and repair obligations shall include (a) all leasehold improvements in the Premises, including any Tenant Improvements, any Alterations (defined in Section 7.2), and any leasehold improvements installed pursuant to any prior lease (the "**Leasehold Improvements**"), but excluding the Base Building; (b) any Supplemental Systems serving the Premises, whether located inside or outside of the Premises; and (c) all Lines (defined in Section 23) and trade fixtures. Notwithstanding the foregoing, if a Default (defined in Section 19.1) or an emergency exists, Landlord may, at its option, perform such maintenance and repairs on Tenant's behalf, in which case Tenant shall pay Landlord, upon demand, the cost of such work plus a coordination fee equal to 10% of

such cost. Landlord shall perform all maintenance and repairs to (i) the roof and exterior walls and windows of the Building, (ii) the Base Building, and (iii) the Common Areas.

7.2 Alterations. Tenant may not make any improvement, alteration, addition or change to the Premises or to any mechanical, plumbing or HVAC facility or other system serving the Premises (an “**Alteration**”) without Landlord’s prior consent, which consent shall be requested by Tenant not less than 30 days before commencement of work and shall not be unreasonably withheld by Landlord. Notwithstanding the foregoing, Landlord’s prior consent shall not be required for any Alteration that is decorative only (e.g., carpet installation or painting) and not visible from outside the Premises, provided that Landlord receives 10 business days’ prior notice. For any Alteration, (a) Tenant, before beginning work, shall deliver to Landlord, and obtain Landlord’s approval of, plans and specifications; (b) Landlord, in its discretion, may require Tenant to obtain security for performance satisfactory to Landlord; (c) Tenant shall deliver to Landlord “as built” drawings (in CAD format, if requested by Landlord), completion affidavits, full and final lien waivers, and all governmental approvals; and (d) Tenant shall pay Landlord upon demand (i) Landlord’s reasonable out-of-pocket expenses incurred in reviewing the work, and (ii) a coordination fee equal to 10% of the cost of the work; provided, however, that this clause (d) shall not apply to any Tenant Improvements.

7.3 Tenant Work. Before beginning any repair or Alteration or any work affecting Lines (collectively, “**Tenant Work**”), Tenant shall deliver to Landlord, and obtain Landlord’s approval of, (a) names of contractors, subcontractors, mechanics, laborers and materialmen; (b) evidence of contractors’ and subcontractors’ insurance in amounts and coverages as Landlord may reasonably require; and (c) any required governmental permits. Tenant shall perform all Tenant Work (i) in a good and workmanlike manner using materials of a quality reasonably approved by Landlord; (ii) in compliance with any approved plans and specifications, all Laws, the National Electric Code, and Landlord’s construction rules and regulations; and (iii) in a manner that does not impair the Base Building. If, as a result of any Tenant Work, Landlord becomes required under Law to perform any inspection, give any notice, or cause such Tenant Work to be performed in any particular manner, Tenant shall comply with such requirement and promptly provide Landlord with reasonable documentation of such compliance. Landlord’s approval of Tenant’s plans and specifications shall not relieve Tenant from any obligation under this Section 7.3. In performing any Tenant Work, Tenant shall not use contractors, services, labor, materials or equipment that, in Landlord’s reasonable judgment, would disturb labor harmony with any workforce or trades engaged in performing other work or services at the Project.

8 LANDLORD’S PROPERTY. All Leasehold Improvements shall become Landlord’s property upon installation and without compensation to Tenant. Notwithstanding the foregoing, if any Tenant-Requested Improvements (other than any Unit, which shall be governed by Section 25.5) are not, in Landlord’s reasonable judgment, Building-standard, then before the expiration or earlier termination hereof, Tenant shall, at Landlord’s election, either (a) at Tenant’s expense, and except as otherwise notified by Landlord, remove such Tenant-Requested Improvements, repair any resulting damage to the Premises or Building, and restore the affected portion of the Premises to its configuration and condition existing before the installation of such Tenant-Requested Improvements (or, at Landlord’s election, to a Building-standard tenant-improved configuration and condition as determined by Landlord), or (b) pay Landlord an amount equal to the estimated cost of such work, as reasonably determined by Landlord. If Tenant fails to timely perform any work required under clause (a) of the preceding sentence, Landlord may perform such work at Tenant’s expense.

9 LIENS. Tenant shall keep the Project free from any lien arising out of any work performed, material furnished or obligation incurred by or on behalf of Tenant. Tenant shall remove any such lien within 10 business days after notice from Landlord, and if Tenant fails to do so, Landlord, without limiting its remedies, may pay the amount necessary to cause such removal, whether or not such lien is valid. The amount so paid, together with reasonable attorneys’ fees and expenses, shall be reimbursed by Tenant upon demand.

10 INDEMNIFICATION; INSURANCE.

10.1 Waiver and Indemnification. Tenant waives all claims against Landlord, its Security Holders (defined in Section 17), Landlord’s managing agent(s), their (direct or indirect) owners, and the beneficiaries, trustees, officers, directors, employees and agents of each of the foregoing (including Landlord, the “**Landlord Parties**”) for (i) any damage to person or property (or resulting from the loss of use thereof), except to the extent such damage is caused by any negligence, willful misconduct or breach of this Lease of or by any Landlord Party, or (ii) any failure to prevent or control any criminal or otherwise wrongful conduct by any third party or to apprehend any third party who has engaged in such conduct. Tenant shall indemnify, defend, protect, and hold the Landlord Parties harmless from any obligation, loss, claim, action, liability, penalty, damage, cost or expense (including reasonable attorneys’ and consultants’ fees and expenses) (each, a “**Claim**”) that is imposed or asserted by any third party and arises from (a) any cause in, on or about the Premises, or (b) any negligence, willful misconduct or breach of this Lease of or by Tenant, any party claiming by, through or under Tenant, their (direct or indirect) owners, or any of their respective beneficiaries, trustees, officers, directors, employees, agents, contractors, licensees or invitees (each, an “**Act of Tenant**”), except to the extent such Claim arises from any negligence, willful misconduct or breach of this Lease of or by any Landlord Party. Landlord shall indemnify, defend, protect, and hold Tenant, its (direct or indirect) owners, and their respective beneficiaries, trustees, officers, directors, employees and agents (including Tenant, the “**Tenant Parties**”) harmless from any Claim that is imposed or asserted by any third party and arises from any negligence, willful misconduct or breach of this Lease of

or by any Landlord Party, except to the extent such Claim arises from any negligence, willful misconduct or breach of this Lease of or by any Tenant Party.

10.2 Tenant's Insurance. Tenant shall maintain the following coverages in the following amounts:

10.2.1 Commercial General Liability Insurance, written on an occurrence basis, with a combined single limit for bodily injury and property damages of not less than Three Million Dollars (\$3,000,000) per occurrence and Five Million Dollars (\$5,000,000), in the annual aggregate, which shall apply separately to each location of Tenant, including products liability coverage if applicable, blanket contractual coverage including written contracts, and personal and bodily injury coverage, covering the insuring provisions of this Lease and the performance of Tenant of the indemnity and exemption of Landlord from liability agreements set forth in this Lease.

10.2.2 Property Insurance covering (i) all improvements in the Premises ("**Tenant-Insured Improvements**") and (ii) all office furniture, trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's property in the Premises installed by, for, or at the expense of Tenant. Such insurance shall be written on a special cause of loss or all risk form for physical loss or damage, for the full replacement cost value (subject to deductible amounts not exceeding \$10,000.00) new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance, and shall include coverage for damage or other loss caused by fire or other peril, including vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting or stoppage of pipes, and explosion (and providing business interruption, loss of income and extra expense insurance covering any failure or interruption of Tenant's business equipment (including, without limitation, telecommunications equipment) and covering all other perils, failures or interruptions sufficient to cover a period of interruption of not less than twelve (12) months).

10.2.3 Workers' Compensation statutory limits and Employers' Liability limits of \$1,000,000.

10.3 Form of Policies. The minimum limits of insurance required to be carried by Tenant shall not limit Tenant's liability. Such insurance shall be issued by an insurance company that has an A.M. Best rating of not less than A-VIII. Tenant's Commercial General Liability Insurance shall (a) name the Landlord Parties and any other party designated by Landlord ("**Additional Insured Parties**") as additional insureds; and (b) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and non-contributing with Tenant's insurance. Landlord shall be designated as a loss payee with respect to Tenant's Property Insurance on any Tenant-Insured Improvements. Tenant shall deliver to Landlord, on or before the Commencement Date and at least 15 days before the expiration dates thereof, certificates from Tenant's insurance company on the forms currently designated "ACORD 25" (Certificate of Liability Insurance) and "ACORD 28" (Evidence of Commercial Property Insurance) or the equivalent. Attached to the ACORD 25 (or equivalent) there shall be an endorsement (or an excerpt from the policy) naming the Additional Insured Parties as additional insureds, and attached to the ACORD 28 (or equivalent) there shall be an endorsement (or an excerpt from the policy) designating Landlord as a loss payee with respect to Tenant's Property Insurance on any Tenant-Insured Improvements, and each such endorsement (or policy excerpt) shall be binding on Tenant's insurance company. Tenant agrees that if Tenant does not take out and maintain such insurance or furnish Landlord with certificates of coverage in a timely manner, Landlord may (but shall not be required to) procure said insurance on Tenant's behalf and charge Tenant the cost thereof, which amount shall be payable by Tenant upon demand with interest (at the rate that is at the lesser of 18% per annum or the highest rate permitted by Law) from the date such sums are expended. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by Tenant, provided such blanket policies expressly afford coverage to the Premises and to Tenant as required by this Lease.

10.4 Subrogation. Notwithstanding any provision in this Lease to the contrary (but subject to the provisions set forth in Section 11 below as well as the provisions set forth in Sections 4 and 8 of Exhibit D hereto) each party waives, and shall cause its insurance carrier to waive, any right of recovery against the other party, any of its (direct or indirect) owners, or any of their respective beneficiaries, trustees, officers, directors, employees or agents for any loss of or damage to property which loss or damage is (or, if the insurance required hereunder had been carried, would have been) covered by the waiving party's property insurance. For purposes of this Section 10.4 only, (a) any deductible with respect to a party's insurance shall be deemed covered by, and recoverable by such party under, valid and collectable policies of insurance, and (b) any contractor retained by Landlord to install, maintain or monitor a fire or security alarm for the Building shall be deemed an agent of Landlord.

10.5 Additional Insurance Obligations. Tenant shall maintain such increased amounts of the insurance required to be carried by Tenant under this Section 10, and such other types and amounts of insurance covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord, but not in excess of the amounts and types of insurance then being required by landlords of Comparable Buildings. Tenant agrees that it will not, at any time, during the Term, carry any stock of goods or do anything in or about the Premises that will in any way tend to increase Landlord's insurance rates upon the Project. Tenant agrees to pay Landlord forthwith upon demand the amount of any increase in Landlord's premiums for insurance that may be carried during the Term of this Lease, or the amount of insurance to be carried by Landlord on the Project resulting from the foregoing, or from Tenant doing any act in or about the Premises that does so increase the insurance rates, whether or not Landlord shall have consented to such act on the part of Tenant. Tenant shall, at its own expense, comply with the requirements

of Landlord's insurance providers applicable to the Premises including, without limitation, the installation of fire extinguishers or an automatic dry chemical extinguishing system.

10.6 Landlord's Insurance. Landlord may, as a cost to be included in Expenses, procure and maintain at all times during the Term of this Lease, a policy or policies of insurance covering loss or damage to the Project in the amount of the full replacement cost without deduction for depreciation thereof, providing protection against all perils included within the classification of fire and extended coverage, vandalism coverage and malicious mischief, sprinkler leakage, water damage, and special extended coverage on the building. Additionally, Landlord may carry: (i) commercial general liability and umbrella/excess liability insurance and (ii) earthquake and/or flood damage insurance; and (iii) rental income insurance; and (iv) any other forms of insurance Landlord may deem appropriate or any lender may require. The costs of all insurance carried by Landlord shall be included in Expenses.

11 CASUALTY DAMAGE. With reasonable promptness after discovering any damage to the Premises (other than trade fixtures), or to any Common Area or portion of the Base Building necessary for access to or tenantability of the Premises, resulting from any fire or other casualty (a "**Casualty**"), Landlord shall notify Tenant of Landlord's reasonable estimate of the time required to substantially complete repair of such damage (the "**Landlord Repairs**"). If, according to such estimate, the Landlord Repairs cannot be substantially completed within 270 days after they are commenced, either party may terminate this Lease upon 60 days' notice to the other party delivered within 10 days after Landlord's delivery of such estimate. Within 90 days after discovering any damage to the Project resulting from any Casualty, Landlord may, whether or not the Premises are affected, terminate this Lease by notifying Tenant if (i) any Security Holder terminates any ground lease or requires that any insurance proceeds be used to pay any mortgage debt; (ii) any damage to Landlord's property is not fully covered by Landlord's insurance policies; (iii) Landlord decides to rebuild the Building or Common Areas so that it or they will be substantially different structurally or architecturally; (iv) the damage occurs during the last 12 months of the Term; or (v) any owner, other than Landlord, of any damaged portion of the Project does not intend to repair such damage. If this Lease is not terminated pursuant to this Section 11, Landlord shall promptly and diligently perform the Landlord Repairs, subject to reasonable delays for insurance adjustment and other events of Force Majeure. The Landlord Repairs shall restore the Premises (other than trade fixtures) and any Common Area or portion of the Base Building necessary for access to or tenantability of the Premises to substantially the same condition that existed when the Casualty occurred, except for (a) any modifications required by Law or any Security Holder, and (b) any modifications to the Common Areas that are deemed desirable by Landlord, are consistent with the character of the Project, and do not materially impair access to or tenantability of the Premises. Notwithstanding Section 10.4, Tenant shall assign to Landlord (or its designee) all insurance proceeds payable to Tenant under Tenant's insurance required under Section 10.2 with respect to any Tenant-Insured Improvements, and if the estimated or actual cost of restoring any Tenant-Insured Improvements exceeds the insurance proceeds received by Landlord from Tenant's insurance carrier, Tenant shall pay such excess to Landlord within 15 days after Landlord's demand. No Casualty and no restoration performed as required hereunder shall render Landlord liable to Tenant, constitute a constructive eviction, or excuse Tenant from any obligation hereunder; provided, however, that if the Premises (other than trade fixtures) or any Common Area or portion of the Base Building necessary for access to or tenantability of the Premises is damaged by a Casualty, then, during any time that, as a result of such damage, any portion of the Premises is inaccessible or untenable and is not occupied by Tenant, Monthly Rent shall be abated in proportion to the rentable square footage of such portion of the Premises.

12 NONWAIVER. No provision hereof shall be deemed waived by either party unless it is waived by such party expressly and in writing, and no waiver of any breach of any provision hereof shall be deemed a waiver of any subsequent breach of such provision or any other provision hereof. Landlord's acceptance of Rent shall not be deemed a waiver of any preceding breach of any provision hereof, other than Tenant's failure to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of such acceptance. No acceptance of payment of an amount less than the Rent due hereunder shall be deemed a waiver of Landlord's right to receive the full amount of Rent due, whether or not any endorsement or statement accompanying such payment purports to effect an accord and satisfaction. No receipt of monies by Landlord from Tenant after the giving of any notice, the commencement of any suit, the issuance of any final judgment, or the termination hereof shall affect such notice, suit or judgment, or reinstate or extend the Term or Tenant's right of possession hereunder.

13 CONDEMNATION. If any part of the Premises, Building or Project is taken for any public or quasi-public use by power of eminent domain or by private purchase in lieu thereof (a "**Taking**") for more than 180 consecutive days, Landlord may terminate this Lease. If more than 25% of the rentable square footage of the Premises, or any Common Area or portion of the Base Building necessary for access to or tenantability of the Premises, is Taken for more than 180 consecutive days, Tenant may terminate this Lease. Any such termination shall be effective as of the date possession must be surrendered to the authority, and the terminating party shall provide termination notice to the other party within 45 days after receiving written notice of such surrender date. Except as provided above in this Section 13, neither party may terminate this Lease as a result of a Taking. Tenant shall not assert, and hereby assigns to Landlord, any claim it may have for compensation because of any Taking; provided, however, that Tenant may file a separate claim for any Taking of Tenant's personal property or any trade fixtures that Tenant is entitled to remove upon the expiration hereof, and for moving expenses, so long as such claim does not diminish the award available to Landlord or any Security Holder and is payable separately to Tenant. If this Lease is terminated pursuant to this Section 13, all Rent shall be apportioned as of the date of such termination. If a Taking occurs and this Lease is not so terminated, Monthly Rent shall be abated for the period of such Taking in proportion to the percentage of the rentable square footage of the Premises, if any, that is subject

to, or rendered inaccessible or untenable by, such Taking and not occupied by Tenant.

14 ASSIGNMENT AND SUBLETTING.

14.1 **Transfers.** Tenant shall not, without Landlord's prior consent, assign, mortgage, pledge, hypothecate, encumber, permit any lien to attach to, or otherwise transfer this Lease or any interest hereunder, permit any assignment or other transfer hereof or any interest hereunder by operation of law, enter into any sublease or license agreement, otherwise permit the occupancy or use of any part of the Premises by any persons other than Tenant and its employees and contractors, or permit a Change of Control (defined in Section 14.6) to occur (each, a "**Transfer**"). If Tenant desires Landlord's consent to any Transfer, Tenant shall provide Landlord with (i) notice of the terms of the proposed Transfer, including its proposed effective date (the "**Contemplated Effective Date**"), a description of the portion of the Premises to be transferred (the "**Contemplated Transfer Space**"), a calculation of the Transfer Premium (defined in Section 14.3), and a copy of all existing executed and/or proposed documentation pertaining to the proposed Transfer, and (ii) current financial statements of the proposed transferee (or, in the case of a Change of Control, of the proposed new controlling party(ies)) certified by an officer or owner thereof and any other information reasonably required by Landlord in order to evaluate the proposed Transfer (collectively, the "**Transfer Notice**"). Within 30 days after receiving the Transfer Notice, Landlord shall notify Tenant of (a) its consent to the proposed Transfer, (b) its refusal to consent to the proposed Transfer, or (c) its exercise of its rights under Section 14.4. Any Transfer made without Landlord's prior consent shall, at Landlord's option, be void and shall, at Landlord's option, constitute a Default. Concurrently with Tenant's delivery of the Transfer Notice, Tenant shall pay Landlord a fee of \$1,500.00 for Landlord's review of any proposed Transfer, whether or not Landlord consents to it.

14.2 **Landlord's Consent.** Subject to Section 14.4, Landlord shall not unreasonably withhold its consent to any proposed Transfer. Without limiting other reasonable grounds for withholding consent, it shall be deemed reasonable for Landlord to withhold its consent to a proposed Transfer if:

14.2.1 The proposed transferee is not a party of reasonable financial strength in light of the responsibilities to be undertaken in connection with the Transfer on the date the Transfer Notice is received; or

14.2.2 The proposed transferee has a character or reputation or is engaged in a business that is not consistent with the quality of the Building or the Project; or

14.2.3 The proposed transferee is a governmental entity or a nonprofit organization; or

14.2.4 [Intentionally Omitted]; or

14.2.5 The proposed transferee or any of its Affiliates, on the date the Transfer Notice is received, leases or occupies (or, at any time during the 6-month period ending on the date the Transfer Notice is received, has negotiated with Landlord to lease) space in the Project; or

14.2.6 The use to be made of the Contemplated Transfer Space is a use which would be prohibited by any other portion of this Lease or a use which conflicts with any applicable so-called "exclusive" then in favor of another tenant of the Building or Project.

Notwithstanding any contrary provision hereof, (a) if Landlord consents to any Transfer pursuant to this Section 14.2 but Tenant does not enter into such Transfer within six (6) months thereafter, such consent shall no longer apply and such Transfer shall not be permitted unless Tenant again obtains Landlord's consent thereto pursuant and subject to the terms of this Section 14; and (b) if Landlord withholds its consent in breach of this Section 14.2, Tenant's sole remedies shall be contract damages (subject to Section 20) or specific performance, and Tenant waives all other remedies, including any right to terminate this Lease.

14.3 **Transfer Premium.** If Landlord consents to a Transfer (other than a Change of Control), Tenant shall pay Landlord an amount equal to 75% of any Transfer Premium (defined below). As used herein, "**Transfer Premium**" means (a) in the case of an assignment, any consideration (including payment for Leasehold Improvements) paid by the assignee for such assignment, and (b) in the case of a sublease, license or other occupancy agreement, for each month of the term of such agreement, the amount by which all rent and other consideration paid by the transferee to Tenant pursuant to such agreement exceeds the Monthly Rent payable by Tenant hereunder with respect to the Contemplated Transfer Space. Payment of Landlord's share of the Transfer Premium shall be made (x) in the case of an assignment, within 10 days after Tenant receives the consideration described above, and (y) in the case of a sublease, license or other occupancy agreement, for each month of the term of such agreement, within five (5) business days after Tenant receives the rent and other consideration described above.

14.4 **Landlord's Right to Recapture.** Notwithstanding any contrary provision hereof, except in the case of a Permitted Transfer (defined in Section 14.8), Landlord, by notifying Tenant within 30 days after receiving the Transfer Notice, may terminate this Lease with respect to the Contemplated Transfer Space as of the Contemplated Effective Date. If the Contemplated Transfer Space is less than the entire Premises, then Base Rent, Tenant's Share, and the number of parking spaces to which Tenant is entitled under Section 1.9 shall be deemed adjusted on the basis of the percentage of the rentable square footage of the portion of the Premises retained by Tenant. Upon request of either party, the parties shall execute a written agreement prepared by Landlord memorializing such termination.

14.5 Effect of Consent. If Landlord consents to a Transfer, (i) such consent shall not be deemed a consent to any further Transfer, (ii) Tenant shall deliver to Landlord, promptly after execution, an executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, and (iii) Tenant shall deliver to Landlord, upon Landlord's request, a complete statement, certified by an independent CPA or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium. In the case of an assignment, the assignee shall assume in writing, for Landlord's benefit, all of Tenant's obligations hereunder. No Transfer, with or without Landlord's consent, shall relieve Tenant or any guarantor hereof from any liability hereunder. Notwithstanding any contrary provision hereof, Tenant, with or without Landlord's consent, shall not enter into, or permit any party claiming by, through or under Tenant to enter into, any sublease, license or other occupancy agreement that provides for payment based in whole or in part on the net income or profit of the subtenant, licensee or other occupant thereunder.

14.6 Change of Control. As used herein, "Change of Control" means (a) if Tenant is a closely held professional service firm, the withdrawal or change (whether voluntary, involuntary or by operation of law) of more than 25% of its equity owners within a 12-month period; and (b) in all other cases, any transaction(s) resulting in the acquisition of a Controlling Interest (defined below) in Tenant by one or more parties that neither owned, nor are Affiliates (defined below) of one or more parties that owned, a Controlling Interest in Tenant immediately before such transaction(s). As used herein, "Controlling Interest" means control over an entity, other than control arising from the ownership of voting securities listed on a recognized securities exchange. As used herein, "control" means the direct or indirect power to direct the ordinary management and policies of an entity, whether through the ownership of voting securities, by contract or otherwise. As used herein, "Affiliate" means, with respect to any party, a person or entity that controls, is under common control with, or is controlled by such party.

14.7 Effect of Default. If Tenant is in Default, Landlord is irrevocably authorized, as Tenant's agent and attorney-in-fact, to direct any transferee under any sublease, license or other occupancy agreement to make all payments under such agreement directly to Landlord (which Landlord shall apply towards Tenant's obligations hereunder) until such Default is cured. Such transferee shall rely upon any representation by Landlord that Tenant is in Default, whether or not confirmed by Tenant.

14.8 Permitted Transfers. Notwithstanding any contrary provision hereof, if Tenant is not in Default, Tenant may, without Landlord's consent pursuant to Section 14.1, permit a Change of Control to occur or assign this Lease to (a) an Affiliate of Tenant (other than pursuant to a merger or consolidation), (b) a successor to Tenant by merger or consolidation, or (c) a successor to Tenant by purchase of all or substantially all of Tenant's assets (a "Permitted Transfer"), provided that (i) at least 10 business days before the Transfer, Tenant notifies Landlord of the Transfer and delivers to Landlord any documents or information reasonably requested by Landlord relating thereto, including reasonable documentation that the Transfer satisfies the requirements of this Section 14.8; (ii) in the case of an assignment pursuant to clause (a) or (c) above, the assignee executes and delivers to Landlord, at least 10 business days before the assignment, a commercially reasonable instrument pursuant to which the assignee assumes, for Landlord's benefit, all of Tenant's obligations hereunder; (iii) in the case of an assignment pursuant to clause (b) above, (A) the successor entity has a net worth (as determined in accordance with GAAP, but excluding intellectual property and any other intangible assets ("Net Worth")) immediately after the Transfer that is not less than Tenant's Net Worth immediately before the Transfer, and (B) if Tenant is a closely held professional service firm, at least 75% of its equity owners existing 12 months before the Transfer are also equity owners of the successor entity; (iv) except in the case of a Change of Control, the transferee is qualified to conduct business in the State of California; (v) in the case of a Change of Control, (A) Tenant is not a closely held professional service firm and (B) Tenant's Net Worth immediately after the Change of Control is not less than its Net Worth immediately before the Change of Control; and (vi) the Transfer is made for a good faith operating business purpose and not in order to evade the requirements of this Section 14.

15 SURRENDER. Upon the expiration or earlier termination hereof, and subject to Sections 8 and 11 and this Section 15, Tenant shall surrender possession of the Premises to Landlord in as good condition and repair as existed when Tenant took possession and as thereafter improved, except for reasonable wear and tear and repairs that are Landlord's express responsibility hereunder. Before such expiration or termination, Tenant, without expense to Landlord, shall (a) remove from the Premises all debris and rubbish and all furniture, equipment, trade fixtures, Lines, free-standing cabinet work, movable partitions and other articles of personal property that are owned or placed in the Premises by Tenant or any party claiming by, through or under Tenant (except for any Lines not required to be removed under Section 23), and (b) repair all damage to the Premises and Building resulting from such removal. If Tenant fails to timely perform such removal and repair, Landlord may do so at Tenant's expense (including storage costs). If Tenant fails to remove such property from the Premises, or from storage, within 30 days after notice from Landlord, any part of such property shall be deemed, at Landlord's option, either (x) conveyed to Landlord without compensation, or (y) abandoned.

16 HOLDOVER. If Tenant fails to surrender the Premises upon the expiration or earlier termination hereof, Tenant's tenancy shall be subject to the terms and conditions hereof; provided, however, that such tenancy shall be a tenancy at sufferance only, for the entire Premises, and Tenant shall pay Monthly Rent (on a per-month basis without reduction for any partial month) at a rate equal to twice the Monthly Rent applicable during the last calendar month of the Term. Nothing in this Section 16 shall limit Landlord's rights or remedies or be deemed a consent to any holdover. If Landlord is unable to deliver possession of the Premises to, or perform improvements for, a new tenant as a result of Tenant's holdover, Tenant shall be liable for all resulting damages, including lost profits, incurred by Landlord.

17 SUBORDINATION; ESTOPPEL CERTIFICATES; FINANCIALS. This Lease shall be subject and subordinate to all existing and future ground or underlying leases, mortgages, trust deeds and other encumbrances against the Building or Project, all renewals, extensions, modifications, consolidations and replacements thereof (each, a “**Security Agreement**”), and all advances made upon the security of such mortgages or trust deeds, unless in each case the holder of such Security Agreement (each, a “**Security Holder**”) requires in writing that this Lease be superior thereto. Upon any termination or foreclosure (or any delivery of a deed in lieu of foreclosure) of any Security Agreement, Tenant, upon request, shall attorn, without deduction or set-off, to the Security Holder or purchaser or any successor thereto and shall recognize such party as the lessor hereunder provided that such party agrees not to disturb Tenant’s occupancy so long as Tenant timely pays the Rent and otherwise performs its obligations hereunder. Within 10 business days after Landlord’s request, Tenant shall execute such further instruments as Landlord may reasonably deem necessary to evidence the subordination or superiority of this Lease to any Security Agreement. Tenant waives any right it may have under Law to terminate or otherwise adversely affect this Lease or Tenant’s obligations hereunder upon a foreclosure. Within 10 business days after Landlord’s request, Tenant shall execute and deliver to Landlord a commercially reasonable estoppel certificate in favor of such parties as Landlord may reasonably designate, including current and prospective Security Holders and prospective purchasers. Within 10 days after Tenant’s receipt of Landlord’s written request (but no more than once each calendar year), Tenant shall provide Landlord with its current financial statement and its financial statements for the prior three (3) calendar or fiscal years (if Tenant’s fiscal year is other than a calendar year). Any such statements shall be prepared in accordance with generally accepted accounting principles and, if the normal practice of Tenant, shall be audited by an independent certified public accountant.

18 ENTRY BY LANDLORD. At all reasonable times and upon reasonable notice to Tenant, or in an emergency, Landlord may enter the Premises to (i) inspect the Premises; (ii) show the Premises to prospective purchasers, current or prospective Security Holders or insurers, or, during the last 12 months of the Term (or while an uncured Default exists), prospective tenants; (iii) post notices of non-responsibility; or (iv) perform maintenance, repairs or alterations. At any time and without notice to Tenant, Landlord may enter the Premises to perform required services. If reasonably necessary, Landlord may temporarily close any portion of the Premises to perform maintenance, repairs or alterations. In an emergency, Landlord may use any means it deems proper to open doors to and in the Premises. No entry into or closure of any portion of the Premises pursuant to this Section 18 shall render Landlord liable to Tenant, constitute a constructive eviction, or excuse Tenant from any obligation hereunder.

19 DEFAULTS; REMEDIES.

19.1 Events of Default. The occurrence of any of the following shall constitute a “**Default**”:

19.1.1 Any failure by Tenant to pay any Rent (or deliver any Security Deposit, Letter of Credit, or similar credit enhancement required hereunder) when due unless such failure is cured within five (5) business days after notice; or

19.1.2 Except where a specific time period is otherwise set forth for Tenant’s cure herein (in which event Tenant’s failure to cure within such time period shall be a Default), and except as otherwise provided in this Section 19.1, any breach by Tenant of any other provision hereof where such breach continues for 30 days after notice from Landlord; provided that if such breach cannot reasonably be cured within such 30-day period, Tenant shall not be in Default as a result of such breach if Tenant diligently commences such cure within such period, thereafter diligently pursues such cure, and completes such cure within 60 days after Landlord’s notice; or

19.1.3 Abandonment or vacation of all or a substantial portion of the Premises by Tenant; or

19.1.4 Any breach by Tenant of Section 17 or 18 where such breach continues for more than two (2) business days after notice from Landlord; or

19.1.5 Tenant becomes in breach of Section 25.3(c) or (d).

If Tenant breaches a particular provision hereof (other than a provision requiring payment of Rent) on three (3) separate occasions during any 12-month period, Tenant’s subsequent breach of such provision shall be, at Landlord’s option, an incurable Default. The notice periods provided herein are in lieu of, and not in addition to, any notice periods provided by Law, and Landlord shall not be required to give any additional notice in order to be entitled to commence an unlawful detainer proceeding.

19.2 Remedies Upon Default. Upon any Default, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (which shall be cumulative and nonexclusive), the option to pursue any one or more of the following remedies (which shall be cumulative and nonexclusive) without any additional notice or demand:

19.2.1 Landlord may terminate this Lease, in which event Landlord may recover from Tenant the following:

(a) The worth at the time of award of the unpaid Rent which had been earned at the time of such termination;
plus

(b) The worth at the time of award of the amount by which the unpaid Rent which

would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(c)The worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such Rent loss that Tenant proves could be reasonably avoided; plus

(d)Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations hereunder or which in the ordinary course of things would be likely to result therefrom, including brokerage commissions, advertising expenses, expenses of remodeling any portion of the Premises for a new tenant (whether for the same or a different use), and any special concessions made to obtain a new tenant; plus

(e)At Landlord's option, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by Law.

As used in Sections 19.2.1(a) and (b), the "**worth at the time of award**" shall be computed by allowing interest at the rate specified in Section 3(b) above. As used in Section 19.2.1(c), the "**worth at the time of award**" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus 1%.

19.2.2Landlord shall have the remedy described in California Civil Code § 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover Rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies hereunder, including the right to recover all Rent as it becomes due.

19.2.3Landlord shall at all times have the rights and remedies (which shall be cumulative with each other and cumulative and in addition to those rights and remedies available under Sections 19.2.1 and 19.2.2, or any Law or other provision hereof), without prior demand or notice except as required by Law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or restrain or enjoin a violation or breach of any provision hereof. The parties intend that this Lease and Tenant's obligations hereunder are binding on Tenant and (unless otherwise explicitly set forth in this Lease) will not be reduced or otherwise excused by any future events or circumstances, whether foreseeable or unforeseeable, even if such circumstances substantially affect Tenant's business, profitability or ability to operate in the Premises (unless such inability to operate is due to a default by Landlord pursuant to Section 19.4 below, in which case Section 19.4 shall control) and Tenant waives the right to claim equitable relief from its obligations hereunder.

19.3 **Efforts to Relet.** Unless Landlord provides Tenant with express notice to the contrary, no re-entry, repair, maintenance, change, alteration, addition, reletting, appointment of a receiver or other action or omission by Landlord shall (a) be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, or (b) operate to release Tenant from any of its obligations hereunder. Tenant waives, for Tenant and for all those claiming by, through or under Tenant, California Civil Code § 3275, California Code of Civil Procedure §§ 1174(c) and 1179, and any existing or future rights to redeem or reinstate, by order or judgment of any court or by any legal process or writ, this Lease or Tenant's right of occupancy of the Premises after any termination hereof.

19.4 **Landlord Default.** Landlord shall not be in default hereunder unless it fails to begin within 30 days after notice from Tenant, or fails to pursue with reasonable diligence thereafter, the cure of any breach by Landlord of its obligations hereunder. Before exercising any remedies for a default by Landlord, Tenant shall give notice and a reasonable time to cure to any Security Holder of which Tenant has been notified.

20 LANDLORD EXCULPATION. Notwithstanding any contrary provision hereof, (a) the liability of the Landlord Parties to Tenant shall be limited to an amount equal to the lesser of (i) Landlord's interest in the Building, or (ii) the equity interest Landlord would have in the Building if the Building were encumbered by third-party debt in an amount equal to 80% of the value of the Building (as such value is determined by Landlord); (b) Tenant shall look solely to Landlord's interest in the Building for the recovery of any judgment or award against any Landlord Party; (c) no Landlord Party shall have any liability for any judgment or deficiency, and Tenant waives and releases such liability on behalf of itself and all parties claiming by, through or under Tenant; and (d) no Landlord Party shall be liable for any injury or damage to, or interference with, Tenant's business, including loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, or for any form of special or consequential damage.

21 SECURITY DEPOSIT. Concurrently with its execution and delivery hereof, Tenant shall deposit with Landlord the Security Deposit, if any, as security for Tenant's performance of its obligations hereunder. If Tenant breaches any provision hereof, Landlord may, at its option, without limiting its remedies and without notice to Tenant, apply all or part of the Security Deposit to cure such breach and compensate Landlord for any loss or damage caused by such breach, including any damage for which recovery may be made under California Civil Code § 1951.2. If Landlord so applies any portion of the Security Deposit, Tenant, within three (3) days after demand therefor, shall restore the Security Deposit to its original amount. The Security Deposit is not an advance payment of Rent or measure of damages. Any

unapplied portion of the Security Deposit shall be returned to Tenant within 60 days after the latest to occur of (a) the expiration of the Term, (b) Tenant's surrender of the Premises as required hereunder, or (c) determination of the final Rent due from Tenant. Landlord shall not be required to keep the Security Deposit separate from its other accounts.

22 RELOCATION. Landlord, after giving 90 days prior notice, may move (but no more than once during the initial Term) Tenant to other space in the Project comparable in size, configuration and utility to the Premises and located on the 15th floor or above. In such event, all terms hereof shall apply to the new space, except that Base Rent and (except to the extent of the percentage, if any, by which the rentable square footage of the building in which the new space is located is less than the rentable square footage of the Building) Tenant's Share shall not increase as a result of such relocation. Landlord, at its expense, shall provide Tenant with tenant improvements in the new space at least equal in quality to those in the Premises. Landlord shall reimburse Tenant for Tenant's reasonable moving, re-cabling and stationery-replacement costs. The parties shall execute a written agreement prepared by Landlord memorializing the relocation.

23 COMMUNICATIONS AND COMPUTER LINES. All Lines installed pursuant to this Lease shall be (a) installed in accordance with Section 7; and (b) clearly marked with adhesive plastic labels (or plastic tags attached to such Lines with wire) to show Tenant's name, suite number, and the purpose of such Lines (i) every six (6) feet outside the Premises (including the electrical room risers and any Common Areas), and (ii) at their termination points. Landlord may designate specific contractors for work relating to vertical Lines. Sufficient spare cables and space for additional cables shall be maintained for other occupants, as reasonably determined by Landlord. Unless otherwise notified by Landlord, Tenant, at its expense and before the expiration or earlier termination hereof, shall remove all Lines and repair any resulting damage. As used herein, "**Lines**" means all communications or computer wires and cables serving the Premises, whenever and by whomever installed or paid for, including any such wires or cables installed pursuant to any prior lease.

24 PARKING. Tenant may park in the Building's parking facilities (the "**Parking Facility**"), in common with other tenants of the Building, upon the following terms and conditions. Tenant shall not use more than the number of unreserved and/or reserved parking spaces set forth in Section 1.9. Tenant shall pay Landlord, in accordance with Section 3, any fees for the parking spaces described in Section 1.9. Tenant shall pay Landlord any fees, taxes or other charges imposed by any governmental or quasi-governmental agency in connection with the Parking Facility, to the extent such amounts are allocated to Tenant by Landlord based on the number and type of parking spaces Tenant is entitled to use. Tenant shall comply with all rules and regulations established by Landlord from time to time for the orderly operation and use of the Parking Facility, including any sticker or other identification system and the prohibition of vehicle repair and maintenance activities in the Parking Facility. Landlord may, in its discretion, allocate and assign parking passes among Tenant and the other tenants in the Building. Tenant's use of the Parking Facility shall be at Tenant's sole risk, and Landlord shall have no liability for any personal injury or damage to or theft of any vehicles or other property occurring in the Parking Facility or otherwise in connection with any use of the Parking Facility by Tenant or its employees or invitees. Landlord may alter the size, configuration, design, layout or any other aspect of the Parking Facility, and, in connection therewith, temporarily deny or restrict access to the Parking Facility, in each case without abatement of Rent or liability to Tenant. Landlord may delegate its responsibilities hereunder to a parking operator, in which case (i) such parking operator shall have all the rights of control reserved herein by Landlord, (ii) Tenant shall enter into a parking agreement with such parking operator, (iii) Tenant shall pay such parking operator, rather than Landlord, any charge established hereunder for the parking spaces, and (iv) Landlord shall have no liability for claims arising through acts or omissions of such parking operator except to the extent caused by Landlord's negligence or willful misconduct. Tenant's parking rights under this Section 24 are solely for the benefit of Tenant's employees and invitees and such rights may not be transferred without Landlord's prior consent, except pursuant to a Transfer permitted under Section 14.

25 MISCELLANEOUS.

25.1 Notices. No notice, demand, statement, designation, request, consent, approval, election or other communication given hereunder ("**Notice**") shall be binding upon either party unless (a) it is in writing; (b) it is (i) sent by certified or registered mail, postage prepaid, return receipt requested, (ii) delivered by a nationally recognized courier service, or (iii) delivered personally; and (c) it is sent or delivered to the address set forth in Section 1.10 or 1.11, as applicable, or to such other place (other than a P.O. box) as the recipient may from time to time designate in a Notice to the other party. Any Notice shall be deemed received on the earlier of the date of actual delivery or the date on which delivery is refused, or, if Tenant is the recipient and has vacated its notice address without providing a new notice address, three (3) days after the date the Notice is deposited in the U.S. mail or with a courier service as described above. No provision of this Lease requiring a particular Notice to be in writing shall limit the generality of clause (a) of the first sentence of this Section 25.1.

25.2 Force Majeure. If either party is prevented from performing any obligation hereunder by any strike, act of God, fire, war, terrorist act, shortage of labor or materials, governmental action (including, without limitation, governmentally required evacuations), epidemic, pandemic, public health emergency, civil commotion or other cause beyond such party's reasonable control ("**Force Majeure**"), such obligation shall be excused during (and any time period for the performance of such obligation shall be extended by) the period of such prevention; provided, however, that this Section 25.2 shall not (a) permit Tenant to hold over in the Premises after the expiration or earlier termination hereof, or (b) excuse (or extend any time period for the performance of) (i) any obligation to remit money or deliver credit enhancement, (ii) any

obligation under Section 10 or 25.3, or (iii) any of Tenant's obligations whose breach would interfere with another occupant's use, occupancy or enjoyment of its premises or the Project or result in any liability on the part of any Landlord Party.

25.3 Representations and Covenants. Tenant represents, warrants and covenants that (a) Tenant is, and at all times during the Term will remain, duly organized, validly existing and in good standing under the Laws of the state of its formation and qualified to do business in the state of California; (b) neither Tenant's execution of nor its performance under this Lease will cause Tenant to be in violation of any agreement or Law; (c) Tenant (and any guarantor hereof) has not, and at no time during the Term will have, (i) made a general assignment for the benefit of creditors, (ii) filed a voluntary petition in bankruptcy, (iii) suffered (A) the filing by creditors of an involuntary petition in bankruptcy that is not dismissed within 30 days, (B) the appointment of a receiver to take possession of all or substantially all of its assets, or (C) the attachment or other judicial seizure of all or substantially all of its assets, (iv) admitted in writing its inability to pay its debts as they come due, or (v) made an offer of settlement, extension or composition to its creditors generally; and (d) no party that (other than through the passive ownership of interests traded on a recognized securities exchange) constitutes, owns, controls, or is owned or controlled by Tenant, any guarantor hereof or any subtenant of Tenant is, or at any time during the Term will be, (i) in violation of any Laws relating to terrorism or money laundering, or (ii) among the parties identified on any list compiled pursuant to Executive Order 13224 for the purpose of identifying suspected terrorists or on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, <http://www.treas.gov/ofac/tllsdn.pdf> or any replacement website or other replacement official publication of such list.

25.4 Signs. Landlord shall include Tenant's name in any tenant directory located in the lobby on the first floor of the Building. If any part of the Premises is located on a multi-tenant floor, Landlord, at Tenant's cost, shall provide identifying suite signage for Tenant comparable to that provided by Landlord on similar floors in the Building. Tenant may not install (a) any signs outside the Premises, or (b) without Landlord's prior consent in its sole and absolute discretion, any signs, window coverings, blinds or similar items that are visible from outside the Premises.

25.5 Supplemental HVAC. If the Premises are served by any supplemental HVAC unit (a "Unit"), then (a) Tenant shall pay the costs of all electricity consumed in the Unit's operation, together with the cost of installing a meter to measure such consumption; (b) Tenant, at its expense, shall (i) operate and maintain the Unit in compliance with all applicable Laws and such reasonable rules and procedures as Landlord may impose; (ii) keep the Unit in as good working order and condition as existed upon installation (or, if later, when Tenant took possession of the Premises), subject to normal wear and tear and damage resulting from Casualty; (iii) maintain in effect, with a contractor reasonably approved by Landlord, a contract for the maintenance and repair of the Unit, which contract shall require the contractor, at least once every three (3) months, to inspect the Unit and provide to Tenant a report of any defective conditions, together with any recommendations for maintenance, repair or parts-replacement; (iv) follow all reasonable recommendations of such contractor; and (v) promptly provide to Landlord a copy of such contract and each report issued thereunder; (c) the Unit shall become Landlord's property upon installation and without compensation to Tenant; provided, however, that upon Landlord's request at the expiration or earlier termination hereof, Tenant, at its expense, shall remove the Unit and repair any resulting damage (and if Tenant fails to timely perform such work, Landlord may do so at Tenant's expense); (d) the Unit shall be deemed (i) a Leasehold Improvement (except for purposes of Section 8), and (ii) for purposes of Section 11, part of the Premises; (e) if the Unit exists on the date of mutual execution and delivery hereof, Tenant accepts the Unit in its "as is" condition, without representation or warranty as to quality, condition, fitness for use or any other matter; (f) if the Unit connects to the Building's condenser water loop (if any), then Tenant shall pay to Landlord, as Additional Rent, Landlord's standard one-time fee for such connection and Landlord's standard monthly per-ton usage fee; and (g) if any portion of the Unit is located on the roof, then (i) Tenant's access to the roof shall be subject to such reasonable rules and procedures as Landlord may impose; (ii) Tenant shall maintain the affected portion of the roof in a clean and orderly condition and shall not interfere with use of the roof by Landlord or any other tenants or licensees; and (iii) Landlord may relocate the Unit and/or temporarily interrupt its operation, without liability to Tenant, as reasonably necessary to maintain and repair the roof or otherwise operate the Building.

25.6 Attorneys' Fees. In any action or proceeding between the parties, including any appellate or alternative dispute resolution proceeding, the prevailing party may recover from the other party all of its costs and expenses in connection therewith, including reasonable attorneys' fees and costs. Tenant shall pay all reasonable attorneys' fees and other fees and costs that Landlord incurs in interpreting or enforcing this Lease or otherwise protecting its rights hereunder (a) where Tenant has failed to pay Rent when due, or (b) in any bankruptcy case, assignment for the benefit of creditors, or other insolvency, liquidation or reorganization proceeding involving Tenant or this Lease.

25.7 Brokers. Tenant represents to Landlord that it has dealt only with Tenant's Broker as its broker in connection with this Lease. Tenant shall indemnify, defend, and hold Landlord harmless from all claims of any brokers, other than Tenant's Broker, claiming to have represented Tenant in connection with this Lease. Landlord shall indemnify, defend and hold Tenant harmless from all claims of any brokers, including Landlord's Broker, claiming to have represented Landlord in connection with this Lease.

25.8 Governing Law; WAIVER OF TRIAL BY JURY. This Lease shall be construed and enforced in accordance with the Laws of the State of California. THE PARTIES WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY LITIGATION

ARISING OUT OF OR RELATING TO THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE OR ANY EMERGENCY OR STATUTORY REMEDY.

25.9 Waiver of Statutory Provisions. Each party waives California Civil Code §§ 1932(2), 1933(4) and 1945. Tenant waives (a) any rights under (i) California Civil Code §§ 1932(1), 1941, 1942, 1950.7 or any similar or replacement section or Law, or (ii) California Code of Civil Procedure §§ 1263.260 or 1265.130 or any similar or replacement section or Law; and (b) any right to terminate this Lease under California Civil Code § 1995.310 or any similar or replacement section or Law. Tenant further expressly waives California Civil Code Section 1479, and agrees that Landlord shall have the right to designate which portion of Tenant's obligations under this Lease are satisfied by a partial payment or to allocate any payment by Tenant to outstanding obligations of Tenant in any order it desires (i.e., Landlord may allocate payments to the earliest amounts outstanding or the most recent, at its discretion).

25.10 Interpretation. As used herein, the capitalized term "Section" refers to a section hereof unless otherwise specifically provided herein. As used in this Lease, the terms "herein," "hereof," "hereto" and "hereunder" refer to this Lease and the term "include" and its derivatives are not limiting. Any reference herein to "any part" or "any portion" of the Premises, the Property or any other property shall be construed to refer to all or any part of such property. As used herein in connection with insurance, the term "deductible" includes self-insured retention. Wherever this Lease prohibits either party from engaging in any particular conduct, this Lease shall be deemed also to require such party to cause each of its employees and agents (and, in the case of Tenant, each of its licensees, invitees and subtenants, and any other party claiming by, through or under Tenant) to refrain from engaging in such conduct. Wherever this Lease requires Landlord to provide a customary service or to act in a reasonable manner (whether in incurring an expense, establishing a rule or regulation, providing an approval or consent, or performing any other act), this Lease shall be deemed also to provide that whether such service is customary or such conduct is reasonable shall be determined by reference to the practices of owners of buildings ("**Comparable Buildings**") that (i) are comparable to the Building in size, age, class, quality and location, and (ii) at Landlord's option, have been, or are being prepared to be, certified under the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system or a similar rating system. Tenant waives the benefit of any rule that a written agreement shall be construed against the drafting party.

25.11 Entire Agreement. This Lease sets forth the entire agreement between the parties relating to the subject matter hereof and supersedes any previous agreements (none of which shall be used to interpret this Lease). Tenant acknowledges that in entering into this Lease it has not relied upon any representation, warranty or statement, whether oral or written, not expressly set forth herein. This Lease can be modified only by a written agreement signed by both parties.

25.12 Other. Landlord, at its option, may cure any Default, without waiving any right or remedy or releasing Tenant from any obligation, in which event Tenant shall pay Landlord, upon demand, the cost of such cure. If any provision hereof is void or unenforceable, no other provision shall be affected. Submission of this instrument for examination or signature by Tenant does not constitute an option or offer to lease, and this instrument is not binding until it has been executed and delivered by both parties. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination thereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises or terminate any or all such sublessees or subtenancies. If Tenant is comprised of two or more parties, their obligations shall be joint and several. Time is of the essence with respect to the performance of every provision hereof in which time of performance is a factor. So long as Tenant performs its obligations hereunder, Tenant shall have peaceful and quiet possession of the Premises against any party claiming by, through or under Landlord, subject to the terms hereof. Landlord may transfer its interest herein, in which event (a) to the extent the transferee assumes in writing Landlord's obligations arising hereunder after the date of such transfer (including the return of any Security Deposit), Landlord shall be released from, and Tenant shall look solely to the transferee for the performance of, such obligations; and (b) Tenant shall attorn to the transferee. If Tenant (or any party claiming by, through or under Tenant) pays directly to the provider for any energy consumed at the Property, Tenant, promptly upon request, shall deliver to Landlord (or, at Landlord's option, execute and deliver to Landlord an instrument enabling Landlord to obtain from such provider) any data about such consumption that Landlord, in its reasonable judgment, is required for benchmarking purposes or to disclose to a prospective buyer, tenant or mortgage lender under any applicable Law. Landlord reserves all rights not expressly granted to Tenant hereunder, including the right to make alterations to the Project. No rights to any view or to light or air over any property are granted to Tenant hereunder. The expiration or earlier termination hereof shall not relieve either party of any obligation that accrued before, or continues to accrue after, such expiration or termination. Each party hereto, and their respective successors and assigns shall be authorized to rely upon the signatures of all of the parties hereto which are delivered by facsimile, PDF or DocuSign (or the like) as constituting a duly authorized, irrevocable, actual, current delivery hereof with original ink signatures of each person and entity. This Lease may be executed in counterparts, each of which shall be deemed an original part and all of which together shall constitute a single agreement.

25.13 Fitness Center. Subject to the provisions of this Section 25.13, so long as Tenant is not in Default under this Lease, and provided Tenant's employees execute Landlord's standard waiver of liability form and pay the applicable one time or monthly fee, if any, then Tenant's employees (the "**Fitness Center Users**") shall be entitled to use the fitness center (the "**Fitness Center**") in the Building. The use of the Fitness Center shall be subject to the reasonable rules and regulations (including rules regarding hours of use) established from time to time by Landlord for the Fitness Center. Landlord and Tenant acknowledge

that the use of the Fitness Center by the Fitness Center Users shall be at their own risk and that the terms and provisions of Section 10.1 of this Lease shall apply to Tenant and the Fitness Center User's use of the Fitness Center. The costs of operating, maintaining and repairing the Fitness Center may be included as part of Expenses. Tenant acknowledges that the provisions of this Section shall not be deemed to be a representation by Landlord that Landlord shall continuously maintain the Fitness Center (or any other fitness facility) throughout the Term of this Lease, and Landlord shall have the right, at Landlord's sole discretion, to expand, contract, eliminate or otherwise modify the Fitness Center. No expansion, contraction, elimination or modification of the Fitness Center, and no termination of Tenant's or the Fitness Center Users' rights to the Fitness Center shall entitle Tenant to an abatement or reduction in Rent, or constitute a constructive eviction, or result in an event of default by Landlord under this Lease.

25.14 **Shower Facility.** Subject to the provisions of this Section 25.14, so long as Tenant is not in Default under this Lease and provided Tenant's employees execute Landlord's standard waiver of liability form, Tenant employees (the "**Shower Users**") shall be entitled to use the shower facility (the "**Shower Facility**") in the Building. The use of the Shower Facility shall be subject to the reasonable rules and regulations (including rules regarding hours of use) established from time to time by Landlord for the Shower Facility. Landlord and Tenant acknowledge that the use of the Shower Facility by the Shower Users shall be at their own risk and that the terms and provisions of Section 10.1 of this Lease shall apply to Tenant and the Shower User's use of the Shower Facility. The costs of operating, maintaining and repairing the Shower Facility shall be included as part of Expenses. Tenant acknowledges that the provisions of this Section shall not be deemed to be a representation by Landlord that Landlord shall continuously maintain the Shower Facility throughout the Term, and Landlord shall have the right, at Landlord's sole discretion, to expand, contract, eliminate or otherwise modify the Shower Facility. No expansion, contraction, elimination or modification of the Shower Facility, and no termination of Tenant's or the Shower User's rights to the Shower Facility shall entitle Tenant to an abatement or reduction in Rent, constitute a constructive eviction, or result in an event of default by Landlord under this Lease.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

LANDLORD:

**HUDSON METRO CENTER, LLC, a Delaware
limited liability company**

By: Hudson Pacific Properties, L.P., a Maryland
limited partnership, its sole member

By: Hudson Pacific Properties, Inc., a Maryland
corporation,
its general partner

By: /s/ Kenneth Young

Name: Kenneth Young

Title: Senior Vice President, Leasing

TENANT:

**SAGIMET BIOSCIENCES INC., a Delaware
corporation**

By: /s/ Dave Happel

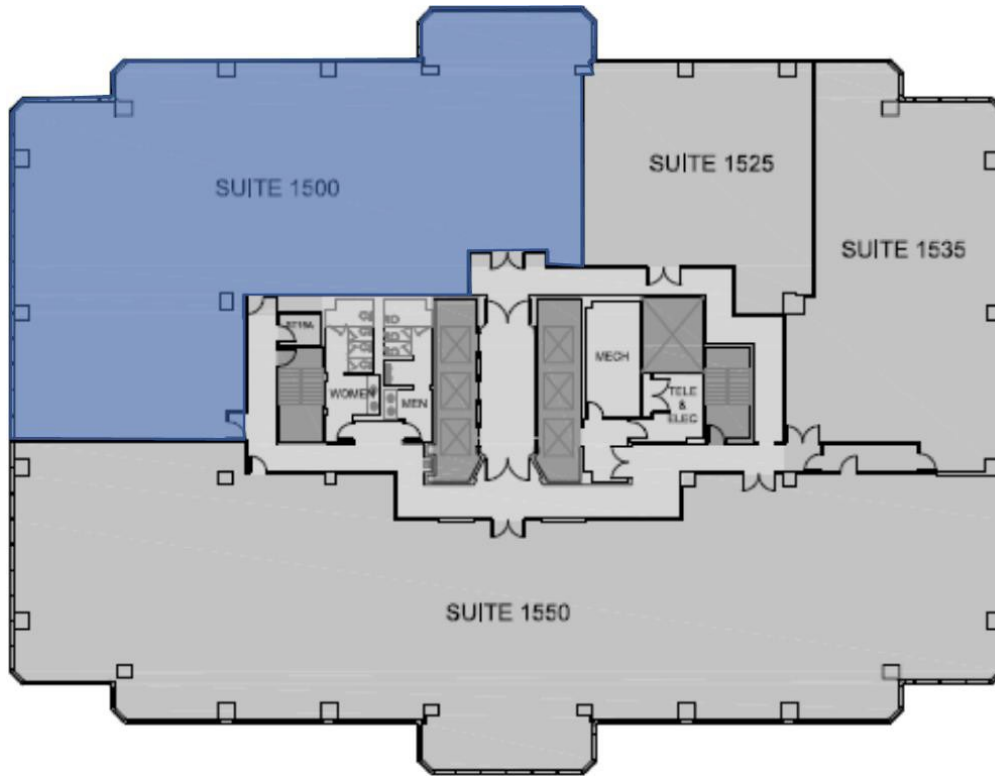
Name: Dave Happel

Title: CEO

EXHIBIT A

**METRO CENTER METRO CENTER
TOWER
950 TOWER LANE FOSTER CITY,
CALIFORNIA**

OUTLINE OF PREMISES



This Exhibit "A" is provided for informational purposes only and is intended to be only an approximation of the layout of the Premises and shall not be deemed to constitute any representation by Landlord as to the exact layout or configuration of the Premises.

EXHIBIT B

METRO CENTER METRO CENTER TOWER 950 TOWER LANE FOSTER CITY, CALIFORNIA

WORK LETTER

As used in this **Exhibit B** (this “**Work Letter**”), the following terms shall have the following meanings:

- (i) “**Tenant Improvements**” means all improvements to be constructed in the Premises pursuant to this Work Letter;
- (ii) “**Tenant Improvement Work**” means the construction of the Tenant Improvements, together with any related work (including demolition) that is necessary to construct the Tenant Improvements; and
- (iii) “**Agreement**” means the Lease of which this Work Letter is a part.

1 ALLOWANCE.

1.1 **Allowance.** Tenant shall be entitled to a one-time tenant improvement allowance (the “**Allowance**”) in the amount of \$36,020.00 to be applied, at Tenant’s request, towards (i) the Allowance Items (as defined below); (ii) the reasonable cost of purchasing and/or installing general office equipment (including without limitation, Lines) and furniture for the Premises (collectively, the “**FF&E**”); and/or (iii) the reasonable cost of moving Tenant’s furniture, equipment and/or other personal property into the Premises (but expressly excluding any leased equipment or other leasing costs associated therewith) to be located at all times at the Premises and for use by Tenant in the Premises. Tenant shall maintain and repair the FF&E in good and working order and shall insure the FF&E to the same extent Tenant is required to insure Tenant’s personal property pursuant to Section 10.2.2 of this Lease. Any portion of the Allowance that Tenant is entitled to use pursuant to clauses (i), (ii) an (iii) of the preceding sentence shall be disbursed by Landlord to Tenant within thirty (30) days after receipt of paid invoices from Tenant with respect to such costs. Notwithstanding the foregoing, if Tenant fails to use the entire Allowance by the date that is one (1) year from the Commencement Date, the unused amount shall revert to Landlord and Tenant shall have no further rights with respect thereto.

1.2 Disbursement of Allowance.

1.2.1**Allowance Items.** Except as otherwise provided in this Work Letter, the Allowance shall be disbursed by Landlord only for the following items (the “**Allowance Items**”): (a) the fees of Tenant’s architect and engineers, if any, and any Review Fees (defined in Section 2.3 below);

(b) [Intentionally Omitted]; (c) plan-check, permit and license fees relating to performance of the Tenant Improvement Work; (d) the cost of performing the Tenant Improvement Work, including after hours charges, testing and inspection costs, freight elevator usage, hoisting and trash removal costs, and contractors’ fees and general conditions; (e) the cost of any change to the base, shell or core of the Premises or Building required by Tenant’s plans and specifications (the “**Plans**”) (including if such change is due to the fact that such work is prepared on an unoccupied basis), including all direct architectural and/or engineering fees and expenses incurred in connection therewith; (f) the cost of any change to the Plans or the Tenant Improvement Work required by Law; (g) the Coordination Fee (defined in Section 2.3 below); (h) sales and use taxes; and (i) all other costs expended by Landlord in connection with the performance of the Tenant Improvement Work.

1.2.2**Disbursement.** Subject to the terms hereof, Landlord shall disburse the Allowance for Allowance Items by delivering a check to Tenant within 30 days after the latest of (a) the completion of the Tenant Improvement Work in accordance with the approved plans and specifications;

(b) Landlord’s receipt of (i) copies of all third-party contracts (including change orders) pursuant to which Allowance Items have been incurred; (ii) paid invoices from all parties providing labor or materials to the Premises, together with executed unconditional mechanic’s lien releases satisfying California Civil Code

§ 8138; (iii) if applicable, a certificate from Tenant’s architect, in a form reasonably acceptable to Landlord, certifying that the Tenant Improvement Work has been substantially completed; (iv) evidence that all governmental approvals required for Tenant to legally occupy the Premises have been obtained; and (v) any other information reasonably requested by Landlord; (c) Tenant’s delivery to Landlord of “as built” drawings (in CAD format, if requested by Landlord); or (d) Tenant’s compliance with Landlord’s standard “close-out” requirements regarding city approvals, closeout tasks, Tenant’s contractor, financial close-out matters, and Tenant’s vendors. Landlord’s disbursement shall not be deemed Landlord’s approval or acceptance of the Tenant Improvement Work.

2 MISCELLANEOUS.

2.1 **Applicable Lease Provisions.** Without limitation, the Tenant Improvement Work shall be subject to Sections 7.2, 7.3 and 8 of this Agreement.

2.2 **Plans and Specifications.** Landlord shall provide Tenant with notice approving or disapproving any proposed plans and specifications for the Tenant Improvement Work within the Required Period (defined below) after the later of Landlord's receipt thereof from Tenant or the mutual execution and delivery of this Agreement. As used herein, "**Required Period**" means (a) 15 business days in the case of construction drawings, and (b) 10 business days in the case of any other plans and specifications (including a space plan). Any such notice of disapproval shall describe with reasonable specificity the basis for Landlord's disapproval and the changes that would be necessary to resolve Landlord's objections.

2.3 **Review Fees; Coordination Fee.** Tenant shall reimburse Landlord, upon demand, for any fees reasonably incurred by Landlord for review of the Plans by Landlord's third party consultants ("**Review Fees**"). In consideration of Landlord's coordination of the Tenant Improvement Work, Tenant shall pay Landlord a fee (the "**Coordination Fee**") in an amount equal to 5% of the cost of the Tenant Improvement Work.

2.4 **Tenant Default.** Notwithstanding any contrary provision of this Agreement, if Tenant Defaults under this Agreement before the Tenant Improvement Work is completed, then (a) Landlord's obligations under this Work Letter shall be excused, and Landlord may cause Tenant's contractor to cease performance of the Tenant Improvement Work, until such Default is cured, and (b) Tenant shall be responsible for any resulting delay in the completion of the Tenant Improvement Work.

2.5 **Other.** This Work Letter shall not apply to any space other than the Premises.

EXHIBIT C

METRO CENTER METRO CENTER
TOWER
950 TOWER LANE FOSTER CITY,
CALIFORNIA

CONFIRMATION LETTER

____, 20__

To: ____

Re: Office Lease (the “Lease”) dated __, 20__, between **HUDSON METRO CENTER, LLC, a Delaware limited liability company (“Landlord”)**, and **SAGIMET BIOSCIENCES INC., a Delaware corporation (“Tenant”)**, concerning Suite 1500 on the 15th floor of the building located at 950 Tower Lane, Foster City, California.

Dear ____:

In accordance with the Lease, Tenant acknowledges that it has accepted possession of the Premises and confirms the following:

1. The Commencement Date is ____ and the Expiration Date is ____.
2. The exact number of rentable square feet within the Premises is 7,204 square feet, subject to Section 2.1.1 of the Lease.
3. Tenant’s Share, based upon the exact number of rentable square feet within the Premises, is 1.7854%, subject to Section 2.1.1 of the Lease.

Please acknowledge the foregoing by signing the counterpart of this letter in the space provided below and returning the fully executed counterpart to my attention. Please note that, pursuant to Section 2.1.1 of the Lease, if Tenant fails to execute and return (or, by notice to Landlord, reasonably object to) this letter within five (5) days after receiving it, Tenant shall be deemed to have executed and returned it without exception. Each party hereto, and their respective successors and assigns shall be authorized to rely upon the signatures of all of the parties hereto which are delivered by facsimile, PDF or DocuSign (or the like) as constituting a duly authorized, irrevocable, actual, current delivery hereof with original ink signatures of each person and entity. This Confirmation Letter may be executed in counterparts, each of which shall be deemed an original part and all of which together shall constitute a single agreement.

“Landlord”:

**HUDSON METRO CENTER, LLC, a
Delaware limited liability company**

By: Hudson Pacific Properties, L.P., a Maryland
limited partnership, its sole member

By: Hudson Pacific Properties, Inc., a Maryland
corporation,
its general partner

By: ____

Name: ____

Title: ____

Agreed and Accepted as of __, 20__.

“Tenant”:

SAGIMET BIOSCIENCES INC., a Delaware corporation

By: ____

Name: _

Title: ____

EXHIBIT D

METRO CENTER METRO CENTER TOWER 950 TOWER LANE FOSTER CITY, CALIFORNIA

RULES AND REGULATIONS

Tenant shall comply with the following rules and regulations (as modified or supplemented from time to time, the “**Rules and Regulations**”). Landlord shall not be responsible to Tenant for the nonperformance of any of the Rules and Regulations by any other tenants or occupants of the Project. In the event of any conflict between the Rules and Regulations and the other provisions of this Lease, the latter shall control.

1. Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord’s prior consent. Tenant shall bear the cost of any lock changes or repairs required by Tenant. Two (2) keys will be furnished by Landlord for the Premises, and any additional keys required by Tenant must be obtained from Landlord at a reasonable cost to be established by Landlord. Upon the termination of this Lease, Tenant shall restore to Landlord all keys of stores, offices and toilet rooms furnished to or otherwise procured by Tenant, and if any such keys are lost, Tenant shall pay Landlord the cost of replacing them or of changing the applicable locks if Landlord deems such changes necessary.

2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises.

3. Landlord may close and keep locked all entrance and exit doors of the Building during such hours as are customary for Comparable Buildings. Tenant shall cause its employees, agents, contractors, invitees and licensees who use Building doors during such hours to securely close and lock them after such use. Any person entering or leaving the Building during such hours, or when the Building doors are otherwise locked, may be required to sign the Building register (if applicable), and access to the Building may be refused unless such person has proper identification or has a previously arranged access pass. Landlord will furnish passes to persons for whom Tenant requests them. Tenant shall be responsible for all persons for whom Tenant requests passes and shall be liable to Landlord for all acts of such persons. Landlord and its agents shall not be liable for damages for any error with regard to the admission or exclusion of any person to or from the Building. In case of invasion, mob, riot, evacuation, public excitement or other commotion, Landlord may prevent access to the Building or the Project during the continuance thereof by any means it deems appropriate for the safety and protection of life and property.

4. No furniture, freight or equipment shall be brought into the Building without prior notice to Landlord. All moving activity into or out of the Building shall be scheduled with Landlord and done only at such time and in such manner as Landlord designates. Landlord may prescribe the weight, size and position of all safes and other heavy property brought into the Building and also the times and manner of moving the same in and out of the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property. Any damage to the Building, its contents, occupants or invitees resulting from Tenant’s moving or maintaining any such safe or other heavy property shall be the sole responsibility and expense of Tenant (notwithstanding Sections 7 and 10.4 of this Lease).

5. No furniture, packages, supplies, equipment or merchandise will be received in the Building or carried up or down in the elevators, except between such hours, in such specific elevator and by such personnel as shall be designated by Landlord.

6. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord.

7. No sign, advertisement, notice or handbill shall be exhibited, distributed, painted or affixed by Tenant on any part of the Premises or the Building without Landlord’s prior consent. Tenant shall not disturb, solicit, peddle or canvass any occupant of the Project.

8. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance shall be thrown therein. Notwithstanding Sections 7 and 10.4 of this Lease, Tenant shall bear the expense of any breakage,

stoppage or damage resulting from any violation of this rule by Tenant or any of its employees, agents, contractors, invitees or licensees.

9. Tenant shall not overload the floor of the Premises, or mark, drive nails or screws or drill into the partitions, woodwork or drywall of the Premises, or otherwise deface the Premises, without Landlord’s prior consent. Tenant shall not purchase bottled water, ice, towel, linen, maintenance or other like services from any person not approved by Landlord.

10. Except for snack and soft drink vending machines at locations within the Premises reasonably approved by Landlord and intended for the sole use of Tenant's employees and invitees, no vending machine shall be installed, maintained or operated in the Premises without Landlord's prior consent.

11. Tenant shall not, without Landlord's prior consent, use, store, install, disturb, spill, remove, release or dispose of, within or about the Premises or any other portion of the Project, any asbestos-containing materials, any solid, liquid or gaseous material now or subsequently considered toxic or hazardous under the provisions of 42 U.S.C. Section 9601 et seq. or any other applicable environmental Law, or any inflammable, explosive or dangerous fluid or substance; provided, however, that Tenant may use, store and dispose of such substances in such amounts as are typically found in similar premises used for general office purposes provided that such use, storage and disposal does not damage any part of the Premises, Building or Project and is performed in a safe manner and in accordance with all Laws. Tenant shall comply with all Laws pertaining to and governing the use of such materials by Tenant and shall remain solely liable for the costs of abatement and removal. No burning candle or other open flame shall be ignited or kept by Tenant in or about the Premises, Building or Project.

12. Tenant shall not, without Landlord's prior consent, use any method of heating or air conditioning other than that supplied by Landlord.

13. Tenant shall not use or keep any foul or noxious gas or substance in or on the Premises, or occupy or use the Premises in a manner offensive or objectionable to Landlord or other occupants of the Project by reason of noise, odors or vibrations, or interfere with other occupants or those having business therein, whether by the use of any musical instrument, radio, CD player or otherwise. Tenant shall not throw anything out of doors, windows or skylights or down passageways.

14. Tenant shall not bring into or keep within the Project, the Building or the Premises any animals (other than service animals legally required to be admitted), birds, aquariums, or, except in areas designated by Landlord, bicycles or other vehicles.

15. No cooking shall be done in the Premises, nor shall the Premises be used for lodging, for living quarters or sleeping apartments, or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' laboratory-approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages for employees and invitees, provided that such use complies with all Laws.

16. The Premises shall not be used for manufacturing or for the storage of merchandise except to the extent such storage may be incidental to the Permitted Use. Tenant shall not occupy the Premises as an office for a messenger-type operation or dispatch office, or for the manufacture or sale of liquor, narcotics or tobacco, or as a medical office, a barber or manicure shop, or an employment bureau.

17. Landlord may exclude from the Project any person who, in Landlord's judgment, is intoxicated or under the influence of liquor or drugs, or who violates any of these Rules and Regulations.

18. Tenant shall not loiter in or on the entrances, corridors, sidewalks, lobbies, courts, halls, stairways, elevators, vestibules or any Common Areas for the purpose of smoking tobacco products or for any other purpose, nor in any way obstruct such areas, and shall use them only as a means of ingress and egress for the Premises.

19. Tenant shall not waste electricity, water or air conditioning, shall cooperate with Landlord to ensure the most effective operation of the Building's heating and air conditioning system, and shall not attempt to adjust any controls. Tenant shall install and use in the Premises only ENERGY STAR rated equipment, where available. Tenant shall use recycled paper in the Premises to the extent consistent with its business requirements. To the extent that Landlord and/or Tenant need to discuss matters related to sustainability and energy (including, without limitation retrofit projects, billing issues, energy efficiency upgrades and data access), the parties may notify each other in the manner described in Section 25.1 of the Lease using the addresses set forth in Sections 1.10 and 1.11 (as applicable), as such addresses may be updated from time to time in accordance with the terms hereof. Upon no less than 90 days written request at the end of each calendar year during the Term, Landlord shall provide to Tenant reports detailing the amount of electricity, natural gas and fuel oil (where applicable) consumed at the Building broken down by utility type, energy unit usage (e.g., kWh, therms or ccf, gallons), cost per month for each energy source and the energy use intensity (EUI measured in kBtu/SF/YR). To the extent Tenant obtains electricity independently of the Building, Tenant shall give Landlord access to Tenant's data on energy use at the Building for inclusion in Landlord's annual reports, ENERGY STAR annual rating and similar purposes.

20. Tenant shall store all its trash and garbage inside the Premises. No material shall be placed in the trash or garbage receptacles if, under Law, it may not be disposed of in the ordinary and customary manner of disposing of trash and garbage in the vicinity of the Building. All trash, garbage and refuse disposal shall be made only through entryways and elevators provided for such purposes at such times as Landlord shall designate. Tenant shall comply with Landlord's recycling program, if any.

21. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency. Tenant shall not, without Landlord's prior written consent (which consent may be granted or withheld in Landlord's sole and absolute discretion), allow any employee, contractor or agent to carry any type of gun or other firearm in or about the Premises,

the Building or the Project.

22. Any persons employed by Tenant to do janitorial work (a) shall be subject to Landlord's prior consent; (b) shall not, in Landlord's reasonable judgment, disturb labor harmony with any workforce or trades engaged in performing other work or services at the Project; and (c) while in the Building and outside of the Premises, shall be subject to the control and direction of the Building manager (but not as an agent or employee of such manager or Landlord), and Tenant shall be responsible for all acts of such persons.

23. No awning or other projection shall be attached to the outside walls of the Building. Other than Landlord's Building-standard window coverings, no curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises. All electrical ceiling fixtures hung in the Premises or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and a warm white bulb color approved in advance by Landlord. Neither the interior nor exterior of any windows shall be coated or otherwise sunscreened. Tenant shall abide by Landlord's regulations concerning the opening and closing of window coverings.

24. Tenant shall not obstruct any sashes, sash doors, skylights, windows or doors that reflect or admit light or air into the halls, passageways or other public places in the Building, nor shall Tenant place any bottles, parcels or other articles on the windowsills.

25. Tenant must comply with requests by Landlord concerning the informing of their employees of items of importance to the Landlord.

26. Tenant must comply with the State of California "No-Smoking" law set forth in California Labor Code Section 6404.5 (as may be amended or replaced) and with any local "No-Smoking" ordinance that is not superseded by such law.

27. Tenant shall cooperate in any safety or security program developed by Landlord or required by Law.

28. All office equipment of an electrical or mechanical nature shall be placed by Tenant in the Premises in settings approved by Landlord, to absorb or prevent any vibration, noise or annoyance.

29. Tenant shall not use any hand trucks except those equipped with rubber tires and rubber side guards.

30. No auction, liquidation, fire sale, going-out-of-business or bankruptcy sale shall be conducted in the Premises without Landlord's prior consent.

31. Without Landlord's prior consent, Tenant shall not use the name of the Project or Building or use pictures or illustrations of the Project or Building in advertising or other publicity or for any purpose other than as the address of the business to be conducted by Tenant in the Premises.

32. Fitness Center Rules. Tenant shall cause its employees (whether members or prospective members of the Fitness Center) to comply with the following Fitness Center rules and regulations (subject to change from time to time as Landlord may solely determine):

- A. Membership in the Fitness Center is open to the tenants of the Building. No guests will be permitted to use the Fitness Center without the prior written approval of Landlord or Landlord's representative.
- B. Fitness Center users are not allowed to be in the Fitness Center other than the hours designated by Landlord from time to time. Landlord shall have the right to alter the hours of use of the Fitness Center, at Landlord's sole discretion.
- C. All Fitness Center users must execute Landlord's Waiver of Liability prior to use of the Fitness Center and agree to all terms and conditions outlined therein.
- D. Individual membership and guest keycards to the Fitness Center shall not be shared and shall only be used by the individual to whom such keycard was issued. Failure to abide by this rule may result in immediate termination of such Fitness Center user's right to use the Fitness Center.
- E. All Fitness Center users and approved guests must have a pre-authorized keycard to enter the Fitness Center. A pre-authorized keycard shall not be issued to a prospective Fitness Center user until receipt by Landlord of Landlord's initial fee, if any, for use of the Fitness Center by such Fitness Center user(s).
- F. Use of the Fitness Center is a privilege and not a right. Failure to follow gym rules or to act inappropriately while using the facilities shall result in termination of Tenant's Fitness Center privileges.

Landlord may from time to time modify or supplement these Rules and Regulations in a manner that, in Landlord's reasonable judgment, is appropriate for the management, safety, care and cleanliness of the Premises, the Building, the Common Areas and the Project, for the preservation of good order therein,

and for the convenience of other occupants and tenants thereof, provided that no such modification or supplement shall materially reduce Tenant's rights or materially increase Tenant's obligations hereunder. Landlord may waive any of these Rules and Regulations for the benefit of any tenant, but no such waiver shall be construed as a waiver of such Rule and Regulation in favor of any other tenant nor prevent Landlord from thereafter enforcing such Rule and Regulation against any tenant. Notwithstanding the foregoing, no rule that is added to the initial Rules and Regulations shall be enforced against Tenant in a manner that unreasonably discriminates in favor of any other similarly situated tenant.

EXHIBIT E

METRO CENTER METRO CENTER
TOWER
950 TOWER LANE FOSTER CITY,
CALIFORNIA

JUDICIAL REFERENCE

IF THE JURY-WAIVER PROVISIONS OF SECTION 25.8 OF THIS LEASE ARE NOT ENFORCEABLE UNDER CALIFORNIA LAW, THE PROVISIONS SET FORTH BELOW SHALL APPLY.

(a) It is the desire and intention of the parties to agree upon a mechanism and procedure under which controversies and disputes arising out of this Lease or related to the Premises will be resolved in a prompt and expeditious manner. Accordingly, subject to the exclusions set forth in (b) below, any and every action, proceeding or cross-claim brought by either party hereto against the other (and/or against its officers, directors, employees, agents or subsidiaries or affiliated entities) on any matters arising out of or in any way connected with this Lease, Tenant's use or occupancy of the Premises and/or any claim of injury or damage, whether sounding in contract, tort, or otherwise, shall be heard and resolved by a referee under the provisions of the California Code of Civil Procedure, Sections 638 — 645.1, inclusive (as same may be amended, or any successor statute(s) thereto) (the "Referee Sections").

(b) Excluded from the requirement of judicial reference set forth above are (i) actions to seek emergency injunctive relief, preliminary injunctive relief, unlawful or forcible detainer, or a prejudgment writ of attachment and (ii) any dispute for which an alternative dispute resolution procedure is otherwise expressly provided in the Lease (including any exhibits thereto). The actions described in (i) above may be brought in the trial court in the county in which the Premises are located; provided, however, that as soon as practicable after the trial court rules on one or more of the above issues, the parties shall refer the lawsuit, and any remaining issues, controversies, or disputes to a referee, as provided in this section and the Referee Sections.

(c) Any fee to initiate the judicial reference proceedings and all fees charged and costs incurred by the referee shall be paid by the party initiating such procedure (except that if a reporter is requested by either party, then a reporter shall be present at all proceedings where requested and the fees of such reporter – except for copies ordered by the other parties – shall be borne by the party requesting the reporter); provided however, that allocation of the costs and fees, including any initiation fee, of such proceeding shall be ultimately determined in accordance with Section 25.6 of this Lease.

(d) The exclusive venue of the proceedings shall be in the county in which the Premises are located.

(e) Within 10 days of receipt by any party of a request to resolve any dispute or controversy pursuant to this **Exhibit E**, the parties shall agree upon a single referee who shall try all issues, whether of fact or law, and report a finding and judgment on such issues as required by the Referee Sections. If the parties are unable to agree upon a referee within such 10-day period, then any party may thereafter file a lawsuit in the county in which the Premises are located for the purpose of appointment of a referee under the Referee Sections. If the referee is appointed by the court, the referee shall be a neutral and impartial retired judge with substantial experience in the relevant matters to be determined, from the panels offered by JAMS or ADR Services, Inc. The proposed referee may be challenged by any party for any of the grounds listed in the Referee Sections. The referee shall have the power to decide all issues of fact and law and report his or her decision on such issues, and to issue all recognized remedies available at law or in equity for any cause of action that is before the referee, including an award of attorneys' fees and costs in accordance with this Lease. The referee shall not, however, have the power to award punitive damages, nor shall the referee have the power to award any other damages that are not permitted by the express provisions of this Lease, and the parties waive any right to recover such damages.

(f) The parties may conduct all discovery as provided in the California Code of Civil Procedure, and the referee shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge, with rights to regulate discovery and to issue and enforce subpoenas, protective orders and other limitations on discovery available under California Law.

(g) The reference proceeding shall be conducted in accordance with California Law (including the rules of evidence), and in all regards, the referee shall follow California Law applicable at the time of the reference proceeding. The parties shall promptly and diligently cooperate with one another and the referee, and shall perform such acts as may be necessary to obtain a prompt and expeditious resolution of

the dispute or controversy in accordance with the terms of this **Exhibit E**. In this regard, the parties agree that the parties and the referee shall use best efforts to ensure that (a) discovery, including all expert discovery (but excluding motions regarding discovery) be concluded within six (6) months of the date of the appointment of the referee, and (b) a trial date be set so that the trial proceeding is held no more than nine (9) months after the date of the appointment of the referee.

(h) In accordance with Section 644 of the California Code of Civil Procedure, the decision of the referee upon the whole issue must stand as the decision of the court, and upon the filing of the statement of decision with the clerk of the court, or with the judge if there is no clerk, judgment may be entered thereon in the same manner as if the action had been tried by the court. Any decision of the referee and/or judgment or other order entered thereon shall be appealable to the same extent and in the same manner that such decision, judgment, or order would be appealable if rendered by a judge of the superior court in which venue is proper hereunder. The referee shall in his/her statement of decision set forth his/her findings of fact and conclusions of law. The parties intend this general reference agreement to be specifically enforceable in accordance with the Code of Civil Procedure. Nothing in this **Exhibit E** shall prejudice the right of any party to obtain provisional relief or other equitable remedies from a court of competent jurisdiction as shall otherwise be available under the Code of Civil Procedure and/or applicable court rules.

EXHIBIT F

METRO CENTER METRO CENTER **TOWER** **950 TOWER LANE FOSTER CITY,** **CALIFORNIA**

ADDITIONAL PROVISIONS

1. **California Civil Code Section 1938.** Pursuant to California Civil Code § 1938, Landlord hereby states that the Premises have not undergone inspection by a Certified Access Specialist (CASp) (defined in California Civil Code § 55.52).

Accordingly, pursuant to California Civil Code § 1938(e), Landlord hereby further hereby states as follows: “A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises”.

In accordance with the foregoing, Landlord and Tenant agree that if Tenant requests a CASp inspection of the Premises, then Tenant shall pay (i) the fee for such inspection, and (ii) except as may be otherwise expressly provided in this Lease, the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises.

2. **Exposure to Pathogens; Release and Waiver.** Tenant hereby acknowledges and agrees that (a) there is a risk of exposure to pathogens (including, without limitation, the novel coronavirus SARS-CoV-2 and mutations, adaptations or variations thereof) (collectively, (“**Contagions**”)) everywhere people are present, including at the Project; (b) no precautions, including those implemented by Landlord and/or third parties (e.g., the CDC and applicable governmental agencies), can entirely eliminate the risk of exposure to Contagions and (c) a governmental restriction of the use and/or occupancy of the Premises in an effort to address the potential or the actual presence of Contagions shall not be deemed a Casualty pursuant to Section 11 of the Lease nor a Taking pursuant to Section 13 of the Lease. Accordingly, by entering into the Project, Tenant and all Tenant Parties knowingly and voluntarily assume the risk of exposure to Contagions. Tenant, on behalf of itself and, to the fullest extent permitted by applicable Law, the Tenant Parties, hereby waives all Claims against any Landlord Party arising out of or in connection with exposure to Contagions at the Project, including, without limitation any damages due to illness, short- or long-term adverse health effects, disability and/or death (the “**Released Claims**”). With regard to the Released Claims, Tenant expressly waives the provisions of California Civil Code Section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Tenant acknowledges that it has received the advice of legal counsel with respect to the aforementioned waiver and understands the terms thereof.

3. **Extension Option.**

3.1. **Grant of Option; Conditions.** Tenant shall have the right (the “**Extension Option**”) to extend the Term for one (1) additional period of three (3) years beginning on the day immediately following the expiration date of the Lease and ending on the third anniversary of such expiration date (the “**Extension Term**”), if:

- (a) not less than 9 and not more than 12 full calendar months before the expiration date of the Lease, Tenant delivers written notice to Landlord (the “**Extension Notice**”) electing to exercise the Extension Option;
 - (b) no Default exists when Tenant delivers the Extension Notice;
 - (c) no part of the Premises is sublet when Tenant delivers the Extension Notice; and
 - (d) the Lease has not been assigned before Tenant delivers the Extension Notice.
-

3.2. **Terms Applicable to Extension Term.**

- A. During the Extension Term, (a) the Base Rent rate per rentable square foot shall be equal to the Prevailing Market rate per rentable square foot; (b) Base Rent shall increase, if at all, in accordance with the increases assumed in the determination of Prevailing Market rate; and (c) Base Rent shall be payable in monthly installments in accordance with the terms and conditions of the Lease.
- B. During the Extension Term Tenant shall pay Tenant's Share of Expenses and Taxes for the Premises in accordance with the Lease.

3.3. **Procedure for Determining Prevailing Market.** Within 30 days after receiving the Extension Notice, Landlord shall give Tenant written notice of Landlord's estimate of the Prevailing Market rate for the Extension Term ("**Landlord's Estimate**"). Within 30 days of receiving Landlord's Estimate, Tenant shall give Landlord either (i) written notice ("**Tenant's Binding Notice**") accepting Landlord's Estimate, or (ii) written notice ("**Tenant's Rejection Notice**") rejecting such estimate and stating Tenant's estimate of the Prevailing Market rate for the Extension Term. If Tenant gives Landlord a Tenant's Rejection Notice, Landlord, within 15 days thereafter, shall give Tenant either (i) written notice ("**Landlord's Binding Notice**") accepting Tenant's estimate of the Prevailing Market rate for the Extension Term stated in Tenant's Rejection Notice, or (ii) written notice ("**Landlord's Rejection Notice**") rejecting such estimate. If Landlord gives Tenant a Landlord's Rejection Notice, Landlord and Tenant shall work together in good faith to agree in writing upon the Prevailing Market rate for the Extension Term. If, within 30 days after delivery of a Landlord's Rejection Notice, the parties fail to agree in writing upon the Prevailing Market rate, Tenant's Extension Option shall be of no further force or effect.

3.4. **Extension Amendment.** If Tenant is entitled to and properly exercises its Extension Option, and if the Prevailing Market rate for the Extension Term is determined in accordance with Section 3.3 above, Landlord, within a reasonable time thereafter, shall prepare and deliver to Tenant an amendment (the "**Extension Amendment**") reflecting changes in the Base Rent, the Term, the expiration date of the Lease, and other appropriate terms in accordance with this Section 3 , and Tenant shall execute and return (or provide Landlord with reasonable objections to) the Extension Amendment within 15 days after receiving it. Notwithstanding the foregoing, upon determination of the Prevailing Market rate for the Extension Term in accordance with Section 3.3 above, an otherwise valid exercise of the Extension Option shall be fully effective whether or not the Extension Amendment is executed.

3.5. **Definition of Prevailing Market.** For purposes of this Extension Option, "**Prevailing Market**" shall mean the arms-length, fair-market, annual rental rate per rentable square foot under extension and renewal leases and amendments entered into on or about the date on which the Prevailing Market is being determined hereunder for space comparable to the Premises in the Building and office buildings comparable to the Building in the Foster City, California area. The determination of Prevailing Market shall take into account (i) any material economic differences between the terms of the Lease and any comparison lease or amendment, such as rent abatements, construction costs and other concessions, and the manner, if any, in which the landlord under any such lease is reimbursed for operating expenses and taxes; (ii) any material differences in configuration or condition between the Premises and any comparison space, including any cost that would have to be incurred in order to make the configuration or condition of the comparison space similar to that of the Premises; and (iii) any reasonably anticipated changes in the Prevailing Market rate from the time such Prevailing Market rate is being determined and the time such Prevailing Market rate will become effective under the Lease.

3.6. **Subordination.** Notwithstanding anything herein to the contrary, Tenant's Extension Option is subject and subordinate to the expansion rights (whether such rights are designated as a right of first offer, right of first refusal, expansion option or otherwise) of any tenant of the Building or the Project existing on the date hereof.

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) OR 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, David Happel, certify that:

1. I have reviewed this Form 10-Q for the Quarterly Period Ended June 30, 2026 of Sagimet Biosciences Inc.;
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(s) 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(s) 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: August 11, 2026

By: /s/ David Happel

David Happel
President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) OR 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Thierry Chauche, certify that:

1. I have reviewed this Form 10-Q for the Quarterly Period Ended June 30, 2026 of Sagimet Biosciences Inc.;
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(s) 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(s) 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: August 11, 2026

By: /s/ Thierry Chauche

Thierry Chauche
Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATIONS OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Sagimet Biosciences Inc. (the “Company”) for the quarterly period ended June 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of their knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; 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: August 11, 2026

By: /s/ David Happel
David Happel
President and Chief Executive Officer
(Principal Executive Officer)

Date: August 11, 2026

By: /s/ Thierry Chauche
Thierry Chauche
Chief Financial Officer
(Principal Financial and Accounting Officer)
