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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 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	**20-5991472**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
950 Tower Lane, Suite 1500 Foster City, California	**94404**
(Address of principal executive offices)	**(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 November 5, 2026 was 71,367,877 and 0, 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 Ascletis BioScience Co. Ltd. (Ascletis), 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	
	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 110,960	$ 35,021
Short-term marketable securities	125,437	78,103
Prepaid expenses and other current assets	4,327	3,280
Total current assets	240,724	116,404
Long-term marketable securities	39,425	—
Operating lease right-of-use assets	1,889	78
Other assets	55	—
Total assets	$ 282,093	$ 116,482
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 1,812	$ 1,309
Accrued expenses and other current liabilities	8,585	3,714
Operating lease liabilities	88	78
Other liability for proceeds received for equity not yet issued	27,500	—
Total current liabilities	37,985	5,101
Operating lease liabilities, long-term	1,927	—
Total liabilities	39,912	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 September 30, 2026 and December 31, 2025	—	—
Series A common stock, $0.0001 per share: 500,000,000 shares authorized; 62,604,581 shares issued and outstanding at September 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; no shares issued and outstanding at September 30, 2026; 567,494 shares issued and outstanding at December 31, 2025	—	—
Additional paid-in capital	632,836	457,607
Accumulated deficit	(390,101)	(346,349)
Accumulated other comprehensive (loss) income	(560)	120
Total stockholders' equity	242,181	111,381
Total liabilities and stockholders' equity	$ 282,093	$ 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 September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Operating expenses:				
Research and development	$ 16,340	$ 9,730	$ 34,870	$ 32,320
General and administrative	5,227	4,604	14,228	13,804
Total operating expenses	21,567	14,334	49,098	46,124
Loss from operations	(21,567)	(14,334)	(49,098)	(46,124)
Other income:				
Interest income and other, net	2,418	1,426	5,346	4,654
Total other income	2,418	1,426	5,346	4,654
Net loss	$ (19,149)	$ (12,908)	$ (43,752)	$ (41,470)
Net loss per share of Series A and Series B common stock outstanding, basic and diluted	$ (0.31)	$ (0.40)	$ (0.88)	$ (1.28)
Weighted-average shares of Series A and Series B common stock outstanding, basic and diluted	62,339,331	32,464,893	49,446,941	32,286,188
Net loss	$ (19,149)	$ (12,908)	$ (43,752)	$ (41,470)
Other comprehensive (loss) income:				
Net unrealized (loss) gain on marketable securities	(483)	41	(680)	(113)
Total comprehensive loss	$ (19,632)	$ (12,867)	$ (44,432)	$ (41,583)

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 Comprehensive (loss) Income	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
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	32,017,613	$ 3	567,494	$ —	$ 459,446	$ (356,999)	$ 8	$ 102,458
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	61,215,440	$ 6	567,494	$ —	$ 627,178	$ (370,952)	$ (77)	$ 256,155
Issuance of Series A common stock upon exercise of stock options	540,189	—	—	—	3,270	—	—	3,270
Issuance of Series A common stock for vesting of restricted stock units	281,458	—	—	—	—	—	—	—
Conversion of Series B common stock to Series A common stock	567,494	—	(567,494)	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	2,388	—	—	2,388
Unrealized loss on marketable securities	—	—	—	—	—	—	(483)	(483)
Net loss	—	—	—	—	—	(19,149)	—	(19,149)
Balance at September 30, 2026	62,604,581	$ 6	—	$ —	$ 632,836	$ (390,101)	$ (560)	$ 242,181

	Series A Common Stock		Series B Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive 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	30,674,855	$ 3	1,520,490	$ —	$ 452,355	$ (313,487)	$ 121	$ 138,992
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	30,674,954	$ 3	1,520,490	$ —	$ 453,954	$ (323,873)	$ 76	$ 130,160
Issuance of Series A common stock for vesting of restricted stock units	281,462	—	—	—	—	—	—	—
Issuance of Series A common stock upon exercise of stock options	44,693	—	—	—	274	—	—	274
Stock-based compensation expense	—	—	—	—	1,688	—	—	1,688
Unrealized gain on marketable securities	—	—	—	—	—	—	41	41
Net loss	—	—	—	—	—	(12,908)	—	(12,908)
Balance at September 30, 2025	31,001,109	$ 3	1,520,490	$ —	$ 455,916	$ (336,781)	$ 117	$ 119,255

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

SAGIMET BIOSCIENCES INC.

CONDENSED STATEMENTS OF CASH FLOWS

(unaudited)
(in thousands)

	Nine Months Ended September 30,	
	2026	2025
Cash flows from operating activities		
Net loss	$ (43,752)	$ (41,470)
Adjustments to reconcile net loss to net cash used in operating activities:		
Accretion of discount on marketable securities, net	(454)	(689)
Non-cash operating lease expense	140	114
Stock-based compensation expense	7,918	4,758
Write-off of deferred financing costs	282	230
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(1,282)	(1,547)
Accounts payable, accrued expenses and other current liabilities	5,384	4,902
Operating lease liabilities	(3)	(115)
Other assets	(55)	—
Net cash used in operating activities	(31,822)	(33,817)
Cash flows from investing activities		
Purchases of marketable securities	(145,364)	(89,788)
Sales and maturities of marketable securities	58,311	79,986
Net cash used in investing activities	(87,053)	(9,802)
Cash flows from financing activities		
Proceeds from sale of Series A common stock	175,000	—
Payment of issuance costs	(11,145)	—
Proceeds received for equity not yet issued	27,500	—
Proceeds from exercise of stock options	3,366	275
Proceeds from purchases under employee stock purchase plan	93	—
Net cash provided by financing activities	194,814	275
Net increase (decrease) in cash and cash equivalents	75,939	(43,344)
Cash and cash equivalents at beginning of period	35,021	75,840
Cash and cash equivalents at end of period	$ 110,960	$ 32,496
Supplemental non-cash investing and financing activities:		
Right-of-use assets obtained in exchange for operating lease obligations	$ 1,951	$ 152
Deferred financing costs within accounts payable and accrued expenses	$ —	$ 75

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 inhibitors of fatty acid synthase (FASN), a key lipid synthesis regulator. 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. In October 2026, the Company announced that the first patient has been dosed in AURORA, its pivotal United States Phase 3 clinical trial of denifanstat in adults and adolescents aged 12 years and older with moderate to severe acne. 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 September 30, 2026 and for the three and nine months ended September 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 Act 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 September 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 September 30, 2026, had an accumulated deficit of $390.1 million and cash, cash equivalents and marketable

securities of $275.8 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 in shares of its Series A common stock. Effective September 30, 2026, the Company suspended and terminated the prospectus supplement related to the Company's Series A common stock issuable pursuant to the terms of the Sales Agreement. As a result, the Company will not make any sales pursuant to the Sales Agreement unless and until a new registration statement and prospectus or prospectus supplement is filed. 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 September 30, 2026, together with the proceeds from the October 2026 underwritten offering of Series A common stock and pre-funded warrants (the October 2026 Underwritten Offering) (refer to Note 9. Subsequent Events for further information), 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 nine months ended September 30, 2026 and 2025 (in thousands, except share and per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Numerator:				
Net loss	$ (19,149)	$ (12,908)	$ (43,752)	$ (41,470)
Denominator:				
Weighted-average shares of Series A and Series B common stock outstanding, basic and diluted	62,339,331	32,464,893	49,446,941	32,286,188
Net loss per share of Series A and Series B common stock outstanding, basic and diluted	$ (0.31)	$ (0.40)	$ (0.88)	$ (1.28)

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 September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Options to purchase Series A common stock	7,291,441	5,694,175	7,291,441	5,694,175
Warrants to purchase Series A common stock	—	1,000	—	1,000
Restricted stock units	845,651	816,937	845,651	816,937
Performance stock units	616,800	—	616,800	—
Total	8,753,892	6,512,112	8,753,892	6,512,112

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.

Series B common stock

In August 2026, certain holders of the Company's Series B common stock elected to convert 567,494 shares of the Company's Series B common stock into Series A common stock. As of September 30, 2026, no Series B common stock remain issued and outstanding.

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 September 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 $110.4 million and $34.7 million as of September 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 $164.9 million and $78.1 million as of September 30, 2026 and December 31, 2025, respectively. These available-for-sale securities have expected maturities ranging from 0.1 to 21.8 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 September 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 warrants expired worthless on July 18, 2026 and no warrants remain outstanding as of September 30, 2026. The fair value of the Series A common stock warrant liability was immaterial as of December 31, 2025, as well as the change in fair value during the three and nine months ended September 30, 2026 and 2025. There were no transfers of the Series A common stock warrant liability 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):

		September 30, 2026			
	Valuation Hierarchy	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Assets					
Cash equivalents:					
Money market funds	Level 1	$ 104,957	$ —	$ —	$ 104,957
Commercial paper	Level 2	998	—	—	998
Corporate debt securities	Level 2	4,494	—	(2)	4,492
Total cash equivalents		110,449	—	(2)	110,447
Short-term marketable securities:					
Commercial paper	Level 2	35,926	—	(92)	35,834
Corporate debt securities	Level 2	4,582	—	(14)	4,568
U.S. Treasury securities	Level 2	81,152	—	(179)	80,973
Agency securities	Level 2	1,811	—	(2)	1,809
Asset-backed securities	Level 2	2,264	—	(11)	2,253
Total short-term marketable securities		125,735	—	(298)	125,437
Long-term marketable securities:					
Commercial paper	Level 2	3,470	—	(12)	3,458
Corporate debt securities	Level 2	1,253	—	(8)	1,245
U.S. Treasury securities	Level 2	32,364	—	(233)	32,131
Asset-backed securities	Level 2	2,598	—	(7)	2,591
Total long-term marketable securities		39,685	—	(260)	39,425
Total cash equivalents and marketable securities		$ 275,869	$ —	$ (560)	$ 275,309

	Valuation Hierarchy	December 31, 2025 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 September 30, 2026	As of December 31, 2025
Prepaid clinical costs	$ 2,218	$ 973
Prepaid research and development costs	1,026	1,395
Prepaid insurance	771	431
Deferred financing costs	10	282
Other	302	199
Total prepaid expenses and other current assets	$ 4,327	$ 3,280

5. Accrued Expenses and Other Current Liabilities

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

	As of September 30, 2026	As of December 31, 2025
Accrued payroll-related costs	$ 1,562	$ 1,617
Accrued clinical costs	937	561
Accrued research and development costs	5,516	1,242
Accrued general and administrative costs	557	267
Other	13	27
Total accrued expenses and other current liabilities	$ 8,585	$ 3,714

Other liability for proceeds received for equity not yet issued of $27.5 million as of September 30, 2026 represents investor funds received prior to the closing of the October 2026 Underwritten Offering (refer to Note 9. Subsequent Events for more details). The liability was subsequently reclassified to additional paid in capital when the Series A common stock and pre-funded warrants were issued to the investors following the closing of the October 2026 Underwritten Offering on October 1, 2026.

6. Commitments and Contingencies

License and other agreements

Ascletis BioScience Co. Ltd

In January 2019, the Company entered into a license agreement that became effective in February 2019 with Ascletis BioScience Co. Ltd. (Ascletis), a subsidiary of Ascletis Pharma Inc. (Ascletis Pharma), a biotechnology company incorporated in the Cayman Islands and headquartered in Hangzhou, China. Ascletis 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 Ascletis refers to as ASC40. Under the terms of the license agreement, the Company granted Ascletis 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 Ascletis 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 Ascletis and Ascletis' affiliate Gannex Pharma Co., Ltd. (Gannex) under which Ascletis, 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, of which $0.2 million was recognized in research and development expense during the three and nine months ended September 30, 2026. The Company is also obligated to pay TAPI 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 are 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 $136,000 and $39,000 for the three months ended September 30, 2026 and 2025, respectively, and $215,000 and $119,000 for the nine months ended September 30, 2026 and 2025, respectively.

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 September 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 September 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 September 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 September 30, 2026, 416,858 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 September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Stock options	$ 1,989	$ 1,402	$ 6,085	$ 3,941
Restricted stock units	372	286	1,756	817
Employee stock purchase plan	27	—	77	—
Total stock-based compensation expense	$ 2,388	$ 1,688	$ 7,918	$ 4,758
Included in:				
General and administrative expense	$ 1,874	$ 1,454	$ 5,133	$ 4,068
Research and development expense	514	234	2,785	690
Total stock-based compensation expense	$ 2,388	$ 1,688	$ 7,918	$ 4,758

During the nine months ended September 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 nine months ended September 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	2,144,642	$ 6.82		
Exercised	(555,245)	$ 6.06		
Forfeited/expired	(20,282)	$ 5.23		
Outstanding, September 30, 2026 [2]	7,291,441	$ 6.33	7.5	$ 27,292
Vested and expected to vest, September 30, 2026	7,291,441	$ 6.33	7.5	$ 27,292
Exercisable at September 30, 2026	4,167,955	$ 6.47	6.4	$ 15,311

(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 61,105 performance-based options with a weighted-average exercise price of $6.97, all of which were fully vested and exercisable.

During the nine months ended September 30, 2026 and 2025, the weighted average grant-date fair value per share of stock options granted was $5.32 and $3.77, respectively. The total intrinsic value of stock options exercised during the nine months ended September 30, 2026 and 2025, was approximately $2.0 million and $0.2 million, respectively. Additionally, during the nine months ended September 30, 2026 and 2025, cash received from the exercise of stock options was approximately $3.4 million and $0.3 million, respectively.

As of September 30, 2026, there was $13.7 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:

	Nine Months Ended September 30,	
	2026	2025
Expected volatility	93 - 97%	95 - 96 %
Risk-free interest rate	3.8 - 4.5%	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	(344,966)	3.28
Outstanding September 30, 2026	845,651	$ 4.46

As of September 30, 2026, the total unrecognized compensation expense related to unvested restricted stock units was $2.7 million, which is expected to be recognized over a remaining weighted-average period of 2.6 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 September 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 September 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, 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 September 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 nine months ended September 30, 2026, 16,071 shares were issued under the ESPP. There were no shares issued under the ESPP during the nine months ended September 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 inhibitors of FASN, a key lipid synthesis regulator. 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 nine months ended September 30, 2026 and 2025 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Denifanstat external research and development expenses	$ 10,810	$ 5,784	$ 20,275	$ 23,878
TVB-3567 external research and development expenses	3,414	2,735	7,843	4,955
External general and administrative expenses	2,341	2,315	6,023	6,946
Personnel costs	2,500	1,733	6,762	5,459
Stock-based compensation	2,388	1,688	7,918	4,758
Other segment items [(1)]	(2,304)	(1,347)	(5,069)	(4,526)
Segment net loss	$ 19,149	$ 12,908	$ 43,752	$ 41,470

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

9. Subsequent Events

On October 1, 2026, the Company completed the October 2026 Underwritten Offering whereby it sold 8,750,010 shares of its Series A common stock at a price of $10.00 per share, and for certain investors that so chose, in lieu of shares of Series A common stock, pre-funded warrants to purchase 2,750,010 shares of its Series A common stock (the Pre-Funded Warrants) at a price of $9.9999 per Pre-Funded Warrant. Each Pre-Funded Warrant is exercisable for one share of Series A common stock, has an exercise price of $0.0001 per share, is immediately exercisable and may be exercised at any time until exercised in full, subject to certain beneficial ownership limitations as defined within the Pre-Funded Warrants. The gross proceeds from the October 2026 Underwritten Offering were approximately $115.0 million, before deducting underwriting discounts and commissions and other offering expenses. Investor funds of $27.5 million received prior to the closing of the October 2026 Underwritten Offering are recorded in other liability for proceeds received for equity not yet issued in the Company's unaudited condensed balance sheet as of September 30, 2026.

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 September 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 inhibitors of fatty acid synthase (FASN), a key lipid synthesis regulator. 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. In October 2026, we announced that the first patient has been dosed in AURORA, a pivotal United States Phase 3 clinical trial of denifanstat in adults and adolescents aged 12 years and older with moderate to severe acne. 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 6.8 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).

Ascletis 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.

Phase 3 open-label extension results

In September 2026, Ascletis reported positive full 52-week results from the Phase 3 ASC40-304 open label extension (OLE) clinical trial of denifanstat in patients with moderate to severe acne vulgaris in China. Ascletis presented the results at the European Academy of Dermatology and Venereology Congress (EADV 2026) in Vienna.

The Phase 3 OLE clinical trial, ASC40-304, evaluated the long-term safety of denifanstat in patients with moderate to severe acne vulgaris who were previously enrolled in the 12-week randomized, double-blind, placebo-controlled Phase 3 ASC40-303 clinical trial, conducted in China by Ascletis. 240 patients rolled over into the OLE trial, for a total trial duration of up to 52 weeks. 116 of those patients had received denifanstat, and 124 patients had received placebo in the original 12-week double-blind ASC40-303 trial. Primary endpoints evaluated safety, and secondary endpoints evaluated efficacy, including reduction in IGA from baseline and reduction in total lesion count and inflammatory lesion count from baseline.

The baseline characteristics of the OLE cohorts were consistent with the overall study population, as shown below:

Baseline Characteristics of ASC40-304 OLE Cohorts at ASC40-303 Baseline

Baseline Characteristics	ASC40-304 Denifanstat/ Denifanstat (n=116)	ASC40-304 Placebo/ Denifanstat (n=124)	ASC40-303 Total (n=480)
Age, years, mean (SD)	22.5 (4.1)	22.3 (3.3)	22.6 (3.8)
Male, n (%)	31 (26.7)	47 (37.9)	150 (31.3)
Female, n (%)	85 (73.3)	77 (62.1)	330 (68.8)
IGA=3 (moderate), n (%)	101 (87.1)	106 (85.5)	412 (85.8)
IGA=4 (severe), n (%)	15 (12.9)	18 (14.5)	68 (14.2)
Total lesion count, mean (SD)	102.8 (25.3)	103.2 (24.4)	102.1 (24.8)
Inflammatory lesion count, mean (SD)	42.0 (12.2)	43.5 (11.8)	42.6 (11.9)
Non-Inflammatory lesion count, mean (SD)	60.8 (19.3)	59.7 (20.9)	59.5 (19.9)

Treatment success was defined as at least a 2-point reduction from baseline in Investigator's Global Assessment (IGA) score with a score of 0 (clear) or 1 (almost clear). At the end of the trial, treatment success rates and mean percentage changes, compared to the ASC40-303 baseline, were:

Efficacy Endpoints	Denifanstat 12wk / Denifanstat 40wk (n=116)	Placebo 12wk / Denifanstat 40wk (n=124)	Total (n=240)
Treatment success rate	57.8 %	55.6%	56.7%
Mean % change in total lesion count	-73.0 %	-70.7%	-71.8%
Mean % change in inflammatory lesion count	-78.1 %	-75.8%	-76.9%
Mean % change in non-inflammatory lesion count	-68.3 %	-65.5%	-66.9%

Note: Total skin lesion counts and inflammatory skin lesion counts reduced by approximately 75% and 80%, respectively, compared to ASC40-303 baseline for patients who completed the OLE trial.

Denifanstat was generally well-tolerated in the OLE with patients receiving up to 52 weeks of exposure, with no permanent discontinuations of study drug due to adverse events and no drug-related serious adverse events among patients treated with denifanstat. Only two categories of treatment-related adverse events had an incidence of more than 5% over the 52-week period: dry skin in 7.1% and dry eye in 5.9%.

Phase 3 clinical trial of denifanstat in acne

Building on the recent successful Phase 3 clinical trials in China of denifanstat in moderate to severe acne, we have advanced denifanstat into AURORA, a pivotal United States Phase 3 clinical trial in adults and adolescents aged 12 years and older with moderate to severe acne, with the first patient dosed in October 2026. AURORA is a multi-center, randomized, double-blind, placebo-controlled Phase 3 clinical trial of denifanstat in moderate to severe acne, intended to enroll approximately 800 patients in the United States aged 12 years and older, of which 450 are expected to be adolescents aged 12 to 17 years. Patients will be randomized 2:1 to receive denifanstat 50 mg or placebo once daily for 12 weeks. The trial has three co-primary endpoints assessed at week 12: the proportion of patients achieving treatment success in a global assessment score, defined as at least a 2-point reduction from baseline with a score of 0 (clear) or 1 (almost clear); absolute change in inflammatory skin lesion counts from baseline; and absolute change in non-inflammatory skin lesion counts from baseline. A subset of approximately 530 patients completing the double-blind period will be eligible to enter a 40-week open-label extension evaluating the long-term safety of denifanstat.

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 (SAD) cohorts and multiple ascending dose (MAD) cohorts in participants without acne, followed by testing in participants with acne including evaluation of pharmacodynamic biomarkers. Dosing for the SAD/MAD and food effect parts have been completed. TVB-3567 was generally well tolerated. Phase 2 doses have been identified and 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 FASCINATE-2 Phase 2b 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. Our Phase 1 clinical development of the denifanstat and resmetirom combination for MASH has completed, and we anticipate consulting with the FDA regarding a Phase 2 study design in 1Q 2027, after which we anticipate that the program will be Phase 2 ready. 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 September 30, 2026 and 2025

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

	Three Months Ended September 30,			
	2026	2025	$ Change	% Change
Operating expenses:				
Research and development	$ 16,340	$ 9,730	$ 6,610	68%
General and administrative	5,227	4,604	623	14%
Total operating expenses	21,567	14,334	7,233	50%
Loss from operations	(21,567)	(14,334)	(7,233)	50%
Total other income	2,418	1,426	992	70%
Net loss	$ (19,149)	$ (12,908)	$ (6,241)	48%

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

	Three Months Ended September 30,			
	2026	2025	$ Change	% Change
External expenses				
Clinical development and research	$ 4,989	$ 3,305	$ 1,684	51%
Manufacturing and non-clinical	8,348	4,842	3,506	72%
External consulting and other	887	372	515	138%
Subtotal - external expenses	$ 14,224	$ 8,519	$ 5,705	67%
Internal expenses				
Personnel costs	$ 1,488	$ 898	$ 590	66%
Stock-based compensation	514	234	280	120%
Other internal operating expenses	114	79	35	44%
Subtotal - internal expenses	$ 2,116	$ 1,211	$ 905	75%
Total research and development expenses	$ 16,340	$ 9,730	$ 6,610	68%

Research and development expenses increased by $6.6 million, or 68%, for the three months ended September 30, 2026, compared to the three months ended September 30, 2025. This increase was due to a $1.7 million increase in clinical development and research expenses driven by the registrational AURORA Phase 3 clinical trial of denifanstat and the Phase 1 clinical trial of TVB-3567 initiated in June 2025, which was partially offset by lower costs incurred for the Phase 3 denifanstat MASH clinical development program. This increase was also due to a $3.5 million increase in manufacturing and non-clinical expenses related primarily to manufacturing of validation batches of denifanstat and other denifanstat clinical pharmacology studies, which was partially offset by the $2.5 million up-front license fee recognized in connection with entering into a term sheet with Assia Chemical Industries Ltd. in September 2025. This increase was also due to a $0.6 million increase in personnel costs driven by an increase in headcount.

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

	Three Months Ended September 30,			
	2026	2025	$ Change	% Change
Denifanstat external research and development expenses	$ 10,810	$ 5,784	$ 5,026	87%
TVB-3567 external research and development expenses	3,414	2,735	679	25%
Total external research and development expenses	$ 14,224	$ 8,519	$ 5,705	67%

General and administrative – General and administrative expenses increased by $0.6 million, or 14%, for the three months ended September 30, 2026, compared to the three months ended September 30, 2025 primarily due to a $0.6 million increase in personnel costs, inclusive of a $0.4 million increase in stock-based compensation.

Other income – Other income increased by $1.0 million for the three months ended September 30, 2026, compared to the three months ended September 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 September 30, 2026.

Comparison of the nine months ended September 30, 2026 and 2025

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

	Nine Months Ended September 30, 2026	2025	$ Change	% Change
Operating expenses:				
Research and development	$ 34,870	$ 32,320	$ 2,550	8%
General and administrative	14,228	13,804	424	3%
Total operating expenses	49,098	46,124	2,974	6%
Loss from operations	(49,098)	(46,124)	(2,974)	6%
Total other income	5,346	4,654	692	15%
Net loss	$ (43,752)	$ (41,470)	$ (2,282)	6%

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

	Nine Months Ended September 30, 2026	2025	$ Change	% Change
External expenses				
Clinical development and research	$ 11,866	$ 18,595	$ (6,729)	(36)%
Manufacturing and non-clinical	14,094	8,782	5,312	60%
External consulting and other	2,158	1,456	702	48%
Subtotal - external expenses	$ 28,118	$ 28,833	$ (715)	(2)%
Internal expenses				
Personnel costs	$ 3,690	$ 2,669	$ 1,021	38%
Stock-based compensation	2,785	690	2,095	304%
Other internal operating expenses	277	128	149	116%
Subtotal - internal expenses	$ 6,752	$ 3,487	$ 3,265	94%
Total research and development expenses	$ 34,870	$ 32,320	$ 2,550	8%

Research and development expenses increased by $2.6 million, or 8%, for the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025. This increase was primarily due to a $5.3 million increase in manufacturing and non-clinical expenses related primarily to manufacturing of validation batches of denifanstat and other denifanstat clinical pharmacology studies, which was partially offset by the $2.5 million up-front license fee recognized in connection with entering into a term sheet with Assia Chemical Industries Ltd. in September 2025. This increase was also due to a $2.1 million increase in stock-based compensation driven by modification expense recognized and a $1.0 million increase in personnel costs driven by an increase in headcount. These increases were partially offset by a $6.7 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 registrational AURORA Phase 3 clinical trial of denifanstat, the Phase 1 clinical trial of TVB-3567 initiated in June 2025 and other clinical development costs for the combination of denifanstat and resmetirom.

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

	Nine Months Ended September 30, 2026	2025	$ Change	% Change
Denifanstat external research and development expenses	$ 20,275	$ 23,878	$ (3,603)	(15)%
TVB-3567 external research and development expenses	7,843	4,955	2,888	58%
Total external research and development expenses	$ 28,118	$ 28,833	$ (715)	(2)%

General and administrative – General and administrative expenses increased by $0.4 million, or 3%, for the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025 primarily due to a $1.3 million increase in personnel costs, inclusive of a $1.1 million increase in stock-based compensation and a $0.4 million increase in office-related expenses, which was partially offset by a $1.3 million decrease in consulting and professional service expenses.

Other income – Other income increased by $0.7 million for the nine months ended September 30, 2026, compared to the nine months ended September 30, 2025, due to an increase in interest income earned driven by a higher cash, cash equivalents and marketable securities balance during the nine months ended September 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 Ascletis.

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 (the April 2026 Underwritten Offering), from which we received aggregate net proceeds of $354.8 million. Additionally, we received estimated net proceeds of approximately $107.5 million from an underwritten offering completed in October 2026 (the October 2026 Underwritten Offering). 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 in shares of our Series A common stock. Effective September 30, 2026, we suspended and terminated the prospectus supplement related to our Series A common stock issuable pursuant to the terms of the Sales Agreement. As a result, we will not make any sales pursuant to the Sales Agreement unless and until a new registration statement and prospectus or prospectus supplement is filed. There were no sales under the 2025 ATM Offering since inception.

In April 2026, we completed the April 2026 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.

On October 1, 2026, we completed the October 2026 Underwritten Offering whereby we sold 8,750,010 shares of our Series A common stock at a price of $10.00 per share, and for certain investors that so chose, in lieu of shares of Series A common stock, pre-funded warrants to purchase 2,750,010 shares of our Series A common stock (the Pre-Funded Warrants) at a price of $9.9999 per Pre-Funded Warrant. Each Pre-Funded Warrant is exercisable for one share of Series A common stock, has an exercise price of $0.0001 per share, is immediately exercisable and may be exercised at any time until exercised in full, subject to certain beneficial ownership limitations as defined within the Pre-Funded Warrants. The gross proceeds from the October 2026 Underwritten Offering were approximately $115.0 million and we estimate that the net proceeds from the underwritten offering will be approximately $107.5 million after deducting underwriting discounts, commissions and other offering expenses.

As of September 30, 2026, we had cash, cash equivalents and marketable securities of $275.8 million, including $27.5 million of investor funds received prior to the closing of the October 2026 Underwritten Offering. 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 September 30, 2026, together with approximately $107.5 million in net proceeds from the October 2026 Underwritten Offering, 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):

	Nine Months Ended September 30,	
	2026	2025
Net cash (used in) provided by:		
Operating activities	$ (31,822)	$ (33,817)
Investing activities	(87,053)	(9,802)
Financing activities	194,814	275
Net increase (decrease) in cash and cash equivalents	$ 75,939	$ (43,344)

Cash flows from operating activities. Net cash used in operating activities was $31.8 million for the nine months ended September 30, 2026, and primarily related to cash used to fund clinical and non-clinical development and manufacturing activities for denifanstat, clinical development and manufacturing activities for TVB-3567 and public company operating activities.

Net cash used in operating activities was $33.8 million for the nine months ended September 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 and public company operating activities.

Cash flows from investing activities - Net cash used in investing activities was $87.1 million for the nine months ended September 30, 2026, and related to purchases of marketable securities of $145.4 million, partially offset by proceeds received from the sale and maturity of marketable securities of $58.3 million.

Net cash used in investing activities was $9.8 million for the nine months ended September 30, 2025, and related to purchases of marketable securities of $89.8 million, partially offset by proceeds received from the sale and maturity of marketable securities of $80.0 million.

Cash flows from financing activities - Net cash provided by financing activities was $194.8 million for the nine months ended September 30, 2026, and related to the proceeds from the April 2026 Underwritten Offering of $175.0 million, $27.5 million of investor funds received prior to the closing of the October 2026 Underwritten Offering and $3.4 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 of $11.1 million related to the April 2026 Underwritten Offering.

Net cash provided by financing activities was approximately $0.3 million for the nine months ended September 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 nine months ended September 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 of 2012, as amended (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 under 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, as amended (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 September 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 September 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 September 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
4.1	Form of Pre-Funded Warrant	Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 001-41742) filed on October 1, 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

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: November 12, 2026

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

Date: November 12, 2026

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

Exhibit 31.1

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 September 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: November 12, 2026

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

Exhibit 31.2

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 September 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: November 12, 2026

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

Exhibit 32.1

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 September 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: November 12, 2026

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

Date: November 12, 2026

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