

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 001-41742

Sagimet Biosciences Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-5991472
(I.R.S. Employer
Identification No.)

155 Bovet Road, Suite 303
San Mateo, California
(Address of principal executive offices)

94402
(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 <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input checked="" type="checkbox"/>	Smaller reporting company <input checked="" type="checkbox"/>
	Emerging growth company <input checked="" type="checkbox"/>

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 common stock, \$0.0001 par value per share, outstanding at August 9, 2024 was 30,674,855.

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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 or any other drug candidates 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, including our Phase 3 clinical trial of denifanstat;
- the timing and costs involved in obtaining and maintaining regulatory approval of denifanstat or any other drug candidates 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 or any other future drug candidate;
- our estimated number of patients in the United States who suffer from the diseases we target, including metabolic dysfunction-associated steatohepatitis (MASH), formerly known as nonalcoholic steatohepatitis (NASH), and the number of subjects that will enroll in our clinical trials;
- our relationship with Ascleitis BioScience Co. Ltd. (Ascleitis), and its affiliate Gannex Pharma Co., Ltd. (Gannex), and the success of their development efforts for denifanstat;
- the ability of our clinical trials to demonstrate the safety and efficacy of denifanstat and any other drug candidates we may develop, and other positive results;
- our plans relating to commercializing denifanstat and any other drug candidates we may develop, if approved, including the geographic areas of focus and our ability to grow a sales team;
- 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 and any other drug candidates we may develop, including additional indications that we may pursue for denifanstat or other drug candidates;
- existing regulations and regulatory developments in the United States and other jurisdictions;
- our potential and ability to successfully manufacture and supply denifanstat and any other drug candidates we may develop for clinical trials and for commercial use, if approved;
- the rate and degree of market acceptance of denifanstat and any other drug candidates we may develop, as well as the pricing and reimbursement of denifanstat and any other drug candidates we may develop, if approved;
- our expectations regarding our ability to obtain, maintain, protect and enforce intellectual property protection for denifanstat and for any other future drug candidate;
- 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 Part II, Item 1A. "Risk Factors" and elsewhere in this Quarterly Report. 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.

Explanatory Note

Reflecting the change in disease nomenclature from non-alcoholic fatty liver disease (NAFLD) to metabolic dysfunction-associated steatotic liver disease (MASLD) and from nonalcoholic steatohepatitis (NASH) to metabolic dysfunction-associated steatohepatitis (MASH), we are using MASLD and MASH throughout this document other than when referring to titles of publications or other activities that utilized the term NAFLD or NASH.

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements (Unaudited)

SAGIMET BIOSCIENCES INC.
CONDENSED BALANCE SHEETS
(Unaudited)
(in thousands, except for share and per share amounts)

	As of	
	June 30,	December 31,
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 95,959	\$ 75,139
Short-term marketable securities	70,414	19,758
Prepaid expenses and other current assets	378	1,749
Total current assets	166,751	96,646
Long-term marketable securities	22,118	—
Operating lease right-of-use assets	151	73
Total assets	<u>\$ 189,020</u>	<u>\$ 96,719</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 1,994	\$ 186
Accrued expenses and other current liabilities (includes \$23 and \$31 payable to related parties as of June 30, 2024 and December 31, 2023, respectively)	3,581	5,403
Operating lease liabilities	153	65
Total liabilities	5,728	5,654
Commitments and contingencies (Note 7)		
Stockholders' equity, \$0.0001 par value:		
Undesignated preferred stock, \$0.0001 per share: 10,000,000 shares authorized; No shares issued and outstanding	—	—
Series A common stock, \$0.0001 per share: 500,000,000 shares authorized; 30,393,397 and 21,375,402 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively	3	2
Series B common stock, \$0.0001 per share: 15,000,000 shares authorized; 1,520,490 shares issued and outstanding at each of June 30, 2024 and December 31, 2023	—	—
Additional paid-in capital	447,803	340,777
Accumulated deficit	(264,491)	(249,744)
Accumulated other comprehensive income (loss)	(23)	30
Total stockholders' equity	183,292	91,065
Total liabilities and stockholders' equity	<u>\$ 189,020</u>	<u>\$ 96,719</u>

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating expenses:				
Research and development	\$ 6,313	\$ 4,676	\$ 11,575	\$ 9,163
General and administrative	4,276	2,381	7,782	4,659
Total operating expenses	10,589	7,057	19,357	13,822
Loss from operations	(10,589)	(7,057)	(19,357)	(13,822)
Interest income and other	2,471	272	4,610	450
Net loss	<u>\$ (8,118)</u>	<u>\$ (6,785)</u>	<u>\$ (14,747)</u>	<u>\$ (13,372)</u>
Other comprehensive income (loss):				
Net unrealized income (loss) on marketable securities	(30)	13	(53)	84
Comprehensive loss	<u>\$ (8,148)</u>	<u>\$ (6,772)</u>	<u>\$ (14,800)</u>	<u>\$ (13,288)</u>
Net loss per share, basic and diluted	<u>\$ (0.25)</u>	<u>\$ (35.80)</u>	<u>\$ (0.48)</u>	<u>\$ (71.39)</u>
Weighted-average shares outstanding, basic and diluted	<u>31,913,887</u>	<u>189,520</u>	<u>30,476,657</u>	<u>187,314</u>

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

SAGIMET BIOSCIENCES INC.
CONDENSED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND
STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)
(in thousands, except share amounts)

	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, 2024	21,375,402	\$ 2	1,520,490	\$ —	\$ 340,777	\$ (249,744)	\$ 30	\$ 91,065
Sale of Series A common stock, net of issuance costs	9,000,000	1	—	—	104,731	—	—	104,732
Issuance of Series A Common Stock upon exercise of stock options	17,995	—	—	—	114	—	—	114
Stock-based compensation expense	—	—	—	—	759	—	—	759
Unrealized loss on investments in marketable securities	—	—	—	—	—	—	(23)	(23)
Net loss	—	—	—	—	—	(6,629)	—	(6,629)
Balance at March 31, 2024	<u>30,393,397</u>	<u>\$ 3</u>	<u>1,520,490</u>	<u>\$ —</u>	<u>\$ 446,381</u>	<u>\$ (256,373)</u>	<u>\$ 7</u>	<u>\$ 190,018</u>
Issuance costs related to sale of Series A common stock	—	—	—	—	(27)	—	—	(27)
Stock-based compensation expense	—	—	—	—	1,449	—	—	1,449
Unrealized loss on investments in marketable securities	—	—	—	—	—	—	(30)	(30)
Net loss	—	—	—	—	—	(8,118)	—	(8,118)
Balance at June 30, 2024	<u>30,393,397</u>	<u>\$ 3</u>	<u>1,520,490</u>	<u>\$ —</u>	<u>\$ 447,803</u>	<u>\$ (264,491)</u>	<u>\$ (23)</u>	<u>\$ 183,292</u>

	Redeemable convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance at January 1, 2023	1,373,730,625	\$214,620	185,084	\$ 1	\$ 35,001	\$ (221,868)	\$ (84)	\$ (186,950)
Stock-based compensation expense	—	—	—	—	767	—	—	767
Unrealized gain on investments in marketable securities	—	—	—	—	—	—	71	71
Net loss	—	—	—	—	—	(6,587)	—	(6,587)
Balance at March 31, 2023	<u>1,373,730,625</u>	<u>\$214,620</u>	<u>185,084</u>	<u>\$ 1</u>	<u>\$ 35,768</u>	<u>\$ (228,455)</u>	<u>\$ (13)</u>	<u>\$ (192,699)</u>
Net loss	—	—	—	—	—	(6,785)	—	(6,785)
Exercise of common stock warrants	—	—	25,231	—	—	—	—	—
Unrealized gain on investments in marketable securities	—	—	—	—	—	—	13	13
Stock-based compensation expense	—	—	—	—	1,057	—	—	1,057
Balance at June 30, 2023	<u>1,373,730,625</u>	<u>\$214,620</u>	<u>210,315</u>	<u>\$ 1</u>	<u>\$ 36,825</u>	<u>\$ (235,240)</u>	<u>\$ —</u>	<u>\$ (198,414)</u>

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

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

	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net loss	\$ (14,747)	\$ (13,372)
Adjustments to reconcile net loss to net cash used in operating activities:		
Accretion of discount on marketable securities, net	(670)	(39)
Non-cash lease expense	71	68
Stock-based compensation expense	2,208	1,824
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	1,048	375
Accounts payable and accrued liabilities	309	(1,589)
Operating lease liabilities	(61)	(71)
Net cash used in operating activities	<u>(11,842)</u>	<u>(12,804)</u>
Cash flows from investing activities:		
Purchases of marketable securities	(82,952)	—
Sales of marketable securities	10,795	32,200
Net cash provided by (used in) investing activities	<u>(72,157)</u>	<u>32,200</u>
Cash flows from financing activities:		
Proceeds from sale of Series A common stock, net of underwriter commissions and discounts	105,750	—
Proceeds from exercise of stock options	114	—
Payment of financing costs	(1,045)	(1,046)
Net cash provided by (used in) financing activities	<u>104,819</u>	<u>(1,046)</u>
Net increase in cash and cash equivalents	20,820	18,350
Cash and cash equivalents at beginning of period	75,139	158
Cash and cash equivalents at end of period	<u><u>\$ 95,959</u></u>	<u><u>\$ 18,508</u></u>
Supplemental non-cash investing and financing activities:		
Deferred financing costs included in accounts payable and accrued expenses	\$ —	\$ 1,591
Right-of-use assets obtained in exchange for operating lease obligations	<u><u>\$ 149</u></u>	<u><u>\$ —</u></u>

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

SAGIMET BIOSCIENCES INC.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. Organization and description of business

Sagimet Biosciences Inc. (the Company), a Delaware corporation headquartered in San Mateo, California, is a clinical-stage biopharmaceutical company developing novel therapeutics called fatty acid synthase (FASN) inhibitors that target dysfunctional metabolic pathways in diseases resulting from the overproduction of the fatty acid, palmitate. The Company's lead drug candidate, denifanstat, is an oral, once-daily pill and selective FASN inhibitor for the treatment of metabolic dysfunction-associated steatohepatitis (MASH), formerly known as nonalcoholic steatohepatitis (NASH). In January 2024, the Company announced positive topline results from the Phase 2b FASCINATE-2 clinical trial, evaluating denifanstat in biopsy-confirmed MASH patients with stage F2 or F3 fibrosis compared to placebo at week 52. In June 2024, the Company presented additional 52-week intention to treat (ITT) and F3 subgroup efficacy data from the Phase 2b FASCINATE-2 clinical trial.

In addition to MASH, the Company is exploring the use of its FASN inhibitors in acne and in select forms of cancer, diseases in which dysregulation of fatty acid metabolism also play a key role. Denifanstat is currently being tested in China by the Company's license partner, Ascleitis BioScience Co. Ltd. (Ascleitis), a subsidiary of Ascleitis Pharma Inc. (Ascleitis Pharma), in a Phase 3 clinical trial for moderate to severe acne vulgaris, and a Phase 3 trial in recurrent glioblastoma multiforme (GBM) in combination with bevacizumab. The Company has completed Investigational New Drug (IND) -enabling studies for a second clinical candidate FASN inhibitor, TVB-3567.

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). Certain prior year amounts have been reclassified to conform to the current year presentation.

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 filed with the Securities and Exchange Commission (SEC) on March 25, 2024. The accompanying interim financial statements as of June 30, 2024 and for the three and six months ended June 30, 2024 and 2023 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, 2023 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 in connection with third-party contractor clinical trial activities, preferred stock and common stock valuations prior to the Company's initial public offering of Series A common stock (IPO) and stock option valuations and stock-based compensation. On an ongoing basis, the Company evaluates its estimates and judgments, which are based on historical and anticipated results and trends and on various other assumptions that management believes to be reasonable under the circumstances. Actual results could differ from those estimates.

Emerging growth company status

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

Risks and liquidity

The Company is subject to certain risks and uncertainties, including, but not limited to changes in any of the following areas that the Company believes could have a material adverse effect on future financial position or results of operations: the availability of future financing; the ability to obtain regulatory approval and market acceptance of, and reimbursement for, the Company's drug candidates if approved; the performance of third-party clinical research organizations and manufacturers; protection of the intellectual property; litigation or claims against the Company based on intellectual property, patent, product, regulatory or other factors; and the Company's ability to attract and retain employees necessary to support commercial success. In addition, significant changes in the biotechnology industry or the approval of competitive products or therapies could adversely affect the Company's development and operating results.

The Company will require substantial additional capital to fund its research and development and ongoing operating expenses. As of June 30, 2024, 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 net losses and negative cash flows from operations since inception, and, as of June 30, 2024, had an accumulated deficit of \$264.5 million and cash, cash equivalents and marketable securities of \$ 188.5 million. The Company expects to incur additional losses and negative cash flows from operations for the next twelve months.

In July and August 2023, the Company completed its IPO and its underwriters exercised their overallotment option, respectively, whereby the Company sold an aggregate of 6,026,772 shares of Series A common stock at a public offering price of \$ 16.00 per share and received \$86.2 million in net proceeds. In January 2024, the Company completed a follow-on offering whereby it sold 9,000,000 shares of its Series A common stock at price of \$12.50 per share and received \$104.7 million in proceeds, net of issuance costs of \$7.8 million. The Company expects that its cash, cash equivalents and marketable securities as of June 30, 2024 will be sufficient to fund its operating expenses and capital expenditure requirements through at least 12 months from the issuance of these unaudited condensed financial statements. In the future, the Company may 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 consolidated 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, 2023 filed with the SEC on March 25, 2024. Since the date of those audited consolidated financial statements, there have been no material changes to the Company's significant accounting policies.

Reverse stock split

A one-for-79.4784 reverse stock split of the Company's issued and outstanding common stock was effected on July 7, 2023. Stockholders entitled to fractional shares as a result of the reverse stock split received a cash payment in lieu of receiving fractional shares. Accordingly, all share and per share amounts for all periods presented in the accompanying unaudited condensed financial statements and notes thereto have been retroactively adjusted, where applicable, to reflect the effects of the reverse stock split. Shares of common stock underlying outstanding stock options and common stock warrants were proportionately reduced and the respective exercise prices, if applicable, were proportionately increased in accordance with the terms of the agreements governing such securities. Shares of common stock reserved for issuance upon the conversion of the Company's preferred stock were proportionately reduced and the respective conversion prices were proportionately increased.

Net loss per share and reclassification of common stock

Basic and diluted net loss per share is computed using the two-class method required for multiple classes of common stock and participating securities. The Company's participating securities do not have a contractual obligation to share in the Company's losses. As such, the net loss was attributed entirely to common stockholders for all periods presented. 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, the redeemable

convertible preferred stock, common stock options, restricted stock units and common and redeemable convertible preferred 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.

On July 18, 2023, each share of the Company's common stock issued and outstanding became reclassified as one share of Series A common stock. Any stock certificate that immediately prior to July 18, 2023 represented shares of the Company's common stock was deemed to represent shares of Series A common stock, without the need for surrender or exchange thereof. Additionally, in connection with the IPO, the Company's outstanding redeemable convertible preferred stock automatically converted into 15,117,912 shares of Series A common stock and 1,520,490 shares of Series B common stock. The rights of the holders of Series A common stock and Series B common stock are substantially identical, except with respect to voting and conversion. Each share of Series A common stock is entitled to one vote and shares of Series B common stock are non-voting, except as may be required by law. Each share of Series B common stock may be converted at any time into one share of Series A common stock at the option of its holder, subject to certain ownership limitations. As such, basic and diluted net loss per share attributable to common stockholders is presented on a combined basis as undistributed earnings, when allocated to each series of common stock, result in the same net loss per share for all periods presented.

The following table presents the calculation of basic and diluted net loss per share for the three and six months ended June 30, 2024 and 2023 (in thousands, except share and per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Numerator:				
Net loss attributable to common stockholders	\$ (8,118)	\$ (6,785)	\$ (14,747)	\$ (13,372)
Denominator:				
Weighted-average shares outstanding, basic and diluted	31,913,887	189,520	30,476,657	187,314
Net loss per share, basic and diluted	\$ (0.25)	\$ (35.80)	\$ (0.48)	\$ (71.39)

The following outstanding shares of potentially dilutive securities were excluded from the computation of diluted net loss per share attributable to common, Series A and Series B common stockholders for the periods presented because including them would have been antidilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Options to purchase Series A common stock	4,464,067	—	4,464,067	—
Warrant to purchase Series A common stock	1,000	—	1,000	—
Redeemable convertible preferred stock on an as converted basis	—	16,638,476	—	16,638,476
Options to purchase common stock	—	3,776,369	—	3,776,369
Warrants to purchase common stock	—	13,458	—	13,458
Warrant to purchase redeemable convertible preferred stock	—	79,545	—	79,545
Restricted stock units	1,125,840	—	1,125,840	—
Total	5,590,907	20,507,848	5,590,907	20,507,848

Recently adopted accounting pronouncements

In August 2020, the FASB issued ASU No. 2020-06, *Debt-Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging-Contracts in Entity's Own Equity (Subtopic 815-40); Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*, which address issues identified as a result of the complexity associated with applying GAAP for certain financial instruments with characteristics of liabilities and equity. This amendment is effective for fiscal years beginning after December 15, 2023, including interim periods within. The adoption of this standard had no impact on the Company's financial statements.

New accounting pronouncements not yet adopted

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280)—Improvements to Reportable Segment Disclosures*. ASU 2023-07 requires disclosure of incremental segment information on an interim and annual basis and provides new segment disclosure requirements for entities with a single reportable segment. ASU 2023-07 is effective for all public companies for fiscal years beginning after December 15, 2023, and interim periods within fiscal periods beginning after December 15, 2024, and requires retrospective application to all prior periods presented in the financial statements. The Company is assessing the impact of the adoption of this standard on its disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740)—Improvements to Income Tax Disclosures*, a final standard on improvements to income tax disclosures. The standard requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions and applies to all entities subject to income taxes. The new standard is effective for annual periods beginning after December 15, 2024. The Company is assessing the impact of the adoption of this standard on its disclosures.

3. Fair value measurements and fair value of financial instruments

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

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

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

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

As of June 30, 2024 and December 31, 2023, financial assets measured at fair value on a recurring basis consist of cash equivalents and marketable securities. Cash equivalents consist 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 carrying amount of cash equivalents was \$94.5 million and \$74.1 million as of June 30, 2024 and December 31, 2023, respectively, which approximates the fair value and was determined based upon Level 1 and Level 2 inputs. Marketable securities are classified as available-for-sale securities and have maturities of (i) for short-term marketable securities, more than three months and less than one year and (ii) for long-term marketable securities, more than one year at the time of acquisition. 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 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 \$ 69.64 per share and an expiration date of July 18, 2026, the third anniversary date of the closing of the Company's IPO. The fair value of Series A common stock warrant liability was immaterial as of June 30, 2024 and December 31, 2023, as well as the change in fair value during the three and six months ended June 30, 2024 and 2023. There were no transfers within the hierarchy during the periods presented.

Cash equivalents and marketable securities consisted of the following (in thousands):

		June 30, 2024			
	Valuation Hierarchy	Amortized cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Assets:					
Cash equivalents:					
Money market funds	Level 1	\$ 93,512	\$ —	\$ —	\$ 93,512
Corporate debt securities	Level 2	1,009	—	—	1,009
Total cash equivalents		<u>\$ 94,521</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 94,521</u>
Short-term marketable securities:					
Commercial paper	Level 2	25,464	1	(24)	25,441
Corporate debt securities	Level 2	9,315	—	(6)	9,309
U.S. Treasury securities	Level 2	25,776	—	(13)	25,763
Agency securities	Level 2	7,454	—	(9)	7,445
Asset-backed securities	Level 2	2,458	—	(2)	2,456
Total short-term marketable securities		<u>\$ 70,467</u>	<u>\$ 1</u>	<u>\$ (54)</u>	<u>\$ 70,414</u>
Long-term marketable securities:					
U.S. Treasury securities	Level 2	19,597	19	—	19,616
Asset-backed securities	Level 2	2,492	10	—	2,502
Total long-term marketable securities		<u>\$ 22,089</u>	<u>\$ 29</u>	<u>\$ —</u>	<u>\$ 22,118</u>
Total assets		<u>\$ 187,077</u>	<u>\$ 30</u>	<u>\$ (54)</u>	<u>\$ 187,053</u>

		December 31, 2023			
	Valuation Hierarchy	Amortized cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Assets:					
Cash equivalents:					
Money market funds	Level 1	\$ 69,516	\$ —	\$ —	\$ 69,516
Corporate debt securities	Level 2	4,622	—	—	4,622
Total cash equivalents		<u>\$ 74,138</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 74,138</u>
Marketable securities:					
Commercial paper	Level 2	9,879	19	—	9,898
Corporate debt securities	Level 2	2,945	4	—	2,949
U.S. Treasury securities	Level 2	6,904	7	—	6,911
Total marketable securities		<u>\$ 19,728</u>	<u>\$ 30</u>	<u>\$ —</u>	<u>\$ 19,758</u>
Total assets		<u>\$ 93,866</u>	<u>\$ 30</u>	<u>\$ —</u>	<u>\$ 93,896</u>

4. Prepaid expenses and other current assets

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

	As of	
	June 30, 2024	December 31, 2023
Prepaid insurance	\$ 57	\$ 585
Prepaid clinical expenses	191	767
Deferred financing costs	—	323
Other	130	74
Total	<u>\$ 378</u>	<u>\$ 1,749</u>

5. Accrued expenses and other current liabilities

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

	As of	
	June 30, 2024	December 31, 2023
Accrued clinical costs	\$ 2,054	\$ 2,668
Accrued payroll-related costs	657	1,105
Accrued research and development costs	458	632
Accrued outside services	402	442
Accrued offering costs	—	323
Other	10	233
Total	\$ 3,581	\$ 5,403

6. Related parties

In January 2019, the Company entered into a license agreement that became effective in February 2019 with Ascleitis, a subsidiary of Ascleitis Pharma, a biotechnology company incorporated in the Cayman Islands and headquartered in Hangzhou, China, and a Company investor. Pursuant to the license agreement, Ascleitis is solely responsible for all development activities in connection with obtaining and maintaining regulatory approvals for denifanstat in Greater China. During the six months ended June 30, 2024 and 2023, the Company recognized \$0.1 million and nil of expenses, respectively, related to its portion of expenses owed under a sponsored research agreement that is co-sponsored by Ascleitis, which are recorded in research and development in the unaudited condensed statements of operations and comprehensive loss. As of June 30, 2024 and December 31, 2023, the Company recognized \$23,000 and \$31,000, respectively, of accruals related to this agreement. During the six months ended June 30, 2024 and 2023, the Company paid Ascleitis \$31,000 and nil, respectively, under the manufacturing arrangement.

7. Commitments and contingencies

Contract research

During the second quarter of 2024, the Company contracted with a global Contract Research Organization (CRO) to perform certain research and related services in connection with certain of the Company's clinical trials and research studies. The terms of the contract require the Company to pay direct fees, investigator grants and other pass-through costs, a portion of which is paid as an upfront payment. As of June 30, 2024, the Company committed an aggregate \$13.4 million of upfront payments pursuant to the contract. All research and development costs are expensed as incurred, except when the Company is accounting for nonrefundable advance payments for goods or services to be used in future research and development activities. These payments are capitalized at the time of payment and expensed in the period in which the research and development activity is performed.

Facility lease agreement

In April 2024, the Company amended its San Mateo, California office lease, whereby the lease was amended to (i) extend the lease through June 30, 2025 and (ii) increase the monthly lease payment to approximately \$13,000 beginning on the commencement date of July 1, 2024, which resulted in an increase in the Company's operating lease right-of-use asset and corresponding operating lease liability of \$0.1 million on the amendment date.

Operating lease cost was \$37,000 for each of the three months ended June 30, 2024 and 2023, respectively, and \$ 74,000 for each of the six months ended June 30, 2024 and 2023, 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 June 30, 2024, the Company does not have any material indemnification claims that were probable or reasonably possible and consequently has not recorded related liabilities.

Legal

From time to time, the Company may become involved in various legal proceedings that arise in the ordinary course of its business. The Company is not party to any material legal proceedings as of June 30, 2024.

8. 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 a prior share-based incentive plan. The number of shares initially reserved for issuance under the 2023 Plan was initially 2,585,968, which automatically increased by 855,016 shares on January 1, 2024 and will increase each January 1 thereafter, by (i) 4% of the outstanding number of shares of our 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. As such, as of June 30, 2024, the maximum number of shares with respect to which awards may be issued under the 2023 Plan was 3,440,984, and 1,957,700 shares were available for future grant thereunder.

The Company also established a pool of 1.0 million shares of Series A common stock from which grants of stock-based compensation awards may be issued as inducement for new employees to accept employment offers from the Company from time to time. Inducement 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). During the six months ended June 30, 2024, the Company granted 643,548 option awards from this pool.

The Company has recorded aggregate stock-based compensation expense related to the issuance of stock option awards to employees and non-employees in the unaudited condensed statements of operations and comprehensive loss as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Stock options	\$ 1,138	\$ 1,057	\$ 1,587	\$ 1,824
Restricted stock units	311	—	621	—
Total stock-based compensation expense	<u>\$ 1,449</u>	<u>\$ 1,057</u>	<u>\$ 2,208</u>	<u>\$ 1,824</u>
Included in:				
General and administrative expense	\$ 1,181	\$ 856	\$ 1,694	\$ 1,454
Research and development expense	268	201	514	370
Total stock-based compensation expense	<u>\$ 1,449</u>	<u>\$ 1,057</u>	<u>\$ 2,208</u>	<u>\$ 1,824</u>

Stock options

The Company's stock options 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 could 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 granted have various vesting schedules that may range from vesting immediately to vesting over four years.

The following table summarizes stock option activity (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
Outstanding, January 1, 2024	3,753,507	\$ 7.99	7.1	\$ 8
Options granted	1,147,506	4.62		
Options exercised	(17,995)	6.36		
Options forfeited/expired	(418,951)	10.20		
Outstanding, June 30, 2024 (a)	4,464,067	\$ 6.92	7.2	\$ —
Vested and exercisable as of June 30, 2024	2,462,232	\$ 7.19	5.7	\$ —

(a) Includes 619,742 performance-based options with a weighted-average exercise price of \$6.38, almost all of which were fully vested and exercisable.

During the six months ended June 30, 2024 and 2023, the weighted average grant-date fair value per share of stock options granted was \$3.58 and \$10.28, respectively, and the total intrinsic value of stock options exercised was \$0.1 million and nil, respectively. Additionally, during the six months ended June 30, 2024 and 2023, cash received from the exercise of options was \$0.1 million and nil, respectively.

As of June 30, 2024, there was \$10.3 million of total unrecognized compensation cost related to stock options, which is expected to be recognized over a remaining weighted-average period of 2.6 years.

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, 2024	1,132,410	\$ 2.96
Granted	49,330	5.23
Forfeited/expired	(55,900)	4.96
Outstanding, June 30, 2024	1,125,840	\$ 2.96

As of June 30, 2024 the total unrecognized compensation expense related to unvested restricted stock units was \$2.6 million, which is expected to be recognized over a remaining weighted-average period of 3.0 years.

Valuation assumptions

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

	Six Months Ended June 30,	Six Months Ended June 30,
	2024	2023
Expected volatility	92 - 96 %	89 - 91 %
Risk-free interest rate	4.1 - 4.5 %	3.6 %
Dividend yield	—	—
Expected term (in years)	5.3 - 6.1	5.0 - 7.0

The expected term of the stock options represents the average of the contractual term of the options and the weighted-average expected vesting period. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The expected volatility rate was based on the historical volatilities of comparable companies in the Company's industry. The Company has never declared or paid any cash dividends and does not presently plan to pay cash dividends in the foreseeable future. Consequently, the Company used an expected dividend yield of zero.

Employee stock purchase plan

The 2023 Employee Stock Purchase Plan (the ESPP), was adopted by the board of directors with an initial total of 215,497 shares of Series A common stock reserved for issuance under this plan, which automatically increased on January 1, 2024 and will increase each January 1 thereafter 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. On January 1, 2024 and in accordance with the ESPP, the authorized shares were increased by 213,754 shares for a total of 429,251 shares of Series A common stock available under the ESPP. No shares of Series A common stock have been issued under the ESPP to date; the first offering period under the ESPP is expected to commence in the third quarter of 2024.

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

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our unaudited condensed financial statements and related notes included elsewhere in this Report on Form 10-Q for the quarter ended June 30, 2024 (Quarterly Report). This discussion and analysis and other parts of this Quarterly Report contain forward-looking statements based upon our current plans and expectations that involve risks, uncertainties and assumptions, such as statements regarding our plans, objectives, expectations, intentions and beliefs. Our actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this Quarterly Report. You should carefully read the "Risk Factors" section of this Quarterly Report to gain an understanding of the important factors that could cause actual results to differ materially from our forward-looking statements.

Overview

We are a clinical-stage biopharmaceutical company developing novel therapeutics called fatty acid synthase (FASN) inhibitors that target dysfunctional metabolic pathways in diseases resulting from the overproduction of the fatty acid, palmitate. Our lead drug candidate, denifanstat, is an oral, once-daily pill and selective FASN inhibitor in development for the treatment of metabolic dysfunction-associated steatohepatitis (MASH), formerly known as nonalcoholic steatohepatitis (NASH). Denifanstat has been studied in over 740 people to date in our clinical trials, including our FASCINATE-1 and -2 clinical trials. We are currently designing pivotal Phase 3 clinical trials for denifanstat in MASH and expect to initiate our Phase 3 development program in the second half of 2024.

In January 2024, we announced positive topline results from the Phase 2b FASCINATE-2 clinical trial, evaluating denifanstat in biopsy-confirmed MASH patients with stage F2 or F3 fibrosis compared to placebo at week 52. The FASCINATE-2 Phase 2b clinical trial achieved statistically significant results on primary and multiple secondary endpoints at week 52 in 168 MASH patients, in the modified intention to treat (mITT) population, including:

- The primary endpoints of ≥ 2 -point reduction in NAS (NAFLD Activity Score) without worsening of fibrosis (denifanstat 52% vs. placebo 20%, $p=0.0003$), and MASH resolution without worsening of fibrosis with ≥ 2 -point reduction in NAS (denifanstat 36% vs. placebo 13%, $p=0.0044$).
- Multiple secondary endpoints of fibrosis improvement by ≥ 1 stage with no worsening of MASH (denifanstat 41% vs. placebo 18%, $p=0.0051$), MASH resolution with no worsening of fibrosis (denifanstat 38% vs. placebo 16%, $p=0.0021$), and a greater proportion of MRI-derived proton density fat fraction (MRI-PDFF) $\geq 30\%$ responders relative to placebo (denifanstat 65% vs. placebo 21%, $p<0.0001$). MRI-PDFF responders are patients with $\geq 8\%$ liver fat content at baseline who achieve a $\geq 30\%$ relative reduction of liver fat at the end of treatment.

Denifanstat showed also statistical significance in fibrosis improvement by an independent approach of artificial intelligence (AI) digital pathology-based qFibrosis assessment. Additionally, our precision medicine approach is core to our development strategy in MASH and includes the identification of pharmacodynamic and predictive biomarkers to confirm target engagement and clinical response in patients treated with denifanstat. We held an End-of-Phase 2 meeting with the U.S. Food and Drug Administration (FDA) in May 2024 and are currently in discussions with the FDA regarding our Phase 3 development plans for denifanstat in MASH.

In June 2024, we presented positive data from the FASCINATE-2 Phase 2b clinical trial of denifanstat versus placebo in biopsy-confirmed MASH patients at the European Association for the Study of the Liver (EASL) Congress. Our EASL presentation included the following 52-week intention to treat (ITT) and F3 (mITT) subgroup efficacy data:

- The primary endpoint of ≥ 2 -point reduction in NAS (NAFLD Activity Score) without worsening of fibrosis (denifanstat 38% vs. placebo 16%, $p=0.0035$) or MASH resolution with ≥ 2 -point reduction in NAS without worsening of fibrosis (denifanstat 26% vs. placebo 11%, $p=0.0173$) in the ITT population.
- Secondary endpoints of fibrosis improvement by ≥ 1 stage with no worsening of MASH in the ITT (denifanstat 30% vs. placebo 14%, $p=0.0199$) and F3 mITT (denifanstat 49% vs. placebo 13%, $p=0.0032$) populations.
- Fibrosis improvement by ≥ 2 stages with no worsening of MASH in the mITT (denifanstat 20% vs. placebo 2%, $p=0.0065$) and F3 mITT (denifanstat 34% vs. placebo 4%, $p=0.0065$) populations.

- A statistically significant difference in progression to cirrhosis in F4 mITT population (denifanstat 5% vs. placebo 11%, p=0.0386).
- A statistically significant difference in fibrosis improvement by ≥ 1 stage with no worsening of MASH for patients on a stable background dose of a GLP-1RA (denifanstat 42% vs. placebo 0%, p=0.034) in the mITT population.
- A statistically significant increase in beneficial polyunsaturated triglycerides at the end of 52 week of treatment (+42% denifanstat vs. -4% placebo, p<0.001) in the mITT population.
- A biomarker of denifanstat activity (tripalmitin) showed an early and sustained reduction in de novo lipogenesis at 4-weeks (-2.4ug/ml with denifanstat vs. -0.4ug/mL placebo, p=0.001) and 13-weeks (-2.2ug/mL with denifanstat vs. -0.1ug/mL placebo, p=0.005) in the ITT population.

We are also evaluating the promise of FASN inhibition, beyond MASH, in additional disease areas in which dysregulation of fatty acid metabolism also plays a key role, including in acne and certain forms of cancer. Denifanstat is currently being tested in China by our license partner, Ascletis BioScience Co. Ltd. (Ascletis), a subsidiary of Ascletis Pharma Inc. (Ascletis Pharma), in a Phase 3 clinical trial for moderate to severe acne vulgaris, and a Phase 3 clinical trial in recurrent glioblastoma multiforme (GBM) in combination with bevacizumab. We expect these results to inform our development strategy in these indications. We have completed Investigational New Drug (IND)-enabling studies for a second clinical candidate FASN inhibitor, TVB-3567.

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 targets, 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 initial public offering (IPO) of Series A common stock in July 2023 and our follow-on offering in January 2024, from which we received aggregate net proceeds of \$190.9 million. Prior to these public offerings, we raised \$233.3 million in gross proceeds from the sale of our redeemable convertible preferred stock and convertible notes. We will continue to require additional capital to develop our drug candidates and fund operations for the foreseeable future. Accordingly, until such time as we can generate significant revenue from sales of our drug candidates, if ever, we expect to finance our cash needs through 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.

As of June 30, 2024, we had cash, cash equivalents and marketable securities of \$188.5 million. We do not expect to generate any revenue from commercial product sales unless and until we successfully complete development and obtain regulatory approval for one or more of our drug candidates, which we expect will take a number of years, if ever. We expect our expenses will increase substantially in connection with our ongoing activities, as we:

- advance drug candidates through preclinical studies and clinical trials;
- require the manufacture of supplies for our preclinical studies and clinical trials;
- pursue regulatory approval of drug candidates;
- hire additional personnel;
- continue to operate as a public company;
- acquire, discover, validate and develop additional drug candidates; and
- obtain, maintain, expand and protect our intellectual property portfolio.

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.

Because of the numerous risks and uncertainties associated with product development, we are unable to predict the timing or amount of increased expenses or when or if we will be able to achieve or maintain profitability. Even if we are able to generate revenue from the sale of our products, if any, we may not become profitable. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and may be forced to reduce our operations.

Components of results of operations

Revenue

We have not generated any revenue from product sales and do not expect to generate any revenue from product sales for the foreseeable future. Our revenues to date have been generated solely from the license agreement with Ascleitis. We expect that our revenue for the next several years will be derived primarily from this agreement and any additional collaboration that we may enter into the future. We did not recognize any revenues from the license agreement with Ascleitis during each of the three and six months ended June 30, 2024 and 2023.

Operating expenses

Research and development. Research and development expenses represent costs incurred in performing research, development and manufacturing activities in support of our own product development efforts and include personnel-related costs (such as salaries, employee benefits and stock-based compensation) for our personnel in research and development functions; 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, investigative sites and consultants to conduct non-clinical and preclinical studies and clinical trials; professional and consulting services costs; and facility and other allocated costs. We do not track research and development expenses by drug candidate.

We expect our research and development expenses to increase substantially in absolute dollars for the foreseeable future as we advance our drug candidates into and through preclinical studies and clinical trials, pursue regulatory approval of our drug candidates and expand our pipeline of drug candidates. The process of conducting the necessary preclinical and clinical research to obtain regulatory approval is costly and time-consuming. The actual probability of success for our drug candidates may be affected by a variety of factors, including the safety and efficacy of our drug candidates, early clinical data, investment in our clinical programs, competition, manufacturing capability and commercial viability. We may never succeed in achieving regulatory approval for any of our drug candidates. As a result of the uncertainties discussed above, we are unable to determine the duration and completion costs of our research and development projects or if, when and to what extent we will generate revenue from the commercialization and sale of our drug candidates.

Our clinical development costs may vary significantly based on factors such as:

- 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 U.S. Food and Drug Administration (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 clinical research organizations (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) approval, or positive ethics committee opinions 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.

General and administrative. 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 substantially in absolute dollars for the foreseeable future as we increase our headcount to support our continued research and development activities and grow our business. We also anticipate that we will incur increased expenses as a result of operating as a public company, including expenses related to audit, legal, regulatory and tax-related services associated with maintaining compliance with Securities and Exchange Commission (SEC) rules and regulations and those of any national securities exchange on which our securities are traded, additional insurance expenses, investor relations activities and other administrative and professional services.

Interest income and other. Interest income and other primarily includes interest income earned and changes in the fair value of our Series A common stock and redeemable convertible preferred stock related instruments. In connection with our IPO, all outstanding redeemable convertible preferred stock and related instruments were converted into Series A and Series B common stock and, with the

exception of certain Series A common stock warrants, are no longer subject to remeasurement. Interest income consists of interest earned on our cash, cash equivalents and marketable securities.

Results of operations

Comparison of the three months ended June 30, 2024 and 2023

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

	Three Months Ended June 30,		Change	% Change
	2024	2023		
Operating expenses:				
Research and development	6,313	4,676	1,637	35 %
General and administrative	4,276	2,381	1,895	80 %
Total operating expenses	10,589	7,057	3,532	50 %
Loss from operations	(10,589)	(7,057)	(3,532)	50 %
Interest income and other	2,471	272	2,199	nm
Net loss	<u>\$ (8,118)</u>	<u>\$ (6,785)</u>	<u>\$ (1,333)</u>	<u>20 %</u>
nm—not meaningful				

Research and development. Our research and development expense increased by \$1.6 million, or 35%, for the three months ended June 30, 2024, compared to the three months ended June 30, 2023. This increase was primarily due to the net effect of (i) a \$1.6 million increase in clinical manufacturing costs in preparation for the Phase 3 clinical development program for denifanstat in MASH, (ii) a \$0.6 million decrease in consulting services and (iii) a \$0.4 million increase in other research and development expenses, largely related to non-clinical activities.

General and administrative. Our general and administrative expenses increased by \$1.9 million, or 80%, for the three months ended June 30, 2024, compared to the three months ended June 30, 2023 primarily due to (i) a \$1.2 million increase in professional fees largely due to public company compliance, (ii) a \$0.3 million increase in stock-based compensation expense, due primarily to grants made to executives and members of our board of directors during the second quarter of 2024, and (iii) a \$0.2 million increase in insurance expenses due to our Company becoming a public entity during 2023.

Interest income and other. Interest income and other increased by \$2.2 million for the three months ended June 30, 2024, compared to the three months ended June 30, 2023, primarily due to an increase of interest income earned on the cash proceeds received from the IPO and the January 2024 follow-on offering.

Comparison of the six months ended June 30, 2024 and 2023

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

	Six Months Ended June 30,		Change	% Change
	2024	2023		
Operating expenses:				
Research and development	11,575	9,163	2,412	26 %
General and administrative	7,782	4,659	3,123	67 %
Total operating expenses	19,357	13,822	5,535	40 %
Loss from operations	(19,357)	(13,822)	(5,535)	40 %
Interest income and other	4,610	450	4,160	nm
Net loss	<u>\$ (14,747)</u>	<u>\$ (13,372)</u>	<u>\$ (1,375)</u>	<u>10 %</u>

nm—not meaningful

Research and development. Our research and development expense increased by \$2.4 million, or 26%, for the six months ended June 30, 2024, compared to the six months ended June 30, 2023. This increase was primarily due to the net effect of (i) a \$3.2 million increase in clinical manufacturing costs in preparation for the Phase 3 clinical development program for denifanstat in MASH, (ii) a \$1.7 million decrease in clinical trial costs due to the completion of patient dosing in our FASCINATE-2 Phase 2b trial in 2023 with a partial offset from the Phase 3 clinical development program start-up cost and (iii) a \$0.6 million increase in other research and development expenses, largely related to non-clinical activities.

General and administrative. Our general and administrative expenses increased by \$3.1 million, or 67%, for the six months ended June 30, 2024, compared to the six months ended June 30, 2023 primarily due to (i) a \$1.5 million increase in professional fees, largely due to public company compliance, (ii) a \$0.5 million increase in insurance expenses due to our becoming a public entity during 2023, (iii) a \$0.6 million increase in personnel related expenses, largely related to newly hired executives and other employees, and (iv) a \$0.2 million increase in stock-based compensation expense, due primarily to grants made to executives and members of our board of directors during the second quarter of 2024.

Interest income and other. Interest income and other increased by \$4.2 million for the six months ended June 30, 2024, compared to the six months ended June 30, 2023, primarily due to an increase of interest income earned on the cash proceeds received from the IPO and the January 2024 follow-on offering.

Liquidity and capital resources

As of June 30, 2024, we have relied on private equity and debt financings and our public offerings to fund our operations. We have incurred net losses and negative cash flows from operations since inception, including net losses of \$14.7 million and \$13.4 million for the six months ended June 30, 2024 and 2023, respectively. As of June 30, 2024, we had cash, cash equivalents and marketable securities of \$188.5 million. We will require substantial additional capital to fund our research and development and ongoing operating expenses in the short and long term.

Based on our current business plans, we believe that our existing cash, cash equivalents, and marketable securities will be sufficient for us to fund our operating expenses and capital expenditure requirements for at least the next 12 months from the date of this Quarterly Report. In the future, we may need to raise additional funds until we are able to generate sufficient revenues to fund our development activities. Our future operating activities, coupled with our plans to raise capital or issue debt financing, may provide additional liquidity in the future, however these actions are not solely within our control and we are unable to predict the outcome of these actions to generate the liquidity ultimately required.

Our primary uses of cash are to fund our operations, which consist primarily of research and development expenditures related to our programs and, to a lesser extent, general and administrative expenditures. We anticipate that we will continue to incur significant expenses for the foreseeable future as we continue to advance our drug candidates, expand our corporate infrastructure, including the costs associated with being a public company, further our research and development initiatives for our drug candidates, scale our laboratory and manufacturing operations, and incur marketing costs associated with potential commercialization. We are subject to all of the risks typically related to the development of new drug candidates, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. We anticipate that we will need substantial additional funding in connection with our continuing operations.

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 (including government) 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 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, 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 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.

Sources and uses of cash

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

	Six Months Ended June 30,	
	2024	2023
Net cash (used in) provided by:		
Operating activities	\$ (11,842)	\$ (12,804)
Investing activities	(72,157)	32,200
Financing activities	104,819	(1,046)
Net increase in cash and cash equivalents	\$ 20,820	\$ 18,350

Cash flows from operating activities. Net cash used in operating activities was \$11.8 million for the six months ended June 30, 2024, consisting of a net loss of \$14.7 million and net changes in our operating assets and liabilities of \$1.3 million, partially offset by non-cash adjustments of \$1.6 million. Changes in operating assets and liabilities primarily consisted of a decrease in prepaid expenses and other current assets of \$1.0 million and an increase in accounts payable and accrued expenses of \$0.3 million. The non-cash adjustments primarily consisted of stock-based compensation expense of \$2.2 million, partly offset by \$0.7 million of non-cash accretion of the discount on our marketable securities.

Our net cash used in operating activities was \$12.8 million for the six months ended June 30, 2023. Our cash used in operating activities resulted from a net loss of \$13.4 million, and a decrease of \$1.6 million in accounts payable and accrued liabilities. The net loss was partially offset by adjustments for non-cash items of \$1.8 million related to stock-based compensation and an increase of \$0.4 million in prepaid expenses and other current liabilities.

Cash flows from investing activities. Net cash used in investing activities was \$72.2 million for the six months ended June 30, 2024 and related to purchases of marketable securities of \$83.0 million, partially offset by proceeds from the sales of marketable securities of \$10.8 million.

Our net cash provided by investing activities was \$32.2 million for the six months ended June 30, 2023, which related entirely to sales of marketable securities.

Cash flows from financing activities. Net cash provided by financing activities was \$104.8 million for the six months ended June 30, 2024, which primarily related to the net impact of (i) gross cash proceeds of \$112.5 million received from the sale of Series A common stock in our January 2024 follow-on offering and (ii) cash payments of \$7.8 million related to issuance costs from the sale of Series A common stock.

Our net cash used in financing activities was \$1.0 million for the six months ended June 30, 2023, which related entirely to the payment of deferred financing costs.

Critical accounting policies and estimates

We prepare our financial statements in accordance with accounting principles generally accepted in the United States of America. 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 by our management.

During the six months ended June 30, 2024, 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, 2023.

Emerging growth company and smaller reporting status

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act (the JOBS Act). Under the JOBS Act, emerging growth companies can delay the adoption of new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. Other exemptions and reduced reporting requirements under the JOBS Act for emerging growth companies include an exemption from the requirement to provide an auditor's report on internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, as amended, an exemption from any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation and less extensive disclosure about our executive compensation arrangements. We have elected to use the extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that (i) we are no longer an emerging growth company or (ii) we affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

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

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

Recently adopted accounting pronouncements

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

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

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, (Exchange Act), that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and (2) accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well

designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Quarterly Report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of June 30, 2024, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in this Quarterly Report was (a) reported within the time periods specified by the SEC rules and regulations, and (b) communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding any required disclosure.

Changes in Internal Control Over Financial Reporting

During the quarter ended June 30, 2024, 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, nor are we aware of any governmental proceedings involving potential monetary sanctions of \$300,000 or more.

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, 2023.

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

(a) 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.

(b) Use of proceeds from initial public offering of common stock

On July 18, 2023, we completed our IPO. Our registration statement on Form S-1 (File No. 333-256648) relating to the IPO was declared effective by the SEC on July 13, 2023. We issued an aggregate of 5,312,500 shares of our Series A common stock at a price of \$16.00 per share. The aggregate gross proceeds of the IPO were \$96.4 million, inclusive of an additional 714,272 shares of Series A common stock sold upon the partial exercise of the underwriters' purchase option. We received approximately \$86.2 million in net proceeds after deducting approximately \$6.7 million in underwriting discounts and commissions and approximately \$3.5 million in other offering costs. None of the expenses associated with the IPO were paid to directors, officers, persons owning 10% or more of any class of equity securities, or to their associates, or to our affiliates. Goldman Sachs & Co., Cowen and Company and Piper Sandler & Co. acted as joint book-running managers for the IPO, and JMP Securities acted as lead manager.

There has been no material change in our planned use of the net proceeds from the IPO as described in our final prospectus filed pursuant to Rule 424(b)(4) under the Securities Act with the SEC on July 17, 2023.

(c) Issuer purchases of equity securities

None.

Item 3. Defaults upon senior securities.

Not applicable.

Item 4. Mine safety disclosures.

Not applicable.

Item 5. Other information

Rule 10b5-1 Trading Plans

During the quarter ended June 30, 2024, none of our directors or officers (as defined in Rule 16a-1 under the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as those terms are defined in Item 408 of Regulation S-K).

Item 6. Exhibits.

Exhibit Number	Description	Method of Filing
10.1●	Executive Employment Agreement by and between Sagimet Biosciences Inc. and Thierry Chauche, dated May 6, 2024	Filed herewith
10.2●	Amended and Restated Executive Employment Agreement by and between Sagimet Biosciences Inc. and David Happel, dated June 5, 2024	Filed herewith
10.3●	Amended and Restated Executive Employment Agreement by and between Sagimet Biosciences Inc. and George Kemble, Ph.D, dated June 5, 2024	Filed herewith
10.4●	Amended and Restated Executive Employment Agreement by and between Sagimet Biosciences Inc. and Eduardo Bruno Martins, M.D., D.Phil., dated June 5, 2024	Filed herewith
10.5●	Amended and Restated Executive Employment Agreement by and between Sagimet Biosciences Inc. and Elizabeth Rozek, dated June 5, 2024	Filed herewith
10.6●	Amended and Restated Sagimet Biosciences Inc. Employee Stock Purchase Plan	Filed herewith
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 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 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
	<ul style="list-style-type: none"> ● Indicates management contract or compensatory plan. 	

SIGNATURES

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

SAGIMET BIOSCIENCES, INC.

Date: August 14, 2024

By: /s/ David Happel

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

Date: August 14, 2024

By: /s/ Thierry Chauche

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

EXECUTIVE EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made between Sagimet Biosciences, Inc., (the "Company"), and Thierry Chauche (the "Executive") and is effective as of May 6, 2024 (the "Effective Date").

WHEREAS, the Company desires to employ the Executive and the Executive desires to be employed by the Company on the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Company shall employ the Executive and the Executive shall be employed by the Company pursuant to this Agreement commencing as of the Effective Date and until either party terminates the employment relationship in accordance with this Agreement. Notwithstanding anything in the foregoing, the Executive's employment with the Company shall continue to be "at will," meaning that the Executive's employment may be terminated by the Company or the Executive at any time and for any reason or no reason, with or without Cause, and with or without notice.

(b) Position and Duties. The Executive shall serve as the Chief Financial Officer of the Company and shall have such powers and duties as may from time to time be prescribed by the Chief Executive Officer (the "CEO") and work remotely pursuant to the Company's remote work policies. Upon request of the Chief Executive Officer, and with travel reimbursed by Company, Executive will travel to and work at the Company's San Mateo office or such other location necessitated by the Company's business purposes. The Executive will devote the Executive's full working time and efforts to the business and affairs of the Company. While employed by the Company, the Executive agrees not to undertake or engage in any consulting, employment, occupation, investment or business enterprise for other parties that may create a conflict of interest with the Company. Further Executive agrees that during the term of Executive's employment with the Company, Executive will not engage in any such activities that are directly related to the business in which the Company is now involved or becomes involved during the term of Executive's employment.

2. Compensation and Related Matters.

(a) **Base Salary**. The Executive's base salary is \$480,000 per year (. The Executive's base salary will be subject to periodic review by the Board of Directors (the "Board") or the Compensation Committee of the Board (the "Compensation Committee") in its discretion. The base salary in effect at any given time is referred to herein as "Base Salary."

The Base Salary will be payable in a manner that is consistent with the Company's usual payroll practices for its executive officers.

(b) **Incentive Compensation.** The Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. The Executive's initial target annual incentive compensation will be 40 percent of the Executive's Base Salary. The target annual incentive compensation in effect at any given time is referred to herein as "Target Bonus." The actual amount of the Executive's annual incentive compensation, if any, shall be determined in the sole discretion of the Board or the Compensation Committee, subject to the terms of any applicable incentive compensation plan that may be in effect from time to time. Except as otherwise provided herein or as may be provided by the Board or the Compensation Committee or as may otherwise be set forth in the applicable incentive compensation plan, the Executive must be employed by the Company on the date such incentive compensation is paid in order to earn or receive any annual incentive compensation.

(c) **Expenses.** The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive during the term of Executive's employment in performing services hereunder, in accordance with applicable law and the policies and procedures then in effect and established by the Company for its executive officers.

(d) **Other Benefits.** The Executive will be eligible to participate in or receive benefits under the Company's employee benefit plans in effect from time to time, subject to the terms of such plans.

(e) **Paid Time Off.** The Executive will be entitled to take paid time off in accordance with the Company's applicable paid time off policy for executives, as may be in effect from time to time.

(f) **Equity.** As an inducement for the Executive to accept employment with the Company and enter into this Agreement, the Company will issue to the Executive an option to purchase shares of common stock of the Company with a fair market value of the equivalent of \$2,000,000, as determined based on the Black Scholes value as of the date of grant (the "Option"). The Option will be granted under the inducement award exception set forth in Nasdaq Marketplace Rule 5635(c)(4) outside of the Company's 2023 Stock Plan (the "Plan"). The Option will be governed by the terms of a grant agreement (the "Award Agreement"), and will include the following vesting schedule: 12/48ths of the total shares will vest on the one year anniversary of the vesting commencement date, and 1/48th of the total shares will vest each month thereafter on the same day of the month as the vesting commencement date (or if there is no corresponding day, on the last day of the month), subject to Executive's continued service through each such date. Notwithstanding anything to the contrary in the Award Agreement, Section 6(a)(ii) of this Agreement shall apply in the event of a termination by the Company without Cause or by the Executive for Good Reason in either event within the Change in Control Period (as such terms are defined below).

3. Termination. The Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) **Death.** The Executive's employment hereunder shall terminate upon the Executive's death.

(b) **Disability.** The Company may terminate the Executive's employment if the Executive is disabled and unable to perform or expected to be unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the California Fair Employment and Housing Act, the California Family Rights Act, the Family and Medical Leave Act of 1993, and the Americans with Disabilities Act.

(c) **Termination by the Company for Cause.** The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean any of the following:

(i) the Executive willfully fails or refuses to substantially perform the Executive's responsibilities under this Agreement, after demand for substantial performance has been given by the Board;

(ii) non-performance by the Executive of Executive's material duties (other than by reason of the Executive's physical or mental illness, incapacity or disability) which has continued for more than 30 days;

(iii) conduct by the Executive constituting an intentional act of misconduct in connection with the performance of Executive's duties, including, without limitation, acts of dishonesty or fraud and misappropriation of funds or property of the Company;

(iv) the Executive's commission of, or plea of guilty *ornolo contendere*, to a felony;

(v) the Executive's commission of, or plea of guilty *ornolo contendere* to, a misdemeanor involving moral turpitude, deceit, dishonesty or fraud;

(vi) the Executive materially breaches any provision of this Agreement or the Confidentiality Agreement;

(vii) any violation of Executive of the Company's ethics or insider trading policy;

(viii) a violation by the Executive of the Company's employment policies that causes or may cause harm to the Company;

(ix) the Executive's intentional violation of any applicable law or regulation affecting the Company in any material respect;

(x) the Executive's failure to reasonably cooperate with a bona fide internal investigation or an investigation by any government body, after being lawfully instructed by the Company to cooperate;

(xi) the Executive's willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the willful inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation;

(xii) the Executive is disqualified or barred by any governmental or self-regulatory authority from serving in the capacity contemplated by this Agreement; or

(xiii) the Executive engages in any financial accounting improprieties.

(d) **Termination by the Company without Cause.** The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement that does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.

(e) **Termination by the Executive.** The Executive may terminate employment hereunder at any time for any reason, including but not limited to, Good Reason. For purposes of this Agreement, "Good Reason" means that the Executive has completed all steps of the Good Reason Process (hereinafter defined) following the occurrence of any of the following events without the Executive's consent (each, a "Good Reason Condition"):

(i) a material diminution in the Executive's responsibilities, authority or duties;

(ii) a material diminution in the Executive's Base Salary except for across-the-board salary reductions similarly affecting all or substantially all senior management employees of the Company;

(iii) a material change in the geographic location of the principal office of the Company to which the Executive is assigned (or the Executive's remote office if the Executive is a remote employee), such that there is an increase of at least 30 miles of driving distance to such location from the Executive's principal residence as of such change; or

(iv) a material breach of this Agreement by the Company.

The "Good Reason Process" consists of the following steps:

- (v) the Executive reasonably determines in good faith that a Good Reason Condition has occurred;
- (vi) the Executive notifies the Company, in writing, of the first occurrence of the purpose for Executive claiming good reason (the "Good Reason Condition") within 30 days of the first occurrence of such condition and specifically says in that writing (a) what the Good Reason Condition is, (b) that the Executive is resigning for Good Reason because of the aforementioned condition, and (c) when Executive believes the first occurrence of such condition occurred;
- (vii) the Executive cooperates in good faith with the Company's efforts, for a period of not less than 30 days following such notice (the "Cure Period"), to remedy the Good Reason Condition;
- (viii) notwithstanding such efforts, the Good Reason Condition continues to exist at the end of the Cure Period; and
- (ix) the Executive terminates employment within 30 days after the end of the Cure Period.

If the Company cures the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

4. Matters related to Termination.

(a) **Notice of Termination.** Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" means a notice which shall indicate the specific termination provision in this Agreement relied upon.

(b) **Date of Termination.** "Date of Termination" means: (i) if the Executive's employment is terminated by death, the date of death; (ii) if the Executive's employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination; (iv) if the Executive's employment is terminated by the Executive under Section 3(e) other than for Good Reason, 30 days after the date on which a Notice of Termination is given, and (v) if the Executive's employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

(c) **Accrued Obligations.** If the Executive's employment with the Company is terminated for any reason, the Company will pay or provide to the Executive (or to the Executive's authorized representative or estate) (i) any Base Salary earned through the Date of Termination; (ii) unpaid expense reimbursements (subject to, and in accordance with, Section 2(c))

of this Agreement); and (iii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "Accrued Obligations").

(d) **Resignation of All Other Positions.** To the extent applicable, the Executive shall be deemed to have resigned from all officer and board member positions that the Executive holds with the Company or any of its respective subsidiaries and affiliates upon the termination of the Executive's employment for any reason. The Executive agrees to execute any documents in reasonable form as may be requested to confirm or effectuate any such resignations.

5. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason Outside the Change in Control Period. If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), the Executive terminates employment for Good Reason as provided in Section 3(e), in each case outside of the Change in Control Period (as defined below), then, in addition to the Accrued Obligations, and subject to (i) the Executive signing a separation agreement and release in a form and manner satisfactory to the Company, which shall include, without limitation, a general release of claims against the Company and all related persons and entities, a reaffirmation of all of the Executive's Continuing Obligations (as defined below), and shall provide that if the Executive breaches any of the Continuing Obligations, all payments of the Severance Amount shall immediately cease (the "Separation Agreement"), and (ii) the Separation Agreement becoming irrevocable, all within 60 days after the Date of Termination (the "Release Deadline") or such shorter period as set forth in the Separation Agreement (prongs (i) and (ii) are the "Release Requirement"):

(a) the Company shall pay the Executive an amount equal to 6 months of the Executive's Base Salary (the "Severance Amount"); and

(b) to the extent coverage is mandated by law and subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (or equivalent state law) ("COBRA"), the Company shall pay to the group health plan provider or the COBRA provider a monthly payment equal to both the monthly employee and the monthly employer contribution that the Company or the Executive would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the 6 month anniversary of the Date of Termination; (B) the date that the Executive becomes eligible for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's health continuation rights under COBRA; *provided, however*, that if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments to the Executive shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amounts payable under this Section 5, to the extent taxable, shall be paid out in lump sum in accordance with the Company's payroll practice within 60 days after the Date of Termination; *provided, however*, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments, to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), shall be paid in the second calendar year by the last day of such 60-day period. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

6. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason within the Change in Control Period. The provisions of this Section 6 shall apply in lieu of, and expressly supersede, the provisions of Section 5 if (i) the Executive's employment is terminated either (a) by the Company without Cause as provided in Section 3(d), or (b) by the Executive for Good Reason as provided in Section 3(e), and (ii) the Date of Termination is on or within 12 months after the occurrence of the first event constituting a Change in Control (such period, the "Change in Control Period").

(a) If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates employment for Good Reason as provided in Section 3(e) and in each case the Date of Termination occurs during the Change in Control Period, then, in addition to the Accrued Obligations, and subject to the Executive complying with the Release Requirement and the Release becoming fully effective within the Release Deadline:

(i) the Company shall pay the Executive an amount equal to 12 months of the Executive's Base Salary (the "Severance Amount") plus (B) the Executive's Target Bonus for the then-current year (or the Executive's Target Bonus in effect immediately prior to the Change in Control, if higher), prorated to reflect the number of days the Executive worked at the Company during the applicable year;

(ii) to the extent coverage is mandated by law and subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (or equivalent state law) ("COBRA"), the Company shall pay to the group health plan provider or the COBRA provider a monthly payment equal to both the monthly employee and the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the 12 month anniversary of the Date of Termination; (B) the date that the Executive becomes eligible for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's health continuation rights under COBRA; *provided, however*, that if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments to the Executive shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates; and

(iii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all stock options and other stock-based awards held by the Executive that are subject vesting (the "Unvested Equity Awards") shall immediately accelerate and become fully vested and exercisable or nonforfeitable, with any such awards subject to performance-based vesting conditions to be deemed vested at target levels, as of the later of (i) the Date of Termination or (ii) the effective date of the Release (the "Accelerated Vesting Date"), *provided* that in order to effectuate the accelerated vesting contemplated by this subsection, the unvested portion of the Executive's Unvested Equity Awards that would otherwise be forfeited on the Date of Termination will be delayed until the earlier of (A) the effective date of the Release (at which time acceleration will occur), or (B) the date that the Release can no longer become fully effective (at which time the unvested portion of the Executive's Unvested Equity Awards will be forfeited). Notwithstanding the foregoing, no additional vesting of the Unvested Equity Awards shall occur during the period between the Date of Termination and the Accelerated Vesting Date; and

(iv) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all stock options held by the Executive that are vested as of the date of the Executive's termination of employment (inclusive of, for the avoidance of doubt, any such stock options that become vested pursuant to the terms of Section 6(a)(iii)) shall remain exercisable until the first to occur of the date that is 12 months following the date of the Executive's termination of employment or the expiration date of such stock option.

The cash amounts payable under this Section 6(a), to the extent taxable, shall be paid in lump sum within 60 days after the Date of Termination; *provided, however*, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Code, shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code, and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; *provided* that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of

the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; *provided* that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 6(b), the "After Tax Amount" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes that could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 6(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Section 6, "Change in Control" shall mean "Sale Event" as defined in the Company's 2023 Stock Option and Incentive Plan.

7. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement or otherwise on account of the Executive's separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as

administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code or an applicable exemption. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder either comply with or are exempt from Section 409A of the Code. Each payment pursuant to this Agreement or the Confidentiality Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

8. Continuing Obligations.

(a) Employee Confidential Information and Inventions Assignment Agreement.

As a condition of employment, the Executive is required to enter into the Employee Confidential Information and Inventions Assignment Agreement, attached hereto as Exhibit A (the "Confidentiality Agreement"). For purposes of this Agreement, the obligations in this Section 8 and those that arise in the Confidentiality Agreement and any other agreement relating to confidentiality, assignment of inventions, shall collectively be referred to as the "Continuing Obligations." The Confidentiality Agreement includes a mutual arbitration provision.

(b) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive's use or disclosure of information, other than confidentiality restrictions (if any), or the Executive's engagement in any business. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the

Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(c) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in (i) the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company, and (ii) the investigation, whether internal or external, of any matters about which the Company believes the Executive may have knowledge or information. The Executive's full cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to answer questions or to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 8(c). Nothing in this Agreement prevents Employee from exercising any rights Employee may have under Section 7 of the National Labor Relations Act, including, without limitation, discussing any labor issue, dispute or term or condition of employment as part of engaging in concerted activities for the purpose of mutual aid or protection.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter.

10. Withholding; Tax Effect. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Executive for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

11. Assignment; Successors and Assigns. Neither the Executive nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; *provided, however*, that the Company may assign its rights and obligations under this Agreement (including the Confidentiality Agreement) without the Executive's consent to any affiliate or to any person or entity with whom the Company shall hereafter effect a reorganization or consolidation, into which the Company merges or to whom it transfers all or substantially all of its properties or assets; *provided, further* that if the Executive remains employed or becomes employed by the Company, the purchaser or any of their affiliates in connection with any such transaction, then the Executive shall not be entitled to any payments, benefits or vesting pursuant to Section 5 or pursuant to Section 6 of this Agreement solely as a

result of such transaction. This Agreement shall inure to the benefit of and be binding upon the Executive and the Company, and each of the Executive's and the Company's respective successors, executors, administrators, heirs and permitted assigns. In the event of the Executive's death after the Executive's termination of employment but prior to the completion by the Company of all payments due to the Executive under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to the Executive's death (or to the Executive's estate, if the Executive fails to make such designation).

12. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

13. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

14. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

15. Notices. Notices hereunder shall be deemed delivered upon the confirmation of delivery or of actual receipt by the addressee and shall be sent as follows:

If to the Executive:

the Executive's residential address or personal email address as either appears in the Company systems at the time of notice or the Executive's Company email address

and if to the Company:

CEO
Sagimet Biosciences Inc.
155 Bovet Road, Ste. 303
San Mateo, CA 94402
dave.happel@sagimet.com

or to such other address and/or person designated by a party in writing and in the same manner to the other party. Any written notice required to be provided by or to the Executive under this

Agreement may be provided by or to such representative or representatives as the Executive may designate by written notice to the Company.

16. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company other than Executive.

17. Effect on Other Plans and Agreements. An election by the Executive to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or policies except as otherwise provided in Section 8 hereof, and except that the Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. In the event that the Executive is party to an agreement with the Company providing for payments or benefits under such plan or agreement and under this Agreement, the terms of this Agreement shall govern and the Executive may receive payment under this Agreement only and not both. Further, Section 5 and Section 6 of this Agreement are mutually exclusive and in no event shall the Executive be entitled to payments or benefits pursuant to both Section 5 and Section 6 of this Agreement.

18. Governing Law. This is a California contract and shall be construed under and be governed in all respects by the laws of California, without giving effect to the conflict of laws principles thereof.

19. Conditions. Notwithstanding anything to the contrary herein, the effectiveness of this Agreement shall be conditioned on (i) the Executive's satisfactory completion of reference and background checks, if so requested by the Company. If the foregoing is not satisfactorily completed, Executive's employment will terminate for Cause.

20. Counterparts. This Agreement may be executed in any number of counterparts and by electronic signature (including but not limited to DocuSign), each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the Effective Date.

SAGIMET BIOSCIENCES, INC.

By: /s/ David Happel _____

Its: CEO _____

David Happel

/s/ Thierry Chauche _____
Thierry Chauche

AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement ("Agreement") is made between Sagimet Biosciences, Inc., (the "Company"), and David Happel (the "Executive") and is effective as of June 5, 2024 (the "Effective Date"). Except with respect to the Equity Documents and the Continuing Obligations (each, as defined below), this Agreement supersedes in all respects all prior agreements between the Executive and the Company regarding the subject matter herein, including without limitation (i) the Executive Employment Agreement dated August 7, 2023, (ii) the Employment Agreement between the Executive and the Company dated October 3, 2022, and (iii) any offer letter, as applicable (collectively, the "Prior Agreement").

WHEREAS, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the new terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Company shall continue to employ the Executive and the Executive shall be employed by the Company pursuant to this Agreement commencing as of the Effective Date and until either party terminates the employment relationship in accordance with this Agreement. Notwithstanding anything in the foregoing, the Executive's employment with the Company shall continue to be "at will," meaning that the Executive's employment may be terminated by the Company or the Executive at any time and for any reason or no reason, with or without Cause, and with or without notice.

(b) Position and Duties. The Executive shall serve as the President and CEO of the Company and shall have such powers and duties as may from time to time be prescribed by the Board of Directors (the "Board"). The Executive will devote the Executive's full working time and efforts to the business and affairs of the Company. While employed by the Company, the Executive agrees not to undertake or engage in any consulting, employment, occupation, investment or business enterprise for other parties that may create a conflict of interest with the Company. Further Executive agrees that during the term of Executive's employment with the Company, Executive will not engage in any such activities that are directly related to the business in which the Company is now involved or becomes involved during the term of Executive's employment.

2. Compensation and Related Matters.

(a) **Base Salary**. The Executive's base salary is \$582,000 per year. The Executive's base salary will be subject to periodic review by the Board or the Compensation Committee of the Board (the "Compensation Committee") in its discretion. The base salary in

effect at any given time is referred to herein as Base Salary." The Base Salary will be payable in a manner that is consistent with the Company's usual payroll practices for its executive officers.

(b) **Incentive Compensation.** The Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. The Executive's initial target annual incentive compensation will be 55% of the Executive's Base Salary. The target annual incentive compensation in effect at any given time is referred to herein as "Target Bonus." The actual amount of the Executive's annual incentive compensation, if any, shall be determined in the sole discretion of the Board or the Compensation Committee, subject to the terms of any applicable incentive compensation plan that may be in effect from time to time. Except as otherwise provided herein or as may be provided by the Board or the Compensation Committee or as may otherwise be set forth in the applicable incentive compensation plan, the Executive must be employed by the Company on the date such incentive compensation is paid in order to earn or receive any annual incentive compensation.

(c) **Expenses.** The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive during the term of Executive's employment in performing services hereunder, in accordance with applicable law and the policies and procedures then in effect and established by the Company for its executive officers.

(d) **Other Benefits.** The Executive will be eligible to participate in or receive benefits under the Company's employee benefit plans in effect from time to time, subject to the terms of such plans.

(e) **Paid Time Off.** The Executive will be entitled to take paid time off in accordance with the Company's applicable paid time off policy for executives, as may be in effect from time to time.

(f) **Equity.** The equity awards held by the Executive will continue to be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s) governing the terms of such equity awards (collectively, the "Equity Documents"); *provided, however*, and notwithstanding anything to the contrary in the Equity Documents, Section 6(a)(ii) of this Agreement shall apply in the event of a termination by the Company without Cause or by the Executive for Good Reason in either event within the Change in Control Period (as such terms are defined below).

3. Termination. The Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) **Death.** The Executive's employment hereunder shall terminate upon the Executive's death.

(b) **Disability.** The Company may terminate the Executive's employment if the Executive is disabled and unable to perform or expected to be unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing

position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the California Fair Employment and Housing Act, the California Family Rights Act, the Family and Medical Leave Act of 1993, and the Americans with Disabilities Act.

(c) **Termination by the Company for Cause.** The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean any of the following:

(i) the Executive willfully fails or refuses to substantially perform the Executive's responsibilities under this Agreement, after demand for substantial performance has been given by the Board;

(ii) non-performance by the Executive of Executive's material duties (other than by reason of the Executive's physical or mental illness, incapacity or disability) which has continued for more than 30 days;

(iii) conduct by the Executive constituting an intentional act of misconduct in connection with the performance of Executive's duties, including, without limitation, acts of dishonesty or fraud and misappropriation of funds or property of the Company;

(iv) the Executive's commission of, or plea of guilty *omolo contendere*, to a felony;

(v) the Executive's commission of, or plea of guilty *omolo contendere* to, a misdemeanor involving moral turpitude, deceit, dishonesty or fraud;

(vi) the Executive materially breaches any provision of this Agreement or the Confidentiality Agreement;

(vii) any violation of Executive of the Company's ethics or insider trading policy;

(viii) a violation by the Executive of the Company's employment policies that causes or may cause harm to the Company;

(ix) the Executive's intentional violation of any applicable law or regulation affecting the Company in any material respect;

(x) the Executive's failure to reasonably cooperate with a bona fide internal investigation or an investigation by any government body, after being lawfully instructed by the Company to cooperate;

(xi) the Executive's willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the willful inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation;

(xii) the Executive is disqualified or barred by any governmental or self-regulatory authority from serving in the capacity contemplated by this Agreement; or

(xiii) the Executive engages in any financial accounting improprieties.

(d) **Termination by the Company without Cause.** The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement that does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.

(e) **Termination by the Executive.** The Executive may terminate employment hereunder at any time for any reason, including but not limited to, Good Reason. For purposes of this Agreement, "Good Reason" means that the Executive has completed all steps of the Good Reason Process (hereinafter defined) following the occurrence of any of the following events without the Executive's consent (each, a "Good Reason Condition"):

(i) a material diminution in the Executive's responsibilities, authority or duties;

(ii) a material diminution in the Executive's Base Salary except for across-the-board salary reductions similarly affecting all or substantially all senior management employees of the Company;

(iii) a material change in the geographic location of the principal office of the Company to which the Executive is assigned (or the Executive's remote office if the Executive is a remote employee), such that there is an increase of at least 30 miles of driving distance to such location from the Executive's principal residence as of such change; or

(iv) a material breach of this Agreement by the Company.

The "Good Reason Process" consists of the following steps:

(v) the Executive reasonably determines in good faith that a Good Reason Condition has occurred;

(vi) the Executive notifies the Company, in writing, of the first occurrence of the purpose for Executive claiming good reason (the "Good Reason

Condition”) within 30 days of the first occurrence of such condition and specifically says in that writing (a) what the Good Reason Condition is, (b) that the Executive is resigning for Good Reason because of the aforementioned condition, and (c) when Executive believes the first occurrence of such condition occurred;

(vii) the Executive cooperates in good faith with the Company’s efforts, for a period of not less than 30 days following such notice (the “Cure Period”), to remedy the Good Reason Condition;

(viii) notwithstanding such efforts, the Good Reason Condition continues to exist at the end of the Cure Period; and

(ix) the Executive terminates employment within 30 days after the end of the Cure Period.

If the Company cures the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

4. Matters related to Termination.

(a) **Notice of Termination.** Except for termination as specified in Section 3(a), any termination of the Executive’s employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a “Notice of Termination” means a notice which shall indicate the specific termination provision in this Agreement relied upon.

(b) **Date of Termination.** “Date of Termination” means: (i) if the Executive’s employment is terminated by death, the date of death; (ii) if the Executive’s employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive’s employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination; (iv) if the Executive’s employment is terminated by the Executive under Section 3(e) other than for Good Reason, 30 days after the date on which a Notice of Termination is given, and (v) if the Executive’s employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

(c) **Accrued Obligations.** If the Executive’s employment with the Company is terminated for any reason, the Company will pay or provide to the Executive (or to the Executive’s authorized representative or estate) (i) any Base Salary earned through the Date of Termination; (ii) unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement); and (iii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the “Accrued Obligations”).

(d) **Resignation of All Other Positions.** To the extent applicable, the Executive shall be deemed to have resigned from all officer and board member positions that the Executive holds with the Company or any of its respective subsidiaries and affiliates upon the termination of the Executive's employment for any reason. The Executive agrees to execute any documents in reasonable form as may be requested to confirm or effectuate any such resignations.

(e) **Outside Activities.** Throughout your employment with the Company, you may engage in civic and not-for-profit activities so long as such activities do not interfere with the performance of your duties hereunder or present a conflict of interest with the Company. During your employment by the Company, except on behalf of the Company or with the Company's advance written consent, you will not engage in any employment or business activity that directly or indirectly interferes with your responsibilities and the performance of your duties, or would otherwise conflict with your employment by the Company; provided, however, that you may purchase or otherwise acquire up to (but not more than) one percent (1%) of any class of securities of any enterprise (but without participating in the activities of such enterprise) if such securities are listed on any national or regional securities exchange. You represent that you currently serve on the board of directors for Currax Pharmaceutical LLC ("Currax") and you currently serve as a consultant for Horizon Therapeutics plc ("HZNP") (collectively, "Existing Engagement"). You represent and warrant that your Existing Engagement does not conflict with your employment by the Company or interfere with your obligations to the Company or restrict your abilities to perform your duties to the Company, and that your services to the Company will not be in breach of any agreement with Currax or HZNP. You agree to immediately notify the Company of any conflict or potential conflict with your duties to the Company or the Company's business interests that may arise from your Existing Engagement. The Company may at any time withdraw its consent for you to continue your Existing Engagement if, in the Company's sole discretion, it determines that such services conflict with the Company's business interests or the performance of your duties to the Company. You also agree not to conduct any services for your Existing Engagement while on the Company worksite, or use any Company property or equipment to conduct any work for your Existing Engagement. Similarly, you agree not to conduct any work for the Company while at Currax or HZNP facilities, or use any property or equipment of Currax or HZNP to conduct work for the Company.

5. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason Outside the Change in Control Period. If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates employment for Good Reason as provided in Section 3(e), in each case outside of the Change in Control Period (as defined below), then, in addition to the Accrued Obligations, and subject to (i) the Executive signing a separation agreement and release in a form and manner satisfactory to the Company, which shall include, without limitation, a general release of claims against the Company and all related persons and entities, a reaffirmation of all of the Executive's Continuing Obligations (as defined below), and shall provide that if the Executive breaches any of the Continuing Obligations, all payments of the Severance Amount shall immediately cease (the "Separation Agreement"), and (ii) the Separation Agreement becoming irrevocable, all within 60 days after the Date of Termination (the "Release Deadline") or such shorter period as set forth in the Separation Agreement (prongs (i) and (ii) are the "Release Requirement"):

(a) the Company shall pay the Executive an amount equal to 12 months of the Executive's Base Salary (the "Severance Amount"); and

(b) to the extent coverage is mandated by law and subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (or equivalent state law) ("COBRA"), the Company shall pay to the group health plan provider or the COBRA provider a monthly payment equal to both the monthly employee and the monthly employer contribution that the Company or the Executive would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the 12 month anniversary of the Date of Termination; (B) the date that the Executive becomes eligible for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's health continuation rights under COBRA; *provided, however*, that if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments to the Executive shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amounts payable under this Section 5, to the extent taxable, shall be paid out in lump sum in accordance with the Company's payroll practice within 60 days after the Date of Termination; *provided, however*, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments, to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), shall be paid in the second calendar year by the last day of such 60-day period. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

6. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason within the Change in Control Period. The provisions of this Section 6 shall apply in lieu of, and expressly supersede, the provisions of Section 5 if (i) the Executive's employment is terminated either (a) by the Company without Cause as provided in Section 3(d), or (b) by the Executive for Good Reason as provided in Section 3(e), and (ii) the Date of Termination is on or within 12 months after the occurrence of the first event constituting a Change in Control (such period, the "Change in Control Period").

(a) If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates employment for Good Reason as provided in Section 3(e) and in each case the Date of Termination occurs during the Change in Control Period, then, in addition to the Accrued Obligations, and subject to the Executive complying with the Release Requirement and the Release becoming fully effective within the Release Deadline:

(i) the Company shall pay the Executive an amount equal to 18 months of the Executive's Base Salary (the "Severance Amount") plus (B) the Executive's Target Bonus for the then-current year (or the Executive's Target Bonus in effect immediately

prior to the Change in Control, if higher), prorated to reflect the number of days the Executive worked at the Company during the applicable year;

(ii) to the extent coverage is mandated by law and subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (or equivalent state law) ("COBRA"), the Company shall pay to the group health plan provider or the COBRA provider a monthly payment equal to both the monthly employee and the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the 18 month anniversary of the Date of Termination; (B) the date that the Executive becomes eligible for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's health continuation rights under COBRA; *provided, however*, that if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments to the Executive shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates; and

(iii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all stock options and other stock-based awards held by the Executive that are subject vesting (the "Unvested Equity Awards") shall immediately accelerate and become fully vested and exercisable or nonforfeitable, with any such awards subject to performance-based vesting conditions to be deemed vested at target levels, as of the later of (i) the Date of Termination or (ii) the effective date of the Release (the "Accelerated Vesting Date"), *provided* that in order to effectuate the accelerated vesting contemplated by this subsection, the unvested portion of the Executive's Unvested Equity Awards that would otherwise be forfeited on the Date of Termination will be delayed until the earlier of (A) the effective date of the Release (at which time acceleration will occur), or (B) the date that the Release can no longer become fully effective (at which time the unvested portion of the Executive's Unvested Equity Awards will be forfeited). Notwithstanding the foregoing, no additional vesting of the Unvested Equity Awards shall occur during the period between the Date of Termination and the Accelerated Vesting Date; and

(iv) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all stock options held by the Executive that are vested as of the date of the Executive's termination of employment (inclusive of, for the avoidance of doubt, any such stock options that become vested pursuant to the terms of Section 6(a)(iii)) shall remain exercisable until the first to occur of the date that is 12 months following the date of the Executive's termination of employment or the expiration date of such stock option.

The cash amounts payable under this Section 6(a), to the extent taxable, shall be paid in lump sum within 60 days after the Date of Termination; *provided, however*, that if the 60-day period begins

in one calendar year and ends in a second calendar year, such payments to the extent they qualify as “non-qualified deferred compensation” within the meaning of Section 409A of the Code, shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code, and the applicable regulations thereunder (the “Aggregate Payments”), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; *provided* that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; *provided* that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 6(b), the “After Tax Amount” means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive’s receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes that could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 6(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the “Accounting Firm”), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Section 6, “Change in Control” shall mean “Sale Event” as defined in the Company’s 2023 Stock Option and Incentive Plan.

7. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement or otherwise on account of the Executive's separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code or an applicable exemption. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder either comply with or are exempt from Section 409A of the Code. Each payment pursuant to this Agreement or the Confidentiality Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

8. Continuing Obligations.

(a) Employee Confidential Information and Inventions Assignment Agreement. Executive acknowledges and agrees that all obligations under the Employee Confidential Information and Inventions Assignment Agreement remain in full force and effect (the "Confidentiality Agreement"). For purposes of this Agreement, the obligations in this Section 8 and those that arise in the Confidentiality Agreement and any other agreement relating to confidentiality, assignment of inventions, shall collectively be referred to as the "Continuing Obligations." The Confidentiality Agreement includes a mutual arbitration provision. Executive hereby reaffirms all of Executive's Continuing Obligations.

(b) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive's use or disclosure of information, other than confidentiality restrictions (if any), or the Executive's engagement in any business. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(c) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in (i) the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company, and (ii) the investigation, whether internal or external, of any matters about which the Company believes the Executive may have knowledge or information. The Executive's full cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to answer questions or to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 8(c). Nothing in this Agreement prevents Employee from exercising any rights Employee may have under Section 7 of the National Labor Relations Act, including, without limitation, discussing any labor issue, dispute

or term or condition of employment as part of engaging in concerted activities for the purpose of mutual aid or protection.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, including the Prior Agreement, ***provided that the Continuing Obligations and Equity Documents remain in full force and effect.***

10. Withholding; Tax Effect. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Executive for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

11. Assignment; Successors and Assigns. Neither the Executive nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; *provided, however*, that the Company may assign its rights and obligations under this Agreement (including the Confidentiality Agreement) without the Executive's consent to any affiliate or to any person or entity with whom the Company shall hereafter effect a reorganization or consolidation, into which the Company merges or to whom it transfers all or substantially all of its properties or assets; *provided, further* that if the Executive remains employed or becomes employed by the Company, the purchaser or any of their affiliates in connection with any such transaction, then the Executive shall not be entitled to any payments, benefits or vesting pursuant to Section 5 or pursuant to Section 6 of this Agreement solely as a result of such transaction. This Agreement shall inure to the benefit of and be binding upon the Executive and the Company, and each of the Executive's and the Company's respective successors, executors, administrators, heirs and permitted assigns. In the event of the Executive's death after the Executive's termination of employment but prior to the completion by the Company of all payments due to the Executive under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to the Executive's death (or to the Executive's estate, if the Executive fails to make such designation).

12. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

13. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

14. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this

Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

15. Notices. Notices hereunder shall be deemed delivered upon the confirmation of delivery or of actual receipt by the addressee and shall be sent as follows:

If to the Executive:

the Executive's residential address or personal email address as either appears in the Company systems at the time of notice or the Executive's Company email address

and if to the Company:

Legal Department

Sagimet Biosciences Inc.

155 Bovet Road, Ste. 303

San Mateo, CA 94402

legal@sagimet.com

or to such other address and/or person designated by a party in writing and in the same manner to the other party. Any written notice required to be provided by or to the Executive under this Agreement may be provided by or to such representative or representatives as the Executive may designate by written notice to the Company.

16. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company other than Executive.

17. Effect on Other Plans and Agreements. An election by the Executive to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or policies except as otherwise provided in Section 8 hereof, and except that the Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. In the event that the Executive is party to an agreement with the Company providing for payments or benefits under such plan or agreement and under this Agreement, the terms of this Agreement shall govern and the Executive may receive payment under this Agreement only and not both. Further, Section 5 and Section 6 of this Agreement are mutually exclusive and in no event shall the Executive be entitled to payments or benefits pursuant to both Section 5 and Section 6 of this Agreement.

18. Governing Law. This is a California contract and shall be construed under and be governed in all respects by the laws of California, without giving effect to the conflict of laws principles thereof.

19. Counterparts. This Agreement may be executed in any number of counterparts and by electronic signature (including but not limited to DocuSign), each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the Effective Date.

SAGIMET BIOSCIENCES, INC.

By: /s/ George Kemble _____

Its: Executive Chairman _____

George Kemble

/s/ David Happel _____
David Happel

AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement ("Agreement") is made between Sagimet Biosciences, Inc., (the "Company"), and George Kemble (the "Executive") and is effective as of June 5, 2024 (the "Effective Date"). Except with respect to the Equity Documents and the Continuing Obligations (each, as defined below), this Agreement supersedes in all respects all prior agreements between the Executive and the Company regarding the subject matter herein, including without limitation (i) the Executive Employment Agreement dated August 7, 2023, (ii) the Employment Agreement between the Executive and the Company dated June 27, 2011, as amended and restated on October 14, 2022, and (iii) any offer letter, as applicable (collectively, the "Prior Agreement").

WHEREAS, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the new terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Company shall continue to employ the Executive and the Executive shall be employed by the Company pursuant to this Agreement commencing as of the Effective Date and until either party terminates the employment relationship in accordance with this Agreement. Notwithstanding anything in the foregoing, the Executive's employment with the Company shall continue to be "at will," meaning that the Executive's employment may be terminated by the Company or the Executive at any time and for any reason or no reason, with or without Cause, and with or without notice.

(b) Position and Duties. The Executive shall serve as the Executive Chairman of the Company and shall have such powers and duties as may from time to time be prescribed by the Board. Executive will perform Executive's duties within a time commitment averaging three full-time days per week, although Executive's job duties may require that Executive work additional hours. The Executive will devote the Executive's full working time and efforts to the business and affairs of the Company. While employed by the Company, the Executive agrees not to undertake or engage in any consulting, employment, occupation, investment or business enterprise for other parties that may create a conflict of interest with the Company. Further Executive agrees that during the term of Executive's employment with the Company, Executive will not engage in any such activities that are directly related to the business in which the Company is now involved or becomes involved during the term of Executive's employment.

(c) Service on the Board of Directors. In addition to Executive's job duties as Executive Chairman, Executive will continue to serve as the Chair of the Company's Board of Directors ("Chairman"), performing such duties as are customarily associated with such position.

Executive will perform Executive's duties as Chairman within a time commitment averaging one full-time day per week, although Executive's job duties may require that Executive work additional hours.

2. Compensation and Related Matters.

(a) **Base Salary.** The Executive's base salary is \$520,000 per year. The Executive's base salary will be subject to periodic review by the Board or the Compensation Committee of the Board (the "Compensation Committee") in its discretion. The base salary in effect at any given time is referred to herein as "Base Salary." The Base Salary will be payable in a manner that is consistent with the Company's usual payroll practices for its executive officers.

(b) **Incentive Compensation.** The Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. The actual amount of the Executive's annual incentive compensation, if any, shall be determined in the sole discretion of the Board or the Compensation Committee, subject to the terms of any applicable incentive compensation plan that may be in effect from time to time. Except as otherwise provided herein or as may be provided by the Board or the Compensation Committee or as may otherwise be set forth in the applicable incentive compensation plan, the Executive must be employed by the Company on the date such incentive compensation is paid in order to earn or receive any annual incentive compensation.

(c) **Expenses.** The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive during the term of Executive's employment in performing services hereunder, in accordance with applicable law and the policies and procedures then in effect and established by the Company for its executive officers.

(d) **Other Benefits.** The Executive will be eligible to participate in or receive benefits under the Company's employee benefit plans in effect from time to time, subject to the terms of such plans.

(e) **Paid Time Off.** The Executive will be entitled to take paid time off in accordance with the Company's applicable paid time off policy for executives, as may be in effect from time to time.

(f) **Equity.** The equity awards held by the Executive will continue to be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s) governing the terms of such equity awards (collectively, the "Equity Documents"); *provided, however*, and notwithstanding anything to the contrary in the Equity Documents, Section 6(a)(ii) of this Agreement shall apply in the event of a termination by the Company without Cause or by the Executive for Good Reason in either event within the Change in Control Period (as such terms are defined below).

3. Termination. The Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) **Death.** The Executive's employment hereunder shall terminate upon the Executive's death.

(b) **Disability.** The Company may terminate the Executive's employment if the Executive is disabled and unable to perform or expected to be unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the California Fair Employment and Housing Act, the California Family Rights Act, the Family and Medical Leave Act of 1993, and the Americans with Disabilities Act.

(c) **Termination by the Company for Cause.** The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean any of the following:

(i) the Executive willfully fails or refuses to substantially perform the Executive's responsibilities under this Agreement, after demand for substantial performance has been given by the Board;

(ii) non-performance by the Executive of Executive's material duties (other than by reason of the Executive's physical or mental illness, incapacity or disability) which has continued for more than 30 days;

(iii) conduct by the Executive constituting an intentional act of misconduct in connection with the performance of Executive's duties, including, without limitation, acts of dishonesty or fraud and misappropriation of funds or property of the Company;

(iv) the Executive's commission of, or plea of guilty *ornolo contendere*, to a felony;

(v) the Executive's commission of, or plea of guilty *ornolo contendere* to, a misdemeanor involving moral turpitude, deceit, dishonesty or fraud;

(vi) the Executive materially breaches any provision of this Agreement or the Confidentiality Agreement;

(vii) any violation of Executive of the Company's ethics or insider trading policy;

(viii) a violation by the Executive of the Company's employment policies that causes or may cause harm to the Company;

(ix) the Executive's intentional violation of any applicable law or regulation affecting the Company in any material respect;

(x) the Executive's failure to reasonably cooperate with a bona fide internal investigation or an investigation by any government body, after being lawfully instructed by the Company to cooperate;

(xi) the Executive's willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the willful inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation;

(xii) the Executive is disqualified or barred by any governmental or self-regulatory authority from serving in the capacity contemplated by this Agreement; or

(xiii) the Executive engages in any financial accounting improprieties.

(d) **Termination by the Company without Cause.** The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement that does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.

(e) **Termination by the Executive.** The Executive may terminate employment hereunder at any time for any reason, including but not limited to, Good Reason. For purposes of this Agreement, "Good Reason" means that the Executive has completed all steps of the Good Reason Process (hereinafter defined) following the occurrence of any of the following events without the Executive's consent (each, a "Good Reason Condition"):

(i) a material diminution in the Executive's responsibilities, authority or duties;

(ii) a material diminution in the Executive's Base Salary except for across-the-board salary reductions similarly affecting all or substantially all senior management employees of the Company;

(iii) a material change in the geographic location of the principal office of the Company to which the Executive is assigned (or the Executive's remote office if the Executive is a remote employee), such that there is an increase of at least 30 miles of driving distance to such location from the Executive's principal residence as of such change; or

(iv) a material breach of this Agreement by the Company.

The "Good Reason Process" consists of the following steps:

(v) the Executive reasonably determines in good faith that a Good Reason Condition has occurred;

(vi) the Executive notifies the Company, in writing, of the first occurrence of the purpose for Executive claiming good reason (the "Good Reason Condition") within 30 days of the first occurrence of such condition and specifically says in that writing (a) what the Good Reason Condition is, (b) that the Executive is resigning for Good Reason because of the aforementioned condition, and (c) when Executive believes the first occurrence of such condition occurred;

(vii) the Executive cooperates in good faith with the Company's efforts, for a period of not less than 30 days following such notice (the "Cure Period"), to remedy the Good Reason Condition;

(viii) notwithstanding such efforts, the Good Reason Condition continues to exist at the end of the Cure Period; and

(ix) the Executive terminates employment within 30 days after the end of the Cure Period.

If the Company cures the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

4. Matters related to Termination.

(a) **Notice of Termination.** Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" means a notice which shall indicate the specific termination provision in this Agreement relied upon.

(b) **Date of Termination.** "Date of Termination" means: (i) if the Executive's employment is terminated by death, the date of death; (ii) if the Executive's employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination; (iv) if the Executive's employment is terminated by the Executive under Section 3(e) other than for Good Reason, 30 days after the date on which a Notice of Termination is given, and (v) if the Executive's employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

(c) **Accrued Obligations.** If the Executive's employment with the Company is terminated for any reason, the Company will pay or provide to the Executive (or to the Executive's authorized representative or estate) (i) any Base Salary earned through the Date of

Termination; (ii) unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement); and (iii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "Accrued Obligations").

5. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason Outside the Change in Control Period. If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates employment for Good Reason as provided in Section 3(e), in each case outside of the Change in Control Period (as defined below), then, in addition to the Accrued Obligations, and subject to (i) the Executive signing a separation agreement and release in a form and manner satisfactory to the Company, which shall include, without limitation, a general release of claims against the Company and all related persons and entities, a reaffirmation of all of the Executive's Continuing Obligations (as defined below), and shall provide that if the Executive breaches any of the Continuing Obligations, all payments of the Severance Amount shall immediately cease (the "Separation Agreement"), and (ii) the Separation Agreement becoming irrevocable, all within 60 days after the Date of Termination (the "Release Deadline") or such shorter period as set forth in the Separation Agreement (prongs (i) and (ii) are the "Release Requirement"):

(a) the Company shall pay the Executive an amount equal to 6 months of the Executive's Base Salary (the "Severance Amount"); and

(b) to the extent coverage is mandated by law and subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (or equivalent state law) ("COBRA"), the Company shall pay to the group health plan provider or the COBRA provider a monthly payment equal to both the monthly employee and the monthly employer contribution that the Company or the Executive would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the 6 month anniversary of the Date of Termination; (B) the date that the Executive becomes eligible for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's health continuation rights under COBRA; *provided, however*, that if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments to the Executive shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amounts payable under this Section 5, to the extent taxable, shall be paid out in lump sum in accordance with the Company's payroll practice within 60 days after the Date of Termination; *provided, however*, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments, to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), shall be paid in the second calendar year by the last day of such 60-day period. Each

payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

6. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason within the Change in Control Period. The provisions of this Section 6 shall apply in lieu of, and expressly supersede, the provisions of Section 5 if (i) the Executive's employment is terminated either (a) by the Company without Cause as provided in Section 3(d), or (b) by the Executive for Good Reason as provided in Section 3(e), and (ii) the Date of Termination is on or within 12 months after the occurrence of the first event constituting a Change in Control (such period, the "Change in Control Period").

(a) If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates employment for Good Reason as provided in Section 3(e) and in each case the Date of Termination occurs during the Change in Control Period, then, in addition to the Accrued Obligations, and subject to the Executive complying with the Release Requirement and the Release becoming fully effective within the Release Deadline:

(i) the Company shall pay the Executive an amount equal to 12 months of the Executive's Base Salary (the "Severance Amount");

(ii) to the extent coverage is mandated by law and subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (or equivalent state law) ("COBRA"), the Company shall pay to the group health plan provider or the COBRA provider a monthly payment equal to both the monthly employee and the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the 12 month anniversary of the Date of Termination; (B) the date that the Executive becomes eligible for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's health continuation rights under COBRA; *provided, however*, that if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments to the Executive shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates; and

(iii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all stock options and other stock-based awards held by the Executive that are subject vesting (the "Unvested Equity Awards") shall immediately accelerate and become fully vested and exercisable or nonforfeitable, with any such awards subject to performance-based vesting conditions to be deemed vested at target levels, as of the later of (i) the Date of Termination or (ii) the effective date of the Release (the "Accelerated Vesting Date"), *provided* that in order to effectuate the accelerated vesting contemplated by this subsection, the unvested portion of the

Executive's Unvested Equity Awards that would otherwise be forfeited on the Date of Termination will be delayed until the earlier of (A) the effective date of the Release (at which time acceleration will occur), or (B) the date that the Release can no longer become fully effective (at which time the unvested portion of the Executive's Unvested Equity Awards will be forfeited). Notwithstanding the foregoing, no additional vesting of the Unvested Equity Awards shall occur during the period between the Date of Termination and the Accelerated Vesting Date; and

(iv) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all stock options held by the Executive that are vested as of the date of the Executive's termination of employment (inclusive of, for the avoidance of doubt, any such stock options that become vested pursuant to the terms of Section 6(a)(iii)) shall remain exercisable until the first to occur of the date that is 12 months following the date of the Executive's termination of employment or the expiration date of such stock option.

The cash amounts payable under this Section 6(a), to the extent taxable, shall be paid in lump sum within 60 days after the Date of Termination; *provided, however*, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Code, shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code, and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; *provided* that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; *provided* that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 6(b), the "After Tax Amount" means the amount of the Aggregate Payments less all federal, state, and local income, excise and

employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes that could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 6(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Section 6, "Change in Control" shall mean "Sale Event" as defined in the Company's 2023 Stock Option and Incentive Plan.

7. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement or otherwise on account of the Executive's separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code or an applicable exemption. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder either comply with or are exempt from Section 409A of the Code. Each payment pursuant to this Agreement or the Confidentiality Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

8. Continuing Obligations.

(a) Employee Confidential Information and Inventions Assignment Agreement Executive acknowledges and agrees that all obligations under the Employee Confidential Information and Inventions Assignment Agreement remain in full force and effect (the "Confidentiality Agreement"). For purposes of this Agreement, the obligations in this Section 8 and those that arise in the Confidentiality Agreement and any other agreement relating to confidentiality, assignment of inventions, shall collectively be referred to as the "Continuing Obligations." The Confidentiality Agreement includes a mutual arbitration provision. Executive hereby reaffirms all of Executive's Continuing Obligations.

(b) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive's use or disclosure of information, other than confidentiality restrictions (if any), or the Executive's engagement in any business. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(c) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in (i) the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company, and (ii) the investigation, whether internal or external, of any matters about which the Company believes the Executive may have knowledge or information. The Executive's full cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to answer questions or to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 8(c). Nothing in this Agreement prevents Employee from exercising any rights Employee may have under Section 7 of the National Labor Relations Act, including, without limitation, discussing any labor issue, dispute or term or condition of employment as part of engaging in concerted activities for the purpose of mutual aid or protection.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, including the Prior Agreement, ***provided that the Continuing Obligations and Equity Documents remain in full force and effect.***

10. Withholding; Tax Effect. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Executive for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

11. Assignment; Successors and Assigns. Neither the Executive nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; *provided, however*, that the Company may assign its rights and obligations under this Agreement (including the Confidentiality Agreement) without the Executive's consent to any affiliate or to any person or entity with whom the Company shall hereafter effect a reorganization or consolidation, into which the Company merges or to whom it transfers all or substantially all of its properties or assets; *provided, further* that if the Executive remains employed or becomes employed by the Company, the purchaser or any of their affiliates in connection with any such transaction, then the Executive shall not be entitled to any payments, benefits or vesting pursuant to Section 5 or pursuant to Section 6 of this Agreement solely as a result of such transaction. This Agreement shall inure to the benefit of and be binding upon the Executive and the Company, and each of the Executive's and the Company's respective successors, executors, administrators, heirs and permitted assigns. In the event of the Executive's death after the Executive's termination of employment but prior to the completion by the Company of all payments due to the Executive under this Agreement, the Company shall continue such

payments to the Executive's beneficiary designated in writing to the Company prior to the Executive's death (or to the Executive's estate, if the Executive fails to make such designation).

12. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

13. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

14. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

15. Notices. Notices hereunder shall be deemed delivered upon the confirmation of delivery or of actual receipt by the addressee and shall be sent as follows:

If to the Executive:

the Executive's residential address or personal email address as either appears in the Company systems at the time of notice or the Executive's Company email address

and if to the Company:

Legal Department

Sagimet Biosciences Inc.

155 Bovet Road, Ste. 303

San Mateo, CA 94402

legal@sagimet.com

or to such other address and/or person designated by a party in writing and in the same manner to the other party. Any written notice required to be provided by or to the Executive under this Agreement may

be provided by or to such representative or representatives as the Executive may designate by written notice to the Company.

16. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company other than Executive.

17. Effect on Other Plans and Agreements. An election by the Executive to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or policies except as otherwise provided in Section 8 hereof, and except that the Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. In the event that the Executive is party to an agreement with the Company providing for payments or benefits under such plan or agreement and under this Agreement, the terms of this Agreement shall govern and the Executive may receive payment under this Agreement only and not both. Further, Section 5 and Section 6 of this Agreement are mutually exclusive and in no event shall the Executive be entitled to payments or benefits pursuant to both Section 5 and Section 6 of this Agreement.

18. Governing Law. This is a California contract and shall be construed under and be governed in all respects by the laws of California, without giving effect to the conflict of laws principles thereof.

19. Counterparts. This Agreement may be executed in any number of counterparts and by electronic signature (including but not limited to DocuSign), each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the Effective Date.

SAGIMET BIOSCIENCES, INC.

By: /s/ David Happel

Its: CEO

David Happel

/s/ George Kemble
George Kemble

AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement ("Agreement") is made between Sagimet Biosciences, Inc., (the "Company"), and Eduardo Martins (the "Executive") and is effective as of June 5, 2024 (the "Effective Date"). Except with respect to the Equity Documents and the Continuing Obligations (each, as defined below), this Agreement supersedes in all respects all prior agreements between the Executive and the Company regarding the subject matter herein, including without limitation (i) the Executive Employment Agreement dated August 7, 2023, (ii) the Employment Agreement between the Executive and the Company dated February 9, 2021, and (iii) any offer letter, as applicable (collectively, the "Prior Agreement").

WHEREAS, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the new terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Company shall continue to employ the Executive and the Executive shall be employed by the Company pursuant to this Agreement commencing as of the Effective Date and until either party terminates the employment relationship in accordance with this Agreement. Notwithstanding anything in the foregoing, the Executive's employment with the Company shall continue to be "at will," meaning that the Executive's employment may be terminated by the Company or the Executive at any time and for any reason or no reason, with or without Cause, and with or without notice.

(b) Position and Duties. The Executive shall serve as the Chief Medical Officer of the Company and shall have such powers and duties as may from time to time be prescribed by the Chief Executive Officer (the "CEO"). The Executive will devote the Executive's full working time and efforts to the business and affairs of the Company. While employed by the Company, the Executive agrees not to undertake or engage in any consulting, employment, occupation, investment or business enterprise for other parties that may create a conflict of interest with the Company. Further Executive agrees that during the term of Executive's employment with the Company, Executive will not engage in any such activities that are directly related to the business in which the Company is now involved or becomes involved during the term of Executive's employment.

2. Compensation and Related Matters.

(a) **Base Salary**. The Executive's base salary is \$475,000 per year. The Executive's base salary will be subject to periodic review by the Board of Directors (the "Board") or the Compensation Committee of the Board (the "Compensation Committee") in its discretion.

The base salary in effect at any given time is referred to herein as Base Salary." The Base Salary will be payable in a manner that is consistent with the Company's usual payroll practices for its executive officers.

(b) **Incentive Compensation.** The Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. The Executive's initial target annual incentive compensation will be 40% of the Executive's Base Salary. The target annual incentive compensation in effect at any given time is referred to herein as "Target Bonus." The actual amount of the Executive's annual incentive compensation, if any, shall be determined in the sole discretion of the Board or the Compensation Committee, subject to the terms of any applicable incentive compensation plan that may be in effect from time to time. Except as otherwise provided herein or as may be provided by the Board or the Compensation Committee or as may otherwise be set forth in the applicable incentive compensation plan, the Executive must be employed by the Company on the date such incentive compensation is paid in order to earn or receive any annual incentive compensation.

(c) **Expenses.** The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive during the term of Executive's employment in performing services hereunder, in accordance with applicable law and the policies and procedures then in effect and established by the Company for its executive officers.

(d) **Other Benefits.** The Executive will be eligible to participate in or receive benefits under the Company's employee benefit plans in effect from time to time, subject to the terms of such plans.

(e) **Paid Time Off.** The Executive will be entitled to take paid time off in accordance with the Company's applicable paid time off policy for executives, as may be in effect from time to time.

(f) **Equity.** The equity awards held by the Executive will continue to be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s) governing the terms of such equity awards (collectively, the "Equity Documents"); *provided, however*, and notwithstanding anything to the contrary in the Equity Documents, Section 6(a)(ii) of this Agreement shall apply in the event of a termination by the Company without Cause or by the Executive for Good Reason in either event within the Change in Control Period (as such terms are defined below).

3. Termination. The Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) **Death.** The Executive's employment hereunder shall terminate upon the Executive's death.

(b) **Disability.** The Company may terminate the Executive's employment if the Executive is disabled and unable to perform or expected to be unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is

disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the California Fair Employment and Housing Act, the California Family Rights Act, the Family and Medical Leave Act of 1993, and the Americans with Disabilities Act.

(c) **Termination by the Company for Cause.** The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean any of the following:

(i) the Executive willfully fails or refuses to substantially perform the Executive's responsibilities under this Agreement, after demand for substantial performance has been given by the Board;

(ii) non-performance by the Executive of Executive's material duties (other than by reason of the Executive's physical or mental illness, incapacity or disability) which has continued for more than 30 days;

(iii) conduct by the Executive constituting an intentional act of misconduct in connection with the performance of Executive's duties, including, without limitation, acts of dishonesty or fraud and misappropriation of funds or property of the Company;

(iv) the Executive's commission of, or plea of guilty *omolo contendere*, to a felony;

(v) the Executive's commission of, or plea of guilty *omolo contendere* to, a misdemeanor involving moral turpitude, deceit, dishonesty or fraud;

(vi) the Executive materially breaches any provision of this Agreement or the Confidentiality Agreement;

(vii) any violation of Executive of the Company's ethics or insider trading policy;

(viii) a violation by the Executive of the Company's employment policies that causes or may cause harm to the Company;

(ix) the Executive's intentional violation of any applicable law or regulation affecting the Company in any material respect;

(x) the Executive's failure to reasonably cooperate with a bona fide internal investigation or an investigation by any government body, after being lawfully instructed by the Company to cooperate;

(xi) the Executive's willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the willful inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation;

(xii) the Executive is disqualified or barred by any governmental or self-regulatory authority from serving in the capacity contemplated by this Agreement; or

(xiii) the Executive engages in any financial accounting improprieties.

(d) **Termination by the Company without Cause.** The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement that does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.

(e) **Termination by the Executive.** The Executive may terminate employment hereunder at any time for any reason, including but not limited to, Good Reason. For purposes of this Agreement, "Good Reason" means that the Executive has completed all steps of the Good Reason Process (hereinafter defined) following the occurrence of any of the following events without the Executive's consent (each, a "Good Reason Condition"):

(i) a material diminution in the Executive's responsibilities, authority or duties;

(ii) a material diminution in the Executive's Base Salary except for across-the-board salary reductions similarly affecting all or substantially all senior management employees of the Company;

(iii) a material change in the geographic location of the principal office of the Company to which the Executive is assigned (or the Executive's remote office if the Executive is a remote employee), such that there is an increase of at least 30 miles of driving distance to such location from the Executive's principal residence as of such change; or

(iv) a material breach of this Agreement by the Company.

The "Good Reason Process" consists of the following steps:

(v) the Executive reasonably determines in good faith that a Good Reason Condition has occurred;

(vi) the Executive notifies the Company, in writing, of the first occurrence of the purpose for Executive claiming good reason (the "Good Reason

Condition”) within 30 days of the first occurrence of such condition and specifically says in that writing (a) what the Good Reason Condition is, (b) that the Executive is resigning for Good Reason because of the aforementioned condition, and (c) when Executive believes the first occurrence of such condition occurred;

(vii) the Executive cooperates in good faith with the Company’s efforts, for a period of not less than 30 days following such notice (the “Cure Period”), to remedy the Good Reason Condition;

(viii) notwithstanding such efforts, the Good Reason Condition continues to exist at the end of the Cure Period; and

(ix) the Executive terminates employment within 30 days after the end of the Cure Period.

If the Company cures the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

4. Matters related to Termination.

(a) **Notice of Termination.** Except for termination as specified in Section 3(a), any termination of the Executive’s employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a “Notice of Termination” means a notice which shall indicate the specific termination provision in this Agreement relied upon.

(b) **Date of Termination.** “Date of Termination” means: (i) if the Executive’s employment is terminated by death, the date of death; (ii) if the Executive’s employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive’s employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination; (iv) if the Executive’s employment is terminated by the Executive under Section 3(e) other than for Good Reason, 30 days after the date on which a Notice of Termination is given, and (v) if the Executive’s employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

(c) **Accrued Obligations.** If the Executive’s employment with the Company is terminated for any reason, the Company will pay or provide to the Executive (or to the Executive’s authorized representative or estate) (i) any Base Salary earned through the Date of Termination; (ii) unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement); and (iii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the “Accrued Obligations”).

(d) **Resignation of All Other Positions.** To the extent applicable, the Executive shall be deemed to have resigned from all officer and board member positions that the Executive holds with the Company or any of its respective subsidiaries and affiliates upon the termination of the Executive's employment for any reason. The Executive agrees to execute any documents in reasonable form as may be requested to confirm or effectuate any such resignations.

5. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason Outside the Change in Control Period. If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates employment for Good Reason as provided in Section 3(e), in each case outside of the Change in Control Period (as defined below), then, in addition to the Accrued Obligations, and subject to (i) the Executive signing a separation agreement and release in a form and manner satisfactory to the Company, which shall include, without limitation, a general release of claims against the Company and all related persons and entities, a reaffirmation of all of the Executive's Continuing Obligations (as defined below), and shall provide that if the Executive breaches any of the Continuing Obligations, all payments of the Severance Amount shall immediately cease (the "Separation Agreement"), and (ii) the Separation Agreement becoming irrevocable, all within 60 days after the Date of Termination (the "Release Deadline") or such shorter period as set forth in the Separation Agreement (prongs (i) and (ii) are the "Release Requirement");

(a) the Company shall pay the Executive an amount equal to 6 months of the Executive's Base Salary (the "Severance Amount"); and

(b) to the extent coverage is mandated by law and subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (or equivalent state law) ("COBRA"), the Company shall pay to the group health plan provider or the COBRA provider a monthly payment equal to both the monthly employee and the monthly employer contribution that the Company or the Executive would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the 6 month anniversary of the Date of Termination; (B) the date that the Executive becomes eligible for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's health continuation rights under COBRA; *provided, however*, that if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments to the Executive shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amounts payable under this Section 5, to the extent taxable, shall be paid out in lump sum in accordance with the Company's payroll practice within 60 days after the Date of Termination; *provided, however*, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments, to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), shall be paid in the second calendar year by the last day of such 60-day period. Each

payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

6. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason within the Change in Control Period. The provisions of this Section 6 shall apply in lieu of, and expressly supersede, the provisions of Section 5 if (i) the Executive's employment is terminated either (a) by the Company without Cause as provided in Section 3(d), or (b) by the Executive for Good Reason as provided in Section 3(e), and (ii) the Date of Termination is on or within 12 months after the occurrence of the first event constituting a Change in Control (such period, the "Change in Control Period").

(a) If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates employment for Good Reason as provided in Section 3(e) and in each case the Date of Termination occurs during the Change in Control Period, then, in addition to the Accrued Obligations, and subject to the Executive complying with the Release Requirement and the Release becoming fully effective within the Release Deadline:

(i) the Company shall pay the Executive an amount equal to 12 months of the Executive's Base Salary (the "Severance Amount") plus (B) the Executive's Target Bonus for the then-current year (or the Executive's Target Bonus in effect immediately prior to the Change in Control, if higher), prorated to reflect the number of days the Executive worked at the Company during the applicable year;

(ii) to the extent coverage is mandated by law and subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (or equivalent state law) ("COBRA"), the Company shall pay to the group health plan provider or the COBRA provider a monthly payment equal to both the monthly employee and the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the 12 month anniversary of the Date of Termination; (B) the date that the Executive becomes eligible for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's health continuation rights under COBRA; *provided, however*, that if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments to the Executive shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates; and

(iii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all stock options and other stock-based awards held by the Executive that are subject vesting (the "Unvested Equity Awards") shall immediately accelerate and become fully vested and exercisable or nonforfeitable, with any such awards subject to performance-based vesting conditions to be deemed vested at

target levels, as of the later of (i) the Date of Termination or (ii) the effective date of the Release (the "Accelerated Vesting Date"), *provided* that in order to effectuate the accelerated vesting contemplated by this subsection, the unvested portion of the Executive's Unvested Equity Awards that would otherwise be forfeited on the Date of Termination will be delayed until the earlier of (A) the effective date of the Release (at which time acceleration will occur), or (B) the date that the Release can no longer become fully effective (at which time the unvested portion of the Executive's Unvested Equity Awards will be forfeited). Notwithstanding the foregoing, no additional vesting of the Unvested Equity Awards shall occur during the period between the Date of Termination and the Accelerated Vesting Date; and

(iv) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all stock options held by the Executive that are vested as of the date of the Executive's termination of employment (inclusive of, for the avoidance of doubt, any such stock options that become vested pursuant to the terms of Section 6(a)(iii)) shall remain exercisable until the first to occur of the date that is 12 months following the date of the Executive's termination of employment or the expiration date of such stock option.

The cash amounts payable under this Section 6(a), to the extent taxable, shall be paid in lump sum within 60 days after the Date of Termination; *provided, however*, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Code, shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code, and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; *provided* that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; *provided* that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 6(b), the "After Tax Amount" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes that could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 6(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Section 6, "Change in Control" shall mean "Sale Event" as defined in the Company's 2023 Stock Option and Incentive Plan.

7. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement or otherwise on account of the Executive's separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such

right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code or an applicable exemption. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder either comply with or are exempt from Section 409A of the Code. Each payment pursuant to this Agreement or the Confidentiality Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

8. Continuing Obligations.

(a) Employee Confidential Information and Inventions Assignment Agreement. Executive acknowledges and agrees that all obligations under the Employee Confidential Information and Inventions Assignment Agreement remain in full force and effect (the "Confidentiality Agreement"). For purposes of this Agreement, the obligations in this Section 8 and those that arise in the Confidentiality Agreement and any other agreement relating to confidentiality, assignment of inventions, shall collectively be referred to as the "Continuing Obligations." The Confidentiality Agreement includes a mutual arbitration provision. Executive hereby reaffirms all of Executive's Continuing Obligations.

(b) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive's use or disclosure of information, other than confidentiality restrictions (if any), or the Executive's engagement in any business. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other

tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(c) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in (i) the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company, and (ii) the investigation, whether internal or external, of any matters about which the Company believes the Executive may have knowledge or information. The Executive's full cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to answer questions or to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 8(c). Nothing in this Agreement prevents Employee from exercising any rights Employee may have under Section 7 of the National Labor Relations Act, including, without limitation, discussing any labor issue, dispute or term or condition of employment as part of engaging in concerted activities for the purpose of mutual aid or protection.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, including the Prior Agreement, ***provided that the Continuing Obligations and Equity Documents remain in full force and effect.***

10. Withholding; Tax Effect. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Executive for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

11. Assignment; Successors and Assigns. Neither the Executive nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; *provided, however*, that the Company may assign its rights and obligations under this Agreement (including the Confidentiality Agreement) without the Executive's consent to any affiliate or to any person or entity with whom the Company shall hereafter effect a reorganization or consolidation, into which the Company merges or to whom it transfers all or substantially all of its properties or assets; *provided, further* that if the Executive remains employed or becomes employed by the Company, the purchaser or any of their affiliates in connection with any such transaction, then the Executive shall not be entitled to any payments, benefits or vesting pursuant to Section 5 or pursuant to Section 6 of this Agreement solely as a result of such transaction. This Agreement shall inure to the benefit of and be binding upon the Executive and the Company, and each of the Executive's and the Company's respective successors, executors, administrators, heirs and permitted assigns. In the event of the Executive's

death after the Executive's termination of employment but prior to the completion by the Company of all payments due to the Executive under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to the Executive's death (or to the Executive's estate, if the Executive fails to make such designation).

12. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

13. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

14. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

15. Notices. Notices hereunder shall be deemed delivered upon the confirmation of delivery or of actual receipt by the addressee and shall be sent as follows:

If to the Executive:

the Executive's residential address or personal email address as either appears in the Company systems at the time of notice or the Executive's Company email address

and if to the Company:

Legal Department

Sagimet Biosciences Inc.

155 Bovet Road, Ste. 303

San Mateo, CA 94402

legal@sagimet.com

or to such other address and/or person designated by a party in writing and in the same manner to the other party. Any written notice required to be provided by or to the Executive under this Agreement may

be provided by or to such representative or representatives as the Executive may designate by written notice to the Company.

16. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company other than Executive.

17. Effect on Other Plans and Agreements. An election by the Executive to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or policies except as otherwise provided in Section 8 hereof, and except that the Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. In the event that the Executive is party to an agreement with the Company providing for payments or benefits under such plan or agreement and under this Agreement, the terms of this Agreement shall govern and the Executive may receive payment under this Agreement only and not both. Further, Section 5 and Section 6 of this Agreement are mutually exclusive and in no event shall the Executive be entitled to payments or benefits pursuant to both Section 5 and Section 6 of this Agreement.

18. Governing Law. This is a California contract and shall be construed under and be governed in all respects by the laws of California, without giving effect to the conflict of laws principles thereof.

19. Counterparts. This Agreement may be executed in any number of counterparts and by electronic signature (including but not limited to DocuSign), each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the Effective Date.

SAGIMET BIOSCIENCES, INC.

By: /s/ David Happel _____

Its: CEO _____

David Happel

/s/ Eduardo Martins _____
Eduardo Martins

AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement ("Agreement") is made between Sagimet Biosciences, Inc., (the "Company"), and Elizabeth Rozek (the "Executive") and is effective as of June 5, 2024 (the "Effective Date"). Except with respect to the Equity Documents and the Continuing Obligations (each, as defined below), this Agreement supersedes in all respects all prior agreements between the Executive and the Company regarding the subject matter herein, including without limitation (i) the Executive Employment Agreement dated August 7, 2023, (ii) the Employment Agreement between the Executive and the Company dated April 4, 2023, and (iii) any offer letter, as applicable (collectively, the "Prior Agreement").

WHEREAS, the Company desires to continue to employ the Executive and the Executive desires to continue to be employed by the Company on the new terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Company shall continue to employ the Executive and the Executive shall be employed by the Company pursuant to this Agreement commencing as of the Effective Date and until either party terminates the employment relationship in accordance with this Agreement. Notwithstanding anything in the foregoing, the Executive's employment with the Company shall continue to be "at will," meaning that the Executive's employment may be terminated by the Company or the Executive at any time and for any reason or no reason, with or without Cause, and with or without notice.

(b) Position and Duties. The Executive shall serve as the General Counsel and Chief Compliance Officer of the Company and shall have such powers and duties as may from time to time be prescribed by the Chief Executive Officer (the "CEO"), and work remotely pursuant to the Company's remote work policies. Upon request of the Chief Executive Officer, and with travel reimbursed by Company, Executive will travel to and work at the Company's San Mateo office (the "Principal Office") or such other location necessitated by the Company's business purposes. The Executive will devote the Executive's full working time and efforts to the business and affairs of the Company. While employed by the Company, the Executive agrees not to undertake or engage in any consulting, employment, occupation, investment or business enterprise for other parties that may create a conflict of interest with the Company. Further Executive agrees that during the term of Executive's employment with the Company, Executive will not engage in any such activities that are directly related to the business in which the Company is now involved or becomes involved during the term of Executive's employment.

2. Compensation and Related Matters.

(a) **Base Salary.** The Executive's base salary is \$446,000 per year. The Executive's base salary will be subject to periodic review by the Board or the Compensation Committee of the Board (the "Compensation Committee") in its discretion. The base salary in effect at any given time is referred to herein as "Base Salary." The Base Salary will be payable in a manner that is consistent with the Company's usual payroll practices for its executive officers.

(b) **Incentive Compensation.** The Executive shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. The Executive's initial target annual incentive compensation will be 40% of the Executive's Base Salary. The target annual incentive compensation in effect at any given time is referred to herein as "Target Bonus." The actual amount of the Executive's annual incentive compensation, if any, shall be determined in the sole discretion of the Board or the Compensation Committee, subject to the terms of any applicable incentive compensation plan that may be in effect from time to time. Except as otherwise provided herein or as may be provided by the Board or the Compensation Committee or as may otherwise be set forth in the applicable incentive compensation plan, the Executive must be employed by the Company on the date such incentive compensation is paid in order to earn or receive any annual incentive compensation.

(c) **Expenses.** The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive during the term of Executive's employment in performing services hereunder, in accordance with applicable law and the policies and procedures then in effect and established by the Company for its executive officers.

(d) **Other Benefits.** The Executive will be eligible to participate in or receive benefits under the Company's employee benefit plans in effect from time to time, subject to the terms of such plans.

(e) **Paid Time Off.** The Executive will be entitled to take paid time off in accordance with the Company's applicable paid time off policy for executives, as may be in effect from time to time.

(f) **Equity.** The equity awards held by the Executive will continue to be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s) governing the terms of such equity awards (collectively, the "Equity Documents"); *provided, however*, and notwithstanding anything to the contrary in the Equity Documents, Section 6(a)(ii) of this Agreement shall apply in the event of a termination by the Company without Cause or by the Executive for Good Reason in either event within the Change in Control Period (as such terms are defined below).

3. Termination. The Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) **Death.** The Executive's employment hereunder shall terminate upon the Executive's death.

(b) **Disability.** The Company may terminate the Executive's employment if the Executive is disabled and unable to perform or expected to be unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 3(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the California Fair Employment and Housing Act, the California Family Rights Act, the Family and Medical Leave Act of 1993, and the Americans with Disabilities Act.

(c) **Termination by the Company for Cause.** The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean any of the following:

(i) the Executive willfully fails or refuses to substantially perform the Executive's responsibilities under this Agreement, after demand for substantial performance has been given by the Board;

(ii) non-performance by the Executive of Executive's material duties (other than by reason of the Executive's physical or mental illness, incapacity or disability) which has continued for more than 30 days;

(iii) conduct by the Executive constituting an intentional act of misconduct in connection with the performance of Executive's duties, including, without limitation, acts of dishonesty or fraud and misappropriation of funds or property of the Company;

(iv) the Executive's commission of, or plea of guilty *ornolo contendere*, to a felony;

(v) the Executive's commission of, or plea of guilty *ornolo contendere* to, a misdemeanor involving moral turpitude, deceit, dishonesty or fraud;

(vi) the Executive materially breaches any provision of this Agreement or the Confidentiality Agreement;

(vii) any violation of Executive of the Company's ethics or insider trading policy;

(viii) a violation by the Executive of the Company's employment policies that causes or may cause harm to the Company;

(ix) the Executive's intentional violation of any applicable law or regulation affecting the Company in any material respect;

(x) the Executive's failure to reasonably cooperate with a bona fide internal investigation or an investigation by any government body, after being lawfully instructed by the Company to cooperate;

(xi) the Executive's willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the willful inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation;

(xii) the Executive is disqualified or barred by any governmental or self-regulatory authority from serving in the capacity contemplated by this Agreement; or

(xiii) the Executive engages in any financial accounting improprieties.

(d) **Termination by the Company without Cause.** The Company may terminate the Executive's employment hereunder at any time without Cause. Any termination by the Company of the Executive's employment under this Agreement that does not constitute a termination for Cause under Section 3(c) and does not result from the death or disability of the Executive under Section 3(a) or (b) shall be deemed a termination without Cause.

(e) **Termination by the Executive.** The Executive may terminate employment hereunder at any time for any reason, including but not limited to, Good Reason. For purposes of this Agreement, "Good Reason" means that the Executive has completed all steps of the Good Reason Process (hereinafter defined) following the occurrence of any of the following events without the Executive's consent (each, a "Good Reason Condition"):

(i) a material diminution in the Executive's responsibilities, authority or duties;

(ii) a material diminution in the Executive's Base Salary except for across-the-board salary reductions similarly affecting all or substantially all senior management employees of the Company;

(iii) a material change in the geographic location of the principal office of the Company to which the Executive is assigned (or the Executive's remote office if the Executive is a remote employee), such that there is an increase of at least 30 miles of driving distance to such location from the Executive's principal residence as of such change; or

(iv) a material breach of this Agreement by the Company.

The "Good Reason Process" consists of the following steps:

(v) the Executive reasonably determines in good faith that a Good Reason Condition has occurred;

(vi) the Executive notifies the Company, in writing, of the first occurrence of the purpose for Executive claiming good reason (the "Good Reason Condition") within 30 days of the first occurrence of such condition and specifically says in that writing (a) what the Good Reason Condition is, (b) that the Executive is resigning for Good Reason because of the aforementioned condition, and (c) when Executive believes the first occurrence of such condition occurred;

(vii) the Executive cooperates in good faith with the Company's efforts, for a period of not less than 30 days following such notice (the "Cure Period"), to remedy the Good Reason Condition;

(viii) notwithstanding such efforts, the Good Reason Condition continues to exist at the end of the Cure Period; and

(ix) the Executive terminates employment within 30 days after the end of the Cure Period.

If the Company cures the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

4. Matters related to Termination.

(a) **Notice of Termination.** Except for termination as specified in Section 3(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" means a notice which shall indicate the specific termination provision in this Agreement relied upon.

(b) **Date of Termination.** "Date of Termination" means: (i) if the Executive's employment is terminated by death, the date of death; (ii) if the Executive's employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination; (iv) if the Executive's employment is terminated by the Executive under Section 3(e) other than for Good Reason, 30 days after the date on which a Notice of Termination is given, and (v) if the Executive's employment is terminated by the Executive under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

(c) **Accrued Obligations.** If the Executive's employment with the Company is terminated for any reason, the Company will pay or provide to the Executive (or to the Executive's authorized representative or estate) (i) any Base Salary earned through the Date of

Termination; (ii) unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement); and (iii) any vested benefits the Executive may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "Accrued Obligations").

(d) **Resignation of All Other Positions.** To the extent applicable, the Executive shall be deemed to have resigned from all officer and board member positions that the Executive holds with the Company or any of its respective subsidiaries and affiliates upon the termination of the Executive's employment for any reason. The Executive agrees to execute any documents in reasonable form as may be requested to confirm or effectuate any such resignations.

5. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason Outside the Change in Control Period. If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d), or the Executive terminates employment for Good Reason as provided in Section 3(e), in each case outside of the Change in Control Period (as defined below), then, in addition to the Accrued Obligations, and subject to (i) the Executive signing a separation agreement and release in a form and manner satisfactory to the Company, which shall include, without limitation, a general release of claims against the Company and all related persons and entities, a reaffirmation of all of the Executive's Continuing Obligations (as defined below), and shall provide that if the Executive breaches any of the Continuing Obligations, all payments of the Severance Amount shall immediately cease (the "Separation Agreement"), and (ii) the Separation Agreement becoming irrevocable, all within 60 days after the Date of Termination (the "Release Deadline") or such shorter period as set forth in the Separation Agreement (prongs (i) and (ii) are the "Release Requirement"):

(a) the Company shall pay the Executive an amount equal to 6 months of the Executive's Base Salary (the "Severance Amount"); and

(b) to the extent coverage is mandated by law and subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (or equivalent state law) ("COBRA"), the Company shall pay to the group health plan provider or the COBRA provider a monthly payment equal to both the monthly employee and the monthly employer contribution that the Company or the Executive would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the 6 month anniversary of the Date of Termination; (B) the date that the Executive becomes eligible for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's health continuation rights under COBRA; *provided, however*, that if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments to the Executive shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amounts payable under this Section 5, to the extent taxable, shall be paid out in lump sum in accordance with the Company's payroll practice within 60 days after the Date of Termination; *provided, however*, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments, to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), shall be paid in the second calendar year by the last day of such 60-day period. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

6. Severance Pay and Benefits Upon Termination by the Company without Cause or by the Executive for Good Reason within the Change in Control Period. The provisions of this Section 6 shall apply in lieu of, and expressly supersede, the provisions of Section 5 if (i) the Executive's employment is terminated either (a) by the Company without Cause as provided in Section 3(d), or (b) by the Executive for Good Reason as provided in Section 3(e), and (ii) the Date of Termination is on or within 12 months after the occurrence of the first event constituting a Change in Control (such period, the "Change in Control Period").

(a) If the Executive's employment is terminated by the Company without Cause as provided in Section 3(d) or the Executive terminates employment for Good Reason as provided in Section 3(e) and in each case the Date of Termination occurs during the Change in Control Period, then, in addition to the Accrued Obligations, and subject to the Executive complying with the Release Requirement and the Release becoming fully effective within the Release Deadline:

(i) the Company shall pay the Executive an amount equal to 12 months of the Executive's Base Salary (the "Severance Amount") plus (B) the Executive's Target Bonus for the then-current year (or the Executive's Target Bonus in effect immediately prior to the Change in Control, if higher), prorated to reflect the number of days the Executive worked at the Company during the applicable year;

(ii) to the extent coverage is mandated by law and subject to the Executive's copayment of premium amounts at the applicable active employees' rate and the Executive's proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (or equivalent state law) ("COBRA"), the Company shall pay to the group health plan provider or the COBRA provider a monthly payment equal to both the monthly employee and the monthly employer contribution that the Company would have made to provide health insurance to the Executive if the Executive had remained employed by the Company until the earliest of (A) the 12 month anniversary of the Date of Termination; (B) the date that the Executive becomes eligible for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of the Executive's health continuation rights under COBRA; *provided, however*, that if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to the Executive for the time period specified above. Such payments to the Executive shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates; and

(iii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all stock options and other stock-based awards held by the Executive that are subject vesting (the "Unvested Equity Awards") shall immediately accelerate and become fully vested and exercisable or nonforfeitable, with any such awards subject to performance-based vesting conditions to be deemed vested at target levels, as of the later of (i) the Date of Termination or (ii) the effective date of the Release (the "Accelerated Vesting Date"), *provided* that in order to effectuate the accelerated vesting contemplated by this subsection, the unvested portion of the Executive's Unvested Equity Awards that would otherwise be forfeited on the Date of Termination will be delayed until the earlier of (A) the effective date of the Release (at which time acceleration will occur), or (B) the date that the Release can no longer become fully effective (at which time the unvested portion of the Executive's Unvested Equity Awards will be forfeited). Notwithstanding the foregoing, no additional vesting of the Unvested Equity Awards shall occur during the period between the Date of Termination and the Accelerated Vesting Date; and

(iv) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all stock options held by the Executive that are vested as of the date of the Executive's termination of employment (inclusive of, for the avoidance of doubt, any such stock options that become vested pursuant to the terms of Section 6(a)(iii)) shall remain exercisable until the first to occur of the date that is 12 months following the date of the Executive's termination of employment or the expiration date of such stock option.

The cash amounts payable under this Section 6(a), to the extent taxable, shall be paid in lump sum within 60 days after the Date of Termination; *provided, however*, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Code, shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Code, and the applicable regulations thereunder (the "Aggregate Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which the Executive becomes subject to the excise tax imposed by Section 4999 of the Code; *provided* that such reduction shall only occur if it would result in the Executive receiving a higher After Tax Amount (as defined below) than the Executive would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of

the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; *provided* that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 6(b), the "After Tax Amount" means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on the Executive as a result of the Executive's receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes that could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 6(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

(c) Definitions. For purposes of this Section 6, "Change in Control" shall mean "Sale Event" as defined in the Company's 2023 Stock Option and Incentive Plan.

7. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement or otherwise on account of the Executive's separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by the Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as

administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon the Executive's termination of employment, then such payments or benefits shall be payable only upon the Executive's "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code or an applicable exemption. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder either comply with or are exempt from Section 409A of the Code. Each payment pursuant to this Agreement or the Confidentiality Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

8. Continuing Obligations.

(a) Employee Confidential Information and Inventions Assignment Agreement. Executive acknowledges and agrees that all obligations under the Employee Confidential Information and Inventions Assignment Agreement remain in full force and effect (the "Confidentiality Agreement"). For purposes of this Agreement, the obligations in this Section 8 and those that arise in the Confidentiality Agreement and any other agreement relating to confidentiality, assignment of inventions, shall collectively be referred to as the "Continuing Obligations." The Confidentiality Agreement includes a mutual arbitration provision. Executive hereby reaffirms all of Executive's Continuing Obligations.

(b) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive's use or disclosure of information, other than confidentiality restrictions (if any), or the Executive's engagement in any business. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's

employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(c) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in (i) the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company, and (ii) the investigation, whether internal or external, of any matters about which the Company believes the Executive may have knowledge or information. The Executive's full cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to answer questions or to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 8(c). Nothing in this Agreement prevents Employee from exercising any rights Employee may have under Section 7 of the National Labor Relations Act, including, without limitation, discussing any labor issue, dispute or term or condition of employment as part of engaging in concerted activities for the purpose of mutual aid or protection.

9. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, including the Prior Agreement, ***provided that the Continuing Obligations and Equity Documents remain in full force and effect.***

10. Withholding; Tax Effect. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate the Executive for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

11. Assignment; Successors and Assigns. Neither the Executive nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; *provided, however*, that the Company may assign its rights and obligations under this Agreement (including the Confidentiality Agreement) without the Executive's consent to any affiliate or to any person or entity with whom the Company shall hereafter effect a reorganization or consolidation, into which the Company merges or to whom it transfers all or substantially all of its properties or assets; *provided, further* that if the Executive remains employed or becomes employed by the Company, the purchaser or any of their affiliates

in connection with any such transaction, then the Executive shall not be entitled to any payments, benefits or vesting pursuant to Section 5 or pursuant to Section 6 of this Agreement solely as a result of such transaction. This Agreement shall inure to the benefit of and be binding upon the Executive and the Company, and each of the Executive's and the Company's respective successors, executors, administrators, heirs and permitted assigns. In the event of the Executive's death after the Executive's termination of employment but prior to the completion by the Company of all payments due to the Executive under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to the Executive's death (or to the Executive's estate, if the Executive fails to make such designation).

12. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

13. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of the Executive's employment to the extent necessary to effectuate the terms contained herein.

14. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

15. Notices. Notices hereunder shall be deemed delivered upon the confirmation of delivery or of actual receipt by the addressee and shall be sent as follows:

If to the Executive:

the Executive's residential address or personal email address as either appears in the Company systems at the time of notice or the Executive's Company email address

and if to the Company:

CEO

Sagimet Biosciences Inc.

155 Bovet Road, Ste. 303

San Mateo, CA 94402

dave.happel@sagimet.com

or to such other address and/or person designated by a party in writing and in the same manner to the other party. Any written notice required to be provided by or to the Executive under this Agreement may be provided by or to such representative or representatives as the Executive may designate by written notice to the Company.

16. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company other than Executive.

17. Effect on Other Plans and Agreements. An election by the Executive to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by the Executive for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of the Executive under the Company's benefit plans, programs or policies except as otherwise provided in Section 8 hereof, and except that the Executive shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. In the event that the Executive is party to an agreement with the Company providing for payments or benefits under such plan or agreement and under this Agreement, the terms of this Agreement shall govern and the Executive may receive payment under this Agreement only and not both. Further, Section 5 and Section 6 of this Agreement are mutually exclusive and in no event shall the Executive be entitled to payments or benefits pursuant to both Section 5 and Section 6 of this Agreement.

18. Governing Law. This is a California contract and shall be construed under and be governed in all respects by the laws of California, without giving effect to the conflict of laws principles thereof.

19. Counterparts. This Agreement may be executed in any number of counterparts and by electronic signature (including but not limited to DocuSign), each of which when so executed

and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the Effective Date.

SAGIMET BIOSCIENCES, INC.

By: /s/ David Happel _____

Its: CEO _____

David Happel

/s/ Elizabeth Rozek _____
Elizabeth Rozek

SAGIMET BIOSCIENCES INC.**2023 EMPLOYEE STOCK PURCHASE PLAN**

The purpose of the Sagimet Biosciences Inc. 2023 Employee Stock Purchase Plan (the “Plan”) is to provide eligible employees of Sagimet Biosciences Inc. (the “Company”) and each Designated Subsidiary (as defined in Section 11) with opportunities to purchase shares of the Company’s Series A common stock, par value \$0.0001 per share (the “Common Stock”). An aggregate of 215,497 shares of Common Stock have been approved and reserved for this purpose, plus on January 1, 2024, and each January 1 thereafter through January 1, 2033, the number of shares of Common Stock reserved and available for issuance under the Plan shall be cumulatively increased by the least of (i) 215,497 shares of Common Stock, (ii) one percent (1%) of the number of shares of Common Stock issued and outstanding on the immediately preceding December 31st, or (iii) such number of shares of Common Stock as determined by the Administrator.

The Plan includes two components: a Code Section 423 Component (the “423 Component”) and a non-Code Section 423 Component (the “Non-423 Component”). It is intended for the 423 Component to constitute an “employee stock purchase plan” within the meaning of Section 423(b) of the Internal Revenue Code of 1986, as amended (the “Code”), and the 423 Component shall be interpreted in accordance with that intent. Under the Non-423 Component, which does not qualify as an “employee stock purchase plan” within the meaning of Section 423(b) of the Code, options will be granted pursuant to rules, procedures or sub-plans adopted by the Administrator designed to comply with applicable laws or to achieve tax efficiency, or other objectives for eligible employees. Except as otherwise provided herein, the Non-423 Component will operate and be administered in the same manner as the 423 Component.

1. Administration. The Plan will be administered by the person or persons (the “Administrator”) appointed by the Company’s Board of Directors (the “Board”) for such purpose. The Administrator has authority at any time to: (i) adopt, alter and repeal such rules, guidelines and practices for the administration of the Plan and for its own acts and proceedings as it shall deem advisable; (ii) interpret the terms and provisions of the Plan; (iii) make all determinations it deems advisable for the administration of the Plan; (iv) decide all disputes arising in connection with the Plan; and (v) otherwise supervise the administration of the Plan. All interpretations and decisions of the Administrator shall be binding on all persons, including the Company and the Participants. No member of the Board or individual exercising administrative authority with respect to the Plan shall be liable for any action or determination made in good faith with respect to the Plan or any option granted hereunder.

2. Offerings. The Company may make one or more offerings to eligible employees to purchase Common Stock under the Plan (“Offerings”). Unless otherwise determined by the Administrator, the initial Offering will begin and end on dates to be determined by the

Administrator. Thereafter, unless otherwise determined by the Administrator, an Offering will begin on the first business day occurring on or after each May 1 and November 1 and will end on the last business day occurring on or before the following October 31 and April 30, respectively. The Administrator may, in its discretion, designate a different period for any Offering, provided that no Offering shall exceed one year in duration or overlap any other Offering.

3. Eligibility. All individuals classified as employees on the payroll records of the Company and each Designated Subsidiary are eligible to participate in any one or more of the Offerings under the Plan, provided that as of the first day of the applicable Offering (the "Offering Date") they are customarily employed by the Company or a Designated Subsidiary. Notwithstanding any other provision herein, individuals who are not contemporaneously classified as employees of the Company or a Designated Subsidiary for purposes of the Company's or applicable Designated Subsidiary's payroll system are not considered to be eligible employees of the Company or any Designated Subsidiary and shall not be eligible to participate in the Plan. In the event any such individuals are reclassified as employees of the Company or a Designated Subsidiary for any purpose, including, without limitation, common law or statutory employees, by any action of any third party, including, without limitation, any government agency, or as a result of any private lawsuit, action or administrative proceeding, such individuals shall, notwithstanding such reclassification, remain ineligible for participation. Notwithstanding the foregoing, the exclusive means for individuals who are not contemporaneously classified as employees of the Company or a Designated Subsidiary on the Company's or Designated Subsidiary's payroll system to become eligible to participate in this Plan is through an amendment to this Plan, duly executed by the Company, which specifically renders such individuals eligible to participate herein.

4. Participation.

(a) Participants. An eligible employee who is not a Participant in any prior Offering may participate in a subsequent Offering by submitting an enrollment form to his or her appropriate payroll location at least 15 business days before the Offering Date (or by such other deadline as shall be established by the Administrator for the Offering).

(b) Enrollment. The enrollment form (which may be in an electronic format or such other method as determined by the Administrator) will (a) state a whole percentage or amount to be deducted from an eligible employee's Compensation (as defined in Section 11) per pay period, (b) authorize the purchase of Common Stock in each Offering in accordance with the terms of the Plan and (c) specify the exact name or names in which shares of Common Stock purchased for such individual are to be issued pursuant to Section 10. An employee who does not enroll in accordance with these procedures will be deemed to have waived the right to participate. Unless a Participant files a new enrollment form or withdraws from the Plan, such Participant's deductions and purchases will continue at the same percentage or amount of Compensation for future Offerings, provided he or she remains eligible.

(c) Notwithstanding the foregoing, participation in the Plan will neither be permitted nor be denied contrary to the requirements of the Code.

5. Employee Contributions. Each eligible employee may authorize payroll deductions at a minimum of one percent (1%) up to a maximum of fifteen percent (15%) of such employee's Compensation for each pay period. The Company will maintain book accounts showing the amount of payroll deductions made by each Participant for each Offering. No interest will accrue or be paid on payroll deductions.

6. Deduction Changes. Except as may be determined by the Administrator in advance of an Offering, a Participant may not increase or decrease his or her payroll deduction during any Offering, but may increase or decrease his or her payroll deduction with respect to the next Offering (subject to the limitations of Section 5) by filing a new enrollment form at least fifteen (15) business days before the next Offering Date (or by such other deadline as shall be established by the Administrator for the Offering). The Administrator may, in advance of any Offering, establish rules permitting a Participant to increase, decrease or terminate his or her payroll deduction during an Offering.

7. Withdrawal. A Participant may withdraw from participation in the Plan by delivering a written notice of withdrawal to his or her appropriate payroll location. The Participant's withdrawal will be effective as of the next business day. Following a Participant's withdrawal, the Company will promptly refund such individual's entire account balance under the Plan to him or her (after payment for any Common Stock purchased before the effective date of withdrawal). Partial withdrawals are not permitted. Such an employee may not begin participation again during the remainder of the Offering, but may enroll in a subsequent Offering in accordance with Section 4, provided that he or she remains eligible.

8. Grant of Options. On each Offering Date, the Company will grant to each eligible employee who is then a Participant in the Plan an option ("Option") to purchase on the last day of such Offering (the "Exercise Date"), at the Option Price hereinafter provided for, the lowest of (a) a number of shares of Common Stock determined by dividing such Participant's accumulated payroll deductions on such Exercise Date by the Option Price (as defined herein), (b) 3,000 shares; or (c) such other lesser maximum number of shares as shall have been established by the Administrator in advance of the Offering; provided, however, that such Option shall be subject to the limitations set forth below. Each Participant's Option shall be exercisable only to the extent of such Participant's accumulated payroll deductions on the Exercise Date. The purchase price for each share purchased under each Option (the "Option Price") will be eighty-five percent (85%) of the Fair Market Value of the Common Stock on the Offering Date or the Exercise Date, whichever is less.

Notwithstanding the foregoing, no Participant may be granted an option hereunder if such Participant, immediately after the option was granted, would be treated as owning stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or any Parent or Subsidiary (as defined in Section 11). For purposes of the preceding sentence, the attribution rules of Section 424(d) of the Code shall apply in determining the stock ownership of a Participant, and all stock which the Participant has a contractual right to purchase shall be treated as stock owned by the Participant. In addition, no Participant may be granted an Option which permits such Participant rights to purchase stock under the Plan, and any other employee stock purchase plan of the Company and its Parents and

Subsidiaries, to accrue at a rate which exceeds \$25,000 of the fair market value of such stock (determined on the option grant date or dates) for each calendar year in which the Option is outstanding at any time. The purpose of the limitation in the preceding sentence is to comply with Section 423(b)(8) of the Code and shall be applied taking Options into account in the order in which they were granted.

9. Exercise of Option and Purchase of Shares Each employee who continues to be a Participant in the Plan on the Exercise Date shall be deemed to have exercised his or her Option on such date and shall acquire from the Company such number of whole shares of Common Stock reserved for the purpose of the Plan as his or her accumulated payroll deductions on such date will purchase at the Option Price, subject to any other limitations contained in the Plan. Any amount remaining in a Participant's account at the end of an Offering solely by reason of the inability to purchase a fractional share will be refunded to the Participant promptly.

10. Issuance of Certificates Certificates or book-entries at the Company's transfer agent representing shares of Common Stock purchased under the Plan may be issued only in the name of the employee, in the name of the employee and another person of legal age as joint tenants with rights of survivorship, or in the name of a designated broker authorized by the Company to receive shares on the employee's behalf.

11. Definitions.

The term "Compensation" means the regular or basic rate of compensation.

The term "Designated Subsidiary" means any present or future Subsidiary (as defined below) that has been designated by the Board to participate in the Plan. The Board may so designate any Subsidiary, or revoke any such designation, at any time and from time to time, either before or after the Plan is approved by the stockholders. The current list of Designated Subsidiaries is attached hereto as Appendix A.

The term "Fair Market Value of the Common Stock" on any given date means the fair market value of the Common Stock determined in good faith by the Administrator; provided, however, that if the Common Stock is admitted to quotation on the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), the NASDAQ Global Market, The New York Stock Exchange or another national securities exchange, the determination shall be made by reference to the closing price on such date. If there is no closing price for such date, the determination shall be made by reference to the last date preceding such date for which there is a closing price. Notwithstanding the foregoing, if the date for which the Fair Market Value of the Common Stock is determined is the Registration Date, the Fair Market Value of the Common Stock shall be the "Price to the Public" (or equivalent) set forth on the cover page for the final prospectus relating to the Company's initial public offering.

The terms "New Exercise Date" means Exercise Date if the Administrator shortens any Offering then in progress.

The term “Initial Public Offering” means the first underwritten, firm commitment public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale by the Company of its Common Stock.

The term “Parent” means a “parent corporation” with respect to the Company, as defined in Section 424(e) of the Code.

The term “Participant” means an individual who is eligible as determined in Section 3 and who has complied with the provisions of Section 4.

The term “Sale Event” shall have the meaning set forth in the Company’s 2023 Stock Option and Incentive Plan.

The term “Subsidiary” means a “subsidiary corporation” with respect to the Company, as defined in Section 424(f) of the Code.

12. Rights on Termination of Employment If a Participant’s employment terminates for any reason before the Exercise Date for any Offering, no payroll deduction will be taken from any pay due and owing to the Participant and the balance in the Participant’s account will be paid to such Participant or, in the case of such Participant’s death, to his or her designated beneficiary as if such Participant had withdrawn from the Plan under Section 7. An employee will be deemed to have terminated employment, for this purpose, if the corporation that employs him or her, having been a Designated Subsidiary, ceases to be a Subsidiary, or if the employee is transferred to any corporation other than the Company or a Designated Subsidiary; provided, however, that if a Participant transfers from an Offering under the 423 Component to an Offering under the Non-423 Component, the exercise of the Participant’s Option will be qualified under the 423 Component only to the extent that such exercise complies with Section 423 of the Code. If a Participant transfers from an Offering under the Non-423 Component to an Offering under the 423 Component, the exercise of the Participant’s Option will remain non-qualified under the Non-423 Component. An employee will not be deemed to have terminated employment for this purpose if the employee is on an approved leave of absence for military service or sickness or for any other purpose approved by the Company, if the employee’s right to reemployment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Administrator otherwise provides in writing.

13. Special Rules and Sub-Plans. Notwithstanding anything herein to the contrary, the Administrator may adopt special rules applicable to the employees of a particular Designated Subsidiary whenever the Administrator determines that such rules are necessary or appropriate for the implementation of the Plan in a jurisdiction where such Designated Subsidiary has employees; provided that if such special rules or sub-plans are inconsistent with the requirements of Section 423(b) of the Code, the employees subject to such special rules or sub-plans will participate in the Non-423 Component. Any special rules or sub-plans established pursuant to this Section 13 shall, to the extent possible, result in the employees subject to such rules having substantially the same rights as other Participants in the Plan.

14. Optionees Not Stockholders. Neither the granting of an Option to a Participant nor the deductions from his or her pay shall constitute such Participant a holder of the shares of Common Stock covered by an Option under the Plan until such shares have been purchased by and issued to the Participant.

15. Rights Not Transferable. Rights under the Plan are not transferable by a Participant other than by will or the laws of descent and distribution, and are exercisable during the Participant's lifetime only by the Participant.

16. Application of Funds. All funds received or held by the Company under the Plan may be combined with other corporate funds and may be used for any corporate purpose.

17. Adjustment in Case of Changes Affecting Common Stock In the event of a subdivision of outstanding shares of Common Stock, the payment of a dividend in Common Stock or any other change affecting the Common Stock, the number of shares approved for the Plan and any share limitation set forth in Section 8 shall be equitably or proportionately adjusted to give proper effect to such event. In the case of and subject to the consummation of a Sale Event, the Administrator, in its discretion, and on such terms and conditions as it deems appropriate, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to prevent the dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any right under the Plan or to facilitate such transactions or events:

(a) To provide for either (i) termination of any outstanding Option in exchange for an amount of cash, if any, equal to the amount that would have been obtained upon the exercise of such Option had such Option been currently exercisable or (ii) the replacement of such outstanding Option with other options or property selected by the Administrator in its sole discretion;

(b) To provide that the outstanding Options under the Plan shall be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for similar options covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;

(c) To make adjustments in the number and type of shares of Common Stock (or other securities or property) subject to outstanding Options under the Plan and/or in the terms and conditions of outstanding Options and Options that may be granted in the future;

(d) To provide that the Offering with respect to which an Option relates will be shortened by setting a New Exercise Date on which such Offering will end. The New Exercise Date will occur before the date of the Sale Event. The Administrator will notify each Participant in writing or electronically prior to the New Exercise Date, that the Exercise Date for the Participant's Option has been changed to the New Exercise Date and that the Participant's Option will be exercised automatically on the New Exercise Date, unless the Participant has withdrawn from the Offering in advance of the New Exercise Date as provided in Section 7 hereof; or

(e) To provide that all outstanding Options shall terminate without being exercised and all amounts in the accounts of Participants shall be promptly refunded.

18. Amendment of the Plan. The Board may at any time and from time to time amend the Plan in any respect, except that without the approval within twelve (12) months of such Board action by the stockholders, no amendment shall be made increasing the number of shares approved for the Plan or making any other change that would require stockholder approval in order for the 423 Component of the Plan, as amended, to qualify as an "employee stock purchase plan" under Section 423(b) of the Code.

19. Insufficient Shares. If the total number of shares of Common Stock that would otherwise be purchased on any Exercise Date plus the number of shares purchased under previous Offerings under the Plan exceeds the maximum number of shares issuable under the Plan, the shares then available shall be apportioned among Participants in proportion to the amount of payroll deductions accumulated on behalf of each Participant that would otherwise be used to purchase Common Stock on such Exercise Date.

20. Termination of the Plan. The Plan may be terminated at any time by the Board. Upon termination of the Plan, all amounts in the accounts of Participants shall be promptly refunded. Unless terminated earlier or otherwise amended, the Plan shall automatically terminate on the ten year anniversary of the Registration Date.

21. Governmental Regulations. The Company's obligation to sell and deliver Common Stock under the Plan is subject to obtaining all governmental approvals required in connection with the authorization, issuance, or sale of such stock.

22. Governing Law. This Plan and all Options and actions taken thereunder shall be governed by, and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the State of Delaware, applied without regard to conflict of law principles.

23. Issuance of Shares. Shares may be issued upon exercise of an Option from authorized but unissued Common Stock, from shares held in the treasury of the Company, or from any other proper source.

24. Tax Withholding. Participation in the Plan is subject to any minimum required tax withholding on income of the Participant in connection with the Plan. Each Participant agrees, by entering the Plan, that the Company and its Subsidiaries shall have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant, including shares issuable under the Plan.

25. Notification Upon Sale of Shares Under the 423 Component. Each Participant agrees, by entering the 423 Component of the Plan, to give the Company prompt notice of any disposition of shares purchased under the Plan where such disposition occurs within two (2)

years after the date of grant of the Option pursuant to which such shares were purchased or within one (1) year after the date such shares were purchased.

26. Effective Date. This Plan shall become effective upon the date immediately preceding the date upon which the registration statement on Form S-1 that is filed by the Company with respect to its initial public offering is declared effective by the Securities and Exchange Commission following stockholder approval in accordance with applicable state law, the Company's bylaws and articles of incorporation, each as amended, and applicable stock exchange rules.

APPENDIX A

Designated Subsidiaries

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

I, David Happel, certify that:

1. I have reviewed this Form 10-Q for the Quarterly Period Ended June 30, 2024 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)) 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. 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
 - c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2024

By: /s/ David Happel

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

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

I, Thierry Chauche, certify that:

1. I have reviewed this Form 10-Q for the Quarterly Period Ended June 30, 2024 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)) 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. 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
 - c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2024

By: /s/ Thierry Chauche

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

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

In connection with the Quarterly Report on Form 10-Q of Sagimet Biosciences Inc. (the "Company") for the quarterly period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of their knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2024

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

Date: August 14, 2024

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