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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 07, 2024

OnKure Therapeutics, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware	**001-40315**	**47-2309515**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

6707 Winchester Circle, #400 Boulder, Colorado	**80301**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's Telephone Number, Including Area Code: 720 307-2892

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.0001 per share	OKUR	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

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

Item 4.01 Changes in Registrant's Certifying Accountant.

(a) Dismissal of Independent Registered Public Accounting Firm

On November 7, 2024, Ernst & Young LLP ("EY") was dismissed as the independent registered public accounting firm of OnKure Therapeutics, Inc. (formerly Reneo Pharmaceuticals, Inc.) (the "Company"). The decision to dismiss EY was approved by the Audit Committee of the Board of Directors (the "Audit Committee").

The reports of EY on the consolidated financial statements of the Company for the fiscal years ended December 31, 2023 and 2022 did not contain an adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles, except that the 2022 audit report contained an explanatory paragraph regarding the Company's ability to continue as a going concern.

During the Company's two most recent fiscal years and the subsequent interim period through November 7, 2024, there were (i) no disagreements (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions thereto) with EY on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreement, if not resolved to the satisfaction of EY, would have caused it to make reference to the subject matter of the disagreement in connection with its report and (ii) no reportable events (as described in Item 304(a)(1)(v) of Regulation S-K).

The Company provided EY with a copy of the disclosures made in this Item 4.01 and requested EY to furnish the Company with a letter addressed to the SEC stating whether it agrees with the statements made by the Company and, if not, stating the respects in which it does not agree. A copy of EY's letter to the SEC dated November 7, 2024 regarding these statements is filed as Exhibit 16.1 to this Current Report on Form 8-K.

(b) Appointment of New Independent Registered Public Accounting Firm

KPMG LLP ("KPMG") served as the independent registered public accounting firm of Legacy OnKure prior to the consummation of the Merger. On November 7, 2024, the Audit Committee engaged KPMG as the independent registered public accounting firm of the Company.

During Legacy OnKure's two most recent fiscal years and the subsequent period from January 1, 2024 to September 30, 2024, neither Legacy OnKure nor anyone on its behalf consulted KPMG regarding: (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on Legacy OnKure's financial statements, and neither a written report nor oral advice was provided to Legacy OnKure that KPMG concluded was an important factor considered by Legacy OnKure in reaching a decision as to any accounting, auditing or financial reporting issue; or (ii) any matter that was the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions thereto) or a reportable event (as described in Item 304(a)(1)(v) of Regulation S-K).

Item 8.01 Other Events.

On October 4, 2024 (the "Closing Date"), Reneo Pharmaceuticals, Inc., a Delaware Corporation and our predecessor ("Reneo") consummated the previously announced merger (the "Merger") pursuant to the terms of the Agreement and Plan of Merger, dated as of May 10, 2024 (the "Merger Agreement") by and among Reneo, Radiate Merger Sub I, Inc., a Delaware corporation and a direct, wholly owned subsidiary of Reneo ("Merger Sub I"), Radiate Merger Sub II, LLC, a Delaware limited liability company and a direct, wholly owned subsidiary of Reneo ("Merger Sub II"), and OnKure, Inc., a Delaware corporation ("Legacy OnKure").

On November 7, 2024, the Company filed its quarterly report on Form 10-Q for the period ended September 30, 2024 (the "Form 10-Q"). The Form 10-Q includes the unaudited interim financial statements of Reneo as of and for the period ended September 30, 2024 because the Merger was consummated after the period covered by the Form 10-Q. Accordingly, the Company is filing this Current Report on Form 8-K to include the (i) unaudited interim financial statements of Legacy OnKure as of and for the period ended September 30, 2024 and the notes related thereto (the "Legacy OnKure Interim Financial Statements"), (ii) management's discussion and analysis of financial condition and results of operations of Legacy OnKure as of September 30, 2024 and for the nine months ended September 30, 2024 and 2023 (the "MD&A"), and (iii) unaudited pro forma condensed combined financial information of Reneo and Legacy OnKure as of September 30, 2024, for the nine months ended September 30, 2024 and for the year ended December 31, 2023 (the "Pro Forma Financials"). The Legacy OnKure Interim Financial Statements, MD&A, and Pro Forma Financials are attached hereto as Exhibits 99.1, 99.2 and 99.3, respectively, and incorporated by reference herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
15.1	Letter regarding Unaudited Interim Financial Information.
16.1	Letter from Ernst & Young, LLP dated November 7, 2024.
99.1	Unaudited interim financial statements of OnKure, Inc. as of and for the period ended September 30, 2024.
99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations of OnKure, Inc. for the three and nine months ended September 30, 2024.
99.3	Unaudited pro forma condensed combined financial information of Reneo Pharmaceuticals, Inc. and OnKure, Inc. as of September 30, 2024, for the nine months ended September 30, 2024 and for the year ended December 31, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

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

ONKURE THERAPEUTICS, INC.

Date:	November 7, 2024	By:	/s/ Jason Leverone
			Name: Jason Leverone
			Title: Chief Financial Officer

Exhibit 15.1

November 7, 2024

OnKure, Inc.
Boulder, CO

Re: Form 8-K dated November 7, 2024

With respect to the subject current report, we acknowledge our awareness of the use therein of our report dated November 7, 2024 related to our review of interim financial information.

Pursuant to Rule 436 under the Securities Act of 1933 (the Act), such report is not considered part of a registration statement prepared or certified by an independent registered public accounting firm, or a report prepared or certified by an independent registered public accounting firm within the meaning of Sections 7 and 11 of the Act.

/s/ KPMG LLP

Denver, Colorado

Exhibit 16.1

November 7, 2024

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Commissioners:

We have read Item 4.01 of Form 8-K dated November 7, 2024, of OnKure Therapeutics, Inc. (formerly Reneo Pharmaceuticals, Inc.) and are in agreement with the statements contained in the second through fourth paragraphs as reported under Item 4.01(a) therein. We have no basis to agree or disagree with other statements of the registrant contained therein.

/s/ Ernst & Young LLP

Exhibit 99.1

INDEX TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

Independent Auditors' Review Report

Board of Directors and Stockholders
OnKure, Inc.:

Results of Review of Condensed Interim Financial Information

We have reviewed the financial statements of OnKure, Inc. (the Company), which comprise the balance sheetas of September 30, 2024, and the related statements of operations and comprehensive loss, changes in convertible preferred stock and stockholders' deficit, and cash flows for the three- and nine-month periods ended September 30, 2024 and 2023, and the related notes (collectively referred to as the interim financial information).

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying condensed interim financial information for it to be in accordance with U.S. generally accepted accounting principles.

Basis for Review Results

We conducted our reviews in accordance with auditing standards generally accepted in the United States of America (GAAS) applicable to reviews of interim financial information and in accordance with the auditing standards of the Public Company Accounting Oversight Board (United States) (PCAOB). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of interim financial information is substantially less in scope than an audit conducted in accordance with GAAS and in accordance with the auditing standards of the PCAOB, the objective of which is an expression of an opinion regarding the financial information as a whole, and accordingly, we do not express such an opinion. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our reviews. We believe that the results of the review procedures provide a reasonable basis for our conclusion.

Responsibilities of Management for the Condensed Interim Financial Information

Management is responsible for the preparation and fair presentation of the interim financial information in accordance with U.S. generally accepted accounting principles and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of interim financial information that is free from material misstatement, whether due to fraud or error.

Report on Condensed Balance Sheet as of December 31, 2023

We have previously audited, in accordance with GAAS and in accordance with the auditing standards of the PCAOB, the balance sheet as of December 31, 2023, and the related statements of operations and comprehensive loss, changes in convertible preferred stock and stockholders' deficit, and cash flows for the year then ended (not presented herein); and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 13, 2024. In our opinion, the accompanying balance sheet of the Company as of December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

/s/ KPMG LLP

Denver, Colorado
November 7, 2024

ONKURE, INC.

BALANCE SHEETS
(in thousands, except share and per share data)

	September 30, 2024	December 31, 2023
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,959	$ 29,876
Prepaid expenses and other current assets	3,998	3,890
Total current assets	11,957	33,766
Property and equipment, net	1,126	1,432
Operating lease right-of-use asset	367	478
Other assets	58	58
Total assets	$ 13,508	$ 35,734
LIABILITIES, CONVERTIBLE PREFERRED STOCK, AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 8,191	$ 3,417
Accrued expenses	3,920	3,660
Operating lease liabilities, current portion	220	208
Convertible notes payable, net of debt issuance costs	5,986	—
Other current liabilities	116	—
Total current liabilities	18,433	7,285
Operating lease liabilities, net of current portion	300	466
Total liabilities	18,733	7,751
Commitments and contingencies		
Convertible preferred stock, Series C, $0.0001 par value; 51,141,064 shares authorized; 47,243,806 shares issued or outstanding at September 30, 2024 and December 31, 2023; liquidation preference of $195,823 as of September 30, 2024 and December 31, 2023, respectively	129,825	129,825
Stockholders' deficit:		
Common stock, Class A, $0.0001 par value; 78,000,000 and 40,000,000 shares authorized; 13,401,523 and 13,296,584 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	1	1
Common stock, Class B, $0.0001 par value; 9,589,983 shares authorized; no shares issued and outstanding at September 30, 2024 and December 31, 2023	—	—
Additional paid-in capital	2,231	208
Accumulated deficit	(137,282)	(102,051)
Total stockholders' deficit	(135,050)	(101,842)
Total liabilities, convertible preferred stock, and stockholders' deficit	$ 13,508	$ 35,734

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

ONKURE, INC.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
	(in thousands, except share and per share amounts)			
Operating expenses:				
Research and development	$ 10,116	$ 8,253	$ 29,434	$ 23,290
General and administrative	1,396	1,403	6,253	3,752
Total operating expenses	11,512	9,656	35,687	27,042
Loss from operations	(11,512)	(9,656)	(35,687)	(27,042)
Other income and (expense):				
Interest income	174	668	699	1,192
Interest and other expense	(218)	(6)	(243)	(6)
Total other income and (expense)	(44)	662	456	1,186
Net loss and comprehensive loss	$ (11,556)	$ (8,994)	$ (35,231)	$ (25,856)
Net loss per share attributable to common stockholders:				
Basic and diluted	$ (0.86)	$ (0.68)	$ (2.64)	$ (2.22)
Weighted average shares outstanding:				
Basic and diluted	13,398,233	13,257,550	13,359,203	11,622,314

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

ONKURE, INC
STATEMENTS OF CHANGES IN CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT
(in thousands, except share information)
(Unaudited)

	Convertible Preferred Stock		Common stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balance, December 31, 2023	**47,243,806**	**$129,825**	**13,296,584**	**$ 1**	**$ 208**	**$ (102,051)**	**$ (101,842)**
Issuance of Class A Common Stock for cash upon the exercise of stock options	—	—	42,476	—	10	—	10
Share-based compensation expense	—	—	—	—	107	—	107
Net loss	—	—	—	—	—	(9,536)	(9,536)
Balance, March 31, 2024	**47,243,806**	**129,825**	**13,339,060**	**1**	**325**	**(111,587)**	**(111,261)**
Issuance of Class A Common Stock for cash upon the exercise of stock options	—	—	47,898	—	10	—	10
Share-based compensation	—	—	—	—	1,813	—	1,813
Net loss	—	—	—	—	—	(14,139)	(14,139)
Balance, June 30, 2024	**47,243,806**	**129,825**	**13,386,958**	**1**	**2,148**	**(125,726)**	**(123,577)**
Issuance of Class A Common Stock for cash upon the exercise of stock options	—	—	14,565	—	6	—	6
Share-based compensation	—	—	—	—	77	—	77
Net loss	—	—	—	—	—	(11,556)	(11,556)
Balance, September 30, 2024	**47,243,806**	**$ 129,825**	**13,401,523**	**$ 1**	**$ 2,231**	**$ (137,282)**	**$ (135,050)**

	Convertible Preferred Stock		Common stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balance, December 31, 2022	**25,822,452**	**64,389**	**7,745,744**	**$1**	**$2,655**	**$(57,074)**	**$(54,418)**
Issuance of Series C Preferred Stock under a stock purchase agreement, net of issuance costs of $0.7 million	19,463,456	53,068	—	—	—	—	—
Issuance of Class A Common Stock and Series C Preferred Stock in exchange for Series A, A-1, and Series B Preferred Stock under a stock purchase agreement	1,957,898	12,376	5,402,428	—	(2,711)	(9,666)	(12,377)
Issuance of Class A Common Stock for cash upon the exercise of stock options	—	—	96,666	—	41	—	41
Share-based compensation expense	—	—	—	—	15	—	15
Net loss	—	—	—	—	—	(8,679)	(8,679)
Balance, March 31, 2023	**47,243,806**	**129,833**	**13,244,838**	**1**	**—**	**(75,419)**	**(75,418)**
Issuance costs of Series C Preferred Stock	—	(8)	—	—	—	—	—
Issuance of Class A Common Stock for cash upon the exercise of stock options	—	—	10,833	—	5	—	5
Share-based compensation	—	—	—	—	17	—	17
Net loss	—	—	—	—	—	(8,183)	(8,183)
Balance, June 30, 2023	**47,243,806**	**129,825**	**13,255,671**	**1**	**22**	**(83,602)**	**(83,579)**
Issuance of Class A Common Stock for cash upon the exercise of stock options	—	—	17,286	—	65	—	65
Share-based compensation	—	—	—	—	8	—	8
Net loss	—	—	—	—	—	(8,994)	(8,994)
Balance, September 30, 2023	**47,243,806**	**$129,825**	**13,272,957**	**$1**	**$95**	**$(92,596)**	**$(92,500)**

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

ONKURE, INC.
STATEMENTS OF CASH FLOWS
(in thousands)

(Unaudited)

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
	(in thousands)	
Cash flows from operating activities:		
Net loss	$ (35,231)	$ (25,856)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share-based compensation expense	1,997	97
Depreciation and amortization	343	304
Amortization of right-of-use asset - operating	111	131
Amortization of debt issuance costs	128	—
Change in operating assets and liabilities:		
Prepaid and other assets	(108)	(2,199)
Accounts payable, accrued and other liabilities	5,151	154
Lease liabilities	(154)	(157)
Net cash used in operating activities	(27,763)	(27,526)
Cash flows from investing activities:		
Purchases of property and equipment	(37)	(213)
Net cash used in investing activities	(37)	(213)
Cash flows from financing activities:		
Proceeds from the sale of Series C Preferred Stock	—	53,783
Payment of issuance costs associated with the issuance of Series C Preferred Stock	—	(724)
Proceeds from issuance of convertible notes payable	6,000	—
Payment of issuance costs associated with the issuance of convertible notes payable	(142)	—
Proceeds from the issuance of common stock	25	56
Net cash provided by financing activities	5,883	53,115
Net increase (decrease) in cash and cash equivalents	(21,917)	25,376
Cash and cash equivalents, beginning of year	29,876	11,543
Cash and cash equivalents, end of period	$ 7,959	$ 36,919
Supplemental cash flow information:		
Interest paid	$ —	$ —
Supplemental disclosure of noncash financing transactions:		
Issuance of Series C Preferred Stock on conversion of prior Preferred Stock	$ —	$ 23,313

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

(1) DESCRIPTION OF BUSINESS

OnKure, Inc., a Delaware corporation (Legacy OnKure or the Company) is a clinical-stage biopharmaceutical company focused on the discovery and development of precision medicines that target biologically validated drivers of cancers that are underserved by available therapies. Using a structure- and computational chemistry-driven drug design platform, Legacy OnKure is committed to improving clinical outcomes for patients by building a robust pipeline of small molecule drugs designed to selectively target specific mutations thought to be key drivers of cancer.

On October 4, 2024 (the Closing Date), the Delaware corporation formerly known as "Reneo Pharmaceuticals, Inc." (Reneo) completed its previously announced merger transaction pursuant to the terms of the Agreement and Plan of Merger, dated as of May 10, 2024 (the Merger Agreement), by and among Reneo, Radiate Merger Sub I, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of Reneo (Merger Sub I), Radiate Merger Sub II, LLC, a Delaware limited liability company and a direct, wholly-owned subsidiary of Reneo (Merger Sub II), and Legacy OnKure. See Note 12 for further discussion.

Liquidity and Capital Resources

The Company had recurring losses from operations, an accumulated deficit of $137.3 million and cash and cash equivalents of $8.0 million as of September 30, 2024. The Company's ability to fund its ongoing operations is highly dependent upon raising additional capital through the issuance of equity securities, issuing debt or other financing vehicles.

As of December 31, 2023, the Company had determined that substantial doubt about the Company's ability to continue as a going concern for a period of at least 12 months from the date of the issuance of those financial statements did exist. However, following the completion of the Merger, as described in more detail in Note 12, management believes the Combined Company's (as defined in Note 12) cash, cash equivalents and short-term investments will be sufficient to fund the Combined Company's current operating plan for at least the next 12 months from the date of issuance of these unaudited condensed financial statements and as such substantial doubt is alleviated as of September 30, 2024.

The Company's ability to secure capital is dependent upon success in discovering and developing its drug candidates. The Company cannot provide assurance that additional capital will be available on acceptable terms, if at all. The issuance of additional equity or debt securities will likely result in substantial dilution to the Company's stockholders. Should additional capital not be available to the Company in the near term, or not be available on acceptable terms, the Company may be unable to realize value from the Company's assets or discharge liabilities in the normal course of business, which may, among other alternatives, cause the Company to delay, substantially reduce, or discontinue operational activities to conserve cash, which could have a material adverse effect on the Company's ability to achieve its intended business objectives.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The financial statements do not reflect any adjustments relating to the recoverability and reclassification of assets and liabilities that might be necessary if the Company is unable to continue as a going concern.

Failure to raise capital as and when needed, on favorable terms or at all, would have a negative impact on the Company's financial condition and its ability to discover and develop its product candidates. Changing circumstances may cause the Company to consume capital significantly faster or slower than currently anticipated. If the Company is unable to acquire additional capital or resources, it will be required to modify its operational plans. The estimates included herein are based on assumptions that may prove to be wrong, and the Company could exhaust its available financial resources sooner than currently anticipated.

The financial statements do not include any adjustments to the carrying amounts and classification of assets, liabilities, and reported expenses that may be necessary if the Company were unable to continue as a going concern.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company has prepared the accompanying unaudited financial statements in accordance with U.S. generally accepted accounting principles (GAAP). The Company recommends that these unaudited financial statements be read in conjunction with the audited financial statements and the notes thereto included in the Company's audited financial statements for the year ended December 31, 2023.

In the opinion of management, all adjustments, including normal recurring adjustments, considered necessary for a fair presentation of the financial statements, have been included in the accompanying unaudited financial statements. Interim results are not necessarily indicative of results that may be expected for any other interim period or for an entire year.

Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of these financial statements for the period ended September 30, 2024 are consistent with those discussed in Note 3 to the financial statements in the Legacy OnKure's audited financial statements for the year ended December 31, 2023 and 2022 included in the proxy statement/prospectus (the Proxy Statement/Prospectus) filed pursuant to Rule 424(b) under the Securities Act of 1933, as amended (the Securities Act), with the SEC on August 26, 2024.

Use of Estimates

The preparation of the financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the financial statements, and the reported amounts of expenses during the reporting period. Although these estimates are based on the Company's knowledge of current events and actions it may take in the future, actual results may ultimately differ from these estimates. The most significant estimates relate to external research and development expenses, and the fair value of stock options and restricted stock awards and units.

Fair Value of Financial Instruments

The Company is required to disclose information on all assets and liabilities reported at fair value that enables an assessment of the inputs used in determining the reported fair values. The Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures* (ASC 820), establishes a hierarchy of inputs used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are those that reflect the Company's assumptions about the inputs that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances. The fair value hierarchy applies only to the valuation inputs used in determining the reported fair value of financial instruments and is not a measure of the investment credit quality. The three levels of the fair value hierarchy are described below:

Level 1 —Valuations are based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 —Valuations are based on quoted prices for similar assets or liabilities in active markets, or quoted prices in markets that are not active for which significant inputs are observable, either directly or indirectly. The Company had no Level 2 valuations for the periods ended September 30, 2024, or year ended December 31, 2023, respectively.

Level 3 —Valuations are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect management's best estimate of what market participants would use in valuing the asset or liability at the measurement date. The Company had no Level 3 valuations for the periods ended September 30, 2024, or year ended December 31, 2023, respectively.

The carrying amounts of the Company's financial assets and liabilities, such as cash, receivables, prepaid and other current assets, accounts payable, notes payable, and accrued expenses approximate their fair values because of the short maturity of these instruments.

New Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* to update reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses and information used to assess segment performance. This update is effective beginning with the Company's 2024 fiscal year annual reporting period, with early adoption permitted. The Company is currently evaluating the impact that the adoption of this standard will have on its financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures (ASU 2023-09)*, which requires enhanced income tax disclosures, including specific categories and disaggregation of information in the effective tax rate reconciliation, disaggregated information related to income taxes paid, income or loss from continuing operations before income tax expense or benefit, and income tax expense or benefit from continuing operations. The requirements of the ASU are effective for annual periods beginning after December 15, 2025 for emerging growth companies, with early adoption permitted. The Company is currently evaluating the impact of this pronouncement.

There were various accounting standards and interpretations issued recently, none of which are expected to have a material impact on the Company's financial position, operations or cash flows. The Company is an emerging growth company, and as an emerging growth company, can adopt a new or revised standard at the time private companies adopt a new or revised standard.

(3) LEASES

The Company leases office and lab facilities in Boulder, Colorado under non-cancellable operating leases with rights to extend. Right-of-use assets and lease liabilities for operating leases as included in the Company's financial statements are as follows (in thousands):

	September 30, 2024 (Unaudited)	December 31, 2023
Operating lease right-of-use assets	$ 367	$ 478
Current operating lease liabilities	220	208
Noncurrent operating lease liabilities	300	466
Total lease liabilities	$ 520	$ 674

Lease expense for operating leases as included in the Company's financial statements are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating lease cost	$ 44	$ 45	$ 131	$ 130
Variable lease expense	47	47	140	130
Short-term lease expense	—	—	—	—

Lease term, discount rates, and additional information for operating leases are as follows (in thousands):

	As of September 30,	
	2024	2023
Weighted-average remaining lease term - operating leases (years)	2.25	3.25
Weighted-average discount rate - operating leases	4.5 %	4.5 %
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	$ 154	$ 157

The aggregate maturities of the Company's operating lease liabilities were as follows as of September 30, 2024 (in thousands):

Remaining in 2024	$	59
2025		240
2026		247
Total future minimum lease payments		546
Less: imputed interest		(26)
Less: Current portion		(220)
Operating lease liability, net of current portion	$	300

(4) SHARE-BASED COMPENSATION

The Company had share-based compensation plans which are described below:

2011 Equity Incentive Plan

In October 2011, the Company established an equity incentive plan (the 2011 Plan). The 2011 Plan provides for the grant of stock options and restricted stock awards (RSA) to employees, non-employee directors, advisors, and consultants. The aggregate number of shares of common stock that may be issued under the 2011 Plan will not exceed 1,266,000 shares. Shares are no longer available for issuance under the 2011 Plan, which was subsequently terminated in March 2023.

2021 Equity Incentive Plan

In February 2021, the Company established an equity incentive plan (the 2021 Plan). The 2021 Plan provides for the grant of stock options and RSA to employees, non-employee directors, advisors, and consultants. The aggregate number of shares of common stock that may be issued under the 2021 Plan will not exceed 9,838,497 shares. Upon the closing of the Merger, all shares available for issuance under the 2021 Plan were cancelled. See Note 12 for discussion of the new equity plans adopted as part of the Merger.

2023 RSU Equity Incentive Plan

In September 2023, the Company established an equity incentive plan (the 2023 Plan). The 2023 Plan provides for the grant of restricted stock units (RSU) to employees, directors, and consultants. The aggregate number of shares of common stock that may be issued under the 2023 Plan will not exceed 2,000,000 shares. Upon the closing of the Merger, all shares available for issuance under the 2023 Plan were cancelled. See Note 12 for discussion of the new equity plans adopted as part of the Merger.

Stock Options

Options granted under the Company's equity incentive plans have an exercise price equal to or in excess of the market value of the common stock at the date of grant and expire no more than 10 years from the date of grant. Generally, options vest 25% on the first anniversary of the vesting commencement date and 75% ratably in equal monthly installments over the remaining 36 months. Stock options granted to non-employees generally vest quarterly over two to three years.

As of September 30, 2024, there were 698,688 options available for issuance under the 2021 Plan, of which the Company is restricted from granting stock awards for 361,600 shares of its common stock under certain conditions.

A summary of common stock option activity is as follows:

	Options Outstanding			
	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Options outstanding - December 31, 2023	7,197,551	$ 0.40	8.88	$ 16
Granted	854,795	0.33		
Exercised	(104,939)	0.24		
Expired	(20,324)	0.54		
Forfeited	(11,414)	0.42		
Options outstanding - September 30, 2024	7,915,669	$ 0.39	7.19	$ 2
Options exercisable - September 30, 2024	4,658,957	$ 0.41	6.13	$ 2
Options vested and expected to vest - September 30, 2024	7,726,169	$ 0.39	7.15	$ 2

As of September 30, 2024, the Company had unrecognized compensation cost for unvested stock options of $332,000, expected to be recognized over a weighted-average period of approximately 2.4 years.

From time to time, the Company grants performance-based stock options. As of September 30, 2024, the Company had granted 358,089 performance-based shares. The Company recognized $0 and $30,000 in performance-based compensation expense for the three and nine months ended September 30, 2024, respectively. No performance-based shares were outstanding as of September 30, 2024. No performance-based shares were granted and no performance-based expense was recognized for the three and nine months ended September 30, 2023. These performance-based stock options are not included in the table above.

Restricted Stock Awards and Restricted Stock Units

RSA typically vests 25% on the first anniversary of the issuance date and incrementally vest monthly for the three-year period thereafter. In the event of termination of services, all unvested shares are forfeited, and the Company has the option to purchase all outstanding vested shares at their fair market value.

RSU vests based on a service-based requirement and a liquidity event plus service requirement.

As of September 30, 2024, there were 527,040 restricted stock units available for issuance under the 2023 Plan. Upon the close of the Merger, all shares available for issuance under the 2023 Plan were cancelled. See Note 12 for discussion of the new equity plans adopted as part of the merger.

A summary of restricted stock awards and restricted stock units activity are as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Unvested balance as of December 31, 2023	1,481,122	$ 2.76
Granted	—	—
Vested (RSA)	(4,407)	0.12
Forfeited	(3,755)	2.76
RSUs outstanding - September 30, 2024	1,472,960	$ 2.76
Unvested balance as of September 30, 2024	950,841	$ 2.76
Vested outstanding (RSU) as of September 30, 2024	522,119	$ 2.76

As of September 30, 2024, the Company had unrecognized compensation cost for unvested RSU awards of $2.5 million, expected to be recognized over a weighted-average period of approximately 2.5 years.

Share-based compensation expense

The following table shows the allocation of share-based compensation expense related to the company's share-based awards (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Research and development	$ 31	$ 26	$ 1,586	$ 53
General and administrative	46	38	411	44
Total	$ 77	$ 64	$ 1,997	$ 97

The Company recorded accelerated share-based compensation expenses related to modifications of RSUs under certain separation agreements of $40 thousand and $1.7 million during the three and nine months ended September 30, 2024, respectively.

(5) NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS PER SHARE

The Company computes basic loss per share by dividing the net loss attributable to common stockholders by the weighted average number of common shares outstanding for the period, without consideration for common stock equivalents. Diluted net loss per share assumes the conversion, exercise or issuance of all potential common stock equivalents, unless the effect of inclusion would be anti-dilutive. For purposes of this calculation, common stock shares to be issued upon exercise of all outstanding stock options and restricted stock units were excluded from the diluted net loss per share calculation for the three and nine months ended September 30, 2024 and 2023 because such shares are anti-dilutive.

Outstanding anti-dilutive securities not included in the diluted net loss per share calculation include the following:

	September 30,	
	2024	2023
Outstanding stock options	8,273,758	2,991,710
Unvested restricted stock units	1,472,960	8,813
	9,746,718	3,000,523

(6) PREPAID EXPENSES AND OTHER CURRENT ASSETS

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

	September 30, 2024 (Unaudited)	December 31, 2023
Prepaid clinical trials	$ 933	$ 3,192
Deferred transaction costs	2,255	—
Prepaid insurance	140	68
Prepaid other	670	630
Total prepaid expenses	$ 3,998	$ 3,890

(7) PROPERTY AND EQUIPMENT, NET

The following summarizes the components of property and equipment (in thousands):

	September 30, 2024 (Unaudited)	December 31, 2023
Lab equipment	$ 705	$ 706
Leasehold improvements	1,090	1,090
Computer hardware and software	176	141
Furniture and fixtures	160	160
Property and equipment, gross	2,131	2,097
Less: Accumulated depreciation and amortization	(1,005)	(665)
Property and equipment, net	$ 1,126	$ 1,432

Depreciation expense for the three and nine months ended September 30, 2024 was $114,000 and $343,000, respectively. Depreciation expense for the three and nine months ended September 30, 2023 was $107,000 and $304,000, respectively.

(8) ACCRUED EXPENSES

Accrued expenses consisted of the following (in thousands):

	September 30, 2024 (Unaudited)	December 31, 2023
Accrued contract manufacturing costs	$ 750	$ 1,627
Accrued compensation	2,086	1,663
Accrued legal	543	—
Accrued other	541	370
Total accrued expenses	$ 3,920	$ 3,660

(9) COMMITMENTS AND CONTINGENCIES

Indemnification

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, business partners and other parties with respect to certain matters including, but not limited to, losses arising of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with members of its board of directors 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. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. To date, the Company has not incurred any material costs because of such indemnifications. The Company is not aware of any claims under indemnification arrangements, and it has not accrued any liabilities related to such obligations in its financial statements as of September 30, 2024.

(10) MERGER AND FINANCING

In May 2024, the Company entered into a definitive merger agreement with Reneo to combine the Company with Reneo in an all-stock transaction. The Combined Company will focus on advancing Legacy OnKure's pipeline candidates. Upon completion of the Merger on October 4, 2024, the Combined Company operates under the name OnKure Therapeutics, Inc., and began trading on the Nasdaq Global Market (Nasdaq) under the ticker symbol "OKUR" effective October 7, 2024. See Note 12 for further discussion.

In connection with the transaction, Reneo has entered into a subscription agreement for a $65 million private investment in public equity (PIPE) financing which closed concurrently with the closing of the Merger, with a group of institutional investors.

Pre-Merger Reneo stockholders own approximately 32% of the Combined Company, and pre-Merger Company stockholders own approximately 68% of the Combined Company, upon the closing of the Merger, exclusive of the PIPE financing. The expected relative ownership percentages of pre-Merger Company stockholders and pre-Merger Reneo stockholders of the combined company are calculated using the treasury stock method, as described in the Merger Agreement, on a fully diluted basis prior to giving effect to the concurrent PIPE financing and excluding any shares reserved for future grants.

(11) CONVERTIBLE PROMISSORY NOTES

In June 2024, the Company entered into convertible promissory note agreements with certain of its existing investors for up to $12.0 million. At Closing, the Company received total proceeds of $6.0 million and may draw up to an additional $6.0 million in the event the Merger with Reneo had not closed by September 30, 2024, but no additional draw was made. The notes bear interest rates from 6% to 8% per annum. All unpaid principal and accrued interest are due in December 2025, unless earlier converted. In October 2024, the unpaid notes automatically converted into shares issued in the PIPE financing at the price per share paid by investors in the PIPE financing. See Note 12 for further discussion. No principal or interest was due until maturity. The Company incurred $0 and $142,000 of debt issuance costs related to the convertible promissory notes during the three and nine months ended September 30, 2024, respectively. Debt issuance costs are amortized as a component of interest expense over the term of the related debt using the straight-line method, which approximates the interest method. The Company recognized $127,000 and $128,000 in interest expense related to the amortization of the debt issuance costs for the three and nine months ended September 30, 2024, respectively. As of September 30, 2024, the Company had accrued interest of $116,000 related to the convertible promissory notes, which is included in Other current liabilities on the balance sheet.

(12) SUBSEQUENT EVENTS

Agreement and Plan of Merger and PIPE Financing

On May 10, 2024, the Company entered into the Merger Agreement, pursuant to which Legacy OnKure merged with and into Radiate Merger Sub I (the Merger) on October 4, 2024 (the Closing), Reneo changed its name to “OnKure Therapeutics, Inc.”, with Legacy OnKure continuing after the Merger as the surviving company and a wholly-owned subsidiary of OnKure Therapeutics, Inc. (together, the Combined Company). At the Closing, each outstanding share of Legacy OnKure capital stock was converted into the right to receive shares of Reneo Class A Common Stock or Class B Common Stock, as set forth in the Merger Agreement. Upon closing of the Merger, the Combined Company has continued to be listed on Nasdaq.

Under the exchange ratio formulas in the Merger Agreement, immediately following the Closing, (i) (a) each then-outstanding share of Legacy OnKure common stock was converted into the right to receive 0.023596 shares of common stock of Reneo based on the Common Exchange Ratio, which was reclassified as Class A Common Stock in connection with the Merger, and (b) each then-outstanding share of Legacy OnKure preferred stock was converted into the right to receive 0.144794 shares of Class A Common Stock based on the Preferred Exchange Ratio; provided that a holder of Legacy OnKure preferred stock chose to receive 686,527 shares that it would otherwise have received in the form of Class A Common Stock in an equal number of shares of Class B Common Stock, (ii) each then-outstanding option to purchase shares of Legacy OnKure common stock was assumed by the Combined Company and converted into an option to purchase Class A Common Stock based on the Common Exchange Ratio, subject to adjustments set forth in the Merger Agreement, and (iii) each then-outstanding RSU of Legacy OnKure corresponding to shares of Legacy OnKure preferred stock was assumed by the Combined Company and converted into RSUs of the Combined Company covering 213,254 shares of Class A Common Stock based on the Preferred Exchange Ratio, subject to adjustments set forth in the Merger Agreement. Each share of Reneo common stock, each option to purchase shares of Reneo common stock and each RSU award covering shares of Reneo common stock that was issued and outstanding as of immediately prior to the Closing remained issued and outstanding in accordance with its terms and such shares, options and RSUs, subject to the Reverse Stock Split, were reclassified as Class A Common Stock but were otherwise unaffected by the Merger; provided that, to the extent not previously vested, all such options and RSUs held by Reneo’s directors and executive officers vested at Closing.

Concurrently with the execution of the Merger Agreement, Reneo entered into the Subscription Agreement with the PIPE Investors, pursuant to which the PIPE Investors subscribed for and purchased an aggregate of 2,839,005 shares of Class A Common Stock at a price of approximately $22.895 per share for aggregate gross proceeds of approximately $65.0 million.

Upon the closing of the Merger, (i) an aggregate of 6,470,281 shares of Class A Common Stock and 686,527 shares of Class B Common Stock of the Combined Company were issued in exchange for the shares of Legacy OnKure capital stock outstanding as of immediately prior to the Closing and (ii) outstanding shares of Reneo common stock were reclassified into an aggregate of

3,343,525 shares of Class A Common Stock. Immediately after the Merger, there were approximately 12,652,811 shares of Class A Common Stock outstanding, 686,527 shares of Class B Common Stock outstanding, and 905,204 shares of Class A Common Stock subject to outstanding options and RSUs under the Combined Company's equity incentive plans.

In addition, the Combined Company adopted the 2024 Equity Incentive Plan (the 2024 Plan) and 2024 Employee Stock Purchase Plan (the 2024 ESPP Plan). Under the 2024 Plan a total of 2,480,000 shares of Class A Common Stock were initially reserved for issuance. In addition, shares reserved for issuance under the 2024 Plan will include shares of Class A Common Stock equity awards granted under the Reneo 2021 Plan and any shares of Class A Common Stock equity awards that were assumed in the Merger. Under the 2024 ESPP Plan, an aggregate of 137,500 shares of Class A Common Stock are currently reserved and available for issuance. On October 4, 2024, the Combined Company granted to certain officers, directors, employees, consultants, and advisors, options to purchase an aggregate of 1,733,150 shares of Class A Common Stock with an exercise price of $18.20 per share under the 2024 Plan.

As of the open of trading on October 7, 2024, the Class A Common Stock of the Combined Company began trading on the Nasdaq under the symbol "OKUR."

Exhibit 99.2

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

You should read the following discussion and analysis of our financial condition and results of operations together with our (i) unaudited consolidated interim financial statements as of and for the periods ended September 30, 2024 and 2023 and related notes thereto, filed as Exhibit 99.1 to this Current Report on Form 8-K, and (ii) our audited consolidated financial statements and notes thereto and the related Management's Discussion and Analysis of Financial Condition and Results of Operations included in Legacy OnKure's audited financial statements and the related notes for the years ended December 31, 2023 and 2022 included in the proxy statement/prospectus (the Proxy Statement/Prospectus) filed pursuant to Rule 424(b) under the Securities Act of 1933, as amended (the Securities Act), with the SEC on August 26, 2024. Unless otherwise indicated, all references to "OnKure," the "Company," "we," "our," "us" or similar terms refer to OnKure Therapeutics, Inc. and its subsidiaries after completion of the Merger. In addition, references to "Reneo" refers to the Company prior to the completion of the Merger.

Forward-Looking Statements

In addition to historical financial information, this discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in the section titled "Risk Factors" under Part II, Item 1A of the Quarterly Report on Form 10-Q for the period ended September 30, 2024, filed with the SEC on November 7, 2024. Defined terms included below have the same meaning as terms defined and included elsewhere in the Current Report on Form 8-K of which this exhibit forms a part, including Exhibit 99.1 thereto, unless defined below. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "design," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "project," "positioned," "potential," "seek," "should," "target," "will," "would" or the negative of these terms or other similar expressions.

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 Current Report on Form 8-K, 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 investors are cautioned not to unduly rely upon these statements.

Overview

OnKure Therapeutics, Inc. is a clinical-stage biopharmaceutical company focused on the discovery and development of precision medicines designed to target biologically validated drivers of cancers underserved by available therapies. Using a structure- and computational chemistry-driven drug design platform, we are committed to improving clinical outcomes for patients by building a robust pipeline of small molecule drugs designed to selectively target specific mutations thought to be key drivers of cancer. Our lead product candidate, OKI-219, is a highly selective inhibitor of 3 kinase alpha (PI3Kα), a key mediator in cancer growth signaling, harboring the H1047R mutation (PI3Kα^{H1047R}) that has a much smaller impact on non-mutated (or wild-type) PI3Kα (PI3Kα^{WT}). OKI-219 is currently in a first-in-human Phase 1 monotherapy dose-escalation trial in H1074R-mutated advanced solid tumors including breast cancer. Early clinical data are anticipated in the fourth quarter of 2024. In addition to OKI-219, we are also pursuing programs designed to selectively target the other specific mutations of PI3Kα.

Merger

On the Closing Date, Reneo, consummated the previously announced Merger pursuant to the terms of the Merger Agreement, by and among Reneo, Merger Sub I, Merger Sub II, and Legacy OnKure. Pursuant to the Merger Agreement, on the Closing Date, (i) Reneo effected the Reverse Stock Split, (ii) Reneo changed its name to "OnKure Therapeutics, Inc.", (iii) Reneo reclassified all of its common stock as Class A Common Stock, and (iv) Merger Sub I merged with and into Legacy OnKure, with Legacy OnKure as the surviving company in the Merger and, after giving effect to such Merger, Legacy OnKure became a wholly-owned subsidiary of OnKure Therapeutics, Inc. Pursuant to the terms of the Merger Agreement, we determined that the Merger would qualify for the intended tax treatment even if only the merger with Merger Sub I was consummated, and therefore the parties determined not to consummate the second merger with Merger Sub II contemplated by the Merger Agreement.

Concurrently with the closing of the Merger, Reneo completed a private placement with certain investors (the PIPE Investors) to purchase 2,839,005 shares of Class A Common Stock at a price per share of approximately $22.895 per share for an aggregate purchase price of approximately $65.0 million, including the conversion of outstanding convertible notes and accrued but unpaid interest thereon held by certain Legacy OnKure investors (the Concurrent PIPE Investments). In connection with the Concurrent PIPE Investments, Reneo entered into a registration rights agreement with the PIPE Investors, pursuant to which Reneo agreed to use commercially reasonably efforts to prepare and file a registration statement with the SEC within 45 calendar days after the Closing Date, registering the resale of the shares of Class A Common Stock issued pursuant to the Concurrent PIPE Investments. Immediately after the effective time of the Merger, following the consummation of the Concurrent PIPE Investments, Legacy OnKure stockholders owned approximately 53.6%, pre-Merger Reneo stockholders owned approximately 25.1%, and the PIPE Investors owned approximately 21.3% of our outstanding common stock.

As of the open of trading on October 7, 2024, our Class A Common Stock began trading on the Nasdaq Global Market (Nasdaq) under the symbol “OKUR.”

Components of Legacy OnKure's Results of Operations

Basis of Presentation

The following discussion highlights Legacy OnKure’s results of operations and the principal factors that have affected its financial condition as well as its liquidity and capital resources for the periods described and provides information that management believes is relevant for an assessment and understanding of the balance sheets and statements of operations and comprehensive loss presented herein. The following discussion and analysis are based on Legacy OnKure’s audited financial statements and related notes and unaudited interim financial statements and related notes contained in this Current Report on Form 8-K, which have been prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP). You should read the discussion and analysis together with such audited financial statements and the related notes thereto and unaudited interim financial statements and related notes thereto.

Components of Results of Operations

Revenue

To date, Legacy OnKure has not generated any revenue and it does not expect to generate any revenue from the sale of products or from other sources in the foreseeable future.

Operating Expenses

Research and Development

Research and development expenses account for a significant portion of Legacy OnKure’s operating expenses and consist primarily of expenses incurred in connection with the discovery and development of its product candidates.

Research and development expenses consist of costs incurred for the research and development of Legacy OnKure’s programs and product candidates, which include:

- employee-related expenses, including salaries, severance, retention, benefits, insurance, and share-based compensation expense;
- expenses incurred under agreements with contract research organizations (CROs), which are investigative sites that conduct Legacy OnKure’s clinical trials, other clinical trial-related vendors and clinical consultants;
- the costs of acquiring, developing, and manufacturing and testing clinical and preclinical materials, including costs incurred under agreements with contract manufacturing organizations (CMOs);
- costs associated with non-clinical activities and regulatory operations; and

- facilities, depreciation, market research, and other expenses, which include allocated expenses for rent and maintenance of facilities, depreciation of leasehold improvements and equipment, and laboratory supplies.

Legacy OnKure makes non-refundable advance payments for goods and services that will be used in future research and development activities. These payments are recorded as expenses in the period in which Legacy OnKure receives or takes ownership of the goods or when the services are performed. At any one time, Legacy OnKure is working on multiple research or drug discovery programs and internal resources. Employees and infrastructure are not directly tied to any one program and are typically deployed across multiple programs; therefore, Legacy OnKure does not track its research and development expenses on a program-specific basis.

Conducting preclinical studies and clinical trials necessary to obtain regulatory approval is costly and time-consuming. As Legacy OnKure initiates new clinical trials, its research and development expenses may increase. Product candidates in later stages of development generally have higher development costs than those in earlier stages. As a result, Legacy OnKure expects that its research and development expenses will increase substantially over the next several years as Legacy OnKure advances product candidates through preclinical studies into and through clinical trials, continues to discover and develop additional product candidates, undertakes activities to expand, maintain, protect and enforce its intellectual property portfolio, and hires additional research and development personnel.

Successful development of product candidates is highly uncertain and may not result in approved products. The probability of success for each product candidate may be affected by numerous factors, including clinical data, preclinical data, competition, manufacturability, and commercial viability. Completion dates and completion costs can vary significantly for each product candidate and are difficult to predict. Legacy OnKure anticipates that it will make determinations as to which programs to pursue and how much funding to direct to each program on an ongoing basis in response to its ability to enter strategic alliances with respect to each program or product candidate, the scientific and clinical success of each product candidate, and ongoing assessments as to each product candidate's commercial potential. Legacy OnKure will need to raise additional capital and may seek strategic alliances in the future to advance its various programs.

General and Administrative

General and administrative expenses consist primarily of salaries, bonuses and related benefits, share-based compensation, and severance and retention benefits related to Legacy OnKure's executive, finance and administrative functions, professional fees for auditing, tax, consulting and legal services, as well as insurance, board of director compensation, consulting and other administrative expenses. Legacy OnKure recognizes general and administrative expenses in the periods in which they are incurred.

Legacy OnKure expects that its general and administrative expenses will increase over the next several years as it hires additional personnel to support the growth of its business. In addition, we will incur significant additional expenses associated with being a public company, including expenses related to accounting, audit, legal, regulatory, public company reporting and compliance, director and officer insurance, investor and public relations, and other administrative and professional services.

Other Income

Interest Income

Interest income primarily consists of interest income generated from Legacy OnKure's cash equivalents in interest-bearing money market accounts.

Interest Expense

Interest expense consists of interest expense generated from Legacy OnKure's convertible notes payable.

Legacy OnKure Results of Operations

Comparison of the Three Months Ended September 30, 2024 and 2023

The following table summarizes Legacy OnKure's results of operations for the periods indicated:

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	$ Change
	(in thousands)		
Operating expenses:			
Research and development	$ 10,116	$ 8,253	$ 1,863
General and administrative	1,396	1,403	(7)
Total operating expenses	11,512	9,656	1,856
Loss from operations	(11,512)	(9,656)	(1,856)
Other income and (expense):			
Interest income	174	668	(494)
Interest and other expense	(218)	(6)	(212)
Total other income and (expense)	(44)	662	(706)
Net loss and comprehensive loss	$ (11,556)	$ (8,994)	$ (2,562)

Research and Development Expenses

Research and development expenses were $10.1 million for the three months ended September 30, 2024 compared to $8.3 million for the three months ended September 30, 2023, an increase of $1.9 million. This increase was primarily due to an increase in research and development costs, consisting of a $1.0 million increase in clinical trial and manufacturing expenses, $0.3 million increase in outsourced research, and a $0.6 million increase in personnel-related costs due to an increase in headcount, severance, and share-based compensation charges.

General and Administrative Expenses

General and administrative expenses were $1.4 million for the three months ended September 30, 2024 and for the three months ended September 30, 2023. During 2024, personnel-related and consulting costs increased by $0.1 million and audit fees increased by $0.1 million. These increases were offset by a decrease in legal service costs of $0.2 million.

Other Income (Expense)

Other income (expense) was $44 thousand of net expense for the three months ended September 30, 2024 compared to $0.7 million of net income for the three months ended September 30, 2023. The change was primarily due to a decrease in interest income due to a decrease in cash and cash equivalents available to invest during the quarter ended September 30, 2024 and increased interest expense related to convertible notes payable issued in 2024.

Comparison of the Nine Months Ended September 30, 2024 and 2023

The following table summarizes Legacy OnKure's results of operations for the periods indicated:

	Nine Months Ended September 30,		
	2024	**2023**	**$ Change**
	(in thousands)		
Operating expenses:			
Research and development	$ 29,434	$ 23,290	$ 6,144
General and administrative	6,253	3,752	2,501
Total operating expenses	35,687	27,042	8,645
Loss from operations	(35,687)	(27,042)	(8,645)
Other income and (expense):			
Interest income	699	1,192	(493)
Interest and other expense	(243)	(6)	(237)
Total other income and (expense)	456	1,186	(730)
Net loss and comprehensive loss	$ (35,231)	$ (25,856)	$ (9,375)

Research and Development Expenses

Research and development expenses were $29.4 million for the nine months ended September 30, 2024 compared to $23.3 million for the nine months ended September 30, 2023, an increase of $6.1 million. This increase was primarily due to an increase in research and development costs, consisting of a $2.9 million increase in clinical trial and manufacturing expenses and a $4.1 million increase in personnel-related costs due to an increase in headcount, severance, and share-based compensation charges. These increases were partially offset by a decrease of $1.0 million in outsourced research.

General and Administrative Expenses

General and administrative expenses were $6.3 million for the nine months ended September 30, 2024 compared to $3.8 million for the nine months ended September 30, 2023, an increase of $2.5 million. The increase was primarily due to an increase in personnel-related and consulting costs of $0.8 million and an increase in legal service costs of $1.6 million.

Other Income (Expense)

Other income (expense) was $0.5 million net income for the nine months ended September 30, 2024 compared to $1.2 million net income for the nine months ended September 30, 2023, a decrease of $0.7 million. The decrease was primarily due to a decrease an increase in cash and cash equivalents available during 2024 and an increase in interest expense related to the convertible notes payable issued in 2024.

Liquidity and Capital Resources

Since inception, Legacy OnKure has not generated any revenue from product sales and has incurred significant operating losses and negative cash flows from its operations. We expect to continue to incur significant expenses and operating losses for the foreseeable future as we advance the clinical development of our product candidates. We expect that our research and development and general and administrative costs will continue to increase significantly, including in connection with conducting clinical trials and manufacturing our product candidates to support commercialization and providing general and administrative support for our operations, including the costs associated with operating as a public company following the Closing. As a result, we will need additional capital to fund our operations, which we may seek to obtain from equity or debt financings, collaborations, licensing arrangements or other sources.

Legacy OnKure has funded its operations primarily through private placements of its common stock, preferred stock and convertible debt. As of September 30, 2024, Legacy OnKure had cash, cash equivalents and short-term investments of approximately $8.0 million. After giving effect to the Merger and the PIPE Financing in October 2024, we believe the resulting cash resources are sufficient to fund our planned operations for at least the next 12 months from the date of issuance of these unaudited condensed financial statements.

Funding Requirements

Our primary uses of cash to date have been to fund our research and development activities, including with respect to our PI3Kα and other programs, business planning, establishing and maintaining our intellectual property portfolio, hiring personnel, raising capital and providing general and administrative support for these activities.

We have never generated any revenue from product sales and do not expect to generate any meaningful product revenue unless and until we obtain regulatory approval for our product candidates, and management does not know when, or if, that will occur. Until we can generate significant revenue from product sales, if ever, we will continue to require substantial additional capital to develop our product candidates and fund operations for the foreseeable future. We are subject to all the risks inherent in the development of new biopharmaceutical products, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may harm our business.

In order to complete the development of our product candidates and to build the sales, marketing and distribution infrastructure that we believe will be necessary to commercialize product candidates, if approved, we will require substantial additional capital. Accordingly, until such time that we can generate a sufficient amount of revenue from product sales or other sources, we expect to seek to raise any necessary additional capital through equity financings, debt financings or other capital sources, which could include income from collaborations, partnerships, licensing or other strategic arrangements with third parties. To the extent that we raise additional capital through equity financings or convertible debt securities, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our stockholders. Debt financing and equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, including restricting our operations and limiting our ability to incur liens, issue additional debt, pay dividends, repurchase our own common stock, make certain investments or engage in merger, consolidation, licensing or asset sale transactions. If we raise capital through collaborations, partnerships and other similar arrangements with third parties, we may be required to grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves. We may be unable to raise additional capital from these sources on favorable terms, or at all.

Our ability to secure capital is dependent upon a number of factors, including our success in developing our product candidates. The failure to obtain sufficient capital on acceptable terms when needed could have a material adverse effect on our business, results of operations or financial condition, including requiring us to delay, reduce or curtail our research, product development or future commercialization efforts. We may also be required to license rights to product candidates at an earlier stage of development or on less favorable terms than we would otherwise choose. We cannot provide assurance that we will ever generate positive cash flow from operating activities.

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

- the scope, timing, progress, results and costs of researching and developing OKI-219, and conducting preclinical studies and clinical trials;

- the scope, timing, progress, results and costs of researching and developing other product candidates that we may pursue;
- the costs, timing and outcome of regulatory review of our product candidates;
- the costs of future activities, including product sales, medical affairs, marketing, manufacturing and distribution for our product candidates for which it receives marketing approval;
- the costs of manufacturing commercial-grade products and producing sufficient inventory to support commercial launch;
- the revenue, if any, received from commercial sales of our products, should its product candidates receive marketing approval;
- the cost and timing of attracting, hiring and retaining skilled personnel to support our operations and continued growth;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- our ability to establish, maintain and derive value from collaborations, partnerships or other marketing, distribution, licensing or other strategic arrangements with third parties on favorable terms, if at all;
- the extent to which we acquire or in-licenses other product candidates and technologies, if any; and
- the costs associated with operating as a public company.

A change in the outcome of any of these or other factors with respect to the development of OKI-219 or any of our future product candidates could significantly change the costs and timing associated with the development of that product candidate. Furthermore, our operating plans may change in the future, and we may need additional capital to meet the capital requirements associated with such operating plans.

Cash Flows

The following table summarizes Legacy OnKure's cash flows for the periods indicated, in thousands:

	Nine Months Ended September 30,	
	2024	2023
	(in thousands)	
Net cash used in:		
Operating activities	$ (27,763)	$ (27,526)
Investing activities	(37)	(213)
Financing activities	5,883	53,115
Net (decrease) increase in cash and cash equivalents	$ (21,917)	$ 25,376

Cash Flows from Operating Activities

Net cash used in operating activities during the nine months ended September 30, 2024 was $27.8 million. This consisted primarily of a net loss of $35.2 million, a net decrease in Legacy OnKure's operating assets and liabilities of $4.9 million, and by an increase in non-cash charges for share-based compensation and depreciation and amortization of $2.6 million.

Net cash used in operating activities during the nine months ended September 30, 2023 was $27.5 million. This consisted primarily of a net loss of $25.9 million, a net decrease in Legacy OnKure's operating assets and liabilities of $2.2 million, partially offset by a increase in non-cash charges for share-based compensation, depreciation and amortization of $0.5 million.

Cash Flows from Investing Activities

Net cash used in investing activities for the nine months ended September 30, 2024 was $37 thousand and related to purchase of property and equipment.

Net cash used in investing activities for the nine months ended September 30, 2023 was $213 thousand and related to the purchase of property and equipment.

Cash Flows from Financing Activities

Net cash provided by financing activities was $5.9 million during the nine months ended September 30, 2024 and related primarily to proceeds from the issuance of convertible notes payable.

Net cash provided by financing activities was $ 53.1 million during the nine months ended September 30, 2023. This consisted primarily of proceeds of $53.8 million resulting from the sale of shares of Legacy OnKure Preferred Stock, partially offset by $0.7 million of issuance costs.

Material Cash Requirements

The discussion below summarizes Legacy OnKure's significant contractual obligations and commitments as of September 30, 2024.

Leases. See Note 3 of Notes to Legacy OnKure Condensed Financial Statements included in Exhibit 99.1 to this Current Report on Form 8-K for information regarding its leases, including the future operating lease minimum payments.

Critical Accounting Policies and Estimates

Legacy OnKure's management's discussion and analysis of its financial condition and results of operations are based on its consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these consolidated financial statements requires Legacy OnKure to make estimates and judgments that affect the reported amounts of assets, liabilities, and expenses and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Legacy OnKure bases its estimates on historical experience, known trends and events, and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions or conditions.

Legacy OnKure's critical accounting policies are described in its audited financial statements and the related notes for the years ended December 31, 2023 and 2022 included in the Proxy Statement/Prospectus filed pursuant to Rule 424(b) under the Securities Act, with the SEC on August 26, 2024, and the notes to the consolidated financial statements in Exhibit 99.1 to this Current Report on Form 8-K. During the nine months ended September 30, 2024, there were no material changes to Legacy OnKure's critical accounting policies from those discussed in its audited financial statements and the related notes for the years ended December 31, 2023 and 2022 included in the Proxy Statement/Prospectus filed pursuant to Rule 424(b) under the Securities Act, with the SEC on August 26, 2024.

Recent Accounting Pronouncements

See Note 2 of Notes to Legacy OnKure Financial Statements included in Exhibit 99.1 to this Current Report on Form 8-K for a description of recent accounting pronouncements applicable to our consolidated financial statements.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Defined terms included below have the same meaning as terms defined and included elsewhere in the Current Report on Form 8-K of which this exhibit forms a part, including Exhibit 99.1 and 99.2 thereto, unless defined below.

On May 10, 2024, Reneo entered into the Merger Agreement with Merger Sub I, Merger Sub II and Legacy OnKure, pursuant to which, on the Closing Date, (i) Reneo changed its name to “OnKure Therapeutics, Inc.” and (ii) Merger Sub I merged with and into Legacy OnKure in the Merger, with Legacy OnKure surviving the Merger as a wholly owned subsidiary of OnKure Therapeutics, Inc. On October 4, 2024, the Merger was consummated and the Combined Company’s shares began trading on Nasdaq on October 7, 2024 under the ticker symbol “OKUR”.

On October 4, 2024, in connection with the closing of transactions contemplated by the Merger Agreement, Reneo effected the Reverse Stock Split, whereby each ten shares of Reneo’s common stock was combined into one share of Reneo’s Class A Common Stock.

On October 4, 2024:

- each then-outstanding share of Legacy OnKure common stock was converted into the right to receive 0.023596 (the "Common Exchange Ratio") shares of common stock of Reneo, which was reclassified as Class A common stock of the Combined Company (“Class A Common Stock”) immediately prior to the effective time of the Merger (the "Effective Time"), based on the Common Exchange Ratio calculated in accordance with the Merger Agreement;

- each then-outstanding share of Legacy OnKure preferred stock was converted into the right to receive 0.144794 (the "Preferred Exchange Ratio" and, together with the Common Exchange Ratio, the "Exchange Ratios") shares of Class A Common Stock, based on the Preferred Exchange Ratio calculated in accordance with the Merger Agreement; provided that a holder of Legacy OnKure preferred stock chose to receive a portion of the merger consideration that they would otherwise receive in the form of 686,527 shares of Class A Common Stock in an equal number of shares of Class B common stock of the Combined Company (“Class B Common Stock”);

- the then-outstanding awards of RSUs corresponding to shares of Legacy OnKure preferred stock issued pursuant to the Legacy OnKure equity plans that were outstanding immediately prior to the Effective Time were assumed by the Combined Company and converted into RSUs covering Class A Common Stock equal to the Preferred Exchange Ratio, subject to adjustments set forth in the Merger Agreement; and

- each then-outstanding option to purchase shares of Legacy OnKure common stock was assumed by the Combined Company and converted into an option to purchase Class A Common Stock based on the Common Exchange Ratio, subject to adjustments set forth in the Merger Agreement.

Concurrently with the closing of the Merger, Reneo completed a private placement with certain investors (the “PIPE Investors”) to purchase 2,839,005 shares of Class A Common Stock at a price per share of $22.895 per share for an aggregate purchase price of approximately $65.0 million, including the conversion of outstanding convertible notes and accrued but unpaid interest thereon held by certain Legacy OnKure investors (the “Concurrent PIPE Investments”). In connection with the Concurrent PIPE Investments, Reneo entered into a registration rights agreement with the PIPE Investors, pursuant to which Reneo agreed to use commercially reasonably efforts to prepare and file a registration statement with the SEC within 45 calendar days after the Closing Date, registering the resale of the shares of Class A Common Stock issued pursuant to the Concurrent PIPE Investments. Such registration statement was declared effective on October 30, 2024.

Immediately after the Effective Time, following the consummation of the Concurrent PIPE Investments, Legacy OnKure stockholders owned approximately 53.6%, pre-Merger Reneo stockholders owned approximately 25.1%, and the PIPE Investors owned approximately 21.3% of the Combined Company’s outstanding common stock.

In addition, a majority of options to purchase Reneo common stock issued pursuant to a Reneo equity plan or otherwise ("Reneo Options") and restricted stock units corresponding to shares of Reneo common stock issued pursuant to a Reneo equity plan or otherwise ("Reneo RSUs") outstanding as of immediately prior to the Effective Time were accelerated in full as of immediately prior to the Effective Time and remain outstanding following the Merger. These Reneo Options and Reneo RSUs generally will be subject to the same terms and conditions as were applicable to such Reneo Options and Reneo RSUs as of immediately prior to the Effective Time, except that as of the Effective Time, such Reneo Options and Reneo RSUs cover shares of Class A Common Stock instead of Reneo common stock. However, Reneo Options held by directors and executive officers have extended periods of exercisability and Reneo RSUs held by directors and executive officers are subject to a lock-up for 90 days after the Closing.

The unaudited pro forma condensed combined financial statements include adjustments to reflect the amendment and/or termination of multiple operating leases as required by the Merger Agreement, as well as the abandonment and/or disposal of tenant improvements, furniture and equipment (see Notes to the unaudited pro forma condensed combined financial statements). The unaudited pro forma condensed combined financial information gives effect to the Merger, which has been accounted for as a reverse recapitalization under GAAP. Legacy OnKure is considered to be the accounting acquirer for financial reporting purposes because on the Closing Date, the pre-combination assets of Reneo were primarily cash, cash equivalents, short-term investments, and other non-operating assets. In addition, this determination is based on the expectation that, immediately following the Merger: (i) Legacy OnKure stockholders will own a substantial majority of the voting rights of the Combined Company; (ii) Legacy OnKure will designate a majority (six of eight) of the initial members of the board of directors of the Combined Company; and (iii) Legacy OnKure’s management team will continue as the management team of the Combined Company. The Combined Company was renamed “OnKure Therapeutics, Inc.” and is headquartered in Boulder, Colorado. Accordingly, the Merger is treated for accounting purposes as the equivalent of Legacy OnKure issuing stock to acquire the net assets of Reneo. As a result of Legacy OnKure being treated as the accounting acquirer, Legacy OnKure’s assets and liabilities was recorded at their pre-combination carrying amounts and Reneo’s assets and liabilities was measured and recognized at their fair values as of the Effective Time. At completion of the Merger, the historical financial statements of Legacy OnKure became the historical consolidated financial statements of the Combined Company.

The unaudited pro forma condensed combined balance sheet data assumes that the Merger took place on September 30, 2024 and combines the historical balance sheets of Reneo and Legacy OnKure as of such date. The unaudited pro forma condensed combined statements of operations and comprehensive loss for the nine-month period ended September 30, 2024 and for the year ended December 31, 2023 assume that the Merger took place as of January 1, 2023 and combines the historical results of Reneo and Legacy OnKure for the periods then ended. The unaudited proforma condensed combined financial information was prepared pursuant to the rules and regulations of Rule 8-05 and Article 11 of SEC Regulation S-X.

The unaudited pro forma condensed combined financial statements have been derived from and should be read in connection with:

- the accompanying notes to the unaudited pro forma condensed combined financial statements;
- the historical unaudited consolidated financial statements of Reneo as of and for the three and nine months ended September 30, 2024 and the related notes set forth in Reneo’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2024;
- the historical unaudited financial statements of Legacy OnKure as of and for the three and nine months ended September 30, 2024 and the related notes set forth in Exhibit 99.1 of this Current Report on Form 8-K;
- the historical audited consolidated financial statements of Reneo as of and for the year ended December 31, 2023 and the related notes thereto set forth in Reneo’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as amended by Amendment No. 1 thereto;

- the historical audited financial statements of Legacy OnKure as of and for the year ended December 31, 2023 and the related notes;
- the section entitled "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Reneo's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as amended by Amendment No. 1 thereto, and in Reneo's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024;
- the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations"; and
- other financial information relating to Reneo and Legacy OnKure included elsewhere in this Current Report.

The unaudited pro forma condensed combined financial information is provided for illustrative purposes only, does not necessarily reflect what the actual consolidated results of operations and financial position would have been had the Merger occurred on the dates assumed and may not be useful in predicting the future consolidated results of operations or financial position of the Combined Company.

The unaudited pro forma condensed combined financial information is based on the assumptions and adjustments that are described in the accompanying notes. Accordingly, the pro forma adjustments are preliminary, subject to further revision as additional information becomes available and additional analyses are performed and have been made solely for the purpose of providing unaudited pro forma condensed combined financial information. Differences between these preliminary accounting conclusions and estimates and the final accounting conclusions and amounts may occur as a result of, among other reasons, (i) changes in initial assumptions in the determination of the accounting acquirer and related accounting, (ii) changes in the amount of cash used in Reneo's operations, and (iii) other changes in Reneo's assets and liabilities, which are expected to be completed after the Closing, and these differences could have a material impact on the accompanying unaudited pro forma condensed combined financial information and the Combined Company's future results of operations and financial position.

The unaudited pro forma condensed combined financial information does not give effect to the potential impact of current financial conditions, regulatory matters, operating efficiencies or other savings or expenses that may be associated with the integration of the two companies. The unaudited pro forma condensed combined financial information, including the notes thereto, should be read in conjunction with the separate historical financial statements of Reneo and Legacy OnKure, and their respective management's discussion and analysis of financial condition and results of operations included elsewhere in this prospectus.

The accounting policies of Reneo may materially vary from those of Legacy OnKure. During preparation of the unaudited pro forma condensed combined financial information, management has performed a preliminary analysis and is not aware of any material differences, and accordingly, this unaudited pro forma condensed combined financial information assumes no material differences in accounting policies. Following the Merger, management is conducting a final review of Reneo's accounting policies in order to determine if differences in accounting policies require adjustment or reclassification of Reneo's results of operations or reclassification of assets or liabilities to conform to Legacy OnKure's accounting policies and classifications. As a result of this review, management may identify differences that, when conformed, could have a material impact on these unaudited pro forma condensed combined financial statements.

Unaudited Pro Forma Condensed Combined Balance Sheets
As of September 30, 2024 (In thousands)

	Historical				
	Legacy OnKure	Reneo	Transaction Accounting Adjustments	Note 4	Pro Forma Combined Total
Assets					
Current assets:					
Cash and cash equivalents	$ 7,959	$ 60,689	52,981	(a)	$ 120,988
	—	—	(641)	(b)	
Short-term investments	—	15,979	-		15,979
Prepaid expenses and other current assets	3,998	331	(306)	(a)	2,120
	—	—	(1,903)	(e)	
Total current assets	11,957	76,999	50,131		139,087
Property and equipment, net	1,126	59	(59)	(d)	1,126
Right-of-use assets	367	440	(440)	(b)	367
Other non-current assets	58	147	(89)	(a)	58
	—	—	(58)	(b)	
Total assets	$ 13,508	$ 77,645	49,485		$ 140,638
Liabilities, convertible preferred stock and stockholders' equity (deficit)					
Current liabilities:					
Accounts payable	$ 8,191	$ 237	—		$ 8,428
Accrued expenses	3,920	725	2,347	(e)	12,454
	—	—	770	(e)	
	—	—	4,692	(g)	
Convertible note payable	5,986	—	(5,986)	(f)	—
Private placement deposit	—	2,000	(2,000)	(a)	—
Operating lease liabilities, current portion	220	286	(286)	(b)	220
Other current liabilities	116	—	—		116
Total current liabilities	18,433	3,248	(463)		21,218
Operating lease liabilities, less current portion	300	379	(379)	(b)	300
Total liabilities	18,733	3,627	(842)		21,518
Commitments and contingencies					
Series C convertible preferred stock	129,825	—	(129,825)	(h)	—
Stockholders' equity (deficit):					
Common stock	1	—	1	(l)	2
Additional paid-in capital	2,231	309,969	54,586	(a)	261,649
	—	—	(2,673)	(e)	
	—	—	6,000	(f)	
	—	—	129,824	(h)	
	—	—	(313,648)	(k)	
	—	—	75,350	(k)	
	—	—	10	(i)	
Accumulated deficit	(137,282)	(235,953)	(474)	(b)	(142,531)
	—	—	(59)	(d)	
	—	—	(2,347)	(e)	
	—	—	(14)	(f)	
	—	—	(4,692)	(g)	
	—	—	238,300	(k)	
	—	—	(10)	(i)	
Accumulated other comprehensive loss	—	2	(2)	(k)	—
Total stockholders' equity (deficit)	(135,050)	74,018	180,152		119,120
Total liabilities, convertible preferred stock, and stockholders' equity (deficit)	$ 13,508	$ 77,645	49,485		$ 140,638

Unaudited Pro Forma Condensed Combined Statements of Operations and Comprehensive Loss
For the Nine Month Period Ended September 30, 2024
(In thousands, except share and per share amounts)

	Historical				
	Legacy OnKure	**Reneo**	**Transaction Accounting Adjustments**	**Note 4**	**Pro Forma Combined Total**
Operating expenses:					
Research and development	$ 29,434	$ 6,436	$ —		$ 35,870
General and administrative	6,253	14,155	(7,077)	(e)	13,200
	—	—	(40)	(d)	
	—	—	(91)	(i)	
Total operating expenses	35,687	20,591	(7,208)		49,070
Loss from operations	(35,687)	(20,591)	7,208		(49,070)
Other income	456	3,112	—		3,568
Net loss	(35,231)	(17,479)	7,208		(45,502)
Unrealized losses on short-term investments	—	(6)	—		(6)
Comprehensive loss	$ (35,231)	$ (17,485)	$ 7,208		$ (45,508)
Net loss per share attributable to common stockholders, basic and diluted	$ (2.64)	$ (5.23)			$ (3.41)
Weighted-average shares used in computing net loss per share, basic and diluted	13,359,203	3,343,287		(j)	13,340,605

Unaudited Pro Forma Condensed Combined Statements of Operations and Comprehensive Loss
For the Year Ended December 31, 2023
(In thousands, except share and per share amounts)

	Historical				
	Legacy OnKure	**Reneo**	**Transaction Accounting Adjustments**	Note 4	**Pro Forma Combined Total**
Operating expenses:					
Research and development	$ 32,115	$ 56,613	$ —		$ 88,728
General and administrative	4,819	26,440	—		31,259
Restructuring and other charges	—	—	9,425	(e)	14,826
	—	—	474	(b)	
	—	—	134	(d)	
	—	—	101	(i)	
	—	—	4,692	(g)	
Total operating expenses	36,934	83,053	14,826		134,813
Loss from operations	(36,934)	(83,053)	(14,826)		(134,813)
Other income	1,623	5,665			7,288
Interest expense on convertible loan			(14)		(14)
Net loss	(35,311)	(77,388)	(14,840)		(127,539)
Unrealized gain on short-term investments	—	51			51
Comprehensive loss	$ (35,311)	$ (77,337)	$ (14,840)		$ (127,488)
Net loss per share attributable to common stockholders, basic and diluted	$ (2.93)	$ (25.23)			$ (9.79)
Weighted-average shares used in computing net loss per share, basic and diluted	12,043,375	3,067,645		(j)	13,033,915

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

1. Description of the Transaction

On May 10, 2024, Reneo entered into the Merger Agreement by and among Reneo, Merger Sub I, Merger Sub II and Legacy OnKure pursuant to which, Merger Sub I merged with and into Legacy OnKure, with Legacy OnKure surviving the Merger as a wholly-owned subsidiary of OnKure Therapeutics, Inc. On October 4, 2024, the Merger and other transactions contemplated by the Merger Agreement were consummated.

On October 4, 2024, in connection with the transactions contemplated by the Merger Agreement, Reneo effected a reverse stock split of Reneo's common stock, par value $0.0001 per share, at a ratio of 1-for-10 (the "Reverse Stock Split"). Unless otherwise noted, the Reverse Stock Split has not been reflected in the historical share and per share disclosures of Reneo. Defined terms used in this "Notes to the Unaudited Pro Forma Condensed Combined Financial Information" section shall be used as defined in this section.

At the Effective Time and upon filing an amendment to the Reneo Certificate of Incorporation to reclassify the Reneo common stock, each share of Reneo common stock existing and outstanding immediately prior thereto was recapitalized and remain outstanding as a share of Class A Common Stock. The unaudited pro forma condensed combined financial information assume that, upon the Effective Time, all shares of Legacy OnKure common stock outstanding as of September 30, 2024, after giving effect to the Common Exchange Ratio of 0.023596 to one and the Preferred Exchange Ratio of 0.144794 to one, were converted into the right to receive approximately 7,156,808 shares of common stock of the Combined Company in the aggregate, which is subject to adjustment as set forth in the Merger Agreement. Only 6,470,287 shares of common stock of the Combined Company was issued following the election of one holder to receive 686,527 shares of Class B Common Stock of the Combined Company in leu of shares such holder would have otherwise received as shares of common stock of the Combined Company.

Concurrently with the closing of the Merger, Reneo completed a private placement with certain investors (the "PIPE Investors") to purchase 2,839,005 shares of Class A Common Stock at a price per share of $22.895 per share for an aggregate purchase price of approximately $65.0 million, including the conversion of outstanding convertible notes and accrued but unpaid interest thereon held by certain Legacy OnKure investors (the "Concurrent PIPE Investments"). In connection with the Concurrent PIPE Investments, Reneo entered into a registration rights agreement with the PIPE Investors, pursuant to which Reneo agreed to use commercially reasonably efforts to prepare and file a registration statement with the SEC within 45 calendar days after the Closing Date, registering the resale of the shares of Class A Common Stock issued pursuant to the Concurrent PIPE Investments.

Immediately after the Effective Time, pre-Merger Reneo stockholders owned approximately 31.8%, and Legacy OnKure stockholders owned approximately 68.2% of the Combined Company's outstanding common stock before the Concurrent PIPE Investments. Following the consummation of the Concurrent PIPE Investments, Legacy OnKure stockholders owned approximately 53.6%, pre-Merger Reneo stockholders owned approximately 25.1%, and the PIPE Investors owned approximately 21.3% of the Combined Company's outstanding common stock.

2. Basis of Pro Forma Presentation

The unaudited pro forma condensed combined financial information has been prepared in accordance with Rule 8-05 and Article 11 of SEC Regulation S-X. The unaudited pro forma condensed combined statements of operations and comprehensive loss for the nine-month period ended September 30, 2024 and for the year ended December 31, 2023, give effect to the Merger and the Concurrent PIPE Investments as if they had been completed on January 1, 2023, and combine the historical statements of operations and comprehensive loss of Reneo and Legacy OnKure as of such dates.

The unaudited pro forma condensed combined balance sheet as of September 30, 2024 gives effect to the Merger and the Concurrent PIPE Investments and combines the historical balance sheets of Reneo and Legacy OnKure as of such date. Based on Legacy OnKure's preliminary review of Legacy OnKure's and Reneo's summary of significant accounting policies and preliminary discussions between management teams of Legacy OnKure and Reneo, the nature and amount of any adjustments to the historical financial statements of Reneo to conform its accounting policies to those of Legacy OnKure are not expected to be material. Upon completion of the Merger, further review of Reneo's accounting policies may result in additional revisions to Reneo's accounting policies and classifications to conform to those of Legacy OnKure.

Unless otherwise noted, the Reverse Stock Split has not been reflected in the historical share and per share disclosures of Reneo within this unaudited pro forma condensed combined financial information.

For purposes of these unaudited pro forma condensed combined financial statements, the preliminary total estimated purchase price is summarized as follows (in thousands, except share and per share amounts):

	Amount
Estimated number of shares of NewCo Class A Common Stock to be owned by Reneo Stockholders (1)	3,398,841
Multiplied by the assumed price per share of Reneo Common Stock (2)	$18.20
Total	$ 61,859
Estimated fair value of assumed Reneo equity awards based on pre-combination service (3)	$ 3,679
Total estimated purchase price	$ 65,538

(1) Reflects the number of shares of Class A Common Stock that Reneo stockholders owned as of the Effective Time of the Merger pursuant to the Merger Agreement. This amount is calculated, for purposes of this unaudited pro forma condensed combined financial information, based on the number of shares of Reneo common stock outstanding at October 3, 2024 and outstanding equity instruments as effected by the Reverse Stock Split, and contemplation of equity instruments that are in-the-money and expected to be net exercised using the treasury stock method.

(2) Reflects the price per share of Reneo common stock, which is the closing trading price of Reneo common stock as reported by Nasdaq on October 4, 2024, as effected by the Reverse Stock Split (See Note 1).

(3) Reflects the estimated acquisition date fair value of the assumed Reneo's equity awards attributable to pre-combination service.

For accounting purposes, Legacy OnKure is considered to be the acquiring company and the Merger is accounted for as a reverse recapitalization of Reneo by Legacy OnKure because, on the Closing Date, the pre-combination assets of Reneo are primarily cash, cash equivalents, short-term investments, and other non-operating assets.

Under reverse recapitalization accounting, the assets and liabilities of Reneo were recorded, as of the completion of the Merger, at their fair value, which is the carrying value of the pre-combination assets. The difference between the final fair value of the consideration transferred and the fair value of the net assets of Reneo following determination of the actual purchase price consideration for Reneo was reflected as an adjustment to additional paid-in capital. The subsequent financial statements of Legacy OnKure will reflect the operations of Legacy OnKure, the acquirer for accounting purposes together with a deemed issuance of shares, equivalent to the shares held by the stockholders of the legal acquirer, Reneo, immediately prior to the Effective Time, and a recapitalization of the equity of the accounting acquirer, Legacy OnKure.

The accompanying unaudited pro forma condensed combined financial information is derived from the historical financial statements of Reneo and Legacy OnKure and include adjustments to give pro forma effect to reflect the accounting for the transactions contemplated by the Merger Agreement and other events in accordance with GAAP. The historical financial statements of Legacy OnKure shall become the historical financial statements of the Combined Company.

Legacy OnKure and Reneo may incur significant costs associated with integrating the operations of Legacy OnKure and Reneo after the Merger is completed. The unaudited pro forma condensed combined financial information does not reflect the costs of any integration activities or benefits that may result from realization of future cost savings from operating efficiencies expected to result.

The unaudited pro forma condensed combined financial information may differ from the final recapitalization accounting for a number of reasons, including the fact that the estimate of the fair value of Reneo's net assets at the Closing is preliminary and subject to change up to the Closing. The differences that may occur between the preliminary estimate and the final purchase accounting could have a material impact on the accompanying unaudited pro forma condensed combined financial information.

3. Shares of Common Stock of the Combined Company Issued to OnKure Stockholders upon the Closing

At the Closing, (i) each then-outstanding share of Legacy OnKure common stock was converted into the right to receive a number of shares of Class A Common Stock equal to the Common Exchange Ratio of 0.023596 and (ii) each then-outstanding share of Legacy OnKure preferred stock was converted into a number of shares of Class A Common Stock equal to the Preferred Exchange Ratio of 0.144794. The Exchange Ratios were derived on a fully-diluted basis using the treasury stock method as of October 4, 2024 using a negotiated value of Reneo of approximately $77.8 million, and of Legacy OnKure of approximately $170.0 million.

The estimated number of shares of common stock of the Combined Company that Reneo issued to Legacy OnKure stockholders as effected by the Reverse Stock Split (ignoring rounding of fractional shares) as of October 4, 2024 is determined as follows:

	Common Stock Shares
Shares of Legacy OnKure Common Stock outstanding	13,401,523
Common Stock Exchange Ratio	0.023596
Estimated shares of Class A Common Stock to be issued to holders of Legacy OnKure common stock upon the Closing	316,222

	Preferred Stock Shares
Shares of Legacy OnKure convertible preferred stock outstanding	47,243,806
Preferred Stock Exchange Ratio	0.144794
Estimated shares of common stock of the Combined Company to be issued to holders of Legacy OnKure preferred stock upon the Closing	6,840,620
Total estimated shares of common stock of the Combined Company to be issued to Legacy OnKure stockholders upon the Closing	7,156,842

4. Adjustments to Unaudited Pro Forma Condensed Combined Financial Statements

Adjustments included in the column under the heading "Transaction Accounting Adjustments" reflect the application of the required accounting to the Merger, applying the effects of the Merger to Legacy OnKure's and Reneo's historical financial information. Further analysis will be performed after the completion of the Merger to confirm these estimates and make adjustments in the final purchase price allocation, as necessary.

Both Legacy OnKure and Reneo have a history of generating net operating losses and maintain a full valuation allowance against their net deferred tax assets, and management has not identified any changes to the income tax positions due to the Merger that would result in an incremental tax expense or benefit. Accordingly, management assumed a statutory tax rate of 0% and no tax-related adjustments have been reflected for the pro forma adjustments.

The pro forma adjustments included in the unaudited pro forma condensed combined financial information are as follows:

Transaction Accounting Adjustments:

(a) To reflect the sale and issuance of approximately 2,839,005 shares of common stock of the Combined Company with a par value of $0.0001, at a per share price of $22.895, by Reneo as a result of the Concurrent PIPE Investments and conversion of convertible notes and interest payable of approximately $65.0 million, less an estimated $4.3 million in issuance costs. Legacy OnKure has incurred $0.3 million and Reneo has incurred $0.1 million of the estimated issuance costs as of September 30, 2024, which are reflected as a reclass to additional paid-in capital.

(b) To reflect the write-off of Reneo's operating leases that are expected to be early terminated at Closing. The operating lease right-of-use assets of $0.4 million, operating lease liabilities, current of $0.3 million and operating lease liabilities, non-current of $0.4 million are written off, resulting in a $0.5 million in losses on termination of the lease. Reneo is expected to pay an aggregate $07 million in rent through the end of the lease term. In addition, $0.1 million security deposit was reclassed from other non-current assets to cash upon termination of lease.

(c) To reflect the issuance of shares related to the cash deposits received in connection with the Concurrent PIPE Investments.

(d) To reflect the abandonment and/or disposal of tenant improvements, furniture and equipment totaling $0.1 million.

(e) To reflect Reneo's estimated transaction costs of $9.4 million, not yet accrued for as of December 31, 2023, which are expected to be incurred in connection with the Merger, such as advisor fees, legal, and directors' and officers' liability insurance expenses, as an increase in general and administrative expense in the unaudited pro forma combined statements of operations and comprehensive loss for the year ended December 31, 2023.

    As of September 30, 2024, Reneo has incurred approximately $7.1 million of the estimated transactions costs, which the adjustment is reflected in the unaudited pro forma condensed combined statements of operation for the nine-month period ended September 30, 2024. The remaining estimated transaction costs of $2.3 million is reflected as accrued expenses as of September 30, 2024.

    To reflect Legacy OnKure's estimated transaction costs of $0.8 million, not yet accrued for as of September 30, 2024, which are expected to be incurred in connection with the Merger, such as advisor fees, legal and accounting expenses as an increase to accrued expenses and a reduction to additional paid-in capital of $12.7 million in the unaudited pro forma combined balance sheet as of September 30, 2024. Legacy OnKure recorded approximately $1.9 million of the estimated transaction costs on its balance sheet as deferred costs as of September 30, 2024. As the Merger will be accounted for as a reverse recapitalization, Legacy OnKure's direct transaction costs are treated as a reduction of the net proceeds received within additional paid-in capital.

(f) To reflect the conversion of Legacy OnKure's convertible promissory notes as if it occurred at September 30, 2024 and interest expense of $0.2 million reflected in the unaudited pro forma condensed combined statements of operation for the year ended December 31, 2023. The convertible promissory notes automatically convert into shares to be issued in the Concurrent PIPE Investments at the price-per-share paid by the PIPE Investors in the Concurrent PIPE Investments.

(g) To reflect Reneo's estimated compensation expense of $4.7 million related to severance, retention, and bonus payments that were negotiated pre-Merger payable upon termination following a change in control, which had not yet been paid or fully accrued for as of September 30, 2024. As such, the $4.7 million is recorded as an assumed liability within the unaudited pro forma condensed combined balance sheet as of September 30, 2024 and offset to accumulated deficit. As it is considered a preacquisition expense, there is no related adjustment within the unaudited pro forma condensed combined statements of operations and comprehensive loss.

(h) To reflect the additional paid-in capital related to the exchange of 47,243,806 shares of Legacy OnKure series C preferred stock into shares of common stock of the Combined Company based on the Preferred Exchange Ratio.

(i) To reflect Legacy OnKure's stock-based compensation expense related to accelerated vesting of options for certain employees.

(j) The pro forma basic and diluted earnings per share have been adjusted to reflect the pro forma net losses for the nine months ended September 30, 2024, and the year ended December 31, 2023. In addition, the number of shares used to calculate the pro forma basic and diluted net loss per share has been adjusted to reflect the estimated total number of shares of common stock of the Combined Company for the respective periods which excludes common stock issuable upon (i) exercise of outstanding options or (ii) settlement of RSUs. For the year ended December 31, 2023 and the nine months ended September 30, 2024, pro forma weighted average shares outstanding, as effected by the Reverse Stock Split (ignoring rounding of fractional shares), has been calculated as follows:

	For the Nine Months Ended September 30, 2024	**For the Year Ended December 31, 2023**
Legacy OnKure weighted-average common shares outstanding—basic and diluted	13,359,203	12,043,375
Application of Common Stock Exchange Ratio to historical Legacy OnKure weighted-average shares outstanding	0.023596	0.023596
Adjusted Legacy OnKure weighted-average common shares outstanding	315,224	284,175
Legacy OnKure Preferred Stock outstanding	47,243,806	47,243,806
Application of Preferred Stock Exchange Ratio to historical Legacy OnKure weighted-average shares outstanding	0.144794	0.144794
Adjusted Legacy OnKure weighted-average preferred shares outstanding assuming conversion at January 1, 2023	6,840,620	6,840,620
Adjusted Legacy OnKure weighted-average common shares outstanding—basic and diluted	7,155,843	7,124,795
Issuance of shares of NewCo Class A Common Stock in the Concurrent PIPE Investments	2,839,005	2,839,005
Impact of Reneo Common Stock awards that accelerated vesting as of January 1, 2023 (effected by the Reverse Stock Split)	2,470	2,470
Historical Reneo weighted-average common shares outstanding—basic and diluted (effected by the Reverse Stock Split)	3,343,287	3,067,645
Pro forma combined weighted average number of shares of common stock—basic and diluted	13,340,605	13,033,915

(k) To reflect the elimination of Reneo's historical net equity, which represent the net assets acquired in the Merger (in thousands):

Pre-combination stock-based compensation for converted awards	$ (3,679)
Historical APIC	(309,969)
Total pre-combination APIC	(313,648)
Reneo transaction costs	2,347
accumulated deficit	235,953
Total pre-combination accumulated deficit	238,300
Common Stock	—
accumulated other comprehensive loss	(2)
Total adjustment to historical equity (net assets of Reneo)	$ (75,350)

(l) The total impact to equity for the above adjustments are reflected in the table below (in thousands, except share amounts):

		Preferred Stock Legacy OnKure		Common Stock Class A Reneo		Common Stock Class B Reneo					
(in thousands, except share data)	**Note**	**Shares**	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**	**Additional Paid-in-Capital**	**Accumulated Deficit**	**AOCI**	**Total stockholders' (deficit) equity**
Conversion of outstanding Legacy OnKure Preferred Stock to NewCo Common Stock	3	(47,243,806)	$(129,825)	6,154,092	$1	686,521	$—	$129,824	$—	$—	$129,825
Elimination of Reneo's historical equity carrying value, after proforma adjustments	4 (k)	—	—	—	—	—	—	(313,648)	238,300	(2)	$(75,350)
Adjustment to Reneo's historical equity	4 (k)	—	—	—		—		75,350	—	—	$75,350
Issuance of common stock in the concurrent PIPE Investment, net of fees	4 (a)	—	—	2,571,736	—	—	—	54,586	—	—	$54,586
Reverse recapitalization transaction costs of Legacy OnKure	4 (e)	—	—	—	—	—	—	(2,673)	—	—	$(2,673)
Reneo estimated remaining transaction costs	4 (e)	—	—	—	—	—	—	—	(2,347)	—	$(2,347)
Conversion of Legacy OnKure Convertible Promissory Notes	4 (f)	—	—	267,269	—	—	—	6,000	—	—	$6,000
Stock-based compensation expense recognized by Legacy OnKure related to accelerated vesting of equity awards at the closing	4 (i)	—	—	—	—	—	—	10	(10)	—	$—
Change-in-control, retention, severance and other restructuring costs	4 (b)(c)(d)(f)(g)	—	—	—	—	—	—	—	(5,239)	—	$(5,239)
Total adjustment		(47,243,806)	$(129,825)	8,993,097	$1	686,521	$—	$(50,551)	$230,704	$(2)	$180,152