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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from___ to
Commission File Number: 001-40315

Reneo Pharmaceuticals, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**47-2309515**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
18575 Jamboree Road, Suite 275-S, Irvine, CA	**92612**
(Address of Principal Executive Offices)	**(Zip Code)**

(Registrant's telephone number, including area code): (858) 283-0280

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

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	RPHM	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
		Smaller reporting company	☒
Non-accelerated filer	☒	Emerging growth company	☒

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 9, 2024, there were 33,428,808 shares of the registrant's common stock, $0.0001 par value per share, outstanding.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

RENEO PHARMACEUTICALS, INC.

Consolidated Balance Sheets
(In thousands, except share and par value data)

	June 30, 2024	December 31, 2023
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 35,970	$ 27,632
Short-term investments	40,704	75,331
Prepaid expenses and other current assets	1,316	3,659
Total current assets	77,990	106,622
Property and equipment, net	81	134
Right-of-use assets	493	599
Other non-current assets	153	81
Total assets	$ 78,717	$ 107,436
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 64	$ 8,717
Accrued expenses	953	9,129
Operating lease liabilities, current portion	331	331
Total current liabilities	1,348	18,177
Operating lease liabilities, less current portion	492	642
Performance award	8	7
Total liabilities	1,848	18,826
Commitments and contingencies		
Stockholders' equity:		
Common stock, $0.0001 par value; 200,000,000 shares authorized at June 30, 2024 and December 31, 2023; 33,420,808 shares issued and outstanding at June 30, 2024 and December 31, 2023	3	3
Additional paid-in capital	309,140	307,073
Accumulated deficit	(232,261)	(218,474)
Accumulated other comprehensive (loss) income	(13)	8
Total stockholders' equity	76,869	88,610
Total liabilities and stockholders' equity	$ 78,717	$ 107,436

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

RENEO PHARMACEUTICALS, INC.

Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Operating expenses:				
Research and development	$ 590	$ 14,400	$ 5,533	$ 25,389
General and administrative	5,774	6,639	10,396	11,771
Total operating expenses	6,364	21,039	15,929	37,160
Loss from operations	(6,364)	(21,039)	(15,929)	(37,160)
Other income	1,003	1,508	2,142	2,522
Net loss	(5,361)	(19,531)	(13,787)	(34,638)
Unrealized (loss) gain on short-term investments	(1)	(43)	(21)	12
Comprehensive loss	$ (5,362)	$ (19,574)	$ (13,808)	$ (34,626)
Net loss per share attributable to common stockholders, basic and diluted	$ (0.16)	$ (0.65)	$ (0.41)	$ (1.25)
Weighted-average shares used in computing net loss per share, basic and diluted	33,420,808	30,215,321	33,420,808	27,640,172

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

RENEO PHARMACEUTICALS, INC.

Consolidated Statements of Changes in Stockholders' Equity
(In thousands, except share data)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balances, December 31, 2023	**33,420,808**	**$ 3**	**$ 307,073**	**$ 8**	**$ (218,474)**	**$ 88,610**
Stock based compensation	—	—	1,078	—	—	1,078
Other comprehensive loss	—	—	—	(20)	—	(20)
Net loss	—	—	—	—	(8,426)	(8,426)
Balances, March 31, 2024	**33,420,808**	**$ 3**	**$ 308,151**	**$ (12)**	**$ (226,900)**	**$ 81,242**
Stock based compensation	—	—	989	—	—	989
Other comprehensive loss	—	—	—	(1)		(1)
Net loss	—	—	—	—	(5,361)	(5,361)
Balances, June 30, 2024	**33,420,808**	**$ 3**	**$ 309,140**	**$ (13)**	**$ (232,261)**	**$ 76,869**

RENEO PHARMACEUTICALS, INC.

Consolidated Statements of Changes in Stockholders' Equity
(In thousands, except share data)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balances, December 31, 2022	**24,699,553**	**$ 3**	**$ 236,693**	**$ (43)**	**$ (136,683)**	**$ 99,970**
Stock based compensation	—	—	1,157	—	—	1,157
Issuance of common stock in connection with at-the-market facility, net of issuance costs	407,877	—	1,009	—	—	1,009
Other comprehensive income	—	—	—	55	—	55
Net loss	—	—	—	—	(15,107)	(15,107)
Balances, March 31, 2023	**25,107,430**	**$ 3**	**$ 238,859**	**$ 12**	**$ (151,790)**	**$ 87,084**
Issuance of common stock in public offering, net of offering costs	7,906,250	—	58,862	—	—	58,862
Issuance of common stock in private placement, net of offering costs	625,000		4,667			4,667
Stock based compensation	—	—	1,207	—	—	1,207
Issuance of common stock in connection with equity plans	162,108		282			282
Other comprehensive loss	—	—	—	(43)	—	(43)
Net loss	—	—	—	—	(19,531)	(19,531)
Balances, June 30, 2023	**33,800,788**	**$ 3**	**$ 303,877**	**$ (31)**	**$ (171,321)**	**$ 132,528**

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

RENEO PHARMACEUTICALS, INC.

Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2024	**2023**
Cash flows from operating activities		
Net loss	$ (13,787)	$ (34,638)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	2,067	2,364
Depreciation and amortization	28	83
Amortization/accretion on short-term investments	(1,644)	(2,011)
Changes in the fair value of performance award	1	847
Non-cash lease expense	129	241
Loss on disposal of fixed asset	27	3
Changes in operating assets and liabilities:		
Prepaid and other assets	2,360	1,542
Accounts payable and accrued expenses	(16,829)	6,690
Operating lease liabilities	(173)	(283)
Net cash used in operating activities	(27,821)	(25,162)
Cash flows from investing activities		
Purchases of property and equipment	(2)	(177)
Purchase of available-for-sale short-term investments	(67,750)	(132,327)
Proceeds from maturities of available-for-sale short-term investments	104,000	82,000
Net cash provided by (used in) investing activities	36,248	(50,504)
Cash flows from financing activities		
Payments of deferred costs in connection with private placement transaction	(89)	—
Proceeds from public offering of common stock, net of offering costs	—	58,862
Proceeds from private placement of common stock, net of offering costs	—	4,667
Proceeds from issuance of common stock under the at-the-market facility, net of offering costs	—	1,009
Proceeds from issuance of common stock in connection with equity plans	—	282
Net cash (used in) provided by financing activities	(89)	64,820
Net increase (decrease) in cash and cash equivalents	8,338	(10,846)
Cash and cash equivalents, beginning of period	27,632	19,927
Cash and cash equivalents, end of period	$ 35,970	$ 9,081
Noncash investing and financing activities:		
Property and equipment in accounts payable	$ —	$ 10

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

RENEO PHARMACEUTICALS, INC.

Notes to Consolidated Financial Statements
(Unaudited)

1. Organization and Business

Organization

Reneo Pharmaceuticals, Inc. (Reneo or the Company) is a pharmaceutical company historically focused on the development and commercialization of therapies for patients with rare genetic mitochondrial diseases, which are often associated with the inability of mitochondria to produce adenosine triphosphate. The Company's only product candidate, mavodelpar, is a potent and selective agonist of the peroxisome proliferator-activated receptor delta (PPARδ). Mavodelpar has been shown to increase transcription of genes involved in mitochondrial function and increase fatty acid oxidation , and may increase production of new mitochondria.

On December 14, 2023, the Company announced that its pivotal STRIDE study, a global, randomized, double-blind, placebo-controlled Phase 2b trial of mavodelpar in adult patients with primary mitochondria myopathy due to mitochondrial DNA defects, did not meet its primary or secondary efficacy endpoints. As a result, the Company suspended the development activities for mavodelpar and implemented cash preservation activities, including a substantial workforce reduction. The Company implemented a reduction in workforce in December 2023 and February 2024, and currently has eight full-time employees remaining.

In January 2024, the Company's Board of Directors retained an independent financial advisor to initiate a formal process to evaluate potential strategic alternatives focused on maximizing stockholder value, including, but not limited to, a merger, sale, other business combination, a strategic partnership with one or more parties, or the licensing, sale or divestiture of its assets. The Company is no longer pursuing further clinical development of mavodelpar at this time.

On May 10, 2024, the Company entered into an Agreement and Plan of Merger (Merger Agreement and the transactions contemplated thereby, Proposed Transactions) with Radiate Merger Sub I, Inc., a Delaware corporation and its direct, wholly owned subsidiary (Merger Sub I), Radiate Merger Sub II, LLC, a Delaware limited liability company and its direct, wholly owned subsidiary (Merger Sub II), and OnKure, Inc., a Delaware corporation (OnKure), pursuant to which, and subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement, (a) Merger Sub I will merge with and into OnKure (the First Merger), with Merger Sub I ceasing to exist and OnKure surviving the First Merger as its wholly owned subsidiary (Reneo following the First Merger, NewCo), and (b) as promptly as practicable following the First Merger, OnKure, as the surviving corporation of the First Merger, will merge with and into Merger Sub II, with OnKure ceasing to exist and Merger Sub II surviving the Second Merger as a wholly owned subsidiary of NewCo (the Second Merger, and together with the First Merger, the Mergers). At the effective time of the First Merger (the First Effective Time) and upon filing of an amendment to the Company's amended and restated certificate of incorporation to reclassify its common stock, each share of the Company's common stock existing and outstanding immediately prior thereto will be recapitalized and remain outstanding as a share of NewCo Class A common stock without any conversion or exchange thereof, subject to a proposed reverse stock split of all of the shares of the Company's common stock outstanding at the time of effectiveness thereof by a ratio to be determined by OnKure subject to the Company's approval (the Reverse Stock Split). Upon the First Effective Time, all shares of OnKure capital stock outstanding immediately prior to the First Effective Time, after giving effect to an assumed common stock exchange ratio of 0.24482 and an assumed preferred stock exchange ratio of 1.50062, will be converted into the right to receive approximately 76,958,781 shares of NewCo common stock in the aggregate, which is subject to adjustment as set forth in the Merger Agreement.

In connection with the Mergers, on May 10, 2024, the Company concurrently entered into a Subscription Agreement with certain existing OnKure stockholders and new investors (collectively, PIPE Investors) pursuant to which, among other things, the Company agreed to issue to the PIPE Investors shares of NewCo Class A common stock concurrently with the Mergers in a private placement transaction for an aggregate purchase price of $65.0 million, which amount may be increased to up to $85.0 million through additional subscriptions from additional

PIPE Investors (the Concurrent PIPE Investments). The closing of the Concurrent PIPE Investments is conditioned upon the satisfaction or waiver of the conditions to the closing of the Mergers and the substantially concurrent closing of the Mergers, as well as certain other conditions.

Immediately after the Mergers, pre-Mergers OnKure stockholders are expected to own approximately 69.4% of NewCo on a fully-diluted basis and pre-Mergers Reneo stockholders are expected to own approximately 30.6% of NewCo on a fully-diluted basis. Following the completion of the Concurrent PIPE Investments, assuming a subscription amount of (a) $65.0 million, pre-Mergers OnKure stockholders are expected to own approximately 54.8% of NewCo on a fully-diluted basis, pre-Mergers Reneo stockholders are expected to own approximately 24.2% of NewCo on a fully-diluted basis, and the PIPE Investors are expected to own approximately 21.0% of NewCo on a fully-diluted basis, and (b) $85.0 million, pre-Mergers OnKure stockholders are expected to own approximately 51.5% of NewCo on a fully-diluted basis, pre-Mergers Reneo stockholders are expected to own approximately 22.7% of NewCo on a fully-diluted basis, and the PIPE Investors are expected to own approximately 25.8% of NewCo on a fully-diluted basis. The exchange ratios, and related pro forma ownership, will be adjusted (i) to account for the effect of the proposed Reverse Stock Split and (ii) to the extent that Reneo's net cash as of the close of business on the business day immediately preceding the closing date of the Mergers is less than $59.0 million or greater than $61.0 million (resulting in pre-Mergers Reneo stockholders owning less or more of NewCo, respectively). The expected relative ownership percentages of pre-Mergers OnKure stockholders and pre-Mergers Reneo stockholders of NewCo are calculated using the treasury stock method, as described in the Merger Agreement.

The Mergers, which have been approved by the Company's Board of Directors and the board of directors of OnKure, are expected to close in the second half of 2024, subject to the satisfaction or waiver of certain closing conditions, including the approval of the Company's stockholders. Certain stockholders of Reneo holding approximately 28.2% of the outstanding shares of its common stock entered into support agreements with Reneo and OnKure to vote all of their shares of the Company's common stock in favor of the Mergers, subject to the terms of the support agreements. Although the Company has entered into the Merger Agreement and intends to consummate the proposed Mergers, there is no assurance that the Company will be able to successfully consummate the proposed Mergers on a timely basis, or at all. If, for any reason, the proposed Mergers are not completed, the Company will reconsider its strategic alternatives and could pursue another strategic transaction similar to the proposed Mergers, potential collaborative, partnering or other strategic arrangements for the Company's assets, including a license, sale or divestiture of its assets, or liquidate and distribute available cash.

Liquidity

From its inception in 2014, the Company has incurred significant losses and negative cash flows from operations and expects to continue to incur net losses into the foreseeable future and may never become profitable. As of June 30, 2024, the Company had cash, cash equivalents and short-term investments of $76.7 million , which the Company believes will be sufficient to fund the Company's current operating plan for at least the next 12 months from the date of issuance of these unaudited condensed financial statements.

2. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The Company has prepared the accompanying unaudited consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and note disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) have been condensed or omitted, although the Company believes that the disclosures made are adequate to make the information not misleading. The Company recommends that the unaudited consolidated financial statements be read in conjunction with the audited consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

In the opinion of management, all adjustments, including normal recurring adjustments, considered necessary for a fair statement 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.

The accompanying unaudited consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of these consolidated financial statements for the six months ended June 30, 2024 are consistent with those discussed in Note 2 to the consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

New Accounting Pronouncements

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.

3. Net Loss 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 vesting of restricted stock units were excluded from the diluted net loss per share calculation for the three and six months ended June 30, 2024 and 2023 because such shares are anti-dilutive.

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

	As of June 30,	
	2024	**2023**
Common stock options outstanding	4,671,290	6,001,185
Unvested restricted stock units	311,500	364,500
Total	4,982,790	6,365,685

4. Fair Value Measurements

ASC Topic 820, *Fair Value Measurement*, establishes a fair value hierarchy for instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs). Observable inputs are inputs that market participants would use in pricing an asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs 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.

ASC Topic 820 identifies fair value as the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As a basis for considering market participant assumptions in fair value measurements, ASC Topic 820 establishes a three-tier fair value hierarchy that distinguishes between the following:

- Level 1 – Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs, other than quoted prices in active markets, which are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs in which there is little or no market data, which requires the Company to develop its own assumptions.

Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the asset or liability. The Company's financial assets are subject to fair value measurements on a recurring basis.

The Company categorizes its money market funds as Level 1, using the quoted prices in active markets. Commercial paper and U.S. treasury securities are categorized as Level 2, using significant other observable inputs. The fair value of the Company's investments in certain money market funds is their face value and such instruments are classified as Level 1 and are included in cash and cash equivalents on the consolidated balance sheets.

In connection with the Company's chief executive officer's (CEO) employment agreement, he is entitled to receive a special performance bonus in the amount of $7.5 million (Performance Award), payable in cash, common stock or a combination of cash and common stock, at the election of the Company, based on achievement of certain conditions as described in more detail in Note 8. The Company estimated the fair value of the Performance Award using a Monte Carlo simulation, which incorporates the stock price at the date of the valuation and utilizes Level 3 inputs such as volatility, probabilities of success, and other inputs that are not observable in active markets. The Performance Award is required to be measured at fair value on a recurring basis each reporting period, with changes in the fair value recognized in general and administrative expense in the consolidated statements of operations and comprehensive loss over the derived service period of the award.

No assets or liabilities were transferred into or out of their classifications during the six months ended June 30, 2024.

The recurring fair value measurement of the Company's assets and liabilities measured at fair value at June 30, 2024 consisted of the following (in thousands):

	Quoted Prices in Active Markets For Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Cash and cash equivalents:				
Money market investments	$ 21,717	$ —	$ —	$ 21,717
U.S. treasury securities	—	12,934	—	12,934
Short-term investments:				
U.S. treasury securities	—	40,611	—	40,611
Total	$ 21,717	$ 53,545	$ —	$ 75,262
Liabilities				
Performance award	$ —	$ —	$ 8	$ 8
Total	$ —	$ —	$ 8	$ 8

The recurring fair value measurement of the Company's assets and liabilities measured at fair value at December 31, 2023 consisted of the following (in thousands):

	Quoted Prices in Active Markets For Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Cash and cash equivalents:				
Money market investments	$ 10,983	$ —	$ —	$ 10,983
U.S. treasury securities	—	9,928	—	9,928
Short-term investments:				
U.S. treasury securities	—	75,331	—	75,331
Total	$ 10,983	$ 85,259	$ —	$ 96,242
Liabilities				
Performance award	$ —	$ —	$ 7	$ 7
Total	$ —	$ —	$ 7	$ 7

The following table sets forth a summary of changes in the fair value measurements of the Performance Award liability (in thousands):

	Performance Award
Balance as of January 1, 2024	$ 7
Change in fair value	1
Balance as of June 30, 2024	$ 8

5. Marketable Debt Securities

The Company's investments in debt securities are carried at fair value and classified as current assets available-for-sale and represent the investment of funds available for current operations. Accretion of bond discount and interest income on marketable securities is included in other income as a separate component of other income (expense) on the statement of operations and comprehensive loss. Unrealized gains and losses on available-for-sale debt securities are included in other comprehensive income or loss, and charged to income or expense in the period when realized. The following tables summarize the gross unrealized gains and losses of the Company's available-for-sale securities (in thousands):

	As of June 30, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Available-for-sale securities:				
U.S. treasury securities	$ 53,558	$ —	$ (13)	$ 53,545
Total	$ 53,558	$ —	$ (13)	$ 53,545

	As of December 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value

Available-for-sale securities:				
U.S. treasury securities	$ 75,324	$ 8	$ (1)	$ 75,331
Total	$ 75,324	$ 8	$ (1)	$ 75,331

As of June 30, 2024, the Company considered the unrealized losses in its investment portfolio to be temporary in nature and not due to credit losses. The Company has the intent and ability to hold such investments until their recovery at fair value. The Company did not have any realized gains or losses in its available for sale securities during the three and six months ended June 30, 2024 and 2023.

6. Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	As of June 30, 2024	As of December 31, 2023
Accrued clinical and regulatory	$ —	$ 3,661
Accrued contract manufacturing cost	—	1,100
Accrued compensation	386	3,948
Accrued other	567	420
Total accrued expenses	$ 953	$ 9,129

7. Leases

The Company's headquarters are located in Irvine, California, where it leases office space under a lease agreement that expires in November 2026. The Company leases additional office space located in Sandwich, United Kingdom under a lease agreement that expires in October 2027, with an option to early terminate in October 2025 with no termination fee. In January 2024, the Company exercised its early termination option and made the final termination lease payment of $0.2 million in July 2024.

Other information related to the Company's operating leases as of the balance sheet dates presented are as follows:

	As of June 30,	
	2024	2023
Weighted incremental borrowing rate	5%	5%
Weighted average remaining lease term (in years)	2.3	3.7
Cash paid for amounts included in the measurement of lease liabilities (in thousands)	$ 194	$ 142
Lease expense (in thousands)	$ 148	$ 241

Maturities of lease liabilities by fiscal year for the Company's operating leases are as follows (in thousands):

	As of June 30, 2024
2024 (remaining six months)	$ 195
2025	371
2026	285
Total lease payments	851
Less: Imputed interest	(28)
Present value of lease liabilities	$ 823

8. Stock-Based Compensation

In March 2021, the Company's Board of Directors adopted the Company's 2021 Equity Incentive Plan (2021 Plan), which is the successor to the Company's 2014 Equity Incentive Plan (2014 Plan). As of the effective date of the 2021 Plan, awards granted under the 2014 Plan that are forfeited or otherwise become available under the 2014 Plan will be included and available for issuance under the 2021 Plan. Under the 2021 Plan, the Company may grant stock options, stock appreciation rights, restricted stock awards, restricted stock units, and other awards to individuals who are employees, officers, directors or consultants of the Company and its affiliates.

Under the 2014 Plan, certain employees were granted the ability to early exercise their options. The shares of common stock issued pursuant to the early exercise of unvested stock options are restricted and continue to vest over the requisite service period after issuance. The Company has the option to repurchase any unvested shares at the original purchase price upon any voluntary or involuntary termination. The shares purchased by the employees pursuant to the early exercise of stock options are not deemed, for accounting purposes, to be outstanding until those shares vest. As of June 30, 2024, there were no unvested shares of common stock outstanding that were issued pursuant to the early exercise of stock options.

Shares Reserved for Future Issuance

As of June 30, 2024, the Company had reserved shares of its common stock for future issuance as follows:

	Shares Reserved
Common stock options outstanding	4,671,290
Unvested restricted stock units	311,500
Available for future grants under the 2021 Equity Incentive Plan	4,423,667
Available for future grants under the 2021 Employee Stock Purchase Plan	780,098
Total shares of common stock reserved	10,186,555

Stock Options

A summary of the Company's stock option activity and related information for the six months ended June 30, 2024 is as follows:

	Options Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2023	5,301,254	$ 4.76	6.9	$ —
Forfeited/Expired	(629,964)	$ 4.90		
Outstanding at June 30, 2024	4,671,290	$ 4.74	6.9	$ —
Vested at June 30, 2024	3,348,616	$ 5.04	6.5	$ —
Exercisable at June 30, 2024	3,516,983	$ 5.03	6.5	$ —

Options exercisable at June 30, 2024 include vested options and options eligible for early exercise. All outstanding options as of June 30, 2024 are expected to vest.

Unrecognized stock-based compensation expense as of June 30, 2024 was $4.4 million, which is expected to be recognized over a weighted-average vesting term of 1.8 years.

The Company estimates stock awards fair value on the date of grant using the Black-Scholes valuation, with the vesting being subject to service requirements. The Company accounts for forfeitures when they occur. The Company did not grant any stock options during the six months ended June 30, 2024.

Restricted Stock Units (RSUs)

RSUs consist of time-based units (TSUs), performance-based units (PSUs) and market-based units (MSUs). The following table summarizes RSU activities during the six months ended June 30, 2024:

	Number of RSUs	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2023	326,500	$ 5.90
Cancelled	(15,000)	$ 6.98
Unvested at June 30, 2024	311,500	$ 5.85

Time-Based Units

TSUs typically vest over four years, with 25% vesting on the one-year anniversary of the employee's hire date and the remainder vesting monthly or quarterly over the following three years subject to the employee's continued employment with the Company through the vesting dates. The fair value of the awards was based on the value of the Company's common stock at the grant date of the award and expense is recognized on a straight-line basis. The Company had 57,000 unvested shares underlying TSUs as of June 30, 2024. The stock-based compensation expense related to such TSUs for the three and six months ended June 30, 2024 was immaterial. No stock-based compensation expense related to such TSUs was recognized for the three and six months ended June 30, 2023. Unrecognized stock-based compensation expense as of June 30, 2024 was $0.3 million, which is expected to be recognized over a weighted-average vesting term of 3.1 years.

Performance-Based Units

The vesting of the PSUs is based on the Company achieving certain regulatory milestones and is subject to the employee's continued employment with the Company through the achievement date. The fair value of the awards was based on the value of the Company's common stock at the grant date of the award and expense recognition is based on the probability of achieving the performance conditions. Stock-based compensation expense is adjusted in future periods for subsequent changes in the expected outcome of the performance conditions. The Company had 134,500 unvested shares underlying PSUs as of June 30, 2024. The Company concluded that achievement of the performance conditions was not probable as of June 30, 2024 and 2023, and therefore no stock-based compensation expense was recognized for the three and six months ended June 30, 2024 and 2023 in connection with the PSUs. As of June 30, 2024, there was $1.1 million of unrecognized stock-based compensation expense related to PSUs that were deemed not probable of vesting.

Market-Based Units

The vesting of the MSUs is based on the Company's closing stock price trading above $20 per share for 30 consecutive trading days subject to the employee's continued employment with the Company through the date of achievement. The share price of the Company's common stock on the date of issuance of the MSUs was $2.78 per share. The fair value was based on Monte Carlo simulation model on the grant date. Stock-based compensation expense is recognized over the derived service period of approximately 3 years. The Company had 120,000 unvested shares underlying MSUs as of June 30, 2024. Stock-based compensation expense related to the MSUs during the three and six months ended June 30, 2024 and 2023 was immaterial. As of June 30, 2024, unrecognized stock-based compensation expense related to the MSUs was immaterial.

Performance Award

In connection with the CEO's employment agreement, he is entitled to receive a Performance Award in the amount of $7.5 million, payable in cash, common stock or a combination of cash and common stock, at the election of the Company, in the event that (i) the Company's market value exceeds $750.0 million utilizing the volume-weighted average of the closing sale price of its common stock on the Nasdaq Stock Market or other principal exchange for each of the 30 trading days immediately prior to the measurement date, or (ii) the fair market value of the net proceeds available for distribution to the Company's stockholders in connection with a change in control as defined in the Company's severance benefit plan, as determined in good faith by its Board of Directors, exceeds $750.0 million. The Company has determined that the Performance Award is subject to ASC 718, *Compensation – Stock Compensation* and includes both market and performance conditions. Since the Company's initial public offering (IPO), neither of the events have yet been satisfied. The Company estimated the fair value of the Performance Award at each reporting period using the Monte Carlo simulation (Note 4), which is recognized as stock-based compensation expense over the derived service period. For the three and six months ended June 30, 2024, stock-based compensation expense was immaterial. For the three and six months ended June 30, 2023, the Company recognized approximately $0.6 million and $0.8 million, respectively, in stock-based compensation expense as a direct result of the increased value of the Performance Award primarily caused by the increase in the Company's common stock price.

2021 Employee Stock Purchase Plan

In March 2021, the Company's Board of Directors adopted the Company's 2021 Employee Stock Purchase Plan (ESPP), which became effective immediately prior to the execution of the underwriting agreement in connection with the Company's IPO. As of June 30, 2024, 288,466 shares have been issued under the ESPP.

In September 2021, the compensation committee of the Company's Board of Directors (Compensation Committee) adopted the Company's 2021 UK Sharesave Sub-plan (SAYE). An allocation of 25,875 shares of common stock from the ESPP reserve pool was approved and reserved for issuance under the SAYE. The Compensation Committee terminated the SAYE in January 2024 and the reserved shares were returned to the ESPP reserve pool. No shares were issued under the SAYE prior to its termination.

The Company did not recognize stock-based compensation expense related to the ESPP and the SAYE for the three and six months ended June 30, 2024. The stock-based compensation expense related to the ESPP and the SAYE for the three and six months ended June 30, 2023, was immaterial.

Stock-Based Compensation Expense

The following table summarizes stock-based compensation expense, including expense associated with options, TSUs, MSUs and award modifications for unvested options, reflected in the consolidated statements of operations and comprehensive loss (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Research and development	$ 244	$ 494	$ 497	$ 967
General and administrative	745	713	1,570	1,397
Total	$ 989	$ 1,207	$ 2,067	$ 2,364

9. License Agreement

In December 2017, the Company entered into a License Agreement (the vTv License Agreement) with vTv Therapeutics LLC (vTv Therapeutics), under which the Company obtained an exclusive, worldwide, sublicensable license under certain vTv Therapeutics intellectual property to develop, manufacture and commercialize PPARδ agonists and products containing such PPARδ agonists, including mavodelpar, for any therapeutic, prophylactic or diagnostic application in humans. Since the Company has suspended all development activity related to mavodelpar, it is not currently performing any development efforts under the vTv License Agreement.

Under the terms of the vTv License Agreement, the Company has paid vTv Therapeutics an initial upfront license fee of $3.0 million and $2.0 million of milestone payments and issued an aggregate of 576,443 shares of its common stock to vTv Therapeutics. On October 30, 2023, the Company repurchased from vTv Therapeutics all 576,443 shares of its common stock previously issued to vTv Therapeutics under the vTv License Agreement for an aggregate purchase price of approximately $4.4 million in a private, non-underwritten transaction.

Upon the achievement of certain pre-specified development and regulatory milestones, the Company is also required to pay vTv Therapeutics milestone payments totaling up to $64.5 million. The Company is also required to pay vTv Therapeutics up to $30.0 million in total sales-based milestones upon achievement of certain sales thresholds of the licensed product. As of June 30, 2024, the Company has paid an aggregate of $2.0 million in development and regulatory milestone payments. In addition, the Company is obligated to make tiered royalty payments to vTv Therapeutics at mid-single digit to low teen percentage royalty rates, based on tiers of annual net sales of licensed products, subject to certain customary reductions. There were no milestone payments achieved or recorded for the three and six months ended June 30, 2024 and 2023.

Although the Company has suspended development activities related to mavodelpar, it will continue to maintain and prosecute mavodelpar intellectual property.

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 consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and 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 our Annual Report on Form 10-K for the year ended December 31, 2023. Unless otherwise indicated, all references in this Quarterly Report on Form 10-Q to "Reneo," the "company," "we," "our," "us" or similar terms refer to Reneo Pharmaceuticals, Inc. and its subsidiaries.

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 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 Quarterly Report on Form 10-Q, 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

Reneo is a pharmaceutical company historically focused on the development and commercialization of therapies for patients with rare genetic mitochondrial diseases, which are often associated with the inability of mitochondria to produce adenosine triphosphate. Our only product candidate, mavodelpar, is a potent and selective agonist of the peroxisome proliferator-activated receptor delta (PPARδ). Mavodelpar has been shown to increase transcription of genes involved in mitochondrial function and increase fatty acid oxidation , and may increase production of new mitochondria.

On December 14, 2023, we announced that our pivotal STRIDE study, a global, randomized, double-blind, placebo-controlled Phase 2b trial of mavodelpar in adult patients with primary mitochondria myopathy due to mitochondrial DNA defects, did not meet its primary or secondary efficacy endpoints. As a result, we suspended the development activities for mavodelpar and implemented cash preservation activities, including a substantial workforce reduction. We implemented a reduction in workforce in December 2023 and February 2024, and currently have eight full-time employees remaining.

In January 2024, our Board of Directors retained an independent financial advisor to initiate a formal process to evaluate potential strategic alternatives focused on maximizing stockholder value, including, but not limited to, a merger, sale, other business combination, a strategic partnership with one or more parties, or the licensing, sale or divestiture of our assets. We are no longer pursuing further clinical development of mavodelpar at this time.

On May 10, 2024, we entered into an Agreement and Plan of Merger (Merger Agreement and the transactions contemplated thereby, Proposed Transactions) with Radiate Merger Sub I, Inc., a Delaware corporation and our direct, wholly owned subsidiary (Merger Sub I), Radiate Merger Sub II, LLC, a Delaware limited liability company and our direct, wholly owned subsidiary (Merger Sub II), and OnKure, Inc., a Delaware corporation (OnKure), pursuant to which, and subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement, (a) Merger Sub I will merge with and into OnKure (the First Merger), with Merger Sub I ceasing

to exist and OnKure surviving the First Merger as our wholly owned subsidiary (Reneo following the First Merger, NewCo), and (b) as promptly as practicable following the First Merger, OnKure, as the surviving corporation of the First Merger, will merge with and into Merger Sub II, with OnKure ceasing to exist and Merger Sub II surviving the Second Merger as a wholly owned subsidiary of NewCo (the Second Merger, and together with the First Merger, the Mergers). At the effective time of the First Merger (First Effective Time) and upon filing of an amendment to our amended and restated certificate of incorporation to reclassify our common stock, each share of our common stock existing and outstanding immediately prior thereto will be recapitalized and remain outstanding as a share of NewCo Class A common stock without any conversion or exchange thereof, subject to a proposed reverse stock split of all of the shares of our common stock outstanding at the time of effectiveness thereof by a ratio to be determined by OnKure subject to our approval (the Reverse Stock Split). Upon the First Effective Time, all shares of OnKure capital stock outstanding immediately prior to the First Effective Time, after giving effect to an assumed common stock exchange ratio of 0.24482 and an assumed preferred stock exchange ratio of 1.50062, will be converted into the right to receive approximately 76,958,781 shares of NewCo common stock in the aggregate, which is subject to adjustment as set forth in the Merger Agreement.

In connection with the Mergers, on May 10, 2024, we concurrently entered into a Subscription Agreement with certain existing OnKure stockholders and new investors (collectively, PIPE Investors) pursuant to which, among other things, we agreed to issue to the PIPE Investors shares of NewCo Class A common stock concurrently with the Mergers in a private placement transaction for an aggregate purchase price of $65.0 million, which amount may be increased to up to $85.0 million through additional subscriptions from additional PIPE Investors (the Concurrent PIPE Investments). The closing of the Concurrent PIPE Investments is conditioned upon the satisfaction or waiver of the conditions to the closing of the Mergers and the substantially concurrent closing of the Mergers, as well as certain other conditions.

Immediately after the Mergers, pre-Mergers OnKure stockholders are expected to own approximately 69.4% of NewCo on a fully-diluted basis and pre-Mergers Reneo stockholders are expected to own approximately 30.6% of NewCo on a fully-diluted basis. Following the completion of the Concurrent PIPE Investments, assuming a subscription amount of (i) $65.0 million, pre-Mergers OnKure stockholders are expected to own approximately 54.8% of NewCo on a fully-diluted basis, pre-Mergers Reneo stockholders are expected to own approximately 24.2% of NewCo on a fully-diluted basis, and the PIPE Investors are expected to own approximately 21.0% of NewCo on a fully-diluted basis, and (ii) $85.0 million, pre-Mergers OnKure stockholders are expected to own approximately 51.5% of NewCo on a fully-diluted basis, pre-Mergers Reneo stockholders are expected to own approximately 22.7% of NewCo on a fully-diluted basis, and the PIPE Investors are expected to own approximately 25.8% of NewCo on a fully-diluted basis. The exchange ratios, and related pro forma ownership, will be adjusted (i) to account for the effect of the proposed Reverse Stock Split and (ii) to the extent that Reneo's net cash as of the close of business on the business day immediately preceding the closing date of the Mergers is less than $59.0 million or greater than $61.0 million (resulting in pre-Mergers Reneo stockholders owning less or more of NewCo, respectively). The expected relative ownership percentages of pre-Mergers OnKure stockholders and pre-Mergers Reneo stockholders of NewCo are calculated using the treasury stock method, as described in the Merger Agreement.

The Mergers, which have been approved by our Board of Directors and the board of directors of OnKure, are expected to close in the second half of 2024, subject to the satisfaction or waiver of certain closing conditions, including the approval of our stockholders. Certain stockholders of Reneo holding approximately 28.2% of the outstanding shares of our common stock entered into support agreements with Reneo and OnKure to vote all of their shares of our common stock in favor of the Mergers, subject to the terms of the support agreements. Although we have entered into the Merger Agreement and intend to consummate the proposed Mergers, there is no assurance that we will be able to successfully consummate the proposed Mergers on a timely basis, or at all. If, for any reason, the proposed Mergers are not completed, we will reconsider our strategic alternatives and could pursue another strategic transaction similar to the proposed Mergers, potential collaborative, partnering or other strategic arrangements for our assets, including a license, sale or divestiture of our assets, or liquidate and distribute available cash.

License Agreement

In December 2017, we entered into a License Agreement (vTv License Agreement) with vTv Therapeutics LLC (vTv Therapeutics), under which we obtained an exclusive, worldwide, sublicensable license under certain vTv Therapeutics intellectual property to develop, manufacture and commercialize PPARδ agonists and products containing such PPARδ agonists, including mavodelpar, for any therapeutic, prophylactic or diagnostic application in humans. Since we have suspended all development activity related to mavodelpar, we are not currently performing any development efforts under the vTv License Agreement.

Under the terms of the vTv License Agreement, we paid vTv Therapeutics an initial upfront license fee of $3.0 million and $2.0 million of milestone payments and issued an aggregate of 576,443 shares of our common stock to vTv Therapeutics. On October 30, 2023, we repurchased from vTv Therapeutics all 576,443 shares of our common stock previously issued to vTv Therapeutics under the vTv License Agreement for an aggregate purchase price of approximately $4.4 million in a private, non-underwritten transaction.

Upon the achievement of certain pre-specified development and regulatory milestones, we are also required to pay vTv Therapeutics milestone payments totaling up to $64.5 million. We are also required to pay vTv Therapeutics up to $30.0 million in total sales-based milestones upon achievement of certain sales thresholds of the licensed product. As of June 30, 2024, we have paid an aggregate of $2.0 million in development and regulatory milestone payments. In addition, we are obligated to make tiered royalty payments to vTv Therapeutics at mid-single digit to low teen percentage royalty rates, based on tiers of annual net sales of licensed products, subject to certain customary reductions. There were no milestone payments achieved or recorded for the three and six months ended June 30, 2024 and 2023.

Although we have suspended development activities related to mavodelpar, we are continuing to maintain and prosecute mavodelpar intellectual property.

Components of Our Results of Operations

Operating Expenses

Research and Development Expenses

Research and development expenses primarily relate to preclinical and clinical development of mavodelpar. Research and development expenses include:

- personnel expenses, including severance payments, salaries, benefits, and stock-based compensation expense;
- external expenses incurred under agreements with contract research organizations (CROs), investigative sites and consultants to conduct and support our preclinical studies and clinical trials;
- raw materials related to manufacturing of our product candidate for clinical trials and preclinical studies, including fees paid to third-party manufacturers;
- expenses related to regulatory activities, including filing fees paid to regulatory agencies;
- expenses related to medical affairs activities, including field teams to initiate relevant disease education and publications;
- depreciation and maintenance expenses; and
- fees for maintaining licenses under our third-party licensing agreements.

Research and development expenses are recognized as incurred and payments made prior to the receipt of goods or services to be used in research and development are capitalized until the goods or services are received. Costs for certain activities, such as manufacturing and preclinical studies and clinical trials, are generally recognized based on an evaluation of the progress to completion of specific tasks using information and data provided to us by our vendors and collaborators. We expense amounts paid to acquire licenses associated with products under

development when the ultimate recoverability of the amounts paid is uncertain and the technology has no alternative future use when acquired.

The following table summarizes our research and development expenses for the three and six months ended June 30, 2024 and 2023 (unaudited and in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Clinical and regulatory	$ 69	$ 6,979	$ 3,647	$ 13,036
Contract manufacturing cost	91	3,124	125	5,152
Nonclinical	5	1,843	444	3,087
Medical affairs	195	1,648	763	2,666
Research and development-other expense	230	806	554	1,448
Total	$ 590	$ 14,400	$ 5,533	$ 25,389

As a result of implementing our cash preservation activities, including suspension of development activities for mavodelpar, we expect our research and development expenses to decrease for the foreseeable future. If we pursue further development of mavodelpar or any other product candidates in the future, we cannot determine with certainty the timing of initiation, the duration or the completion costs of such clinical trials due to the inherently unpredictable nature of preclinical and clinical development. Clinical and preclinical development timelines, the probability of success and development costs can differ materially from expectations. We may need to raise substantial additional capital in the future. In addition, we cannot forecast whether any future product candidate may be subject to future collaborations, when such arrangements will be secured, if at all, and to what degree such arrangements would affect our development plans and capital requirements.

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

- the scope, rate of progress, expense and results of clinical trials and preclinical studies;
- per patient trial costs;
- the number of trials required for approval;
- the number of sites included in the trials;
- the countries in which the trials are conducted;
- the number of patients that participate in the trials;
- uncertainties in patient enrollment or drop out or discontinuation rates;
- potential additional safety monitoring requested by regulatory agencies;
- the duration of patient participation in the trials and follow-up;
- the safety and efficacy of our product candidate;
- the cost and timing of manufacturing our product candidates; and
- the extent to which we establish strategic collaborations or other arrangements.

General and Administrative Expenses

General and administrative expenses consist primarily of costs related to the proposed Mergers with OnKure, personnel expenses, including severance payments, salaries, benefits, and stock-based compensation expenses for personnel in executive, finance and administrative functions. General and administrative expenses also include professional fees for accounting, legal, and commercial development, insurance and corporate facility costs not otherwise included in research and development expenses. We expect our general and administrative

expenses , not related to the proposed Mergers, to decrease for the foreseeable future as a result of our cash preservation activities.

Other Income

Other income consists of interest income on our cash, cash equivalents and short-term investments.

Results of Operations

Comparison of Three Months Ended June 30, 2024 and 2023 (Unaudited)

The following table summarizes our results of operations for the three months ended June 30, 2024 and 2023 (unaudited and in thousands):

	Three Months Ended June 30,		
	2024	2023	Change
Operating expenses:			
Research and development	$ 590	$ 14,400	$ (13,810)
General and administrative	5,774	6,639	(865)
Total operating expenses	6,364	21,039	(14,675)
Loss from operations	(6,364)	(21,039)	14,675
Other income	1,003	1,508	(505)
Net loss	$ (5,361)	$ (19,531)	$ 14,170

Operating Expenses

Research and Development Expenses

Research and development expenses decreased by $13.8 million during the three months ended June 30, 2024, compared to the three months ended June 30, 2023. This decrease was primarily due to the suspension of development activities for mavodelpar and cash preservation activities, including workforce reductions in December 2023 and February 2024.

General and Administrative Expenses

General and administrative expenses decreased by $0.9 million during the three months ended June 30, 2024, compared to the three months ended June 30, 2023. This decrease was primarily due to a decrease of $1.6 million in facility and personnel-related costs related to our workforce reductions in December 2023 and February 2024 and a decrease of $1.7 million in commercial development and consulting costs due to the suspension of mavodelpar development activities, offset by an increase of $2.4 million in legal and advisory fees related to the proposed Mergers.

Other Income

The decrease in other income for the three months ended June 30, 2024, compared to the three months ended June 30, 2023 relates to a decrease in our short-term investment balance during 2024.

Comparison of Six Months Ended June 30, 2024 and 2023 (Unaudited)

The following table summarizes our results of operations for the six months ended June 30, 2024 and 2023 (unaudited and in thousands):

	Six Months Ended June 30,		
	2024	**2023**	**Change**
Operating expenses:			
Research and development	$ 5,533	$ 25,389	$ (19,856)
General and administrative	10,396	11,771	(1,375)
Total operating expenses	15,929	37,160	(21,231)
Loss from operations	(15,929)	(37,160)	21,231
Other income	2,142	2,522	(380)
Net loss	$ (13,787)	$ (34,638)	$ 20,851

Operating Expenses

Research and Development Expenses

Research and development expenses decreased by $19.9 million during the six months ended June 30, 2024, compared to the six months ended June 30, 2023. This decrease was primarily due to the suspension of development activities for mavodelpar and cash preservation activities, including workforce reductions in December 2023 and February 2024.

General and Administrative Expenses

General and administrative expenses decreased by $1.4 million during the six months ended June 30, 2024, compared to the six months ended June 30, 2023. This decrease was primarily due to a decrease of $2.1 million in facility and personnel-related costs related to our workforce reductions in December 2023 and February 2024 and a decrease of $1.9 million in commercial development and consulting costs due to the suspension of mavodelpar development activities, offset by an increase of $2.7 million in legal and advisory fees related to the proposed Mergers.

Other Income

The decrease in other income for the six months ended June 30, 2024, compared to the six months ended June 30, 2023 relates to a decrease in our short-term investment balance during 2024.

Liquidity and Capital Resources

Since inception, we have financed our operations primarily through the sale of equity securities. We have not generated any revenue from the sale of any products. As of June 30, 2024, we had available cash, cash equivalents and short-term investments of approximately $76.7 million, which we believe will be sufficient to fund our current operating plan for at least the next 12 months from the date of issuance of these unaudited condensed financial statements.

In November 2023, we entered into an at-the-market equity offering sales agreement (Sales Agreement) with Leerink Partners LLC (Leerink) under which we could offer and sell, from time to time, at our sole discretion, up to $100.0 million in shares of our common stock (2023 ATM Facility). Effective as of April 8, 2024, we terminated the Sales Agreement. We did not sell any shares of our common stock under the 2023 ATM Facility.

Funding Requirements

From our inception in 2014, we have incurred significant losses and negative cash flows from operations. As of June 30, 2024, we had an accumulated deficit of $232.3 million. For the three and six months ended June 30, 2024, we had a net loss of $5.4 million and $13.8 million, respectively, and we used $27.8 million of cash in operating activities during the six months ended June 30, 2024.

We believe that our existing cash, cash equivalents, and short-term investments will be sufficient to meet our cash requirements through at least the next 12 months. However, our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement that involves risks and uncertainties, including as a result of the proposed Mergers with OnKure, and actual results could vary materially.

If, for any reason, the proposed Mergers are not completed, we will reconsider our strategic alternatives and could pursue another strategic transaction similar to the proposed Mergers, potential collaborative, partnering or other strategic arrangements for our assets, including a license, sale or divestiture of our assets, or liquidate and distribute available cash. If we liquidate, we would be required to pay all of our debts and contractual obligations, and to set aside certain reserves for potential future claims, and there can be no assurances as to the amount or timing of available cash left to distribute to our stockholders after paying our debts and other obligations and setting aside funds for reserves.

Cash Flows

The following table summarizes our cash flows for the six months ended June 30, 2024 and 2023 (unaudited and in thousands):

	Six Months Ended June 30,	
	2024	**2023**
Net cash used in operating activities	$ (27,821)	$ (25,162)
Net cash provided by (used in) investing activities	36,248	(50,504)
Net cash (used in) provided by financing activities	(89)	64,820
Net increase (decrease) in cash and cash equivalents	$ 8,338	$ (10,846)

Operating Activities

Net cash used in operating activities for the six months ended June 30, 2024 was $27.8 million, consisting primarily of our net loss of $13.8 million adjusted for non-cash items of $0.6 million primarily due to $2.1 million of stock-based compensation expense, offset by $1.6 million of amortization/accretion on short-term investments and a $14.6 million net change in operating assets and liabilities. The change in our net operating assets and liabilities was primarily due to a decrease in prepaid and other current assets of $2.3 million, offset by a decrease in accounts payable and accrued expenses of $16.8 million due to timing of payments.

Net cash used in operating activities for the six months ended June 30, 2023 was $25.2 million, consisting primarily of our net loss of $34.6 million adjusted for non-cash items of $1.5 million primarily due to $2.4 million of stock-based compensation expense and $0.8 million in fair value of a performance award, offset by $2.0 million of amortization/accretion on short-term investments and a $7.9 million net change in operating assets and liabilities. The change in our net operating assets and liabilities was primarily due to a decrease in prepaid and other current assets of $1.3 million and an increase in accounts payable and accrued expenses of $6.8 million due to timing of receipt of invoices and payments.

Investing Activities

Net cash provided by investing activities for the six months ended June 30, 2024 was $36.2 million, consisting primarily of the net proceeds from maturities of available-for-sale short-term investments.

Net cash used in investing activities for the six months ended June 30, 2023 was $50.5 million, consisting primarily of the net purchase of available-for-sale short-term investments.

Financing Activities

Net cash used in financing activities for the six months ended June 30, 2024 was $0.1 million consisting primarily of the payment of deferred costs in connection with the Concurrent PIPE Investments.

Net cash provided by financing activities for the six months ended June 30, 2023 was $64.8 million, consisting primarily of the net proceeds of $58.9 million, $4.7 million, and $1.0 million from the sale of common stock in our May 2023 public offering, in our May 2023 private placement, and under our May 2022 at-the-market equity offering sales agreement with SVB Securities LLC, respectively.

Material Cash Requirements

The discussion below summarizes our significant contractual obligations and commitments as of June 30, 2024.

Leases. See Note 7 of Notes to Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for information regarding our leases, including the future operating lease minimum payments.

Performance Award. See Note 8 of Notes to Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for information regarding a special performance award that our chief executive officer may be entitled to receive, including the maximum payout.

vTv License Agreement. See Note 9 of Notes to Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for information regarding the vTv License Agreement, including potential milestone and royalty payments.

In addition to the contractual obligations above, we also expect to have near term future material cash requirements associated with the proposed Mergers.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations are based on our 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 us 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. We base our estimates on historical experience, known trends and events, and various other factors that we believe 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.

Our critical accounting policies are described in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates" in our Annual Report on Form 10-K for the year ended December 31, 2023, and the notes to our consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q. During the six months ended June 30, 2024, there were no material changes to our critical accounting policies from those discussed in our Annual Report on Form 10-K for the year ended December 31, 2023.

Recent Accounting Pronouncements

See Note 2 of Notes to Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for a description of recent accounting pronouncements applicable to our consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not required for smaller reporting companies.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation and supervision of our principal executive officer and our principal financial officer, have evaluated our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our principal executive officer and our principal financial officer have concluded that as of June 30, 2024, our disclosure controls and procedures were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission (SEC) rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended June 30, 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. We are not currently a party to any material legal proceedings. Regardless of outcome, litigation can have an adverse impact on us due to defense and settlement costs, diversion of management resources, negative publicity, reputational harm and other factors, and there can be no assurances that favorable outcomes will be obtained.

Item 1A. Risk Factors

We face many risks and uncertainties, as more fully described in this section under the heading "Risk Factors." Some of these risks and uncertainties are summarized below. The summary below does not contain all of the information that may be important to you, and you should read this summary together with the more detailed discussion of these risks and uncertainties contained in "Risk Factors."

- Failure to complete, or delays in completing, the potential Mergers with OnKure could materially and adversely affect Reneo's results of operations, business, financial results and/or common stock price.
- Reneo stockholders and OnKure stockholders may not realize a benefit from the Mergers commensurate with the ownership dilution they will experience in connection with the Mergers.
- If the Mergers are not completed, the price of our common stock may decrease significantly.
- If we and OnKure complete the Mergers, NewCo may need to raise additional capital by issuing equity securities or additional debt or through licensing arrangements, which may cause significant dilution to NewCo's stockholders or restrict NewCo's operations.
- We have incurred significant net losses since our inception in 2014 and anticipate that we will continue to incur net losses for the foreseeable future.
- If we fail to achieve the expected financial and operational benefits of our recent cash preservation activities, our business and financial results may be harmed.
- If we fail to satisfy applicable listing standards, our common stock may be delisted from the Nasdaq Global Market.
- Our principal stockholders and management own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval.

RISK FACTORS

An investment in shares of our common stock involves a high degree of risk. You should carefully consider the risks described below, as well as the other information in this Quarterly Report on Form 10-Q, including our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" before deciding whether to purchase, hold or sell shares of our common stock. The occurrence of any of the risks described below could harm our business, financial condition, results of operations, growth prospects, and/or stock price or cause our actual results to differ materially from those contained in forward-looking statements we have made in this Quarterly Report on Form 10-Q and those we may make from time to time. You should consider all of the risk factors described when evaluating our business. We have marked with an asterisk (*) those risk factors that reflect changes from the similarly titled risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2023.

Risks Related to the Pending Merger Transaction with OnKure

Failure to complete, or delays in completing, the potential Mergers with OnKure could materially and adversely affect our results of operations, business, financial results and/or common stock price.*

On May 10, 2024, we entered into the Merger Agreement with OnKure, pursuant to which, if all of the conditions to closing are satisfied or waived, in the First Merger, Merger Sub I, our direct, wholly owned subsidiary will merge with and into OnKure, with OnKure surviving as a direct, wholly owned subsidiary of NewCo, and as promptly as practicable following the First Merger, in the Second Merger, OnKure will merge with and into Merger Sub II, a direct, wholly owned subsidiary of NewCo, with Merger Sub II surviving. Completion of the Mergers are subject to certain closing conditions, a number of which are not within our control. Any failure to satisfy these required conditions to closing may prevent, delay or otherwise materially adversely affect the completion of the Mergers. We cannot predict with certainty whether or when any of the required closing conditions will be satisfied or if another uncertainty may arise and cannot assure you that we will be able to successfully consummate the Mergers as currently contemplated under the Merger Agreement or at all.

Our efforts to complete the Mergers could cause substantial disruptions in, and create uncertainty surrounding, our business, which may materially adversely affect our results of operation and our business. Uncertainty as to whether the Mergers will be completed may affect our ability to retain and motivate existing employees. Employee retention may be particularly challenging while the transaction is pending because employees may experience uncertainty about their roles following the Mergers. Uncertainty as to whether the Mergers will be completed could adversely affect our business and our relationship with collaborators, suppliers, vendors, regulators and other business partners. For example, vendors, collaborators and other counterparties may defer their decisions to work with us or seek to change their existing business relationships with us. Changes to, or termination of, existing business relationships could adversely affect our results of operations and financial condition, as well as the market price of our common stock. The adverse effects of the pendency of the transaction could be exacerbated by any delays in completion of the Mergers or termination of the Merger Agreement.

The exchange ratios set forth in the Merger Agreement (Exchange Ratios) will not change or otherwise be adjusted based on the market price of our common stock as the Exchange Ratios depend on our net cash at the closing and not the market price of our common stock, so the merger consideration at the closing may have a greater or lesser value than at the time the Merger Agreement was signed.*

At the First Effective Time, outstanding shares of OnKure capital stock will be converted into rights to receive shares of NewCo common stock. After applying estimated Exchange Ratios and giving effect to the Concurrent PIPE Investments, immediately after the Mergers, on a pro forma basis and based upon the number of shares of NewCo common stock expected to be issued in the Mergers, assuming a subscription amount of (i) $65.0 million pre-Mergers OnKure stockholders are expected to own approximately 54.8% of NewCo on a fully-diluted basis, pre-Mergers Reneo stockholders are expected to own approximately 24.2% of NewCo on a fully-diluted basis, and the PIPE Investors are expected to own approximately 21.0% of NewCo on a fully-diluted basis, and (ii) $85.0 million, pre-Mergers OnKure stockholders are expected to own approximately 51.5% of NewCo on a fully-diluted basis,

pre-Mergers Reneo stockholders are expected to own approximately 22.7% of NewCo on a fully-diluted basis, and the PIPE Investors are expected to own approximately 25.8% of NewCo on a fully-diluted basis (in each case, using the treasury stock method and based on assumptions described in the Merger Agreement). The Exchange Ratios, and related pro forma ownership, will be adjusted (i) to account for the effect of the proposed Reverse Stock Split and (ii) to the extent that our net cash as of the close of business on the business day immediately preceding the closing date of the Mergers is less than $59.0 million or greater than $61.0 million (resulting in pre-Mergers Reneo stockholders owning less or more of NewCo, respectively). In the event our net cash is below $59.0 million, the Exchange Ratios will be adjusted such that the number of shares of NewCo common stock issued to the OnKure stockholders will be increased and Reneo stockholders will own a smaller percentage of NewCo following the Mergers.

Any changes in the market price of our common stock before the completion of the Mergers will not affect the Exchange Ratios or the number of shares that OnKure stockholders will be entitled to receive pursuant to the Merger Agreement. Therefore, if before the completion of the Mergers, the market price of our common stock increases from the market price on the date of the Merger Agreement, OnKure stockholders could then receive merger consideration with substantially higher value for their shares of OnKure capital stock than the parties had negotiated when they established the Exchange Ratios. The Merger Agreement does not include a price-based termination right.

Failure to complete the Mergers may result in us paying a termination fee to OnKure, and could harm the price of our common stock and our future business and operations.*

If the Mergers are not completed, we are subject to the following risks:

- if the Merger Agreement is terminated under specified circumstances, we could be required to pay OnKure a termination fee of $3.0 million;
- the price of our common stock may decrease and could fluctuate significantly; and
- we will incur substantial costs related to the Mergers, such as financial advisor, legal and accounting fees, a majority of which must be paid even if the Mergers are not completed.

If the Merger Agreement is terminated and the OnKure board of directors determines to seek another business combination, there can be no assurance that we will be able to find another third party with whom to transact a business combination that would yield comparable or greater benefits.

If the conditions to the Mergers are not satisfied or waived, the Mergers may not occur.*

Even if the Mergers are approved by the OnKure stockholders and our stockholders, specified conditions must be satisfied or, to the extent permitted by applicable law, waived to complete the Mergers. We and OnKure cannot assure you that all of the conditions to the consummation of the Mergers will be satisfied or waived. If the conditions are not satisfied or waived, the Mergers may not occur or the closing may be delayed.

The Mergers may be completed even though a material adverse effect may result from the public announcement of the Mergers, industry-wide changes or other causes.*

In general, neither we nor OnKure are obligated to complete the Mergers if there is a material adverse effect affecting the other party between May 10, 2024 (the date of the Merger Agreement) and the completion of the Mergers. However, certain types of events are excluded from the concept of a "material adverse effect." Such exclusions include but are not limited to changes in general economic or political conditions, industry-wide changes, changes resulting from the public announcement of the merger, natural disasters, pandemics, public health events, other force majeure events, acts or threat of terrorism or war and changes in U.S. generally accepted accounting principles. Therefore, if any of these events were to occur and adversely affect us or OnKure, the other party would still be required to consummate the Mergers notwithstanding such events. If any such adverse effects occur and we or OnKure consummates the Mergers, the price of the NewCo Class A common stock

may suffer. This, in turn, may reduce the value of the Mergers to the Reneo stockholders, the OnKure stockholders, or both.

If we and OnKure complete the Mergers, NewCo may need to raise additional capital by issuing equity securities or additional debt or through licensing arrangements, which may cause significant dilution to NewCo's stockholders or restrict NewCo's operations.*

On May 10, 2024, as part of the Concurrent PIPE Investments, we entered into the Subscription Agreement with certain investors pursuant to which the investors agreed to purchase, in the aggregate, $65.0 million in shares of NewCo Class A common stock, which amount may be increased to $85.0 million, concurrently with the closing of the Mergers. The closing of the Concurrent PIPE Investments is conditioned upon the satisfaction or waiver of the conditions to the completion of the Mergers, as well as certain other conditions. The NewCo Class A common stock issued in the Concurrent PIPE Investments will result in dilution to all securityholders of NewCo (i.e., both Reneo stockholders and OnKure stockholders).

Even if the Concurrent PIPE Investments close as expected, NewCo may need to raise additional capital in the future. Additional financing may not be available to NewCo when it is needed or may not be available on favorable terms. To the extent that NewCo raises additional capital by issuing equity securities, such financing will cause additional dilution to all securityholders of NewCo, including Reneo stockholders and former OnKure stockholders. It is also possible that the terms of any new equity securities may have preferences over NewCo common stock. Any debt financing into which NewCo enters may involve covenants that restrict its operations. These restrictive covenants may include limitations on additional borrowing and specific restrictions on the use of NewCo's assets, as well as prohibitions on its ability to grant liens, pay dividends, redeem its stock or make investments. In addition, if NewCo raises additional funds through licensing arrangements, the terms of such arrangements may not be favorable to NewCo.

Some Reneo and OnKure directors and executive officers may have interests in the Mergers that are different from yours and that may influence them to support or approve the Mergers without regard to your interests.*

Directors and executive officers of Reneo and OnKure may have interests in the Mergers that are generally different from, or in addition to, the interests of other Reneo stockholders and OnKure stockholders, respectively. These interests with respect to our directors and executive officers may include, among others, accelerated vesting of stock options and restricted stock units (RSUs), retention bonus payments, extension of exercisability periods of previously issued stock options, severance payments if employment is terminated in a qualifying termination in connection with the First Merger, and rights to continued indemnification, expense advancement and insurance coverage. In addition, certain of our executive officers have entered into consulting agreements with NewCo for the provision of services to NewCo following the First Effective Time pursuant to which such executive officers will receive fees for such services. It is expected that two members of our Board of Directors will continue as directors of NewCo after the First Effective Time, and, following the completion of the Mergers, may therefore be eligible to be compensated as non-employee directors of NewCo. These interests in the Mergers with respect to OnKure's directors and executive officers may include, among others, that certain of OnKure's directors and executive officers hold OnKure stock options and OnKure RSUs that, after the First Effective Time, will be converted into and become NewCo stock options and NewCo RSUs, respectively; that certain OnKure stock options held by OnKure's directors and executive officers will accelerate vesting at the First Effective Time; that OnKure's executive officers are expected to continue as executive officers of NewCo after the First Effective Time and are expected to enter into new employment agreements to reflect their status as executive officers of a publicly-traded company and to provide for certain increases to annual base salary and annual target bonus opportunity, and certain change-in-control and severance benefits; and that all of Reneo's and OnKure's directors and executive officers are entitled to certain indemnification and liability insurance coverage pursuant to the terms of the Merger Agreement.

In addition, one of OnKure's directors is affiliated with an investment fund that holds an interest in OnKure. Further, the members of the OnKure board of directors will continue as directors of NewCo after the First Effective Time, and, following the completion of the Mergers, will be eligible to be compensated as non-employee directors

of NewCo pursuant to a non-employee director compensation policy that is expected to be adopted in connection with the closing and take effect at the First Effective Time.

The Reneo and OnKure directors were aware of and considered these interests, among other matters, in reaching their decisions to approve and adopt the Merger Agreement, approve the Mergers, and recommend the approval of the Proposed Transactions to Reneo stockholders and recommend the approval of the Merger Agreement to the OnKure stockholders. These interests, among other factors, may have influenced the directors and executive officers of Reneo and OnKure to support or approve the Mergers.

Reneo stockholders and OnKure stockholders may not realize a benefit from the Mergers commensurate with the ownership dilution they will experience in connection with the Mergers.*

If NewCo and all of its subsidiaries, including its wholly owned subsidiaries following the consummation of the Proposed Transactions (the Combined Company) is unable to realize the full strategic and financial benefits currently anticipated from the Mergers, Reneo stockholders and OnKure stockholders will have experienced substantial dilution of their ownership interests without receiving any commensurate benefit, or will have only received part of the commensurate benefit resulting from the extent to which the Combined Company is able to realize the strategic and financial benefits currently anticipated from the Mergers.

If the Mergers are not completed, the price of our common stock may decrease significantly.*

The market price of our common stock is subject to significant fluctuations. Market prices for securities of pharmaceutical companies have historically been particularly volatile. In addition, the market price of our common stock will likely be volatile based on whether stockholders and other investors believe that we can complete the Mergers or otherwise raise additional capital to support our operations if the Mergers are not completed and another strategic transaction cannot be identified, negotiated and completed in a timely manner, if at all. The volatility of the market price of our common stock may be exacerbated by low trading volume. Additional factors that may cause the market price of our common stock to fluctuate include:

- the entry into, or termination of, our key agreements;
- announcements by our commercial partners or competitors of new commercial products, our clinical progress or lack thereof, significant contracts, commercial relationships or capital commitments;
- the loss of our key employees;
- future sales of our common stock;
- general and industry-specific economic conditions that may affect our research and development expenditures;
- our failure to meet industry analyst expectations; and
- period-to-period fluctuations in financial results.

Moreover, the stock markets in general have experienced substantial volatility that has often been unrelated to the operating performance of individual companies. These broad market fluctuations may also adversely affect the trading price of our common stock. In the past, following periods of volatility in the market price of a company's securities, stockholders have often instituted class action securities litigation against such companies.

Reneo stockholders and OnKure stockholders will generally have a reduced ownership and voting interest in, and will exercise less influence over the management of, NewCo following the completion of the Mergers as compared to their current ownership and voting interests in the respective companies.*

After the completion of the Mergers, the current stockholders of Reneo and OnKure will generally own a smaller percentage of NewCo than their ownership of their respective companies prior to the Mergers. Immediately after the Mergers and after giving effect to the Concurrent PIPE Investments, assuming a subscription

amount of (i) $65.0 million, pre-Mergers OnKure stockholders as of immediately prior to the Mergers are expected to own approximately 54.8% of NewCo on a fully-diluted basis, pre-Mergers Reneo stockholders are expected to own approximately 24.2% of NewCo on a fully-diluted basis and the PIPE Investors are expected to own approximately 21.0% of NewCo on a fully-diluted basis, and (ii) $85.0 million, pre-Mergers OnKure stockholders are expected to own approximately 51.5% of NewCo on a fully-diluted basis, pre-Mergers Reneo stockholders are expected to own approximately 22.7% of NewCo on a fully-diluted basis, and the PIPE Investors are expected to own approximately 25.8% of NewCo on a fully-diluted basis (in each case, using the treasury stock method and based on assumptions described in the Merger Agreement).

During the pendency of the Mergers, neither we nor OnKure will be able to enter into a business combination with another party on more favorable terms because of restrictions in the Merger Agreement, which could adversely affect their respective business prospects.*

Covenants in the Merger Agreement impede the ability of us and OnKure to make acquisitions during the pendency of the Mergers, subject to specified exceptions. As a result, if the Mergers are not completed, the parties may be at a disadvantage with respect to their competitors during that period. In addition, while the Merger Agreement is in effect, each party is generally prohibited from soliciting, seeking, initiating or knowingly encouraging, inducing or facilitating the communication, making, submission or announcement of any acquisition proposal or acquisition inquiry or taking any action that could reasonably be expected to lead to certain transactions involving a third party, including a merger, sale of assets or other business combination, subject to specified exceptions. Even if such a transaction would be favorable to such party's stockholders, such party would be unable to pursue it.

Certain provisions of the Merger Agreement may discourage third parties from submitting competing proposals, including proposals that may be superior to the Proposed Transactions.*

The terms of the Merger Agreement prohibit each of us and OnKure from soliciting competing proposals or cooperating with persons making unsolicited takeover proposals except in limited circumstances as described in the Merger Agreement. In addition, if we terminate the Merger Agreement under specified circumstances, we will be required to pay OnKure a termination fee of $3.0 million. This termination fee may discourage third parties from submitting competing proposals to us or our stockholders and may cause our Board of Directors or the OnKure board of directors to be less inclined to recommend a competing proposal.

Because the lack of a public market for OnKure common stock makes it difficult to evaluate the fair market value of its capital stock, the value of the NewCo common stock to be issued to OnKure stockholders may be more or less than the fair market value of OnKure common stock and OnKure preferred stock.*

The OnKure capital stock is privately held and is not traded on any public market. The lack of a public market makes it difficult to determine the fair market value of OnKure capital stock. Because the percentage of NewCo equity to be issued to OnKure stockholders was determined based on negotiations between the parties, it is possible that the value of the NewCo common stock to be issued to OnKure stockholders will be more or less than the fair market value of OnKure capital stock.

Lawsuits may be filed against us, OnKure, or any of the members of the respective boards of directors arising out of the Mergers, which may delay or prevent the Mergers.*

Putative stockholder complaints, including stockholder class action complaints, and other complaints may be filed against us, our Board of Directors, OnKure, the OnKure board of directors and others in connection with the Proposed Transactions. The outcome of litigation is uncertain, and we or OnKure may not be successful in defending against any such future claims. Lawsuits that may be filed against us, our Board of Directors, OnKure, or the OnKure board of directors could delay or prevent the Mergers, divert the attention of our and OnKure's management and employees from their day-to-day business and otherwise adversely affect us and OnKure financially.

We are substantially dependent on our remaining employees to facilitate the completion of the Mergers.*

As of August 31, 2024, we had only eight full-time employees. Our ability to successfully complete the Mergers depends in large part on our ability to retain certain remaining personnel. Despite our efforts to retain these employees, one or more employees may terminate their employment with us on short notice. The loss of the services of certain employees could potentially harm our ability to consummate the Mergers and run our day-to-day business operations, as well as fulfill our reporting obligations as a public company.

The Reverse Stock Split may not increase the our common stock (and, accordingly, the NewCo Class A common stock) price over the long-term.*

Our Board of Directors believes that the Reverse Stock Split may be desirable for a number of reasons. Our common stock is currently listed on Nasdaq and, following the completion of the Mergers, the NewCo Class A common stock is expected to be listed on the Nasdaq Global Market. According to the applicable Nasdaq rules, in order for our common stock or NewCo Class A common stock to continue to be listed on the Nasdaq Global Market, we and NewCo, as applicable, must satisfy certain requirements established by Nasdaq. Our Board of Directors expects that the Reverse Stock Split of our common stock will increase the market price of our common stock (and, accordingly, the NewCo Class A common stock) so that we and NewCo will be able to maintain compliance with the relevant Nasdaq listing requirements for the foreseeable future, although we cannot assure holders of our common stock or NewCo Class A common stock that it will be able to do so. Our Board of Directors also believes a higher stock price may help generate investor interest in NewCo, help NewCo attract and retain employees, increase trading volume in the NewCo Class A common stock, and facilitate future financings by NewCo. While it is expected that the reduction in the number of outstanding shares of our common stock will proportionally increase the market price of our common stock (and, accordingly, NewCo Class A common stock), there can be no assurance that the Reverse Stock Split will increase the market price of our common stock (and, accordingly, NewCo Class A common stock) by a multiple of the Reverse Stock Split ratio determined by OnKure and subject to our approval (which approval may not be unreasonably withheld, conditioned or delayed), or result in any permanent or sustained increase in the market price of our common stock or NewCo Class A common stock, which is dependent upon many factors, including NewCo's business and financial performance, general market conditions and prospects for future success. Thus, while the stock price of our common stock might meet the listing requirements for Nasdaq initially after the Reverse Stock Split, it cannot be assured that it will continue to do so.

The Reverse Stock Split may decrease the liquidity of our common stock (and, accordingly, NewCo Class A common stock).*

Although our Board of Directors believes that the anticipated increase in the market price of our common stock (and, accordingly, NewCo Class A common stock) resulting from the proposed Reverse Stock Split could encourage interest in our common stock (and, accordingly, NewCo Class A common stock) and possibly promote greater liquidity for our and NewCo's stockholders, such liquidity could also be adversely affected by the reduced number of shares outstanding after the Reverse Stock Split. The reduction in the number of outstanding shares may lead to reduced trading and a smaller number of market makers for our common stock (and, accordingly, NewCo Class A common stock).

The Reverse Stock Split may lead to a decrease in our (and, accordingly, NewCo's) overall market capitalization.*

Should the market price of our common stock (and, accordingly, NewCo Class A common stock) decline after the Reverse Stock Split, the percentage decline may be greater, due to the smaller number of shares outstanding, than it would have been prior to the Reverse Stock Split. A reverse stock split is often viewed negatively by the market and, consequently, can lead to a decrease in our (and, accordingly, NewCo's) overall market capitalization. If the per-share market price does not increase in proportion to the Reverse Stock Split ratio, then our value (and, accordingly, NewCo), as measured by its stock capitalization, will be reduced. In some cases, the per-share stock price of companies that have effected reverse stock splits subsequently declined back to pre-reverse split levels,

and accordingly, it cannot be assured that the total market value of our common stock (and, accordingly, NewCo Class A common stock) will remain the same after the Reverse Stock Split is effected, or that the Reverse Stock Split will not have an adverse effect on our common stock (and, accordingly, NewCo Class A common stock) due to the reduced number of shares outstanding after the Reverse Stock Split.

The Reverse Stock Split may result in some stockholders owning "odd lots" that may be more difficult to sell or require greater transaction costs per share to sell.*

The Reverse Stock Split may result in some stockholders owning "odd lots" of less than 100 shares of our common stock (and, accordingly, NewCo Class A common stock) on a post-split basis. These odd lots may be more difficult to sell, or require greater transaction costs per share to sell, than shares in "round lots" of even multiples of 100 shares.

OnKure will determine the ratio of the Reverse Stock Split in its discretion, subject to the approval of our Board of Directors, and may consider a variety of factors in making its determination.*

One of the purposes of the Reverse Stock Split is to increase the per-share market price of our common stock (and, accordingly, NewCo Class A common stock). In addition, the OnKure board of directors and our Board of Directors believe a higher stock price may help generate investor interest in the Combined Company. Therefore, our Board of Directors may consider additional factors in determining to approve a Reverse Stock Split ratio in an attempt to achieve a higher price per share. Such additional factors may include the historical trading price and trading volume of our common stock; the then prevailing trading price and trading volume of our common stock, and the anticipated impact of the Reverse Stock Split on the trading market for our common stock (and, accordingly, NewCo Class A common stock); the anticipated impact of the Reverse Stock Split on the Combined Company's ability to raise additional financing; and prevailing general market and economic conditions.

Risks Related to Our Business and Industry

We have incurred significant net losses since our inception in 2014 and anticipate that we will continue to incur net losses for the foreseeable future.*

We are a pharmaceutical company founded in 2014. Prior to the recent suspension of our development activities for mavodelpar announced on December 14, 2023, our operations focused primarily on raising capital, establishing and protecting our intellectual property portfolio, organizing and staffing our company, business planning, and conducting preclinical and clinical development of, and manufacturing development for, our only product candidate, mavodelpar. As an organization, we have not yet demonstrated an ability to successfully complete clinical development, obtain regulatory approvals, manufacture a commercial-scale product, or conduct sales and marketing activities necessary for successful commercialization. Further, we have not yet demonstrated an ability to overcome many of the risks and uncertainties frequently encountered by companies in new and rapidly evolving fields, particularly in the pharmaceutical area. Consequently, any predictions about our future performance may not be as accurate as they would be if we had a history of successfully developing and commercializing pharmaceutical products.

Investment in pharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that any potential product candidate will fail to demonstrate adequate effectiveness in the targeted indication or an acceptable safety profile, gain regulatory approval and become commercially viable. We have no products approved for commercial sale and have not generated any revenue to date, and we continue to incur expenses related to our ongoing operations. As a result, we are not profitable and have incurred significant net losses since our inception. We may never generate any revenue. For the six months ended June 30, 2024 and 2023, we reported a net loss of $13.8 million and $34.6 million, respectively. As of June 30, 2024, we had an accumulated deficit of $232.3 million.

We expect to continue to incur significant losses for the foreseeable future. We may encounter unforeseen expenses, difficulties, complications, delays, and other unknown factors that may adversely affect our business,

including in connection with the proposed Mergers with OnKure. Our prior net losses and expected future net losses have had and will continue to have an adverse effect on our stockholders' equity and working capital. Because of the numerous risks and uncertainties associated with our business, we are unable to accurately predict the timing or amount of increased expenses, or when, if at all, we will be able to achieve profitability.

If we fail to achieve the expected financial and operational benefits of our recent cash preservation activities, our business and financial results may be harmed.

Following the suspension of development activities of our only product candidate, mavodelpar, we implemented a reduction in workforce in December 2023 and February 2024, which resulted in approximately $4.1 million in severance and continuation of benefit expenses. The estimates of the costs we expect to incur, and the successful implementation of the restructuring activities pursuant to the cash preservation activities, are subject to a number of assumptions, risks and uncertainties, and actual results may differ from the above-described estimates. We may also incur additional costs not currently contemplated due to events that may occur as a result of, or that are associated with, the cash preservation activities. Restructuring activities may also result in a loss of continuity, accumulated knowledge and inefficiency during transitional periods and thereafter. In addition, restructurings can require a significant amount of time and focus from management and other employees, which may divert attention from our core business activities.

As a result of the negative data from our STRIDE clinical study and the reductions in our workforce that we implemented in December 2023 and February 2024, we may not be successful in retaining key employees. If we are unable to retain our remaining staff, our ability to consummate any strategic alternative, including the proposed Mergers with OnKure, will be seriously jeopardized.*

We implemented a reduction in workforce in December 2023 and February 2024, and currently have eight full-time employees remaining. Our cash preservation activities may yield unintended consequences, such as attrition beyond our reductions in workforce and reduced employee morale which may cause our remaining employees to seek alternate employment. Competition among biotechnology companies for qualified employees is intense. Following the suspension of development activities for mavodelpar, our ability to retain our key employees is critical to our ability to effectively manage our resources to consummate a potential strategic transaction, including the proposed Mergers with OnKure. In addition, as a result of the workforce reductions, we face an increased risk of employment litigation.

Our employees, independent contractors, principal investigators, CROs, consultants, and vendors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

We are exposed to the risk that employees, independent contractors, principal investigators, CROs, consultants, and vendors may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to us that violates: (i) the rules of the FDA and other similar foreign regulatory bodies, including those rules that require the reporting of true, complete, and accurate information to the FDA and other similar foreign regulatory bodies; (ii) manufacturing standards; (iii) healthcare fraud and abuse laws in the United States and similar foreign fraudulent misconduct laws or (iv) laws that require the true, complete, and accurate reporting of our financial information or data. These laws may impact, among other things, our current activities with principal investigators and research subjects, as well as proposed and future sales, marketing, and education programs. In particular, the promotion, sales, and marketing of healthcare items and services, as well as certain business arrangements in the healthcare industry, are subject to extensive laws designed to prevent fraud, kickbacks, self-dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, structuring and commission(s), certain customer incentive programs, and other business arrangements generally. Activities subject to these laws also involve the improper use of information obtained in the course of patient recruitment for clinical trials.

If we obtain regulatory approval for a product candidate and begin commercializing such product in the United States, the EU and other countries or jurisdictions, our potential exposure under the laws of such countries and jurisdictions will increase significantly, and our costs associated with compliance with such laws are also likely to increase. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant civil, criminal and administrative penalties, damages, disgorgement, monetary fines, imprisonment, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs and equivalent foreign healthcare programs, additional reporting requirements and/or oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations.

Our relationships with customers, healthcare providers, and third-party payors may be subject, directly or indirectly, to federal, state and comparable foreign healthcare fraud and abuse laws, false claims laws, and other healthcare laws and regulations. If we or our employees, independent contractors, consultants, commercial partners, or vendors violate these laws, we could face substantial penalties.

Our relationships with customers, healthcare providers, and third-party payors may be subject, directly or indirectly, to federal and state healthcare fraud and abuse laws, false claims laws, and other healthcare laws and regulations. These laws may impact, among other things, any future clinical research programs, as well as our proposed and future sales, marketing, and education programs. In particular, the promotion, sales and marketing of healthcare items and services is subject to extensive laws and regulations designed to prevent fraud, kickbacks, self-dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive, and other business arrangements. The U.S. healthcare laws and regulations that may affect our ability to operate include, but are not limited to:

- the federal Anti-Kickback Statute, which prohibits, among other things, any person or entity from knowingly and willfully, offering, paying, soliciting or receiving any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, the purchasing, leasing, ordering or arranging for the purchase, lease, or order of any item or service reimbursable under Medicare, Medicaid or other federal healthcare programs. The term "remuneration" has been broadly interpreted to include anything of value. Although there are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution, the exceptions and safe harbors are drawn narrowly. Practices that may be alleged to be intended to induce prescribing, purchases or recommendations, include any payments of more than fair market value, and may be subject to scrutiny if they do not qualify for an exception or safe harbor. In addition, a person or entity does not need to have actual knowledge of this statute or specific intent to violate it in order to have committed a violation;
- federal civil and criminal false claims laws, including the federal civil False Claims Act, and civil monetary penalty laws, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment or approval from Medicare, Medicaid, or other federal government programs that are false or fraudulent or knowingly making a false statement to improperly avoid, decrease or conceal an obligation to pay money to the federal government, including federal healthcare programs. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act and the civil monetary penalties statute;
- the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) which created new federal civil and criminal statutes that prohibit knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under

the custody or control of, any healthcare benefit program, including private third-party payors and knowingly and willfully falsifying, concealing or covering up by any trick, scheme or device, a material fact or making any materially false, fictitious or fraudulent statements in connection with the delivery of, or payment for, healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH), and their respective implementing regulations, which impose requirements on certain healthcare providers, health plans, and healthcare clearinghouses, known as covered entities, and their respective business associates that perform services for them that involve the use, or disclosure of, individually identifiable health information as well as their covered subcontractors; and
- the federal Physician Payments Sunshine Act, which requires certain manufacturers of drugs, devices, biologicals and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to CMS information related to payments or other transfers of value made to physicians, (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), other healthcare professionals (such as physician assistants and purse practitioners), and teaching hospitals, as well as ownership and investment interests held by such physicians and their immediate family members.

We may also be subject to state and foreign equivalents of each of the healthcare laws described above, among others, some of which may be broader in scope. For example, we may be subject to the following: anti-kickback and false claims laws and regulations that may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third party payors, including private insurers, or that apply regardless of payor; laws and regulations that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government; laws and regulations that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers, marketing expenditures, or drug pricing; and laws and regulations requiring the registration of pharmaceutical sales and medical representatives.

Additionally, we may be subject to consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers.

Because of the breadth of these laws and regulations and the narrowness of the statutory exceptions and regulatory safe harbors available, it is possible that some of our business activities, or our arrangements with physicians, could be subject to challenge under one or more of such laws and regulations. It is not always possible to identify and deter employee misconduct or business noncompliance, and the precautions we take to detect and prevent inappropriate conduct may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. Efforts to ensure that our business arrangements will comply with applicable healthcare laws and regulations may involve substantial costs. It is possible that governmental and enforcement authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law interpreting applicable fraud and abuse or other healthcare laws and regulations. If we or our employees, independent contractors, consultants, commercial partners and vendors violate these laws and regulations, we may be subject to investigations, enforcement actions and/or significant penalties, including the imposition of significant civil, criminal and administrative penalties, damages, disgorgement, monetary fines, imprisonment, possible exclusion from participation in Medicare, Medicaid and other healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, additional reporting requirements and/or oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws and regulations, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations. In addition, any approval and commercialization of any product candidates outside the United States will also likely subject us to foreign equivalents of the healthcare laws and regulations mentioned above, among other foreign laws and regulations.

We (and the third parties with whom we work) are subject to stringent and evolving U.S. and foreign laws, regulations, and rules, industry standards, contractual obligations, policies and other obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations (or such failure by the third parties with whom we work) could lead to regulatory investigations or actions; litigation (including class claims) and mass arbitration demands; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; and other adverse business consequences.*

In the ordinary course of business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, process) personal data and other sensitive information, including proprietary and confidential business data, trade secrets, intellectual property, data we collect about trial participants in connection with clinical trials, and sensitive third-party data (collectively, sensitive data). Our data processing activities subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations, relating to data privacy and security.

In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, state and federal health information privacy laws, personal data privacy laws, and consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), and other similar laws (e.g., wiretapping laws). In addition, we may obtain health data from third parties (including research institutions from which we obtain clinical trial data) that is subject to privacy and security requirements under HIPAA, as amended by HITECH, and their respective implementing regulations. Depending on the facts and circumstances, we could be subject to civil, criminal, and administrative penalties if we knowingly obtain, use, or disclose individually identifiable protected health information in a manner that is not authorized or permitted by HIPAA.

In the past few years, numerous U.S. states—including California, Virginia, Colorado, Connecticut, and Utah—have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. As applicable, such rights may include the right to access, correct, or delete certain personal data, and to opt-out of certain data processing activities, such as targeted advertising, profiling, and automated decision-making. The exercise of these rights may impact our business and ability to provide our products and services. Certain states also impose stricter requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments. These state laws allow for statutory fines for noncompliance. For example, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 (CPRA) (collectively, the CCPA), applies to personal data of consumers, business representatives, and employees who are California residents, and requires businesses to provide specific disclosures in privacy notices and honor requests of such individuals to exercise certain privacy rights. The CCPA provides for fines of up to $7,500 per intentional violation and allows private litigants affected by certain data breaches to recover significant statutory damages. Similar laws are being considered in several other states, as well as at the federal and local levels, and we expect more states to pass similar laws in the future. While these states, like the CCPA, also exempt some data processed in the context of clinical trials, these developments may further complicate compliance efforts, and increase legal risk and compliance costs for us and the third parties upon whom we rely.

Outside the United States, an increasing number of laws, regulations, and industry standards may govern data privacy and security. For example, the European Union's General Data Protection Regulation (EU GDPR), the United Kingdom's GDPR (UK GDPR), Canada's Personal Information Protection and Electronic Documents Act (PIPEDA), Australia's Privacy Act, and New Zealand's Privacy Act, impose strict requirements for processing personal data. For example, under the EU GDPR and UK GDPR, companies may face temporary or definitive bans on data processing and other corrective actions, fines of up to 20 million euros or 17.5 million pounds, respectively, or 4% of annual global revenue, in each case, whichever is greater, or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests.

In the ordinary course of business, we may transfer personal data from Europe and other jurisdictions to the United States or other countries. Europe and other jurisdictions have enacted laws requiring data to be localized or

limiting the transfer of personal data to other countries. In particular, the European Economic Area (EEA) and the United Kingdom (UK) have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws they generally believe are inadequate. Other jurisdictions may adopt similarly stringent interpretations of their data localization and cross-border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the United States in compliance with law, such as the European Commission's Standard Contractual Clauses, the UK's International Data Transfer Agreement / Addendum, and the EU-U.S. Data Privacy Framework and the UK extension thereto (which allows for transfers to relevant U.S.-based organizations who self-certify compliance and participate in the Framework and/or extension thereto), these mechanisms are subject to potential legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States. If there is no lawful manner for us to transfer personal data from the EEA, the UK, or other jurisdictions to the United States, or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions (such as Europe) at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. These challenges and risks concerning cross-border transfers of personal data out of the EEA and UK to recipients in other jurisdictions, notably recipients in the United States, may be of particular significance to us and our operations as the majority of the trials we conduct take place in locations outside the United States, with a large number occurring in the EEA or UK. Furthermore, companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers of personal data out of Europe for allegedly violating the GDPR's cross-border data transfer limitations.

In addition to data privacy and security laws, we are also bound by contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. Our employees and personnel may use generative artificial intelligence (AI) technologies to perform their work, and the disclosure and use of personal data in generative AI technologies is subject to various privacy laws and other privacy or legal obligations (such as copyright infringement). Governments have passed and are likely to pass additional laws regulating generative AI. Any use of this technology could result in additional compliance costs, regulatory investigations and actions, and consumer lawsuits. If we are unable to use generative AI, it could make our business less efficient and result in competitive disadvantages.

We publish privacy policies, marketing materials and other statements, such as compliance with certain certifications or self-regulatory principles, regarding data privacy and security. If these policies, marketing materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences.

Obligations related to data privacy and security (and consumers' data privacy expectations) are quickly changing, becoming increasingly stringent, and creating uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources and may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties with whom we work.

We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties with whom we work may fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties with whom we work fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences. These consequences may include, but are not limited to, government enforcement actions (e.g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class-action claims) and mass arbitration demands; additional reporting requirements and/or oversight; bans or restrictions on processing personal data; and orders to destroy or not use personal data.

In particular, plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations.

Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to: loss of customers; interruptions or stoppages in our business operations (including future clinical trials); inability to process sensitive data or to operate in certain jurisdictions; limited ability to develop or commercialize our products; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or revision or restructuring of our operations.

If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of any product candidates.

Although we are not currently pursuing further clinical development of our only product candidate, mavodelpar, we face an inherent risk of product liability as a result of the clinical testing of mavodelpar we have conducted and any future clinical testing of mavodelpar and any other product candidates we may conduct. We will face an even greater risk if we commercialize any products. For example, we may be sued if mavodelpar or any future product candidates causes or is perceived to cause injury or is found to be otherwise unsuitable during clinical testing, manufacturing, marketing, or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability, and a breach of warranties. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of any product candidates. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for any product candidates;
- injury to our reputation;
- withdrawal of clinical trial participants;
- initiation of investigations by regulatory authorities;
- costs to defend the related litigation;
- a diversion of management's time and our resources;
- substantial monetary awards to trial participants or patients;
- product recalls, withdrawals or labeling, marketing, or promotional restrictions;
- loss of revenue;
- exhaustion of any available insurance and our capital resources;
- the inability to commercialize any product candidates; or
- a decline in our share price.

Our inability to obtain and retain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of products we may develop. We currently carry an aggregate of up to $7.0 million of product liability insurance covering our clinical trials. Although we maintain such insurance, any claim that may be brought against us could result in a court judgment or settlement in an amount that is not covered, in whole or in part, by our insurance or that is in excess of the limits of our insurance coverage. If we determine that it is prudent to increase our product liability coverage due to the commercial launch of any approved product, we may be unable to obtain such increased coverage on acceptable terms, or at all. Our insurance policies also have various exclusions, and we may be subject to a product liability claim for which we have no coverage. We will have to pay any amounts awarded by a court or negotiated

in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts.

Our ability to utilize our net operating loss (NOL) carryforwards and certain other tax attributes may be limited.*

We have incurred substantial losses during our history and do not expect to become profitable in the near future, and we may never achieve profitability. To the extent that we continue to generate taxable losses, unused losses will carry forward to offset future taxable income, if any, until such unused losses expire (if at all). See Note 11, Income Taxes of Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2023 for further discussion.

Under federal tax legislation enacted in 2017, informally titled the Tax Cuts and Jobs Act (the Tax Act), as modified by the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), federal NOL carryforwards generated in tax years beginning after December 31, 2017 may be carried forward indefinitely but, in the case of tax years beginning after 2020, may only be used to offset 80% of our taxable income annually. Our NOLs and tax credit carryforwards are subject to review and possible adjustment by the Internal Revenue Service (IRS) and state tax authorities and may become subject to an annual limitation in the event of certain cumulative changes in the ownership interest of significant stockholders over a rolling three-year period in excess of 50 percentage points (by value), as defined under Section 382 of the Internal Revenue Code of 1986, as amended. Our ability to utilize our NOL carryforwards and other tax attributes to offset future taxable income or tax liabilities may be limited as a result of ownership changes. Similar rules may apply under state tax laws. Such limitations could result in the expiration of our carryforwards before they can be utilized and, if we are profitable, our future cash flows could be adversely affected due to our increased taxable income or tax liability. We may have experienced ownership changes in the past and may experience ownership changes as a result of the proposed Mergers with OnKure, future offerings and/or subsequent changes in our stock ownership (some of which are outside our control). In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited. For example, California recently enacted legislation that, with certain exceptions, suspends the ability to use California net operating losses to offset California income and limits the ability to use California business tax credits to offset California taxes, for taxable years beginning on or after January 1, 2024, and before January 1, 2027. Such state tax law provisions could accelerate or permanently increase state taxes owed.

Changes in tax laws or regulations that are applied adversely to us or our customers may have a material and adverse effect on our business, cash flow, financial condition or results of operations.

The Tax Act enacted many significant changes to the U.S. tax laws. Future guidance from the IRS and other tax authorities with respect to the Tax Act may affect us, and certain aspects of the Tax Act could be repealed or modified in future legislation. For example, the CARES Act modified certain provisions of the Tax Act. Changes in corporate tax rates, the realization of net deferred tax assets relating to our U.S. operations, the taxation of foreign earnings and the deductibility of expenses under the Tax Act or future tax reform legislation could have a material impact on the value of our deferred tax assets, could result in significant one-time charges in the current or future taxable years and could increase our future U.S. tax expense. For example, the recently enacted IRA includes provisions that will impact the U.S. federal income taxation of corporations, including imposing a minimum tax on the book income of certain large corporations and an excise tax on certain corporate stock repurchases that would be imposed on the corporation repurchasing such stock. The foregoing items, as well as any other future changes in tax laws, could have a material adverse effect on our business, cash flow, financial condition or results of operations. In addition, it is uncertain if and to what extent various states will conform to the Tax Act, the CARES Act, the IRA, or any newly enacted federal tax legislation.

Tax authorities may disagree with our positions and conclusions regarding certain tax positions, resulting in unanticipated costs, taxes or non-realization of expected benefits.

A tax authority may disagree with tax positions that we have taken, which could result in increased tax liabilities. For example, the IRS or another tax authority could challenge our allocation of income by tax jurisdiction

and the amounts paid between our affiliated companies pursuant to our intercompany arrangements and transfer pricing policies, including amounts paid with respect to our intellectual property development. Similarly, a tax authority could assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable nexus, often referred to as a "permanent establishment" under international tax treaties, and such an assertion, if successful, could increase our expected tax liability in one or more jurisdictions. A tax authority may take the position that material income tax liabilities, interest and penalties are payable by us, in which case, we expect that we might contest such assessment. Contesting such an assessment may be lengthy and costly and if we were unsuccessful in disputing the assessment, the implications could increase our anticipated effective tax rate, where applicable.

Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults or non-performance by financial institutions could adversely affect our current financial condition and projected business operations.

Events involving limitations to liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank (SVB) was closed by the California Department of Financial Protection and Innovation, and the Federal Deposit Insurance Corporation (FDIC) was appointed as receiver. Subsequently, the FDIC announced that all deposits with SVB would be fully insured. Similarly, on March 12, 2023, Signature Bank Corp. and Silvergate Capital Corp. were each swept into receivership and on May 1, 2023, First Republic Bank was swept into receivership. We have moved any cash or other deposits previously held at SVB US (a division of First Citizens Bank) and SVB UK (a division of HSBC) to other financial institutions. We did not have any material impact on our financial condition or operations as a result of SVB's circumstances. Additionally, the failure of a bank, or other adverse conditions in the financial or credit markets impacting financial institutions at which we maintain balances or with which we do business, could adversely impact our liquidity and financial performance. There can be no assurance that our deposits in excess of the FDIC or other comparable insurance limits will be backstopped by the U.S. or any applicable foreign government in the future or that any bank or financial institution with which we do business will be able to obtain needed liquidity from other banks, government institutions or by acquisition in the event of a future failure or liquidity crisis. In addition, if any of our partners or parties with whom we conduct business are unable to access funds due to the status of their financial institution, such parties' ability to pay their obligations to us or to enter into new commercial arrangements requiring additional payments to us could be adversely affected.

Investor concerns regarding the U.S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on acceptable terms or at all. Our inability to acquire financing on acceptable terms or at all may materially harm our business, financial condition, results of operations and prospects.

Risks Related to Our Intellectual Property

If we fail to comply with our obligations in the agreements under which we license intellectual property rights from third parties or otherwise experience disruptions to our business relationships with our licensors, we could lose license rights that are important to our business.

We may enter into license agreements under which we are granted intellectual property rights that are important to our business and product candidates. If we fail to comply with our obligations under such license agreements, such license agreements may be terminated.

The agreements under which we may license intellectual property or technology from third parties may be complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other

obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations, and prospects. Moreover, if disputes over intellectual property that we license in the future prevent or impair our ability to maintain our licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates, which could have a material adverse effect on our business, financial conditions, results of operations, and prospects.

In spite of our best efforts, our current and future licensor(s) might conclude that we materially breached our license agreements and might therefore terminate the license agreements, thereby removing our ability to develop and commercialize products and technology covered by these license agreements. If these in-licenses are terminated, or if the underlying patents fail to provide the intended exclusivity, competitors would have the freedom to seek regulatory approval of, and to market, products identical to ours. This could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

Disputes may arise between us and our licensors regarding intellectual property rights subject to a license agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- whether and the extent to which our technology and processes infringe on intellectual property rights of the licensor that are not subject to the license agreement;
- our right to sublicense intellectual property rights to third parties under collaborative development relationships;
- our diligence obligations with respect to the use of the licensed technology in relation to our development and commercialization of any product candidates, and what activities satisfy those diligence obligations; and
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners.

We are generally also subject to all of the same risks with respect to protection of intellectual property that we license as we are for intellectual property that we own, which are described herein. If we or our licensor(s) fail to adequately protect this intellectual property, our ability to develop, manufacture or commercialize products could suffer.

If disputes over intellectual property rights that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, our business, results of operations, financial condition, and prospects may be adversely affected. We may enter into additional licenses in the future and if we fail to comply with obligations under those agreements, we could suffer adverse consequences.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

We rely on trade secrets, including unpatented know-how, technology and other proprietary information, to protect our proprietary technologies and maintain our competitive position, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. We rely in part on confidentiality agreements with our employees, outside scientific collaborators, CROs, third-party manufacturers, consultants, advisors, potential partners, and other third parties, to protect our trade secrets and other proprietary information. In addition to contractual measures, we try to protect the confidential nature of our trade secrets and other proprietary information using commonly accepted physical and technological security measures. Despite these efforts, we cannot provide any assurances that all such agreements have been duly executed, and these agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover our trade secrets and proprietary information. For example, the FDA, as part of its Transparency Initiative, is currently considering whether to make additional information publicly available on a routine basis, including

information that we may consider to be trade secrets or other proprietary information, and it is not clear at the present time how the FDA's disclosure policies may change in the future, if at all. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

In addition, such commonly accepted physical and technological security measures may not provide adequate protection for our proprietary information, for example, in the case of misappropriation of a trade secret by an employee, consultant, advisor, or other third party with authorized access. Our security measures may not prevent an employee, outside scientific collaborator, CRO, third-party manufacturer, consultant, advisor, potential partner, and other third party from misappropriating our trade secrets and providing them to a competitor, and recourse we take against such misconduct may not provide an adequate remedy to protect our interests fully. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. Unauthorized parties may also attempt to copy or reverse engineer certain aspects of our products that we consider proprietary. Even though we use commonly accepted security measures, the criteria for protection of trade secrets can vary among different jurisdictions. Further, we may need to share our proprietary information, including trade secrets, with our current and future business partners, collaborators, contractors and others located in countries at heightened risk of theft of trade secrets, including through direct intrusion by private parties or foreign actors, and those affiliated with or controlled by state actors.

Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. Moreover, third parties may still obtain this information or may come upon this or similar information independently, and we would have no right to prevent them from using that technology or information to compete with us. If any of these events occurs or if we otherwise lose protection for our trade secrets, the value of this information may be greatly reduced, and our competitive position would be harmed.

Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed.

Elements of our product candidates, including processes for their preparation and manufacture, may involve proprietary know-how, and other proprietary information that is not covered by patents, and thus for these aspects we may consider trade secrets, including unpatented know-how, and other proprietary information to be our primary intellectual property. Any disclosure, either intentional or unintentional, by our employees, the employees of third parties with whom we share our facilities or outside scientific collaborators, CROs, third-party manufacturers, consultants, advisors, and vendors that we engage to perform research, clinical trials or manufacturing activities, or misappropriation by third parties (such as through a cybersecurity breach) of our trade secrets or proprietary information could enable competitors to duplicate or surpass our technological achievements, thus eroding our competitive position in our market.

Trade secrets, including unpatented know-how, and other proprietary information, can be difficult to trace, protect and enforce. We require our employees to enter into written employment agreements containing provisions of confidentiality and obligations to assign to us any inventions generated in the course of their employment. We further seek to protect our potential trade secrets, proprietary know-how and information in part, by entering into non-disclosure and confidentiality agreements with parties who are given access to them, such as outside scientific collaborators, CROs, third-party manufacturers, consultants, advisors, and other third parties. With our consultants, advisors, contractors and outside scientific collaborators, these agreements typically include invention assignment obligations. Although we have taken steps to protect our trade secrets and unpatented know-how, we cannot provide any assurances that all such agreements have been duly executed, and any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets and unpatented know-how, and we may not be able to obtain adequate remedies for such breaches. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our proprietary technologies will be effective.

Trade secrets may be independently developed by others in a manner that could prevent legal recourse by us. Trade secrets will over time be disseminated within the industry through independent development, the publication of journal articles, and the movement of personnel skilled in the art from company to company or academic to industry scientific positions. Though our agreements with third parties typically restrict the ability of our employees, outside scientific collaborators, CROs, third-party manufacturers, consultants, advisors, potential partners, and other third parties, to publish data potentially relating to our trade secrets, our agreements may contain certain limited publication rights. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent such competitor from using that technology or information to compete with us, which could harm our competitive position. Because from time to time we expect to rely on third parties in the development, manufacture, and distribution of our products and provision of our services, we must, at times, share trade secrets with them. Despite employing the contractual and other security precautions described above, the need to share trade secrets increases the risk that such trade secrets become known by our competitors, are inadvertently incorporated into the technology of others, or are disclosed or used in violation of these agreements. If any of these events occurs or if any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, or if we otherwise lose protection for our trade secrets, the value of this information may be greatly reduced and our competitive position would be harmed and we would have no right to prevent them from using that technology or information to compete with us. If we do not apply for patent protection prior to such publication or if we cannot otherwise maintain the confidentiality of our proprietary technology and other confidential information, then our ability to obtain patent protection or to protect our trade secret information may be jeopardized.

We may be subject to claims that we or our employees, outside scientific collaborators, CROs, third-party manufacturers, consultants, advisors, potential partners, and other third parties have wrongfully used or disclosed alleged confidential information or trade secrets of their former employers.

We have entered into and may enter in the future into non-disclosure and confidentiality agreements to protect the proprietary positions of third parties, such as outside scientific collaborators, CROs, third-party manufacturers, consultants, advisors, potential partners, and other third parties. We may become subject to litigation where a third party asserts that we or our employees inadvertently or otherwise breached the agreements and used or disclosed trade secrets or other information proprietary to the third parties. We may also be subject to claims that we have wrongfully hired an employee from a competitor. Defense of such matters, regardless of their merit, could involve substantial litigation expense and be a substantial diversion of employee resources from our business. We cannot predict whether we would prevail in any such actions. Moreover, intellectual property litigation, regardless of its outcome, may cause negative publicity and could prohibit us from marketing or otherwise commercializing our product candidates and technology. Failure to defend against any such claim could subject us to significant liability for monetary damages or prevent or delay our developmental and commercialization efforts, which could adversely affect our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to our management team and other employees.

Parties making claims against us may be able to sustain the costs of complex intellectual property litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise additional funds or otherwise have a material adverse effect on our business, operating results, financial condition and prospects.

Risks Related to Ownership of Our Common Stock

If we fail to satisfy applicable listing standards, our common stock may be delisted from the Nasdaq Global Market.

Our ability to publicly or privately sell equity securities and the liquidity of our common stock could be adversely affected if we are delisted from The Nasdaq Global Market or if we are unable to transfer our listing to another stock market. The continued listing requirements of The Nasdaq Global Market include minimums for market value of listed securities, closing prices and stockholders' equity. Currently, our stock trades above these

minimum requirements, but we cannot assure that our stock will continue to meet these minimum requirements. If our common stock is delisted by Nasdaq, it could lead to a number of negative implications, including an adverse effect on the price of our common stock, increased volatility in our common stock, reduced liquidity in our common stock, the loss of federal preemption of state securities laws and greater difficulty in obtaining financing. In addition, delisting of our common stock could deter broker-dealers from making a market in or otherwise seeking or generating interest in our common stock, could result in a loss of current or future coverage by certain sell-side analysts and might deter certain institutions and persons from investing in our securities at all. Delisting could also cause a loss of confidence of our customers, collaborators, vendors, suppliers and employees, which could harm our business and future prospects.

If our common stock is delisted by Nasdaq, the price of our common stock may decline, and although our common stock may be eligible to trade on the OTC Bulletin Board, another over-the-counter quotation system, or on the pink sheets, an investor may find it more difficult to dispose of their common stock or obtain accurate quotations as to the market value of our common stock. Further, if we are delisted, we would incur additional costs under state blue sky laws in connection with any sales of our securities. These requirements could severely limit the market liquidity of our common stock and the ability of our stockholders to sell our common stock in the secondary market.

The market price of our common stock has been volatile and may continue to be volatile in the future. This volatility may cause our stock price and the value of your investment to decline.*

The market prices for securities of pharmaceutical companies, including ours, have been highly volatile and may continue to be so in the future. The market price of our common stock is likely to continue to be volatile and subject to significant price and volume fluctuations, including as a result of the factors discussed in this "Risk Factors" section and elsewhere in this Quarterly Report on Form 10-Q. For example, the market price of our common stock declined significantly as a result of the announcement we made on December 14, 2023, regarding the topline results from our pivotal STRIDE study and a decision to suspend all mavodelpar development activities.

In addition, the stock market in general, and pharmaceutical companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our common stock, regardless of our actual operating performance.

We could be subject to securities class action litigation.*

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities or certain significant business transactions, such as the sale of a company or announcement of merger. This risk is especially relevant for us because pharmaceutical companies have experienced significant stock price volatility in recent years. If we face such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

Our principal stockholders and management own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval.*

Our executive officers and directors, combined with our stockholders who own more than 5% of our outstanding capital stock, beneficially own shares representing a significant percentage of our common stock. Therefore, these stockholders will have the ability to influence us through this ownership position. These stockholders may be able to determine all matters requiring stockholder approval. For example, these stockholders may be able to significantly influence elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets, or other major corporate transaction, including the proposed merger transaction with OnKure. This may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may feel are in your best interest as one of our stockholders.

Our business could face adverse consequences as a result of the actions of activist stockholders.*

We have been and may in the future be subject to unsolicited attempts to gain control of our company, proxy contests, and other forms of stockholder activism. For example, we have received unsolicited proposals from stockholders to acquire all outstanding shares of our common stock. Our Board of Directors will carefully review and evaluate each proposal in consultation with our independent financial and legal advisors. Our business could be adversely affected because responding to an unsolicited offer, proxy contest or other actions by activist stockholders can be costly and time-consuming, disruptive to our operations and divert the attention of management and our employees from the execution of our potential strategic alternatives, including the proposed Mergers with OnKure. In addition, actual or perceived uncertainties as to our future direction caused by activist activities may cause or appear to cause instability, potentially making it more difficult to retain qualified personnel and collaborators or leading to the loss of collaboration opportunities, and if individuals are elected to our Board of Directors with a specific agenda, it may adversely affect our ability to effectively and timely implement our strategic plans. Activist stockholder activities may also cause significant fluctuations in our stock price based on temporary or speculative market perceptions, or other factors that do not necessarily reflect the fundamental underlying value of our business. Finally, we might experience a significant increase in legal fees and administrative and associated costs incurred in connection with responding to an unsolicited offer, proxy contest or related action. These actions could also negatively affect the price of our common stock.

We are an emerging growth company and a smaller reporting company, and the reduced reporting requirements applicable to emerging growth companies and smaller reporting companies may make our common stock less attractive to investors.*

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 (the JOBS Act). For as long as we continue to be an emerging growth company, we may take advantage of certain exemptions from various public company reporting requirements, including being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure in this Quarterly Report on Form 10-Q, not being required to have our internal control over financial reporting audited by our independent registered public accounting firm under Section 404 of the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley Act), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We may take advantage of these exemptions until December 31, 2026 or until we are no longer an emerging growth company, whichever is earlier. We will cease to be an emerging growth company prior to the end of such five-year period if certain earlier events occur, including if we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, our annual gross revenues exceed $1.235 billion or we issue more than $1.0 billion of non-convertible debt in any three-year period.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to use this extended transition period under the JOBS Act until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act.

We are also a "smaller reporting company" as defined in the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company, which would allow us to take advantage of many of the same exemptions available to emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation. We will be able to take advantage of these scaled disclosures for so long as our voting and non-voting common stock held by non-affiliates is less than $250.0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than $100.0 million during the most recently completed fiscal year and our voting and non-voting common stock held by non-affiliates is less than $700.0 million measured on the last business day of our second fiscal quarter. Investors may find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

If we fail to maintain proper and effective internal controls, our ability to produce accurate financial statements on a timely basis could be impaired.

We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, and the rules and regulations of The Nasdaq Stock Market LLC (Nasdaq). The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal controls over financial reporting. Each fiscal year, we are required to provide a report by our management on, among other things, our internal control over financial reporting as discussed in our Annual Report on Form 10-K filing for that year. The reporting on our assessment of the effectiveness of our internal control over financial reporting needs to include disclosure of any material weaknesses identified in our internal control over financial reporting, as well as a statement that our independent registered public accounting firm has audited the effectiveness of our internal control over financial reporting. While we qualify as an emerging growth company under SEC rules for fiscal year 2024 and therefore are not required to obtain such an audit for fiscal year 2024, in the event that we qualify as a large accelerated filer or accelerated filer under SEC rules in future years, our independent registered public accounting firm will be required to audit the effectiveness of our internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act (Section 404(b)). Any mandatory or voluntary compliance with Section 404(b) will result in increased costs, expenses, and management resources. However, for as long as we remain an emerging growth company as defined in the JOBS Act, we intend to take advantage of the exemption permitting us not to comply with the independent registered public accounting firm attestation requirement.

We may discover weaknesses in our system of internal financial and accounting controls and procedures that could result in a material misstatement of our consolidated financial statements. Our internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

We cannot assure you that the measures we have taken to date, and actions we may take in the future, will prevent or avoid potential future material weaknesses. Moreover, our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, material weaknesses in our disclosure controls and procedures and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective internal control over financial reporting or any difficulties encountered in their implementation or improvement could harm our operating results or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods, which could cause the price of our common stock to decline. In addition, if we are not able to continue to meet these requirements, we may not be able to remain listed on Nasdaq.

Sales of a substantial number of shares of our common stock in the public market could cause our stock price to fall.*

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. As of June 30, 2024, there were 33,420,808 shares of our common stock outstanding.

In addition, shares of common stock that are either subject to outstanding options, restricted stock units or performance-based restricted stock units or reserved for future issuance under our employee benefit plans will become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules, and Rule 144 and Rule 701 under the Securities Act of 1933, as amended (the Securities Act). If these additional shares of common stock are sold, or if it is perceived that they will be sold, in the public market, the trading price of our common stock could decline.

Further, the holders of 16,242,841 shares of our common stock are entitled to rights with respect to the registration of their shares under the Securities Act. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares held by affiliates, as defined in Rule 144 under the Securities Act. Any sales of securities by these stockholders could have a material adverse effect on the trading price of our common stock.

We do not intend to pay dividends on our common stock so any returns will be limited to the value of our stock.*

We have never declared or paid any cash dividend on our common stock. We currently anticipate that we will retain future earnings for the operation of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. In addition, future debt instruments may materially restrict our ability to pay dividends on our common stock. Any return to stockholders would therefore be limited to the appreciation, if any, of their stock.

Anti-takeover provisions under our charter documents and Delaware law could delay or prevent a change of control which could limit the market price of our common stock and may prevent or frustrate attempts by our stockholders to replace or remove our current management.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that could delay or prevent a change of control of our company or changes in our Board of Directors that our stockholders might consider favorable. Some of these provisions include:

- a board of directors divided into three classes serving staggered three-year terms, such that not all members of the board will be elected at one time;
- a prohibition on stockholder action through written consent, which requires that all stockholder actions be taken at a meeting of our stockholders;
- a requirement that special meetings of stockholders be called only by the chairman of the board of directors, the chief executive officer, the president, or by a majority of the total number of authorized directors;
- advance notice requirements for stockholder proposals and nominations for election to our Board of Directors;
- a requirement that no member of our Board of Directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of not less than two-thirds of all outstanding shares of our voting stock then entitled to vote in the election of directors;
- a requirement of approval of not less than two-thirds of all outstanding shares of our voting stock to amend any bylaws by stockholder action or to amend specific provisions of our certificate of incorporation; and
- the authority of the board of directors to issue preferred stock on terms determined by the board of directors without stockholder approval and which preferred stock may include rights superior to the rights of the holders of common stock.

In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporate Law, which may prohibit certain business combinations with stockholders owning 15% or more of our outstanding voting stock. These anti-takeover provisions and other provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make it more difficult for stockholders or potential acquirors to obtain control of our Board of Directors or initiate actions that are opposed by the then-current board of directors and could also delay or impede a merger, tender offer, or proxy contest involving our company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing or cause us to take other corporate actions you desire.

Any delay or prevention of a change of control transaction or changes in our Board of Directors could cause the market price of our common stock to decline.

Our amended and restated certificate of incorporation and amended and restated bylaws provide that the Court of Chancery of the State of Delaware will be the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation and amended and restated bylaws provide that the Court of Chancery of the State of Delaware is the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers, or other employees to us or our stockholders; (iii) any action or proceeding asserting a claim against us or any of our current or former directors, officers, or other employees, arising out of or pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws; (iv) any action or proceeding to interpret, apply, enforce, or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws; (v) any action or proceeding as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware; and (vi) any action asserting a claim against us or any of our directors, officers, or other employees governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court's having personal jurisdiction over the indispensable parties named as defendants.

These provisions would not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation and our amended and restated bylaws provide that the federal district courts of the United States of America are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, including all causes of action asserted against any defendant named in such complaint. While the Delaware courts have determined that such choice of forum provisions are facially valid and several state trial courts have enforced such provisions and required that suits asserting Securities Act claims be filed in federal court, there is no guarantee that courts of appeal will affirm the enforceability of such provisions and a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation and our amended and restated bylaws. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions. If a court were to find either exclusive forum provision in our amended and restated certificate of incorporation and our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with litigating Securities Act claims in state court, or both state and federal court, which could seriously harm our business, financial condition, results of operations, and prospects.

These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers and other employees. If a court were to find either exclusive forum provision contained in our amended and restated certificate of incorporation or amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could seriously harm our business.

General Risk Factors

We are subject to U.S. and certain foreign export and import controls, sanctions, embargoes, anti-corruption laws and anti-money laundering laws and regulations. Compliance with these legal standards could impair our ability to compete in domestic and international markets. We can face criminal liability and other serious consequences for violations, which can harm our business.

We are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations, and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls, and anti-corruption and anti-money laundering laws and regulations, including the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, and other state and national anti-bribery and anti-money laundering laws in the countries in which we conduct activities. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, clinical research organizations, contractors and other collaborators and partners from authorizing, promising, offering, providing, soliciting or receiving, directly or indirectly, improper payments or anything else of value to recipients in the public or private sector. We may engage third parties for clinical trials outside of the United States, to sell our products internationally once we enter a commercialization phase, and/or to obtain necessary permits, licenses, patent registrations and other regulatory approvals. We have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities and other organizations. We can be held liable for the corrupt or other illegal activities of our employees, agents, clinical research organizations, contractors and other collaborators and partners, even if we do not explicitly authorize or have actual knowledge of such activities. Any violations of the laws and regulations described above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm, and other consequences.

Business disruptions could seriously harm our future revenues and financial condition and increase our costs and expenses.*

Our operations, and those of our contractors and consultants, could be subject to earthquakes, power shortages, telecommunications failures, water shortages, floods, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics and other natural or man-made disasters or business interruptions, for which we are predominantly self-insured. The occurrence of any of these business disruptions could seriously harm our operations and financial condition and increase our costs and expenses. Our corporate headquarters is located in California near major earthquake faults and fire zones. The ultimate impact on us, our suppliers and our general infrastructure of being located near major earthquake faults and fire zones and being consolidated in certain geographical areas is unknown, but our operations and financial condition could suffer in the event of a major earthquake, fire or other natural disaster.

If our information technology systems, or those of third parties with whom we work, or our data are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse consequences.*

In the ordinary course of our business, we and the third parties with whom we work process sensitive data, and, as a result, we and the third parties with whom we work face a variety of evolving threats that could cause security incidents.

Cyberattacks, malicious internet-based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive data and information technology systems, and those of the third parties with whom we work. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer "hackers," threat actors,

“hacktivists,” organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation-states, and nation-state-supported actors.

Some actors now engage and are expected to continue to engage in cyber-attacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we and the third parties with whom we work, may be vulnerable to a heightened risk of these attacks, including retaliatory cyber-attacks, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our services. We are not currently pursuing further clinical development of our only product candidate, mavodelpar. If we resume such development or pursue development of other product candidates, any loss of clinical trial data from completed or ongoing clinical trials could result in delays in, or cancellations of any regulatory approval or clearance efforts and significantly increase our costs to recover or reproduce the data, and subsequently commercialize any of our products. Additionally, theft of our intellectual property or proprietary business information could require substantial expenditures to remedy.

We and the third-parties with whom we work are subject to a variety of evolving threats including but not limited to social-engineering attacks (including through deep fakes, which may be increasingly more difficult to identify as fake, and phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial of service attacks, credential stuffing attacks, credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, earthquakes, fires, floods, attacks enhanced or facilitated by AI, and other similar threats.

In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, ability to provide our products or services, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments.

It may be difficult and/or costly to detect, investigate, mitigate, contain, and remediate a security incident. Our efforts to investigate, mitigate, contain, and remediate a security incident may not be successful. Actions taken by us or the third parties with whom we work to detect, investigate, mitigate, contain, and remediate a security incident could result in outages, data losses, and disruptions of our business. Threat actors may also gain access to other networks and systems after a compromise of our networks and systems.

Remote work has become more common and has increased risks to our information technology systems and data, as more of our employees utilize network connections, computers and devices outside our premises or network, including working at home, while in transit and in public locations.

Additionally, future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities’ systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program.

In addition, our reliance on third-party service providers could introduce new cybersecurity risks and vulnerabilities, including supply-chain attacks, and other threats to our business operations. We rely on third-party service providers and technologies to operate critical business systems to process sensitive data in a variety of contexts, including, without limitation, cloud-based infrastructure, data center facilities, encryption and authentication technology, employee email, and other functions. We also rely on third-party service providers to provide other products, services, parts, or otherwise to operate our business. Our ability to monitor these third parties’ information security practices is limited, and these third parties may not have adequate information security measures in place. If the third parties with whom we work experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if the third parties with whom we work fail to satisfy their privacy or security-related obligations to us, any award may be insufficient

to cover our damages, or we may be unable to recover such award. In addition, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or our third-party partners' supply chains have not been compromised.

Any of the previously identified or similar threats could cause a security incident or other interruption that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive data or our information technology systems, or those of the third parties with whom we work. A security incident or other interruption could disrupt our ability (and that of third parties with whom we work) to provide our products.

We may expend significant resources or modify our business activities (including any future clinical trial activities) to try to protect against security incidents. Additionally, certain data privacy and security obligations may require us to implement and maintain specific security measures or industry-standard or reasonable security measures to protect our information technology systems and sensitive data.

While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. We take steps to detect, mitigate, and remediate vulnerabilities in our systems (such as our hardware and/or software, including that of third parties with whom we work). We may not, however, detect and remediate all such vulnerabilities including on a timely basis. Further, we, and the third parties with whom we work, may experience delays in developing and deploying remedial measures and patches designed to address identified vulnerabilities. Vulnerabilities could be exploited and result in a security incident.

Applicable data privacy and security obligations may require us, or we may choose, to notify relevant stakeholders, including affected individuals, customers, regulators, and investors, of security incidents, or to take other actions, such as providing credit monitoring and identity theft protection services. Such disclosures and related actions are costly, and the disclosures or the failure to comply with applicable requirements could lead to adverse consequences.

If we (or a third party with whom we work) experience a security incident or are perceived to have experienced a security incident, we may experience adverse consequences such as government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and/or oversight; restrictions on processing sensitive data (including personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; diversion of management attention; interruptions in our operations (including availability of data); financial loss; and other similar harms. Security incidents and attendant consequences may prevent or cause customers to stop using our products or services, deter new customers from using our products or services, the development and commercialization of any product candidates could be delayed, and negatively impact our ability to grow and operate our business. Likewise, we rely on third parties to conduct clinical trials, and similar incidents relating to their information technology systems or data could also have a material adverse effect on our business.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive data about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position. Additionally, sensitive data of the Company could be leaked, disclosed, or revealed as a result of or in connection with our employees', personnel's, or vendors' use of generative AI technologies.

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

Unregistered Sales of Equity Securities

None.

Use of Proceeds

We commenced our initial public offering (IPO) pursuant to the registration statement on Form S-1 (File No. 333-254534) that was declared effective on April 8, 2021 and registered an aggregate of 7,187,500 shares of our common stock. On April 13, 2021, we completed our IPO and sold 6,250,000 shares of our common stock at a public offering price of $15.00 per share for aggregate gross proceeds of $93.8 million before deducting underwriters' discounts and commissions and offering-related expenses. Net proceeds, after deducting underwriting discounts and commissions of $6.6 million and offering expenses of approximately $2.6 million, were $84.6 million. Jefferies LLC, SVB Securities LLC (now Leerink Partners LLC) and Piper Sandler & Co. acted as joint book-running managers.

As of June 30, 2024, we had used approximately $72.7 million of the net proceeds from our IPO. We have invested the remaining net proceeds in highly liquid money market funds and short-term investments. The remaining net proceeds from the IPO will be used to fund our operations. None of the offering proceeds were paid directly or indirectly to any of our directors or officers (or their associates) or persons owning 10.0% or more of any class of our equity securities or to any other affiliates.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

Trading Arrangements

During the three months ended June 30, 2024, certain of our directors and/or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated the contracts, instructions or written plans for the purchase or sale of our securities set forth in the table below.

			Type of Trading Arrangement			
Name and Position	**Action**	**Adoption/ Termination Date**	**Rule 10b5-1***	**Non-Rule 10b5-1****	**Total Shares of Common Stock to be Sold**	**Expiration Date**
Jennifer P. Lam	Termination	May 29, 2024	X		39,600	September 25, 2025
Ashley F. Hall, J.D.	Termination	June 3, 2024	X		71,562	September 17, 2025
Alejandro Dorenbaum, M.D.	Termination	June 8, 2024	X		121,927	September 18, 2025

* Contract, instruction or written plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act.
** "Non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K under the Exchange Act.

Item 6. Exhibits

EXHIBIT INDEX

Exhibit No.	Description
2.1*	Agreement and Plan of Merger, dated May 10, 2024, by and among the Registrant, Radiate Merger Sub I, Inc., Radiate Merger Sub II, LLC and OnKure, Inc. (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on May 13, 2024).
3.1	Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 13, 2021).
3.2	Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 13, 2021).
4.1	Form of Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333-254534), filed with the SEC on April 5, 2021).
4.2	Amended and Restated Investors' Rights Agreement, by and among the Registrant and certain of its stockholders, dated December 9, 2020 (incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-1, as amended (File No. 333-254534), filed with the SEC on March 19, 2021).
10.1*	Subscription Agreement, dated May 10, 2024 (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K, filed with the SEC on May 13, 2024).
10.2+	Consulting Agreement, dated May 10, 2024, by and between the Registrant and Gregory J. Flesher.
10.3+	Consulting Agreement, dated May 10, 2024, by and between the Registrant and Alejandro Dorenbaum, M.D.
10.4+	Consulting Agreement, dated May 10, 2024, by and between the Registrant and Michael P. Cruse.
10.5+	Consulting Agreement, dated May 10, 2024, by and between the Registrant and Ashley F. Hall, J.D.
10.6*	Form of Reneo Support Agreement (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on May 13, 2024).
10.7	Form of Lock-Up Agreement (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K, filed with the SEC on May 13, 2024).
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

* Certain exhibits and/or schedules (and similar attachments) have been omitted pursuant to the provisions of Regulation S-K, Item 601(a)(5). The Registrant hereby undertakes to furnish supplementally to the SEC upon request by the SEC copies of any of the omitted exhibits and schedules (or similar attachments).

** The certification attached as Exhibit 32.1 accompanies this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not be deemed "filed" by the Registrant for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

+ Indicates management contract or compensatory plan.

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, thereunto duly authorized.

Date: August 13, 2024

RENEO PHARMACEUTICALS, INC.

By:	/s/ Gregory J. Flesher
Name:	Gregory J. Flesher
Title:	President and Chief Executive Officer (Principal Executive Officer)
By:	/s/ Jennifer P. Lam
Name:	Jennifer P. Lam
Title:	Senior Vice President, Finance and Administration (Principal Financial and Accounting Officer)

EXHIBIT 10.2

CONSULTING AGREEMENT

This Consulting Agreement (this "***Agreement***") dated as of May 10, 2024, is entered into by and between Reneo Pharmaceuticals, Inc., a Delaware corporation (the "***Company***"), and Gregory J. Flesher ("***Consultant***").

RECITALS

WHEREAS, the Company believes that Consultant's expertise and knowledge will enhance the Company's business; and

WHEREAS, the Company wishes to retain Consultant to perform consulting services and fulfill certain related duties and obligations under the terms and conditions of this Agreement contingent upon and effective upon the consummation of the transactions contemplated by that certain Agreement and Plan of Merger by and among the Company, Radiate Merger Sub I, Inc., Radiate Merger Sub II, LLC, and OnKure, Inc. (the "***Merger Agreement***").

NOW, THEREFORE, in consideration of (a) the mutual covenants and agreements set forth in this Agreement, and (b) other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Consulting Services.

(a) Capacity. The Company hereby retains Consultant on a non-exclusive basis, and Consultant hereby accepts such position, upon the terms and conditions set forth herein, with respect to the business of the Company and its subsidiaries for the purpose of providing transition and post-closing integration services in connection with the consummation of the transactions contemplated by the Merger Agreement and any other duties and services as may be mutually agreed upon by the Company and Consultant, provided that Consultant shall make himself available in any event to provide consulting services for approximately five hours per month (or such other time commitment as may be mutually agreed upon by the parties) at times reasonably requested by the Company and mutually convenient for Consultant.

(b) Term and Termination. This Agreement will commence on the Effective Date (as defined in Section 10) and shall continue until, and shall end upon, the six-month anniversary of the Effective Date (the "***Anniversary Date***"). Notwithstanding the foregoing, this Agreement may be terminated by either party upon written notice to the other party, subject to Section 1(c) hereof.

(c) Compensation. In consideration of Consultant's performance of the consulting services hereunder, the Company will make a one-time lump-sum cash payment to Consultant in an amount equal to $20,000 within ten days following the Anniversary Date, provided that Consultant has not been terminated by the Company for Cause (as such term is defined in any written agreement between Consultant and the Company and, in the absence of any such agreement, as such term is defined in the Company 2014 Equity Incentive Plan, the "***2014***

Plan") prior to such time. For the avoidance of doubt, in the event that prior to the Anniversary Date, Consultant terminates this Agreement for any reason or the Company terminates Consultant's engagement other than for Cause, Consultant shall remain entitled to payment hereunder.

(d) Reimbursement of Expenses. The Company shall reimburse Consultant for all reasonable expenses incurred by Consultant in the performance of Consultant's duties under this Agreement and in accordance with Company policies. Such reimbursement payments will be made upon receipt of the appropriate documentation by the Company. Notwithstanding the foregoing, any individual expense above $1,000 to be incurred by Consultant in connection with this Agreement shall require the prior approval of Jennifer Lam.

(e) Equity Matters.

(i) For the avoidance of doubt, the parties hereby acknowledge and agree that, subject to approval by the Board of Directors of the Company, all equity incentive awards granted to Consultant pursuant to (or otherwise subject to the terms of) the 2014 Plan or the Company 2021 Equity Incentive Plan (the "***2021 Plan***", and together with the 2014 Plan, the "***Equity Plans***") that are outstanding as of immediately prior to the Effective Date shall automatically vest in all respects (with any performance-based vesting deemed to have been achieved at 100% of the target level) as of the Effective Date, to the extent not already vested, contingent upon the consummation of the transactions contemplated by the Merger Agreement.

(ii) For the avoidance of doubt, the parties hereby acknowledge and agree that Consultant's provisions of services pursuant to this Agreement will constitute Continuous Service (as defined in the applicable Equity Plan) for purposes of the Equity Plans and all awards granted pursuant to (or otherwise subject to the terms of) such Equity Plans. Notwithstanding anything to the contrary, the Company hereby agrees that Section 8(e) of the 2014 Plan and Section 9(f) of the 2021 Plan will not apply with respect to Consultant and Consultant's awards granted under (or otherwise subject to the terms of) such Equity Plan.

(iii)For the avoidance of doubt, the parties hereby acknowledge and agree that, subject to approval by the Board of Directors of the Company, all stock options granted to Consultant pursuant to (or otherwise subject to the terms of) the 2014 Plan or 2021 Plan that are outstanding as of the date of the Merger Agreement will be amended to provide that the applicable exercise window following Consultant's termination of Continuous Service other than for Cause (as defined in the applicable Equity Plan) will be the longer of: (i) a period of three months following termination of Continuous Service; or (ii) a period commencing on the date of termination of Continuous Service and ending on the Anniversary Date; provided, however, that in the event that the Merger Agreement is terminated pursuant to Section 9.1 thereof, the applicable exercise window will be the longer of: (A) a period of three months following Consultant's termination of Continuous Service; or (B) a period of three months following termination of the Merger Agreement; provided, further, that in no event will the exercise window of any option be extended beyond the term applicable to such option.

2. Independent Contractor.

(a) During the term of this Agreement, Consultant will at all times be and remain an independent contractor. Consultant shall be free to exercise Consultant's own judgment as to the manner and method of providing consulting services to the Company hereunder, subject to applicable laws and requirements reasonably imposed by the Company. Consultant acknowledges and agrees that during the term of this Agreement Consultant will not be treated as an employee of the Company or any of its affiliates for purposes of federal, state, local or foreign income tax withholding or social security regime, nor unless otherwise specifically provided by law, for purposes of the Federal Insurance Contributions Act, the Social Security Act, the Federal Unemployment Tax Act or any workers' compensation law of any state or country or for purposes of benefits provided to employees of the Company or any of its affiliates under any employee benefit plan. Consultant acknowledges and agrees that as an independent contractor, Consultant will be required to pay any applicable taxes and social security contributions on the fees paid to Consultant pursuant to this Agreement. Consultant shall indemnify, hold harmless and defend the Company and its affiliates for all tax, social security contributions and other liabilities (including, without limitation, reasonable fees and expenses of attorneys and other professionals) arising out of or relating to Consultant's failure to report and pay all income taxes or other taxes due and/or social security contributions on taxable amounts paid to or on behalf of Consultant by the Company (or an affiliate thereof).

(b) Consultant shall solely be responsible for, and neither the Company nor any of its affiliates shall be liable in connection with, (i) any and all acts or omissions of Consultant's agents, employees or representatives, including, without limitation, acts or omissions that result in non-compliance with employment laws; (ii) any and all business licenses, insurance, costs and expenses in connection with Consultant's office or place of business, sales tax reports, taxes and other fees, if any, as may be required (unless Consultant bills sales tax); and (iii) any and all payroll, commissions, wages, withholding, social security, workers' compensation and other employment-related taxes, fees, compensation and insurance with respect to such agents, employees or representatives. Consultant shall be responsible for and shall, and hereby does, indemnify and hold the Company and its affiliates harmless from all damages, claims, losses, liabilities, costs and expenses incurred by Consultant or the Company (or an affiliate thereof) on account of any act or omission of Consultant or any of Consultant's agents, employees or representatives, or any of the matters set forth in this Section 2.

3. Section 409A. The intent of the parties is that all payments and benefits under this Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (collectively, "***Section 409A***") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. In no event whatsoever shall the Company (or any affiliate thereof) be liable for any additional tax, interest or penalty that may be imposed on Consultant by Section 409A or damages for failing to comply with Section 409A. If any reimbursements or in-kind benefits provided by the Company pursuant to this Agreement would constitute deferred compensation for purposes of Section 409A, such reimbursements or in-kind benefits will be subject to the following rules: (a) the amounts to be reimbursed or the in-kind benefits to be provided will be determined pursuant to the terms of the applicable benefit plan, policy or agreement and will be limited to Consultant's lifetime and the lifetime of Consultant's eligible dependents; (b) the amount eligible for reimbursement or the in-kind benefits provided during any calendar year may not affect the expenses eligible for reimbursement or the in-kind benefits provided in any other calendar year;

(c) any reimbursement of an eligible expense will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred; and (d) Consultant's right to an in-kind benefit or reimbursement is not subject to liquidation or exchange for cash or another benefit. In addition, to the extent required to avoid an impermissible distribution under Section 409A, in the event that Consultant is a "specified employee" within the meaning of Section 409A, Consultant shall not be entitled to any payment pursuant to this Agreement until the earlier of (i) the first day following the six-month anniversary of Consultant's separation from service (within the meaning of Section 409A), or (ii) the date of Consultant's death.

4. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid or unenforceable in any respect under any applicable law, such invalidity or unenforceability shall not affect any other provision, and this Agreement shall be reformed, construed and enforced as if such invalid or unenforceable provision had never been contained herein.

5. Complete Agreement; Counterparts. This Agreement embodies the complete agreement and understanding between the parties with respect to the subject matter hereof and effective as of its date supersedes and preempts any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way, provided that for the avoidance of doubt, this Agreement does not supersede any existing entitlement by Consultant to severance benefits under any other written agreement or plan providing for such benefits. This Agreement may be executed in separate counterparts (including in electronic or PDF format), each of which shall be deemed to be an original and both of which taken together shall constitute one and the same agreement.

6. Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by Consultant, the Company and their respective heirs, executors, personal representatives, successors and assigns, except that Consultant may not assign any rights or delegate any obligations hereunder without the prior written consent of the Company. For the avoidance of doubt, Consultant hereby consents to the assignment by the Company of all of its rights and obligations hereunder to any successor to the Company by merger or consolidation or purchase of all or substantially all of the Company's assets, provided that such transferee or successor assumes the liabilities of the Company hereunder.

7. Choice of Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of California, United States of America.

8. Prevailing Party's Litigation Expenses. In the event of litigation between the Company and Consultant related to this Agreement, the non-prevailing party shall reimburse the prevailing party for any costs and expenses (including, without limitation, attorneys' fees) reasonably incurred by the prevailing party in connection therewith.

9. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and Consultant, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

10.Operation of Agreement. This Agreement shall be binding immediately upon its execution, but, notwithstanding any provision of this Agreement to the contrary, this Agreement shall not become effective or operative (and neither party shall have any obligation hereunder) until the date on which the transactions contemplated by the Merger Agreement are consummated (the "Effective Date").

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

RENEO PHARMACEUTICALS, INC.

By: /s/ Mike Grey
Mike Grey
Executive Chairman

/s/ Gregory J. Flesher
Gregory J. Flesher

Signature Page to Flesher Consulting Agreement

EXHIBIT 10.3

CONSULTING AGREEMENT

This Consulting Agreement (this "***Agreement***") dated as of May 10, 2024, is entered into by and between Reneo Pharmaceuticals, Inc., a Delaware corporation (the "***Company***"), and Alejandro Dorenbaum ("***Consultant***").

RECITALS

WHEREAS, the Company believes that Consultant's expertise and knowledge will enhance the Company's business; and

WHEREAS, the Company wishes to retain Consultant to perform consulting services and fulfill certain related duties and obligations under the terms and conditions of this Agreement contingent upon and effective upon the consummation of the transactions contemplated by that certain Agreement and Plan of Merger by and among the Company, Radiate Merger Sub I, Inc., Radiate Merger Sub II, LLC, and OnKure, Inc. (the "***Merger Agreement***").

NOW, THEREFORE, in consideration of (a) the mutual covenants and agreements set forth in this Agreement, and (b) other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Consulting Services.

(a) Capacity. The Company hereby retains Consultant on a non-exclusive basis, and Consultant hereby accepts such position, upon the terms and conditions set forth herein, with respect to the business of the Company and its subsidiaries for the purpose of providing transition and post-closing integration services in connection with the consummation of the transactions contemplated by the Merger Agreement and any other duties and services as may be mutually agreed upon by the Company and Consultant, provided that Consultant shall make himself available in any event to provide consulting services for approximately five hours per month (or such other time commitment as may be mutually agreed upon by the parties) at times reasonably requested by the Company and mutually convenient for Consultant.

(b) Term and Termination. This Agreement will commence on the Effective Date (as defined in Section 10) and shall continue until, and shall end upon, the six-month anniversary of the Effective Date (the "***Anniversary Date***"). Notwithstanding the foregoing, this Agreement may be terminated by either party upon written notice to the other party, subject to Section 1(c) hereof.

(c) Compensation. In consideration of Consultant's performance of the consulting services hereunder, the Company will make a one-time lump-sum cash payment to Consultant in an amount equal to $15,000 within ten days following the Anniversary Date, provided that Consultant has not been terminated by the Company for Cause (as such term is defined in any written agreement between Consultant and the Company and, in the absence of any

such agreement, as such term is defined in the Company 2014 Equity Incentive Plan, the "***2014 Plan***")) prior to such time. For the avoidance of doubt, in the event that prior to the Anniversary Date, Consultant terminates this Agreement for any reason or the Company terminates Consultant's engagement other than for Cause, Consultant shall remain entitled to payment hereunder.

(d) Reimbursement of Expenses. The Company shall reimburse Consultant for all reasonable expenses incurred by Consultant in the performance of Consultant's duties under this Agreement and in accordance with Company policies. Such reimbursement payments will be made upon receipt of the appropriate documentation by the Company. Notwithstanding the foregoing, any individual expense above $1,000 to be incurred by Consultant in connection with this Agreement shall require the prior approval of Jennifer Lam.

(e) Equity Matters.

(i)For the avoidance of doubt, the parties hereby acknowledge and agree that, subject to approval by the Board of Directors of the Company, all equity incentive awards granted to Consultant pursuant to (or otherwise subject to the terms of) the 2014 Plan or the Company 2021 Equity Incentive Plan (the "***2021 Plan***", and together with the 2014 Plan, the "***Equity Plans***") that are outstanding as of immediately prior to the Effective Date shall automatically vest in all respects (with any performance-based vesting deemed to have been achieved at 100% of the target level) as of the Effective Date, to the extent not already vested, contingent upon the consummation of the transactions contemplated by the Merger Agreement.

(ii)For the avoidance of doubt, the parties hereby acknowledge and agree that Consultant's provisions of services pursuant to this Agreement will constitute Continuous Service (as defined in the applicable Equity Plan) for purposes of the Equity Plans and all awards granted pursuant to (or otherwise subject to the terms of) such Equity Plans. Notwithstanding anything to the contrary, the Company hereby agrees that Section 8(e) of the 2014 Plan and Section 9(f) of the 2021 Plan will not apply with respect to Consultant and Consultant's awards granted under (or otherwise subject to the terms of) such Equity Plan.

(iii)For the avoidance of doubt, the parties hereby acknowledge and agree that, subject to approval by the Board of Directors of the Company, all stock options granted to Consultant pursuant to (or otherwise subject to the terms of) the 2014 Plan or 2021 Plan that are outstanding as of the date of the Merger Agreement will be amended to provide that the applicable exercise window following Consultant's termination of Continuous Service other than for Cause (as defined in the applicable Equity Plan) will be the longer of: (i) a period of three months following termination of Continuous Service; or (ii) a period commencing on the date of termination of Continuous Service and ending on the Anniversary Date; provided, however, that in the event that the Merger Agreement is terminated pursuant to Section 9.1 thereof, the applicable exercise window will be the longer of: (A) a period of three months following Consultant's termination of Continuous Service; or (B) a period of three months following termination of the Merger Agreement; provided, further, that in no event will the exercise window of any option be extended beyond the term applicable to such option.

2. Independent Contractor.

(a) During the term of this Agreement, Consultant will at all times be and remain an independent contractor. Consultant shall be free to exercise Consultant's own judgment as to the manner and method of providing consulting services to the Company hereunder, subject to applicable laws and requirements reasonably imposed by the Company. Consultant acknowledges and agrees that during the term of this Agreement Consultant will not be treated as an employee of the Company or any of its affiliates for purposes of federal, state, local or foreign income tax withholding or social security regime, nor unless otherwise specifically provided by law, for purposes of the Federal Insurance Contributions Act, the Social Security Act, the Federal Unemployment Tax Act or any workers' compensation law of any state or country or for purposes of benefits provided to employees of the Company or any of its affiliates under any employee benefit plan. Consultant acknowledges and agrees that as an independent contractor, Consultant will be required to pay any applicable taxes and social security contributions on the fees paid to Consultant pursuant to this Agreement. Consultant shall indemnify, hold harmless and defend the Company and its affiliates for all tax, social security contributions and other liabilities (including, without limitation, reasonable fees and expenses of attorneys and other professionals) arising out of or relating to Consultant's failure to report and pay all income taxes or other taxes due and/or social security contributions on taxable amounts paid to or on behalf of Consultant by the Company (or an affiliate thereof).

(b) Consultant shall solely be responsible for, and neither the Company nor any of its affiliates shall be liable in connection with, (i) any and all acts or omissions of Consultant's agents, employees or representatives, including, without limitation, acts or omissions that result in non-compliance with employment laws; (ii) any and all business licenses, insurance, costs and expenses in connection with Consultant's office or place of business, sales tax reports, taxes and other fees, if any, as may be required (unless Consultant bills sales tax); and (iii) any and all payroll, commissions, wages, withholding, social security, workers' compensation and other employment-related taxes, fees, compensation and insurance with respect to such agents, employees or representatives. Consultant shall be responsible for and shall, and hereby does, indemnify and hold the Company and its affiliates harmless from all damages, claims, losses, liabilities, costs and expenses incurred by Consultant or the Company (or an affiliate thereof) on account of any act or omission of Consultant or any of Consultant's agents, employees or representatives, or any of the matters set forth in this Section 2.

3. Section 409A. The intent of the parties is that all payments and benefits under this Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (collectively, "***Section 409A***") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. In no event whatsoever shall the Company (or any affiliate thereof) be liable for any additional tax, interest or penalty that may be imposed on Consultant by Section 409A or damages for failing to comply with Section 409A. If any reimbursements or in-kind benefits provided by the Company pursuant to this Agreement would constitute deferred compensation for purposes of Section 409A, such reimbursements or in-kind benefits will be subject to the following rules: (a) the amounts to be reimbursed or the in-kind benefits to be provided will be determined pursuant to the terms of the applicable benefit plan, policy or agreement and will be limited to Consultant's lifetime and the lifetime of Consultant's eligible dependents; (b) the amount eligible for

reimbursement or the in-kind benefits provided during any calendar year may not affect the expenses eligible for reimbursement or the in-kind benefits provided in any other calendar year; (c) any reimbursement of an eligible expense will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred; and (d) Consultant's right to an in-kind benefit or reimbursement is not subject to liquidation or exchange for cash or another benefit. In addition, to the extent required to avoid an impermissible distribution under Section 409A, in the event that Consultant is a "specified employee" within the meaning of Section 409A, Consultant shall not be entitled to any payment pursuant to this Agreement until the earlier of (i) the first day following the six-month anniversary of Consultant's separation from service (within the meaning of Section 409A), or (ii) the date of Consultant's death.

4. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid or unenforceable in any respect under any applicable law, such invalidity or unenforceability shall not affect any other provision, and this Agreement shall be reformed, construed and enforced as if such invalid or unenforceable provision had never been contained herein.

5. Complete Agreement; Counterparts. This Agreement embodies the complete agreement and understanding between the parties with respect to the subject matter hereof and effective as of its date supersedes and preempts any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way, provided that for the avoidance of doubt, this Agreement does not supersede any existing entitlement by Consultant to severance benefits under any other written agreement or plan providing for such benefits. This Agreement may be executed in separate counterparts (including in electronic or PDF format), each of which shall be deemed to be an original and both of which taken together shall constitute one and the same agreement.

6. Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by Consultant, the Company and their respective heirs, executors, personal representatives, successors and assigns, except that Consultant may not assign any rights or delegate any obligations hereunder without the prior written consent of the Company. For the avoidance of doubt, Consultant hereby consents to the assignment by the Company of all of its rights and obligations hereunder to any successor to the Company by merger or consolidation or purchase of all or substantially all of the Company's assets, provided that such transferee or successor assumes the liabilities of the Company hereunder.

7. Choice of Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of California, United States of America.

8. Prevailing Party's Litigation Expenses. In the event of litigation between the Company and Consultant related to this Agreement, the non-prevailing party shall reimburse the prevailing party for any costs and expenses (including, without limitation, attorneys' fees) reasonably incurred by the prevailing party in connection therewith.

9. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and Consultant, and no course of

conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

10.Operation of Agreement. This Agreement shall be binding immediately upon its execution, but, notwithstanding any provision of this Agreement to the contrary, this Agreement shall not become effective or operative (and neither party shall have any obligation hereunder) until the date on which the transactions contemplated by the Merger Agreement are consummated (the "Effective Date").

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

RENEO PHARMACEUTICALS, INC.

By: /s/ Gregory J. Flesher
Gregory J. Flesher
President and CEO

/s/ Alejandro Dorenbaum
Alejandro Dorenbaum

Signature Page to Dorenbaum Consulting Agreement

EXHIBIT 10.4

CONSULTING AGREEMENT

This Consulting Agreement (this "***Agreement***") dated as of May 10, 2024, is entered into by and between Reneo Pharmaceuticals, Inc., a Delaware corporation (the "***Company***"), and Michael Cruse ("***Consultant***").

RECITALS

WHEREAS, the Company believes that Consultant's expertise and knowledge will enhance the Company's business; and

WHEREAS, the Company wishes to retain Consultant to perform consulting services and fulfill certain related duties and obligations under the terms and conditions of this Agreement contingent upon and effective upon the consummation of the transactions contemplated by that certain Agreement and Plan of Merger by and among the Company, Radiate Merger Sub I, Inc., Radiate Merger Sub II, LLC, and OnKure, Inc. (the "***Merger Agreement***").

NOW, THEREFORE, in consideration of (a) the mutual covenants and agreements set forth in this Agreement, and (b) other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Consulting Services.

(a) Capacity. The Company hereby retains Consultant on a non-exclusive basis, and Consultant hereby accepts such position, upon the terms and conditions set forth herein, with respect to the business of the Company and its subsidiaries for the purpose of providing transition and post-closing integration services in connection with the consummation of the transactions contemplated by the Merger Agreement and any other duties and services as may be mutually agreed upon by the Company and Consultant, provided that Consultant shall make himself available in any event to provide consulting services for approximately five hours per month (or such other time commitment as may be mutually agreed upon by the parties) at times reasonably requested by the Company and mutually convenient for Consultant.

(b) Term and Termination. This Agreement will commence on the Effective Date (as defined in Section 10) and shall continue until, and shall end upon, the six-month anniversary of the Effective Date (the "***Anniversary Date***"). Notwithstanding the foregoing, this Agreement may be terminated by either party upon written notice to the other party, subject to Section 1(c) hereof.

(c) Compensation. In consideration of Consultant's performance of the consulting services hereunder, the Company will make a one-time lump-sum cash payment to Consultant in an amount equal to $15,000 within ten days following the Anniversary Date, provided that Consultant has not been terminated by the Company for Cause (as such term is defined in any written agreement between Consultant and the Company and, in the absence of any

such agreement, as such term is defined in the Company 2014 Equity Incentive Plan, the "***2014 Plan***")) prior to such time. For the avoidance of doubt, in the event that prior to the Anniversary Date, Consultant terminates this Agreement for any reason or the Company terminates Consultant's engagement other than for Cause, Consultant shall remain entitled to payment hereunder.

(d) Reimbursement of Expenses. The Company shall reimburse Consultant for all reasonable expenses incurred by Consultant in the performance of Consultant's duties under this Agreement and in accordance with Company policies. Such reimbursement payments will be made upon receipt of the appropriate documentation by the Company. Notwithstanding the foregoing, any individual expense above $1,000 to be incurred by Consultant in connection with this Agreement shall require the prior approval of Jennifer Lam.

(e) Equity Matters.

(i) For the avoidance of doubt, the parties hereby acknowledge and agree that, subject to approval by the Board of Directors of the Company, all equity incentive awards granted to Consultant pursuant to (or otherwise subject to the terms of) the 2014 Plan or the Company 2021 Equity Incentive Plan (the "***2021 Plan***", and together with the 2014 Plan, the "***Equity Plans***") that are outstanding as of immediately prior to the Effective Date shall automatically vest in all respects (with any performance-based vesting deemed to have been achieved at 100% of the target level) as of the Effective Date, to the extent not already vested, contingent upon the consummation of the transactions contemplated by the Merger Agreement.

(ii) For the avoidance of doubt, the parties hereby acknowledge and agree that Consultant's provisions of services pursuant to this Agreement will constitute Continuous Service (as defined in the applicable Equity Plan) for purposes of the Equity Plans and all awards granted pursuant to (or otherwise subject to the terms of) such Equity Plans. Notwithstanding anything to the contrary, the Company hereby agrees that Section 8(e) of the 2014 Plan and Section 9(f) of the 2021 Plan will not apply with respect to Consultant and Consultant's awards granted under (or otherwise subject to the terms of) such Equity Plan.

(iii)For the avoidance of doubt, the parties hereby acknowledge and agree that, subject to approval by the Board of Directors of the Company, all stock options granted to Consultant pursuant to (or otherwise subject to the terms of) the 2014 Plan or 2021 Plan that are outstanding as of the date of the Merger Agreement will be amended to provide that the applicable exercise window following Consultant's termination of Continuous Service other than for Cause (as defined in the applicable Equity Plan) will be the longer of: (i) a period of three months following termination of Continuous Service; or (ii) a period commencing on the date of termination of Continuous Service and ending on the Anniversary Date; provided, however, that in the event that the Merger Agreement is terminated pursuant to Section 9.1 thereof, the applicable exercise window will be the longer of: (A) a period of three months following Consultant's termination of Continuous Service; or (B) a period of three months following termination of the Merger Agreement; provided, further, that in no event will the exercise window of any option be extended beyond the term applicable to such option.

2. Independent Contractor.

(a) During the term of this Agreement, Consultant will at all times be and remain an independent contractor. Consultant shall be free to exercise Consultant's own judgment as to the manner and method of providing consulting services to the Company hereunder, subject to applicable laws and requirements reasonably imposed by the Company. Consultant acknowledges and agrees that during the term of this Agreement Consultant will not be treated as an employee of the Company or any of its affiliates for purposes of federal, state, local or foreign income tax withholding or social security regime, nor unless otherwise specifically provided by law, for purposes of the Federal Insurance Contributions Act, the Social Security Act, the Federal Unemployment Tax Act or any workers' compensation law of any state or country or for purposes of benefits provided to employees of the Company or any of its affiliates under any employee benefit plan. Consultant acknowledges and agrees that as an independent contractor, Consultant will be required to pay any applicable taxes and social security contributions on the fees paid to Consultant pursuant to this Agreement. Consultant shall indemnify, hold harmless and defend the Company and its affiliates for all tax, social security contributions and other liabilities (including, without limitation, reasonable fees and expenses of attorneys and other professionals) arising out of or relating to Consultant's failure to report and pay all income taxes or other taxes due and/or social security contributions on taxable amounts paid to or on behalf of Consultant by the Company (or an affiliate thereof).

(b) Consultant shall solely be responsible for, and neither the Company nor any of its affiliates shall be liable in connection with, (i) any and all acts or omissions of Consultant's agents, employees or representatives, including, without limitation, acts or omissions that result in non-compliance with employment laws; (ii) any and all business licenses, insurance, costs and expenses in connection with Consultant's office or place of business, sales tax reports, taxes and other fees, if any, as may be required (unless Consultant bills sales tax); and (iii) any and all payroll, commissions, wages, withholding, social security, workers' compensation and other employment-related taxes, fees, compensation and insurance with respect to such agents, employees or representatives. Consultant shall be responsible for and shall, and hereby does, indemnify and hold the Company and its affiliates harmless from all damages, claims, losses, liabilities, costs and expenses incurred by Consultant or the Company (or an affiliate thereof) on account of any act or omission of Consultant or any of Consultant's agents, employees or representatives, or any of the matters set forth in this Section 2.

3. Section 409A. The intent of the parties is that all payments and benefits under this Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (collectively, "***Section 409A***") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. In no event whatsoever shall the Company (or any affiliate thereof) be liable for any additional tax, interest or penalty that may be imposed on Consultant by Section 409A or damages for failing to comply with Section 409A. If any reimbursements or in-kind benefits provided by the Company pursuant to this Agreement would constitute deferred compensation for purposes of Section 409A, such reimbursements or in-kind benefits will be subject to the following rules: (a) the amounts to be reimbursed or the in-kind benefits to be provided will be determined pursuant to the terms of the applicable benefit plan, policy or agreement and will be limited to Consultant's lifetime and the lifetime of Consultant's eligible dependents; (b) the amount eligible for reimbursement or the in-kind benefits provided during any calendar year may not affect the expenses eligible for reimbursement or the in-kind benefits provided in any other calendar year;

(c) any reimbursement of an eligible expense will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred; and (d) Consultant's right to an in-kind benefit or reimbursement is not subject to liquidation or exchange for cash or another benefit. In addition, to the extent required to avoid an impermissible distribution under Section 409A, in the event that Consultant is a "specified employee" within the meaning of Section 409A, Consultant shall not be entitled to any payment pursuant to this Agreement until the earlier of (i) the first day following the six-month anniversary of Consultant's separation from service (within the meaning of Section 409A), or (ii) the date of Consultant's death.

4. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid or unenforceable in any respect under any applicable law, such invalidity or unenforceability shall not affect any other provision, and this Agreement shall be reformed, construed and enforced as if such invalid or unenforceable provision had never been contained herein.

5. Complete Agreement; Counterparts. This Agreement embodies the complete agreement and understanding between the parties with respect to the subject matter hereof and effective as of its date supersedes and preempts any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way, provided that for the avoidance of doubt, this Agreement does not supersede any existing entitlement by Consultant to severance benefits under any other written agreement or plan providing for such benefits. This Agreement may be executed in separate counterparts (including in electronic or PDF format), each of which shall be deemed to be an original and both of which taken together shall constitute one and the same agreement.

6. Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by Consultant, the Company and their respective heirs, executors, personal representatives, successors and assigns, except that Consultant may not assign any rights or delegate any obligations hereunder without the prior written consent of the Company. For the avoidance of doubt, Consultant hereby consents to the assignment by the Company of all of its rights and obligations hereunder to any successor to the Company by merger or consolidation or purchase of all or substantially all of the Company's assets, provided that such transferee or successor assumes the liabilities of the Company hereunder.

7. Choice of Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of California, United States of America.

8. Prevailing Party's Litigation Expenses. In the event of litigation between the Company and Consultant related to this Agreement, the non-prevailing party shall reimburse the prevailing party for any costs and expenses (including, without limitation, attorneys' fees) reasonably incurred by the prevailing party in connection therewith.

9. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and Consultant, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

10.Operation of Agreement. This Agreement shall be binding immediately upon its execution, but, notwithstanding any provision of this Agreement to the contrary, this Agreement shall not become effective or operative (and neither party shall have any obligation hereunder) until the date on which the transactions contemplated by the Merger Agreement are consummated (the "Effective Date").

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

RENEO PHARMACEUTICALS, INC.

By: /s/ Gregory J. Flesher
Gregory J. Flesher
President and CEO

/s/ Michael Cruse
Michael Cruse

Signature Page to Cruse Consulting Agreement

EXHIBIT 10.5

CONSULTING AGREEMENT

This Consulting Agreement (this "***Agreement***") dated as of May 10 2024, is entered into by and between Reneo Pharmaceuticals, Inc., a Delaware corporation (the "***Company***"), and Ashley Hall ("***Consultant***").

RECITALS

WHEREAS, the Company believes that Consultant's expertise and knowledge will enhance the Company's business; and

WHEREAS, the Company wishes to retain Consultant to perform consulting services and fulfill certain related duties and obligations under the terms and conditions of this Agreement contingent upon and effective upon the consummation of the transactions contemplated by that certain Agreement and Plan of Merger by and among the Company, Radiate Merger Sub I, Inc., Radiate Merger Sub II, LLC, and OnKure, Inc. (the "***Merger Agreement***").

NOW, THEREFORE, in consideration of (a) the mutual covenants and agreements set forth in this Agreement, and (b) other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Consulting Services.

(a) Capacity. The Company hereby retains Consultant on a non-exclusive basis, and Consultant hereby accepts such position, upon the terms and conditions set forth herein, with respect to the business of the Company and its subsidiaries for the purpose of providing transition and post-closing integration services in connection with the consummation of the transactions contemplated by the Merger Agreement and any other duties and services as may be mutually agreed upon by the Company and Consultant, provided that Consultant shall make herself available in any event to provide consulting services for approximately five hours per month (or such other time commitment as may be mutually agreed upon by the parties) at times reasonably requested by the Company and mutually convenient for Consultant.

(b) Term and Termination. This Agreement will commence on the Effective Date (as defined in Section 10) and shall continue until, and shall end upon, the six-month anniversary of the Effective Date (the "***Anniversary Date***"). Notwithstanding the foregoing, this Agreement may be terminated by either party upon written notice to the other party, subject to Section 1(c) hereof.

(c) Compensation. In consideration of Consultant's performance of the consulting services hereunder, the Company will make a one-time lump-sum cash payment to Consultant in an amount equal to $15,000 within ten days following the Anniversary Date, provided that Consultant has not been terminated by the Company for Cause (as such term is defined in any written agreement between Consultant and the Company and, in the absence of any

such agreement, as such term is defined in the Company 2014 Equity Incentive Plan, the "***2014 Plan***")) prior to such time. For the avoidance of doubt, in the event that prior to the Anniversary Date, Consultant terminates this Agreement for any reason or the Company terminates Consultant's engagement other than for Cause, Consultant shall remain entitled to payment hereunder.

(d) Reimbursement of Expenses. The Company shall reimburse Consultant for all reasonable expenses incurred by Consultant in the performance of Consultant's duties under this Agreement and in accordance with Company policies. Such reimbursement payments will be made upon receipt of the appropriate documentation by the Company. Notwithstanding the foregoing, any individual expense above $1,000 to be incurred by Consultant in connection with this Agreement shall require the prior approval of Jennifer Lam.

(e) Equity Matters.

(i) For the avoidance of doubt, the parties hereby acknowledge and agree that, subject to approval by the Board of Directors of the Company, all equity incentive awards granted to Consultant pursuant to (or otherwise subject to the terms of) the 2014 Plan or the Company 2021 Equity Incentive Plan (the "***2021 Plan***", and together with the 2014 Plan, the "***Equity Plans***") that are outstanding as of immediately prior to the Effective Date shall automatically vest in all respects (with any performance-based vesting deemed to have been achieved at 100% of the target level) as of the Effective Date, to the extent not already vested, contingent upon the consummation of the transactions contemplated by the Merger Agreement.

(ii) For the avoidance of doubt, the parties hereby acknowledge and agree that Consultant's provisions of services pursuant to this Agreement will constitute Continuous Service (as defined in the applicable Equity Plan) for purposes of the Equity Plans and all awards granted pursuant to (or otherwise subject to the terms of) such Equity Plans. Notwithstanding anything to the contrary, the Company hereby agrees that Section 8(e) of the 2014 Plan and Section 9(f) of the 2021 Plan will not apply with respect to Consultant and Consultant's awards granted under (or otherwise subject to the terms of) such Equity Plan.

(iii)For the avoidance of doubt, the parties hereby acknowledge and agree that, subject to approval by the Board of Directors of the Company, all stock options granted to Consultant pursuant to (or otherwise subject to the terms of) the 2014 Plan or 2021 Plan that are outstanding as of the date of the Merger Agreement will be amended to provide that the applicable exercise window following Consultant's termination of Continuous Service other than for Cause (as defined in the applicable Equity Plan) will be the longer of: (i) a period of three months following termination of Continuous Service; or (ii) a period commencing on the date of termination of Continuous Service and ending on the Anniversary Date; provided, however, that in the event that the Merger Agreement is terminated pursuant to Section 9.1 thereof, the applicable exercise window will be the longer of: (A) a period of three months following Consultant's termination of Continuous Service; or (B) a period of three months following termination of the Merger Agreement; provided, further, that in no event will the exercise window of any option be extended beyond the term applicable to such option.

2. Independent Contractor.

(a) During the term of this Agreement, Consultant will at all times be and remain an independent contractor. Consultant shall be free to exercise Consultant's own judgment as to the manner and method of providing consulting services to the Company hereunder, subject to applicable laws and requirements reasonably imposed by the Company. Consultant acknowledges and agrees that during the term of this Agreement Consultant will not be treated as an employee of the Company or any of its affiliates for purposes of federal, state, local or foreign income tax withholding or social security regime, nor unless otherwise specifically provided by law, for purposes of the Federal Insurance Contributions Act, the Social Security Act, the Federal Unemployment Tax Act or any workers' compensation law of any state or country or for purposes of benefits provided to employees of the Company or any of its affiliates under any employee benefit plan. Consultant acknowledges and agrees that as an independent contractor, Consultant will be required to pay any applicable taxes and social security contributions on the fees paid to Consultant pursuant to this Agreement. Consultant shall indemnify, hold harmless and defend the Company and its affiliates for all tax, social security contributions and other liabilities (including, without limitation, reasonable fees and expenses of attorneys and other professionals) arising out of or relating to Consultant's failure to report and pay all income taxes or other taxes due and/or social security contributions on taxable amounts paid to or on behalf of Consultant by the Company (or an affiliate thereof).

(b) Consultant shall solely be responsible for, and neither the Company nor any of its affiliates shall be liable in connection with, (i) any and all acts or omissions of Consultant's agents, employees or representatives, including, without limitation, acts or omissions that result in non-compliance with employment laws; (ii) any and all business licenses, insurance, costs and expenses in connection with Consultant's office or place of business, sales tax reports, taxes and other fees, if any, as may be required (unless Consultant bills sales tax); and (iii) any and all payroll, commissions, wages, withholding, social security, workers' compensation and other employment-related taxes, fees, compensation and insurance with respect to such agents, employees or representatives. Consultant shall be responsible for and shall, and hereby does, indemnify and hold the Company and its affiliates harmless from all damages, claims, losses, liabilities, costs and expenses incurred by Consultant or the Company (or an affiliate thereof) on account of any act or omission of Consultant or any of Consultant's agents, employees or representatives, or any of the matters set forth in this Section 2.

3. Section 409A. The intent of the parties is that all payments and benefits under this Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder (collectively, "***Section 409A***") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. In no event whatsoever shall the Company (or any affiliate thereof) be liable for any additional tax, interest or penalty that may be imposed on Consultant by Section 409A or damages for failing to comply with Section 409A. If any reimbursements or in-kind benefits provided by the Company pursuant to this Agreement would constitute deferred compensation for purposes of Section 409A, such reimbursements or in-kind benefits will be subject to the following rules: (a) the amounts to be reimbursed or the in-kind benefits to be provided will be determined pursuant to the terms of the applicable benefit plan, policy or agreement and will be limited to Consultant's lifetime and the lifetime of Consultant's eligible dependents; (b) the amount eligible for reimbursement or the in-kind benefits provided during any calendar year may not affect the expenses eligible for reimbursement or the in-kind benefits provided in any other calendar year;

(c) any reimbursement of an eligible expense will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred; and (d) Consultant's right to an in-kind benefit or reimbursement is not subject to liquidation or exchange for cash or another benefit. In addition, to the extent required to avoid an impermissible distribution under Section 409A, in the event that Consultant is a "specified employee" within the meaning of Section 409A, Consultant shall not be entitled to any payment pursuant to this Agreement until the earlier of (i) the first day following the six-month anniversary of Consultant's separation from service (within the meaning of Section 409A), or (ii) the date of Consultant's death.

4. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid or unenforceable in any respect under any applicable law, such invalidity or unenforceability shall not affect any other provision, and this Agreement shall be reformed, construed and enforced as if such invalid or unenforceable provision had never been contained herein.

5. Complete Agreement; Counterparts. This Agreement embodies the complete agreement and understanding between the parties with respect to the subject matter hereof and effective as of its date supersedes and preempts any prior understandings, agreements or representations by or between the parties, written or oral, which may have related to the subject matter hereof in any way, provided that for the avoidance of doubt, this Agreement does not supersede any existing entitlement by Consultant to severance benefits under any other written agreement or plan providing for such benefits. This Agreement may be executed in separate counterparts (including in electronic or PDF format), each of which shall be deemed to be an original and both of which taken together shall constitute one and the same agreement.

6. Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by Consultant, the Company and their respective heirs, executors, personal representatives, successors and assigns, except that Consultant may not assign any rights or delegate any obligations hereunder without the prior written consent of the Company. For the avoidance of doubt, Consultant hereby consents to the assignment by the Company of all of its rights and obligations hereunder to any successor to the Company by merger or consolidation or purchase of all or substantially all of the Company's assets, provided that such transferee or successor assumes the liabilities of the Company hereunder.

7. Choice of Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of California, United States of America.

8. Prevailing Party's Litigation Expenses. In the event of litigation between the Company and Consultant related to this Agreement, the non-prevailing party shall reimburse the prevailing party for any costs and expenses (including, without limitation, attorneys' fees) reasonably incurred by the prevailing party in connection therewith.

9. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and Consultant, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

10.Operation of Agreement. This Agreement shall be binding immediately upon its execution, but, notwithstanding any provision of this Agreement to the contrary, this Agreement shall not become effective or operative (and neither party shall have any obligation hereunder) until the date on which the transactions contemplated by the Merger Agreement are consummated (the "Effective Date").

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

RENEO PHARMACEUTICALS, INC.

By: /s/ Gregory J. Flesher
Gregory J. Flesher
President and CEO

/s/ Ashley Hall
Ashley Hall

Signature Page to Hall Consulting Agreement

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Gregory J. Flesher, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Reneo Pharmaceuticals, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2024

By:	/s/ Gregory J. Flesher
Name:	Gregory J. Flesher
Title:	President and Chief Executive Officer
	(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Jennifer P. Lam, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Reneo Pharmaceuticals, Inc. (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2024

By:	/s/ Jennifer P. Lam
Name:	Jennifer P. Lam
Title:	Senior Vice President, Finance and Administration (Principal Financial and Accounting Officer)

Exhibit 32.1

Statement Pursuant to 18 U.S.C. Section 1350,
As required by Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Gregory J. Flesher, President and Chief Executive Officer of Reneo Pharmaceuticals, Inc. (the "Company"), and Jennifer P. Lam, Senior Vice President, Finance and Administration of the Company, each hereby certifies that, to the best of his or her knowledge:

(1) The Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2024, to which this Certification is attached as Exhibit 32.1 (the "Quarterly Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

(2) The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 13, 2024	By:	/s/ Gregory J. Flesher
	Name:	Gregory J. Flesher
	Title:	President and Chief Executive Officer (Principal Executive Officer)
Date: August 13, 2024	By:	/s/ Jennifer P. Lam
	Name:	Jennifer P. Lam
	Title:	Senior Vice President, Finance and Administration (Principal Financial and Accounting Officer)

This certification accompanies the Quarterly Report to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Quarterly Report), irrespective of any general incorporation language contained in such filing.