

Regulus Therapeutics Inc.  
Form 10-Q  
November 02, 2016  
Table of Contents

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

FORM 10-Q  
(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2016

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: 001-35670

Regulus Therapeutics Inc.

(Exact name of registrant as specified in its charter)

Delaware 26-4738379

(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

10614 Science Center Drive 92121

San Diego, CA  
(Address of Principal Executive Offices) (Zip Code)

858-202-6300  
(Registrant's Telephone Number, Including Area Code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes  No

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

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

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

As of October 28, 2016, the registrant had 52,923,305 shares of Common Stock (\$0.001 par value) outstanding.

Table of Contents

REGULUS THERAPEUTICS INC.  
TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

<u>Item 1. Financial Statements</u>	<u>3</u>
<u>Condensed Balance Sheets as of September 30, 2016 (Unaudited) and December 31, 2015</u>	<u>3</u>
<u>Condensed Statements of Operations and Comprehensive Loss for the three and nine months ended September 30, 2016 and 2015 (Unaudited)</u>	<u>4</u>
<u>Condensed Statements of Cash Flows for the nine months ended September 30, 2016 and 2015 (Unaudited)</u>	<u>5</u>
<u>Notes to Condensed Financial Statements (Unaudited)</u>	<u>6</u>
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>15</u>
<u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u>	<u>24</u>
<u>Item 4. Controls and Procedures</u>	<u>24</u>
PART II. OTHER INFORMATION	
<u>Item 1. Legal Proceedings</u>	<u>24</u>
<u>Item 1A. Risk Factors</u>	<u>25</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>49</u>
<u>Item 3. Defaults Upon Senior Securities</u>	<u>49</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>49</u>
<u>Item 5. Other Information</u>	<u>49</u>
<u>Item 6. Exhibits</u>	<u>50</u>

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Table of Contents

## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

Regulus Therapeutics Inc.

## CONDENSED BALANCE SHEETS

(in thousands, except share and per share data)

	September 30, 2016	December 31, 2015
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 14,706	\$ 15,960
Short-term investments	76,877	98,103
Restricted cash	80	1,256
Prepaid expenses	10,614	8,159
Contract and other receivables	286	10,021
Other current assets	267	759
Total current assets	102,830	134,258
Property and equipment, net	12,042	5,400
Intangibles, net	1,051	1,081
Other assets	343	344
Total assets	\$ 116,266	\$ 141,083
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 5,724	\$ 2,717
Accrued liabilities	5,066	6,329
Accrued compensation	2,290	2,392
Current portion of deferred revenue	72	1,194
Total current liabilities	13,152	12,632
Term loan, less debt issuance costs	19,787	—
Deferred revenue, less current portion	2,011	2,065
Other long-term liabilities	8,631	2,308
Total liabilities	43,581	17,005
Commitments and Contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value; 200,000,000 shares authorized, 52,923,305 and 52,669,266 shares issued and outstanding at September 30, 2016 (unaudited) and December 31, 2015, respectively	53	53
Additional paid-in capital	326,076	315,673
Accumulated other comprehensive loss	(113	) (133
Accumulated deficit	(253,331	) (191,515
Total stockholders' equity	72,685	124,078
Total liabilities and stockholders' equity	\$ 116,266	\$ 141,083
See accompanying notes to these condensed financial statements.		

Table of Contents

Regulus Therapeutics Inc.

## CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(In thousands, except share and per share data)

	Three months ended September 30, 2016		Nine months ended September 30, 2016	
	2015	2015	2015	2015
	(Unaudited)			
Revenues:				
Revenue under strategic alliances and collaborations	\$204	\$1,865	\$1,176	\$9,899
Total revenues	204	1,865	1,176	9,899
Operating expenses:				
Research and development	14,554	10,965	49,326	43,593
General and administrative	4,842	4,245	13,609	13,703
Total operating expenses	19,396	15,210	62,935	57,296
Loss from operations	(19,192 )	(13,345 )	(61,759 )	(47,397 )
Other income (expense):				
Interest and other income	237	335	608	686
Interest and other expense	(560 )	(6 )	(674 )	(22 )
Loss from valuation of convertible note payable	—	—	—	(1,811 )
Loss before income taxes	(19,515 )	(13,016 )	(61,825 )	(48,544 )
Income tax (expense) benefit	(4 )	16	9	22
Net loss	\$(19,519)	\$(13,000)	\$(61,816)	\$(48,522)
Other comprehensive loss:				