

Regulus Therapeutics Inc.  
Form 10-Q  
August 02, 2017  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q  
(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2017

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, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

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

Emerging growth company

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

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

As of July 28, 2017, the registrant had 103,785,730 shares of Common Stock (\$0.001 par value) outstanding.



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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

Regulus Therapeutics Inc.

## CONDENSED BALANCE SHEETS

(in thousands, except share and per share data)

	June 30, 2017 (Unaudited)	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 12,538	\$ 14,941
Short-term investments	27,549	61,170
Contract and other receivables	690	1,657
Prepaid materials, net	6,149	5,552
Prepaid expenses and other current assets	3,018	4,154
Total current assets	49,944	87,474
Property and equipment, net	10,753	11,830
Intangibles, net	823	1,015
Other assets	340	342
Total assets	\$ 61,860	\$ 100,661
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 4,901	\$ 5,840
Accrued liabilities	4,717	5,577
Accrued compensation	1,433	2,318
Current portion of deferred revenue	72	72
Total current liabilities	11,123	13,807
Term loan, less debt issuance costs	19,830	19,802
Deferred revenue, less current portion	1,957	1,993
Deferred rent, less current portion	8,672	8,840
Other long-term liabilities	283	144
Total liabilities	41,865	44,586
Commitments and Contingencies		
Stockholders' equity:		
Common stock, \$0.001 par value; 200,000,000 shares authorized, 53,182,330 and 52,924,805 shares issued and outstanding at June 30, 2017 (unaudited) and December 31, 2016, respectively	53	53
Additional paid-in capital	335,612	329,496
Accumulated other comprehensive loss	(88 )	(123 )
Accumulated deficit	(315,582 )	(273,351 )
Total stockholders' equity	19,995	56,075
Total liabilities and stockholders' equity	\$ 61,860	\$ 100,661
See accompanying notes to these condensed financial statements.		

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Regulus Therapeutics Inc.

## CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(In thousands, except share and per share data)

	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
	(Unaudited)			
Revenues:				
Revenue under strategic alliances and collaborations	\$18	\$483	\$36	\$972
Total revenues	18	483	36	972
Operating expenses:				
Research and development	14,278	18,007	30,030	34,772
General and administrative	7,057	3,664	11,016	8,767
Total operating expenses	21,335	21,671	41,046	43,539
Loss from operations	(21,317 )	(21,188 )	(41,010 )	(42,567 )
Other income (expense):				
Interest and other income	184	180	398	372
Interest and other expense	(603 )	(90 )	(1,149 )	(114 )
Loss before income taxes	(21,736 )	(21,098 )	(41,761 )	(42,309 )
Income tax benefit	128	8	132	13
Net loss	\$(21,608)	\$(21,090)	\$(41,629)	\$(42,296)
Other comprehensive loss:				