# Report of Organizational Actions Affecting Basis of Securities

## Part I Reporting Issuer

1. **Issuer's name**
   - Regulus Therapeutics Inc.

2. **Issuer's employer identification number (EIN)**
   - 26-4738379

3. **Name of contact for additional information**
   - Dan Chevallard

4. **Telephone No. of contact**
   - 858-202-6300

5. **Email address of contact**
   - dchevallard@regulusrx.com

6. **Number and street (or P.O. box if mail is not delivered to street address) of contact**
   - 10614 Science Center Drive

7. **City, town, or post office, state, and ZIP code of contact**
   - San Diego, CA 92121

8. **Date of action**
   - October 3, 2018

9. **Classification and description**
   - Reverse Stock Split

10. **CUSIP number**
    - 75915K 200

11. **Serial number(s)**
    - n/a

12. **Ticker symbol**
    - RGLS

13. **Account number(s)**
    - n/a

## Part II Organizational Action

14. **Organizational action and, if applicable, the date of the action or the date against which shareholders’ ownership is measured for the action**
    - Regulus Therapeutics Inc. (the Company) effected a 1-for-12 reverse stock split of its outstanding common stock effective as of 5:00 pm ET on October 3, 2018. Pursuant to the reverse split, every twelve (12) shares of outstanding common stock will automatically convert into one (1) share of common stock. Trading on a post-split basis commenced on October 4, 2018.

15. **Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis**
    - Shareholders are required to allocate their aggregate tax basis in the existing common stock held immediately prior to the reverse stock split among the shares of common stock held immediately after the reverse stock split. Shareholders who receive cash in lieu of fractional shares of the new common stock will be treated as having received such fractional shares in the stock split and then having sold such fractional shares for cash in the open market. Shareholders who acquired their shares of the Company stock on different dates and at different prices should consult their own tax advisors regarding the allocation of the tax basis of such shares.

16. **Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates**
    - See answer to Item 15 above.
17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based:  
Pursuant to IRC sections 386(a), 354(a), 356(a) and 1001.

18. Can any resulting loss be recognized?  
Except to the extent of cash received in lieu of fractional shares, shareholders will generally not recognize gain or loss as a result of the reverse stock split. In general, if a shareholder receives cash in lieu of fractional shares, the shareholder will recognize capital gain or loss based on the difference between the amount of cash received and the shareholder’s adjusted tax basis in the fractional shares. Shareholders should consult their own tax advisor with respect to the tax consequences resulting from the reverse stock split.

19. Provide any other information necessary to implement the adjustment, such as the reportable tax year:  2018

Signature:  Dan Chevallard  
Date:  November 12, 2018

Print your name:  Dan Chevallard
Title:  Chief Financial Officer

Paid Preparer Use Only
Print/Type preparer’s name:  
Preparer’s signature:  
Date:  
Check □ if self-employed
PTIN  
Firm’s name  
Firm’s address  
Firm’s EIN  
Phone no.