

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

IN RE REGULUS THERAPEUTICS INC.
SECURITIES LITIGATION

Case No. 3:17-cv-00182-BTM-RBB

**NOTICE OF PENDENCY AND PROPOSED
SETTLEMENT OF CLASS ACTION**

**IF YOU PURCHASED STOCK OF REGULUS THERAPEUTICS INC. BETWEEN FEBRUARY 17,
2016 AND JUNE 11, 2017, INCLUSIVE, YOU COULD GET A PAYMENT FROM A CLASS ACTION
SETTLEMENT.**

A federal court authorized this notice. This is not a solicitation from a lawyer.

- This Notice describes important rights you may have and important steps you must take if you wish to participate in the Settlement of a class action lawsuit or if you wish to be excluded from the Settlement Class.
- The Settlement, if approved by the Court, will provide **\$900,000** (on average approximately \$0.175 per allegedly damaged share before the deduction of Court-approved fees and expenses) in cash for the benefit of the Settlement Class (described below).
- The Settlement resolves claims by Mark Appel and Michael Spitters (“Plaintiffs”) in a securities class action against Regulus Therapeutics, Inc. (“Regulus”), Joseph P. Hagan, Paul C. Grint and Michael Huang, M.D. (collectively, “Defendants”). Plaintiffs claim that these Defendants made materially false and misleading statements and omissions concerning RG-101, a treatment of hepatitis C, in violation of the Securities Exchange Act of 1934 (“Exchange Act”). Plaintiffs allege that these allegedly material false and misleading statements artificially inflated the price of Regulus’s stock and that the stock price fell when the truth became public, harming investors. Defendants deny all allegations of misconduct. The Court has not decided in favor of either party.
- Plaintiffs, with the assistance of an economic expert, have estimated that if they prevailed on each and every claim they have alleged, damages would be approximately \$46.15 million (approximately \$8.96 per allegedly damaged share). Defendants do not agree on the amount of damages per share, if any, that would be recoverable if the class prevailed at trial. The issues on which the parties disagree are many, but include the extent to which various matters Plaintiffs claim were false or misleading influenced (if at all) the price of Regulus’s common stock during the Class Period.
- Court-appointed lawyers for investors (“Lead Counsel”) have litigated this matter on a contingent basis and advanced all expenses incurred on behalf of the Settlement Class. These lawyers will ask the Court for \$225,000 in attorneys’ fees (25% of the Settlement Fund) and reimbursement for expenses of up to \$15,000 for their work litigating the case and negotiating the Settlement. If approved by the Court, these amounts (on average approximately \$0.047 per allegedly damaged share) will be deducted from the \$900,000 settlement. Plaintiffs will also apply for their “reasonable costs and expenses (including lost wages) directly relating to the representation of the class,” not to exceed a combined \$3,500 pursuant to 15 U.S.C. § 78u-4(a)(4). This amount (approximately \$0.00007 per allegedly damaged share) is reimbursement for lost wages due to the representation of the class.
- The Court has not yet approved the Settlement. Payments will be made only if the Court approves the Settlement and after any appeals are resolved. Please be patient.
- Inquiries, other than requests for the Notice, may be made to Lead Counsel for the Class: Nicholas I. Porritt, Esq., Levi & Korsinsky, LLP, 1101 30th Street, N.W., Suite 115, Washington, D.C. 20007, nporritt@zlk.com, (202) 524-4290. You also can contact the Claims Administrator by mail at Regulus Securities Litigation, Claims Administrator, Analytics Consulting LLC, P.O. Box 2002, Chanhassen, MN 55317-2002; by toll free phone at 1-844-913-1257; or by visiting the website www.RegulusSecuritiesLitigation.com to obtain information and forms.

- You may enter an appearance in this action either individually, or through an attorney if you so desire. *If you want to be represented by your own lawyer, you may hire one at your own expense.*
- **Your legal rights are affected whether you act or don't act. Read this Notice carefully.**

<u>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</u>	
SUBMIT A CLAIM FORM	Fill out a Proof of Claim and release form and submit it no later than SEPTEMBER 14, 2020. This is the only way to get a payment if you have a recognized claim.
EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS	Submit a written request for exclusion no later than SEPTEMBER 16, 2020. This is the only option that allows you to ever be part of any other lawsuit against the Defendants and related parties about the legal claims in this case. If you exclude yourself, you will get no payment and cannot object or speak at the hearing.
OBJECT TO THE SETTLEMENT	Write to the Court no later than SEPTEMBER 30, 2020 about why you do not like the proposed Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and reimbursement of litigation expenses. You may still submit a claim form. If the Court approves the Settlement, you will be bound by it.
GO TO A HEARING AND FILE A NOTICE OF INTENTION TO APPEAR	You may ask to speak in Court about the fairness of the Settlement at the hearing on OCTOBER 21, 2020. You may still submit a claim form. If the Court approves the Settlement, you will be bound by it.
DO NOTHING	Get no payment from the Settlement and give up rights to bring an individual action relating to the legal claims in this case.

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BASIC INFORMATION

1. Why did I get this notice package?

You or someone in your family may have purchased or otherwise acquired shares of Regulus’ common stock between February 17, 2016 and June 11, 2017, inclusive (the “Class Period”). The Court directed that this Notice be sent to potential Settlement Class members because they have a right to know about a proposed settlement of a class action lawsuit, and about all of their options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement and any appeals are resolved, an administrator appointed by the Court will make the payments that the Settlement allows.

2. What is this lawsuit about?

Regulus is a biopharmaceutical company. During the Class Period, Regulus was developing a drug called RG-101, a microRNA treatment for hepatitis C. Plaintiffs allege that Defendants violated Sections 10(b) and/or Section 20(a) of the Exchange Act by making false or misleading statements relating to RG-101’s safety profile and a “significant adverse event” of jaundice that occurred in one of RG-101 clinical studies. Plaintiffs allege that Defendants fraudulently downplayed the possibility that the significant adverse event of jaundice was related

to RG-101. Plaintiffs allege that when the truth became public, Regulus' share price fell and shareholders were damaged. Plaintiffs seek money from Defendants.

Defendants deny all allegations, deny that they did anything wrong, deny that any of their statements inflated the price of Regulus's stock, and deny that Plaintiffs or investors suffered damages.

3. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case, Plaintiffs Mark Appel and Michael Spitters), sue on behalf of people who have similar claims. All persons with similar claims are Settlement Class members, who together constitute the class. Bringing a case as a class action allows the collective adjudication of many similar claims that might be economically too small to bring in individual actions. One court resolves the issues for all class members, except for those who exclude themselves from the class. Judge Barry Ted Moskowitz of the Southern District of California is overseeing this class action.

4. Why is there a settlement?

Plaintiffs and Defendants vigorously disagree on both liability and the amount of money that could have been won if Plaintiffs prevail at trial. Among other things, the Parties disagree about the following: (1) whether any statement was false or misleading; (2) whether any alleged omitted fact was material; (3) whether there was any wrongdoing on the part of the Defendants; (4) the amount of damages per share, if any, that Plaintiffs would be able to prove at trial; and (5) whether there were any mitigating circumstances which would reduce any or all of the damages alleged by Plaintiffs.

Both sides have agreed to the Settlement to avoid the cost, delay and uncertainty of further litigation. Lead Counsel believe that the Settlement would provide the Settlement Class with significant and certain benefits now and eliminate the risk of no recovery following what would be years of further uncertain litigation, including the resolution of motions to dismiss, a class certification motion, motions for summary judgment, and if summary judgment is not granted to Defendants, a contested trial and likely appeals, with the possibility of no recovery at all. Plaintiffs, in proposing that the Court approve the \$900,000 (nine hundred thousand dollar) settlement as fair, reasonable and adequate to the Settlement Class, has considered, among other factors, Plaintiffs' ability to prevail on the contested factual and legal issues. There is a significant risk that the Court may again dismiss Plaintiffs' claims, or dismiss or limit Plaintiffs' claims prior to or at trial, or on appeal from a jury verdict.

Plaintiffs will file with the Court on or before SEPTEMBER 16, 2020 a formal motion for approval of the proposed Settlement further discussing the reasons justifying the Settlement.

WHO IS PART OF THE SETTLEMENT?

5. How do I know if I am part of the Settlement?

The Court directed that, for the purposes of the proposed Settlement, everyone who fits this description is a Settlement Class member: all persons or entities who purchased or otherwise acquired shares of the publicly traded common stock of Regulus between February 17, 2016 and June 11, 2017, inclusive.

6. Are there exceptions to being included?

Yes. Excluded from the Settlement Class are (i) Defendants; (ii) members of the immediate families of Defendants; (iii) any person who is or was an officer or director of Regulus during or after the Class Period; (iv) any entity in which any of the Defendants had or has a controlling interest; and (v) any legal representatives, agents, affiliates, heirs, beneficiaries, successors-in-interest, or assigns of any such excluded party in their capacity as such. Also excluded from the Settlement Class is any person or entity who validly requests exclusion pursuant to the requirements set forth in this Notice.

If one of the mutual funds in which you are invested purchased or otherwise acquired Regulus common stock during the Class Period, that does not make you a Settlement Class member. You are a Settlement Class member only if you directly purchased or otherwise acquired Regulus common stock during the Class Period. Contact your broker to see if you purchased or otherwise acquired Regulus common stock during the Class Period.

If you **sold** but did not purchase Regulus common stock during the Class Period, you are not a Settlement Class member. You are a Settlement Class member only if you **purchased or otherwise acquired** your shares during the Class Period.

7. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You can contact the Claims Administrator by writing to Regulus Securities Litigation, Claims Administrator, Analytics Consulting LLC, P.O. Box 2002, Chanhassen, MN 55317-2002, or by calling the Claims Administrator toll free at 1-844-913-1257 for more information.

WHAT ARE THE SETTLEMENT BENEFITS?

8. What does the Settlement provide to class members?

The Settlement, if approved by the Court, will result in a \$900,000 fund, plus any accrued interest earned thereon (the “Settlement Fund”). Subject to the Court’s approval, a portion of the Settlement Fund will be used to pay claims administration and notice costs and Plaintiffs’ attorneys’ fees and expenses. After these deductions to the Settlement Fund have been made, the amount remaining (the “Net Settlement Fund”) will be distributed to Settlement Class members who send in a valid and timely Proof of Claim and Release form. The \$900,000 fund represents on average approximately \$0.175 per allegedly damaged share before the deduction of Court-approved fees and expenses.

Plaintiffs, with the assistance of an economic expert, have estimated that if they prevailed on each and every claim they have alleged, damages for the common stock would be approximately \$46.15 million (approximately \$8.96 per allegedly damaged share). Defendants disagree with that calculation.

9. How will the Settlement be allocated among class members?

The Net Settlement Fund will be distributed to the Settlement Class according to the Plan of Allocation.

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund to those Settlement Class members who suffered economic losses as a proximate result of the alleged wrongdoing. Plaintiffs, with the assistance of an economic expert, estimated that damages for the common stock were approximately \$46.15 million. The Plan of Allocation generally measures the amount of loss that a Settlement Class member can claim for purposes of making pro rata allocations of the Net Settlement Fund to Settlement Class members who submit valid Proof of Claim and Release forms (the “Authorized Claimants”). The Plan of Allocation is not a formal damage analysis. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

If the sum total of recognized claims of all Authorized Claimants who are entitled to receive payment out of the Net Settlement Fund is greater than the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its *pro rata* share of the Net Settlement Fund. The pro rata share shall be the Authorized Claimant’s recognized claim divided by the total recognized claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund.

If the Net Settlement Fund exceeds the sum total amount of the recognized claims of all Authorized Claimants entitled to receive payment out of the Net Settlement Fund, the excess amount in the Net Settlement Fund shall be distributed *pro rata* to all Authorized Claimants entitled to receive payment.

For each share of Regulus common stock *purchased or otherwise acquired during the Class Period*, the amount of the claim will be:

CLAIM AMOUNT		SOLD				
		2/17/2016 – 6/27/2016	6/28/2016 – 7/27/2016	7/28/2016 – 1/29/2017	1/30/2017 – 6/11/2017	Sold on or retained beyond 6/12/2017
PURCHASED	2/17/2016 – 6/27/2016	\$0/share	\$29.64	\$36.06	\$47.46	\$50.16
	6/28/2016 – 7/27/2016	N/A	\$0/share	\$6.42	\$17.82	\$20.52
	7/28/2016 – 1/29/2017	N/A	N/A	\$0/share	\$11.40	\$14.10
	1/30/2017 – 6/11/2017	N/A	N/A	N/A	\$0/share	\$2.70

The amounts listed in the above table represent the per-share declines in the price of Regulus common stock that occurred on June 28, 2016, July 28, 2016, January 30, 2017, and June 12, 2017. The Plan of Allocation compensates Authorized Claimants for these declines only because these declines were statistically significant relative to the overall market on those particular days. Authorized Claimants will have a recognized loss only if they purchased shares prior to these dates and held these shares when the per-share declines occurred.

10. How much will my payment be?

If you are entitled to a payment, your share of the Net Settlement Fund will depend on the number of Authorized Claimants. Payments will be calculated on a pro rata basis, meaning that the Settlement Fund (less all administrative costs, including the costs of notice, attorneys' fees and expenses) will be divided among the Authorized Claimants and distributed accordingly after the deadline for submission of Proof of Claim forms has passed.

Claims which result in payment of less than \$10 will be deemed to be *de minimis* and will not be issued. No claims will be calculated for any purchase of Regulus' securities to cover a short sale.

To the extent that any amount of the Settlement Fund remains after the Claims Administrator has caused distributions to be made to all Authorized Claimants, whether by reason of uncashed distributions or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants cash their distributions, any balance remaining in the Settlement Fund six months after the initial distribution of such funds shall be redistributed to Authorized Claimants who have cashed their initial distributions, after payment of any unpaid costs or fees incurred in administering the Settlement Fund for such redistribution if Lead Counsel, in consultation with the Claims Administrator, determines that additional redistributions, after deduction of any additional fees and expenses that would be incurred with respect to such redistribution, would be cost-effective. At such time as it is determined that the redistribution of funds remaining in the Settlement Fund is not cost-effective, the remaining balance in the Settlement Fund shall be contributed to non-sectarian, not-for-profit 501(c)(3) organization(s), to be recommended by Lead Counsel and approved by the Court.

HOW CAN YOU RECEIVE A PAYMENT?

11. How can I get a payment?

To qualify for a payment, you must send in a Proof of Claim and Release form. A Proof of Claim and Release form accompanies this Notice. You may also download a Proof of Claim and Release form from the Claims Administrator's website, www.RegulusSecuritiesLitigation.com. Read the instructions carefully, fill out the Proof of Claim and Release form, include all the documents the form asks for, sign it, and mail it postmarked no later than SEPTEMBER 14, 2020. Any Settlement Class member who fails to submit a Proof of Claim and Release by such date shall be forever barred from receiving any distribution from the Settlement Fund (unless by order of the Court the deadline to submit a Proof of Claim and Release is extended or such Settlement Class member's Proof of Claim and Release is accepted), but otherwise shall be bound by all of the terms of the Stipulation and the Settlement, including the releases in the Stipulation, and will be permanently barred and enjoined from bringing any action against any and all Defendants and Released Parties concerning any and all of Plaintiffs' Released Claims.

12. When would I get my payment?

The Court will hold a hearing on OCTOBER 21, 2020, to decide whether to approve the Settlement. If the Settlement is approved, the Claims Administrator will complete the administration process and determine how much each Authorized Claimant is entitled to receive. Lead Counsel will then seek permission from the Court to distribute the Settlement Amount on a *pro rata* basis to Authorized Claimants. This may take several months.

13. What am I giving up to get a payment?

Unless you exclude yourself, you will remain a Settlement Class member and will be giving up certain rights that you currently have if the Court approves the Settlement. If the Court approves the Settlement, you and all Settlement Class members will release (agreeing never to sue or be part of any other proceeding) all claims against the "Released Defendant Parties" in connection with your acquisition of Regulus stock during the Class Period and which arise out of facts or events that were raised (or could have been raised) in this litigation, except that you will not release claims or actions to enforce the Settlement.

Released Defendant Parties means (1) Defendants, (2) Defendants' Counsel, (3) with regard to Regulus, all past or present agents, officers, directors, attorneys, accountants, auditors, investment bankers, commercial bankers, underwriters, or other advisors, insurers, co-insurers, reinsurers, partners, limited partners, joint venturers, related or affiliated entities, advisors, employees, affiliates, predecessors, successors, parents, subsidiaries, and assigns for Regulus, and (4) with regard to Paul C. Grint, Joseph P. Hagan, and Michael Huang, each such individual's spouse, marital communities, immediate family members, heirs, executors, personal representatives, estates, administrators, trusts, predecessors, successors, and assigns or other individual or entity in which Paul C. Grint, Joseph P. Hagan, or Michael Huang has a controlling interest, and each and all of their respective past or present officers, directors, employees, agents, affiliates, parents, subsidiaries, divisions, attorneys, accountants, auditors, advisors, insurers, co-insurers, re-insurers, and each of Paul C. Grint's, Joseph P. Hagan's, and Michael Huang's present and former attorneys, legal representatives, insureds, and assigns in connection with the Litigation.

Unknown Claims. Your release will extend to claims of which you are not currently aware. Each Settlement Class shall be deemed to have, to the fullest extent permitted by law expressly waived and relinquished any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, must have materially affected his or her settlement with the debtor or released party.

If you remain a Settlement Class member, all of the Court's Orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue Defendants on your own about the released claims, then you must take steps to exclude yourself—or as it is sometimes referred to, you must “opt out” of the Settlement Class.

14. How do I exclude myself from the proposed Settlement?

To exclude yourself from the Settlement Class, you must send a letter by mail stating that you “request exclusion from the Settlement Class in *In Re Regulus Therapeutics Inc. Securities Litigation*, No. 17-CV-00182 (S.D. Cal.)” Your letter must state the date(s), price(s) and number(s) of shares of all your purchases, acquisitions and sales of Regulus common stock during the Settlement Class Period. In addition, be sure to include your name, address, daytime telephone number and your signature. You must mail your exclusion request **postmarked no later than SEPTEMBER 16, 2020** to the Claims Administrator at:

Regulus Securities Litigation
Claims Administrator, Analytics Consulting LLC
P.O. Box 2002
Chanhassen, MN 55317-2002

You cannot exclude yourself by telephone, by fax or by e-mail. If you ask to be excluded, you will not get any settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue Regulus and the other released parties about the released claims in the future.

15. If I do not exclude myself, can I sue Regulus, Defendants or the other released parties later for the released claims?

No. Unless you exclude yourself, you give up any rights to sue Defendants and the other Released Defendant Parties, or to enforce any existing judgments against any of the Released Defendant Parties, for any and all released claims. If you have a pending lawsuit against Defendants or the other Released Defendant Parties, speak to your lawyer in that case immediately, to determine if you have to exclude yourself from *this* Settlement Class to continue your own lawsuit. Remember, the exclusion deadline is **SEPTEMBER 16, 2020**.

16. If I exclude myself, can I get money from the Settlement?

No. If you exclude yourself, do not send in a Proof of Claim form to ask for any money. But, you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against Defendants and the other Released Defendant Parties.

THE LAWYERS REPRESENTING YOU

17. Do I have a lawyer in this case?

The Court appointed the law firm of Levi & Korsinsky, LLP as Lead Counsel to represent all Settlement Class members. These lawyers are called Lead Counsel. You will **not** be separately charged for these lawyers. You may enter an appearance in this action either individually, or through an attorney if you so desire. If you want to be represented by your own lawyer, you may hire one at your own expense.

18. How will the lawyers be paid?

Lead Counsel are moving the Court to award attorneys' fees from the Settlement Fund in an amount not to exceed

twenty-five percent (25%) of the Settlement Fund and for reimbursement of their expenses of approximately \$15,000, plus interest on such fees and expenses at the same rate as earned by the Settlement Fund. Lead Counsel, without further notice to the Settlement Class, may subsequently apply to the Court for fees and expenses incurred in connection with administering and distributing the Settlement proceeds to the Settlement Class members and any proceedings subsequent to the Final Approval Hearing.

The attorneys' fees and expenses requested will be the only payment to Lead Counsel for its efforts in achieving the Settlement and for their risk in undertaking this representation on a wholly contingent basis. To date, Lead Counsel has not been paid for its services for conducting this Litigation on behalf of Plaintiffs and the Class nor for its substantial out-of-pocket expenses. The fee requested will compensate Lead Counsel for its work in achieving the Settlement Fund. The Court may, however, award less than this amount. In that case, the difference will remain with the Settlement Fund. Plaintiffs will also apply for their "reasonable costs and expenses (including lost wages) directly relating to the representation of the class," not to exceed a combined \$3,500 pursuant to 15 U.S.C. § 78u-4(a) (4). This amount (totaling on average approximately \$0.00007 per allegedly damaged share) is reimbursement for lost wages due to the representation of the class.

OBJECTING TO THE SETTLEMENT

19. How do I tell the Court that I do not like the proposed Settlement?

If you are a Settlement Class member, you can object to the Settlement or any of its terms, the proposed Plan of Allocation, or the application by Lead Counsel for an award of fees and reimbursement of expenses. You may write to the Court setting out your objections. You may give reasons why you think the Court should not approve any or all of the Settlement terms or arrangements and submit any documentation you believe is appropriate. The Court will only consider your views if you file a proper objection within the deadline identified and according to the following procedures.

To object, you must send a signed letter or other court submission stating that you object to the Settlement in *In Re Regulus Therapeutics Inc. Securities Litigation*, No. 17-CV-00182 (S.D. Cal.). You must include your name, address, telephone number, and your signature, identify the date(s), price(s) and number(s) of shares of all purchases and sales of the Regulus' shares you made during the Class Period, and state the reasons why you object to the Settlement. Your objection must be filed with the Court and served on all the following counsel so that **it is actually received, not merely postmarked, on or before SEPTEMBER 30, 2020:**

COURT:

Clerk of the Court
United States District Court Southern District of California
333 West Broadway, Suite 420
San Diego, CA 92101

PLAINTIFFS' LEAD COUNSEL:

Nicholas Porritt, Esq.
LEVI & KORSINSKY, LLP
1101 30th Street NW, Suite 115
Washington, D.C. 20007

COUNSEL FOR THE DEFENDANTS:

Koji F. Fukumura, Esq.
COOLEY LLP
4401 Eastgate Mall
San Diego, CA 92121

THE COURT'S SETTLEMENT HEARING

20. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the proposed Settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you cannot object because the case no longer affects you.

21. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold a Final Approval Hearing at 10:30 a.m. PT on OCTOBER 21, 2020, at the United States District Court for the Southern District of California, James M. Carter and Judith N. Keep United States Courthouse, 333 West Broadway, Courtroom 15B- 15th Floor, San Diego, CA 92101. At this hearing, the Court will consider whether the Settlement is fair, reasonable and adequate. At the Final Approval Hearing, the Court also will consider the proposed Plan of Allocation for the proceeds of the Settlement and the application of Lead Counsel for attorneys' fees, and reimbursement of expenses. The Court will take into consideration any written objections. The Court may change the date and time of the Final Approval Hearing. Please check with Lead Counsel before coming to be sure that the date and/or time has not changed.

22. Do I have to come to the hearing?

No. Lead Counsel will answer questions the Court may have, but you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you filed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but attendance is not mandatory. The Settlement Class members do not need to appear at the hearing or take any other action to indicate their approval.

23. May I speak at the hearing?

If you object to the Settlement, you may ask the Court for permission to speak at the Final Approval Hearing. To do so, you must include with your objection (see Question 19 above) a statement stating that it is your "Notice of Intention to Appear in *In Re Regulus Therapeutics Inc. Securities Litigation*, No. 17-CV-00182 (S.D. Cal.)." Settlement Class members who intend to object to the Settlement, the Plan of Allocation, or Lead Counsel's application for an award of attorneys' fees and reimbursement of expenses, and desire to present evidence at the Final Approval Hearing must include in their written objections the identity of any witnesses they propose to call to testify and any exhibits they intend to offer into evidence at the Final Approval Hearing. You cannot speak at the hearing if you excluded yourself from the Settlement Class or if you have not provided written notice of your intention to speak at the Final Approval Hearing by the deadline identified.

IF YOU DO NOTHING

24. What happens if I do nothing at all?

If you do nothing, you will get no money from this Settlement and, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit or be part of any other lawsuit against Defendants or the Released Defendant Parties about the claims being released in the Settlement. All Settlement Class members who do not submit valid and timely Proof of Claim forms shall be forever barred from receiving any payments from the Settlement, but will in all other respects be subject to and bound by the provisions of the Stipulation and any Order and Final Judgment entered.

GETTING MORE INFORMATION

25. Are there more details about the proposed Settlement?

This notice summarizes the proposed Settlement. More details are in a Stipulation of Settlement dated as of February 6, 2020 (the “Stipulation”). You may obtain a copy of the Stipulation by contacting Nicholas Porritt, Esq., Levi & Korsinsky, LLP, 1101 30th Street, N.W., Suite 115, Washington, D.C. 20007, (202) 524-4290. You also can contact the Claims Administrator by mail at Analytics Consulting, LLC, PO Box 2002, Chanhassen, MN 55317-2002; by toll free phone at 1-844-913-1257; or by visiting the website www.RegulusSecuritiesLitigation.com to obtain information and forms. The pleadings and other court filings are available for inspection at the Office of the Clerk of the United States District Court for the Southern District of California, 333 West Broadway, Suite 420, San Diego, CA 92101, during regular business hours.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.

SPECIAL NOTICE TO NOMINEES

If you hold Regulus common stock pursuant to a transaction that took place within the United States within the Class Period, as nominee for a beneficial owner, then you must either: (1) send a copy of this Notice by first-class mail to all such persons or entities within thirty (30) days of receipt of this Notice: or (2) provide a list of the names and addresses of such persons or entities to the Claims Administrator at Regulus Securities Litigation, Claims Administrator, Analytics Consulting LLC, P.O. Box 2002, Chanhassen, MN 55317-2002 within ten (10) days of receipt of this Notice.

If you choose to mail this Notice and the Proof of Claim and Release yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding this Notice, and which would not have been incurred but for the obligation to forward this Notice, upon submission of appropriate documentation to the Claims Administrator.

Dated: June 10, 2020

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA