

BARNWELL INDUSTRIES INC
Form 10-Q
February 14, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended December 31, 2013

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 1-5103

BARNWELL INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

72-0496921
(I.R.S. Employer
Identification No.)

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1100 Alakea Street, Suite 2900, Honolulu, Hawaii

(Address of principal executive offices)

96813

(Zip code)

(808) 531-8400

(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 the 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 the registrant is a shell company (as defined in Rule 12b-2 of the Exchange

Act).

Yes No

As of February 12, 2014 there were 8,277,160 shares of common stock, par value \$0.50, outstanding.

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BARNWELL INDUSTRIES, INC.

AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

BARNWELL INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

	December 31, 2013	September 30, 2013
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 5,269,000	\$ 7,828,000
Restricted cash	225,000	-
Accounts receivable, net of allowance for doubtful accounts of: \$35,000 at December 31, 2013; \$43,000 at September 30, 2013	3,497,000	3,287,000
Prepaid expenses	333,000	230,000
Real estate held for sale	5,448,000	5,448,000
Other current assets	2,324,000	2,234,000
Total current assets	17,096,000	19,027,000
Restricted cash, net of current portion	1,775,000	-
Investments	7,374,000	2,381,000
Property and equipment	246,641,000	252,872,000
Accumulated depletion, depreciation, and amortization	(206,957,000)	(211,566,000)
Property and equipment, net	39,684,000	41,306,000
Total assets	\$ 65,929,000	\$ 62,714,000
<u>LIABILITIES AND EQUITY</u>		
Current liabilities:		
Accounts payable	\$ 3,429,000	\$ 4,415,000
Accrued capital expenditures	1,866,000	1,846,000
Accrued incentive and other compensation	1,365,000	1,652,000
Accrued operating and other expenses	3,199,000	2,670,000
Payable to affiliate	1,000,000	-
Current portion of long-term debt	7,106,000	5,240,000
Other current liabilities	1,206,000	624,000
Total current liabilities	19,171,000	16,447,000
Long-term debt	13,586,000	11,400,000
Liability for retirement benefits	3,218,000	3,137,000

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Asset retirement obligation	7,444,000	7,520,000
Deferred income taxes	1,896,000	1,890,000
Total liabilities	45,315,000	40,394,000
Commitments and contingencies (Note 12)		
Equity:		
Common stock, par value \$0.50 per share; authorized, 20,000,000 shares: 8,445,060 issued at December 31, 2013 and September 30, 2013	4,223,000	4,223,000
Additional paid-in capital	1,291,000	1,289,000
Retained earnings	14,543,000	15,532,000
Accumulated other comprehensive income, net	2,219,000	2,991,000
Treasury stock, at cost: 167,900 shares at December 31, 2013 and September 30, 2013	(2,286,000)	(2,286,000)
Total stockholders' equity	19,990,000	21,749,000
Non-controlling interests	624,000	571,000
Total equity	20,614,000	22,320,000
Total liabilities and equity	\$ 65,929,000	\$ 62,714,000

See Notes to Condensed Consolidated Financial Statements

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BARNWELL INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three months ended December 31,		
	2013		2012
Revenues:			
Oil and natural gas	\$ 5,327,000	\$	5,640,000
Contract drilling	1,609,000		717,000
Sale of interest in leasehold land, net	120,000		-
Gas processing and other	145,000		194,000
	7,201,000		6,551,000
Costs and expenses:			
Oil and natural gas operating	2,621,000		1,993,000
Contract drilling operating	1,312,000		608,000
General and administrative	1,856,000		2,142,000
Depletion, depreciation, and amortization	2,164,000		2,679,000
Reduction of carrying value of assets	-		2,327,000
Interest expense	163,000		152,000
	8,116,000		9,901,000
Loss before equity in loss of affiliates and income taxes	(915,000)		(3,350,000)
Equity in loss of affiliates	(147,000)		-
Loss before income taxes	(1,062,000)		(3,350,000)
Income tax benefit	(62,000)		(564,000)
Net loss	(1,000,000)		(2,786,000)
Less: Net loss attributable to non-controlling interests	(11,000)		(40,000)
Net loss attributable to Barnwell Industries, Inc.	\$ (989,000)	\$	(2,746,000)
Basic net loss per common share attributable to Barnwell Industries, Inc. stockholders	\$ (0.12)	\$	(0.33)
Diluted net loss per common share attributable to Barnwell Industries, Inc. stockholders	\$ (0.12)	\$	(0.33)
Weighted-average number of common shares outstanding:			
Basic	8,277,160		8,277,160
Diluted	8,277,160		8,277,160

See Notes to Condensed Consolidated Financial Statements

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BARNWELL INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited)

	Three months ended December 31,	
	2013	2012
Net loss	\$ (1,000,000)	\$ (2,786,000)
Other comprehensive loss:		
Foreign currency translation adjustments, net of taxes of \$0	(780,000)	(370,000)
Retirement plans - amortization of accumulated other comprehensive loss into net periodic benefit cost, net of taxes of \$0	8,000	65,000
Total other comprehensive loss	(772,000)	(305,000)
Total comprehensive loss	(1,772,000)	(3,091,000)
Less: Comprehensive loss attributable to non-controlling interests	(11,000)	(40,000)
Comprehensive loss attributable to Barnwell Industries, Inc.	\$ (1,761,000)	\$ (3,051,000)

See Notes to Condensed Consolidated Financial Statements

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BARNWELL INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Three months ended December 31,	
	2013	2012
Cash flows from operating activities:		
Net loss	\$ (1,000,000)	\$ (2,786,000)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Equity in loss of affiliates	147,000	-
Depletion, depreciation, and amortization	2,164,000	2,679,000
Reduction of carrying value of assets	-	2,327,000
Retirement benefits expense	91,000	154,000
Accretion of asset retirement obligation	126,000	96,000
Deferred income tax benefit	67,000	(1,122,000)
Asset retirement obligation payments	(10,000)	(17,000)
Share-based compensation benefit	(175,000)	(32,000)
Retirement plan contributions	(1,000)	(251,000)
Sale of interest in leasehold land, net	(120,000)	-
Real estate held for sale	-	(122,000)
(Decrease) increase from changes in current assets and liabilities	(290,000)	817,000
Net cash provided by operating activities	999,000	1,743,000
Cash flows from investing activities:		
Payment to acquire interest in affiliates	(4,140,000)	-
Proceeds from sale of interest in leasehold land, net of fees paid	120,000	-
Proceeds from gas over bitumen royalty adjustments	5,000	8,000
Capital expenditures - oil and natural gas	(1,617,000)	(973,000)
Capital expenditures - all other	-	(2,000)
Net cash used in investing activities	(5,632,000)	(967,000)
Cash flows from financing activities:		
Proceeds from long-term debt borrowings	4,186,000	502,000
Repayments of long-term debt	(134,000)	(129,000)
Increase in restricted cash	(2,000,000)	-
Contributions from non-controlling interests	64,000	55,000
Net cash provided by financing activities	2,116,000	428,000
Effect of exchange rate changes on cash and cash equivalents	(42,000)	(22,000)
Net (decrease) increase in cash and cash equivalents	(2,559,000)	1,182,000
Cash and cash equivalents at beginning of period	7,828,000	8,845,000
Cash and cash equivalents at end of period	\$ 5,269,000	\$ 10,027,000

Table of Contents**BARNWELL INDUSTRIES, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF EQUITY****Three months ended December 31, 2013 and 2012**

(Unaudited)

	Shares Outstanding	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Non-controlling Interests	Total Equity
Balance at September 30, 2012	8,277,160	\$ 4,223,000	\$ 1,289,000	\$ 24,095,000	\$ 2,322,000	\$ (2,286,000)	\$ 482,000	\$ 30,125,000
Contributions from non-controlling interests							55,000	55,000
Net loss				(2,746,000)			(40,000)	(2,786,000)
Foreign currency translation adjustments, net of taxes of \$0					(370,000)			(370,000)
Retirement plans - amortization of accumulated other comprehensive loss into net periodic benefit cost, net of taxes of \$0					65,000			65,000
Balance at December 31, 2012	8,277,160	\$ 4,223,000	\$ 1,289,000	\$ 21,349,000	\$ 2,017,000	\$ (2,286,000)	\$ 497,000	\$ 27,089,000
Balance at September 30, 2013	8,277,160	\$ 4,223,000	\$ 1,289,000	\$ 15,532,000	\$ 2,991,000	\$ (2,286,000)	\$ 571,000	\$ 22,320,000
Contributions from non-controlling interests							64,000	64,000
Net loss				(989,000)			(11,000)	(1,000,000)
Share-based compensation			2,000					2,000
Foreign currency translation adjustments, net of taxes of \$0					(780,000)			(780,000)
Retirement plans - amortization of accumulated other comprehensive loss into net periodic benefit cost, net of taxes of \$0					8,000			8,000
Balance at December 31, 2013	8,277,160	\$ 4,223,000	\$ 1,291,000	\$ 14,543,000	\$ 2,219,000	\$ (2,286,000)	\$ 624,000	\$ 20,614,000

See Notes to Condensed Consolidated Financial Statements

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BARNWELL INDUSTRIES, INC.

AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The condensed consolidated financial statements include the accounts of Barnwell Industries, Inc. and all majority-owned subsidiaries (collectively referred to herein as Barnwell, we, our, us, or the Company), including 77.6%-owned land investment general partnership (Kaupulehu Developments), a 75%-owned land investment partnership (KD Kona 2013 LLLP) and two 80%-owned joint ventures (Kaupulehu 2007, LLLP and Kaupulehu Investors, LLC). All significant intercompany accounts and transactions have been eliminated.

Barnwell's investments in both unconsolidated entities in which a significant, but less than controlling, interest is held and in variable interest entities (VIE) in which the Company is not deemed to be the primary beneficiary are accounted for by the equity method.

Unless otherwise indicated, all references to dollars in this Form 10-Q are to U.S. dollars.

Unaudited Interim Financial Information

The accompanying unaudited condensed consolidated financial statements and notes have been prepared by Barnwell in accordance with the rules and regulations of the United States (U.S.) Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP) have been condensed or omitted pursuant to those rules and regulations, although the Company believes that the disclosures made are adequate to make the information not misleading. These condensed consolidated financial statements and notes should be read in conjunction with the consolidated financial statements and notes thereto included in Barnwell's September 30, 2013

Annual Report on Form 10-K. The Condensed Consolidated Balance Sheet as of September 30, 2013 has been derived from audited consolidated financial statements.

In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position at December 31, 2013, results of operations, comprehensive loss, cash flows and equity for the three months ended December 31, 2013 and 2012, have been made. The results of operations for the period ended December 31, 2013 are not necessarily indicative of the operating results for the full year.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management of Barnwell to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Actual results could differ significantly from those estimates.

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Significant Accounting Policies

Other than as set forth below, there have been no changes to Barnwell's significant accounting policies as described in the Notes to Consolidated Financial Statements included in Item 8 of the Company's most recently filed Annual Report on Form 10-K.

Restricted Cash

Restricted cash consists of deposits for interest reserve and collateral for our land investment loan.

Equity Method Investments

Affiliated companies, which are limited partnerships or similar entities, in which Barnwell holds more than a 3 to 5% ownership interest, are accounted for as equity method investments. Equity method investment adjustments include Barnwell's proportionate share of investee income or loss, adjustments to recognize certain differences between Barnwell's carrying value and Barnwell's equity in net assets of the investee at the date of investment, impairments, and other adjustments required by the equity method. Gain or losses are realized when such investments are sold.

Investments in equity method investees are evaluated for impairment as events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If the carrying amounts of the assets exceed their respective fair values, additional impairment tests are performed to measure the amounts of the impairment losses, if any. When an impairment test demonstrates that the fair value of an investment is less than its carrying value, management will determine whether the impairment is either temporary or other-than-temporary. Examples of factors which may be indicative of an other-than-temporary impairment include (i) the length of time and extent to which fair value has been less than carrying value, (ii) the financial condition and near-term prospects of the investee, and (iii) the intent and ability to retain the investment in the investee for a period of time sufficient to allow for any anticipated recovery in fair value. If the decline in fair value is determined by management to be other-than-temporary, the carrying value of the investment is written down to its estimated fair value as of the balance sheet date of the reporting period in which the assessment is made.

Variable Interest Entities

The consolidation of VIEs is required when an enterprise has a controlling financial interest and is therefore the VIE's primary beneficiary. A controlling financial interest will have both of the following characteristics: (a) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and (b) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. The determination of whether an entity is a VIE and, if so, whether the Company is primary beneficiary, may require significant judgment.

Barnwell analyzes its unconsolidated affiliates in which it has an investment to determine whether the unconsolidated entities are VIEs and, if so, whether the Company is the primary beneficiary. This analysis includes a qualitative review based on an evaluation of the design of the entity, its organizational structure, including decision making ability and financial agreements, as well as a quantitative review. At December 31, 2013, our unconsolidated affiliates that have been determined to be VIEs are accounted under the equity method because we do not have a controlling financial interest and are therefore not the VIE's primary beneficiary (see Note 5).

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In February 2013, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2013-02, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income. This update requires an entity to provide information about the amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income but only if the amount reclassified is required under U.S. GAAP to be reclassified to net income in its entirety in the same reporting period. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under U.S. GAAP that provide additional detail about those amounts. The Company adopted the provisions of this ASU effective October 1, 2013. The adoption of this ASU impacted the presentation of Barnwell's accumulated other comprehensive income footnote disclosures.

2. LOSS PER COMMON SHARE

Basic earnings (loss) per share excludes dilution and is computed by dividing net earnings (loss) attributable to Barnwell stockholders by the weighted-average number of common shares outstanding for the period. Diluted earnings (loss) per share includes the potentially dilutive effect of outstanding common stock options, to the extent their inclusion would be dilutive. Potentially dilutive shares are excluded from the computation of diluted earnings (loss) per share if their effect is anti-dilutive.

Potentially dilutive shares consist of the common shares issuable upon the exercise of outstanding stock options (both vested and non-vested) using the treasury stock method. Options to purchase 837,250 and 807,250 shares of common stock were excluded from the computation of diluted shares for the three months ended December 31, 2013 and 2012, respectively, as their inclusion would have been antidilutive due to the net loss attributable to Barnwell stockholders.

Reconciliations between net loss attributable to Barnwell stockholders and common shares outstanding of the basic and diluted net loss per share computations are detailed in the following tables:

	Three months ended December 31, 2013		
	Net Loss (Numerator)	Shares (Denominator)	Per-Share Amount
Basic net loss per share	\$ (989,000)	8,277,160	\$ (0.12)

Effect of dilutive securities - common
stock options

-

-

Diluted net loss per share

\$ (989,000)

8,277,160

\$ (0.12)

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	Three months ended December 31, 2012		
	Net Loss (Numerator)	Shares (Denominator)	Per-Share Amount
Basic net loss per share	\$ (2,746,000)	8,277,160	\$ (0.33)
Effect of dilutive securities - common stock options	-	-	
Diluted net loss per share	\$ (2,746,000)	8,277,160	\$ (0.33)

3. SHARE-BASED PAYMENTS

The Company's share-based compensation benefit and related income tax effects are as follows:

	Three months ended December 31,	
	2013	2012
Share-based compensation benefit	\$ (175,000)	\$ (32,000)
Income tax effect	\$ -	\$ -

Share-based compensation benefit recognized in loss for the three months ended December 31, 2013 and 2012 are reflected in General and administrative expenses in the Condensed Consolidated Statements of Operations. There was no impact on income taxes for the three months ended December 31, 2013 and 2012 due to a full valuation allowance on the related deferred tax asset.

As of December 31, 2013, there was \$119,000 of total unrecognized compensation cost related to nonvested share options. That cost is expected to be recognized over 3.9 years. The weighted-average grant date fair value of employee options granted during the three months ended December 31, 2013 was \$2.04 (no options were granted during the three months ended December 31, 2012).

Equity-classified Awards

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In December 2013, Barnwell granted non-qualified options with an exercise price equal to the closing market price of Barnwell's stock on the date of grant, that vest annually over four years of continuous service, and that expire ten years from the date of grant.

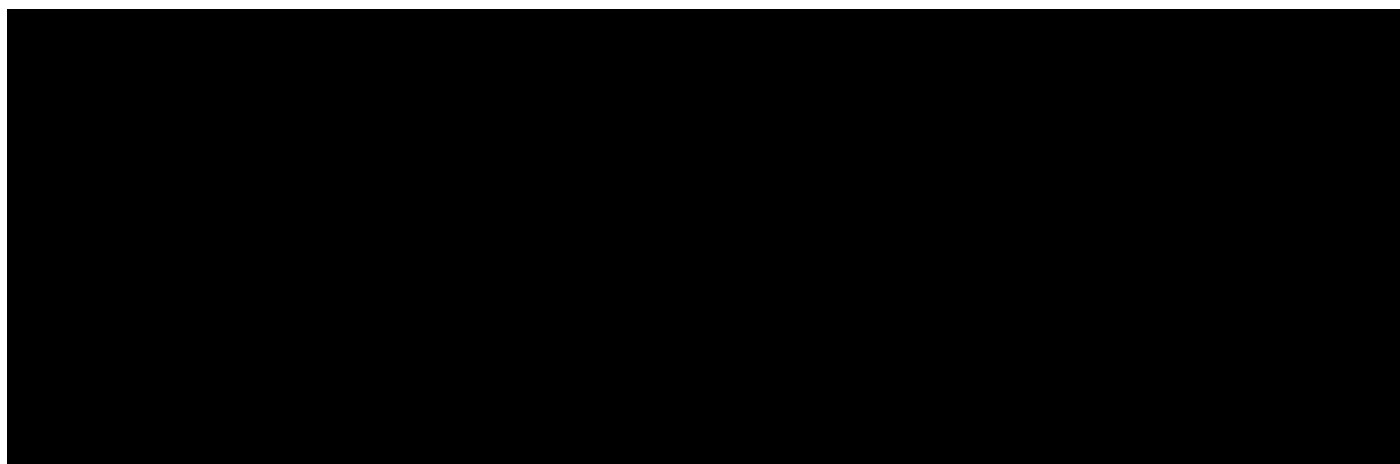
The following assumptions were used in estimating fair value for equity-classified share options granted in the three months ended December 31, 2013:

Expected volatility	55.6%
Expected dividends	0.0%
Expected term (in years)	10
Risk-free interest rate	3.0%
Expected forfeitures	None

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The application of alternative assumptions could produce significantly different estimates of the fair value of share-based compensation, and consequently, the related costs reported in the Condensed Consolidated Statements of Operations.

A summary of the activity in Barnwell's equity-classified share options from October 1, 2013 through December 31, 2013 is presented below:



Total share-based compensation expense for equity-classified awards vested in the three months ended December 31, 2013 and 2012 was \$2,000 and \$0, respectively.

Liability-classified Awards

In December 2013, Barnwell granted non-qualified options with an exercise price equal to the closing market price of Barnwell's stock on the date of grant, that vest annually over four years of continuous service, and that expire ten years from the date of grant. The non-qualified options have stock appreciation rights features that permit the holder to receive stock, cash or a combination thereof equal to the amount by which the fair market value, at the time of exercise of the option, exceeds the option price.

The following assumptions were used in estimating fair value for all liability-classified share options outstanding:

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Three months ended December 31,
2013 2012

Expected volatility range	49.4% to 62.6%	32.6% to 66.1%
Weighted-average volatility	56.5%	59.0%
Expected dividends	0.0%	0.0%
Expected term (in years)	0.9 to 10.0	0.2 to 7.0
Risk-free interest rate	0.1% to 3.0%	0.1% to 1.2%
Expected forfeitures	None	None

The application of alternative assumptions could produce significantly different estimates of the fair value of share-based compensation, and consequently, the related costs reported in the Condensed Consolidated Statements of Operations.

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A summary of the activity in Barnwell's liability-classified share options from October 1, 2013 through December 31, 2013 is presented below:

Options	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding at October 1, 2013	717,250	\$ 8.37		
Granted	30,000	3.01		
Exercised	-			
Expired/Forfeited	-			
Outstanding at December 31, 2013	747,250	\$ 8.15	4.4	\$ -
Exercisable at December 31, 2013	639,750	\$ 8.86	3.9	\$ -

The following table summarizes the components of the total share-based compensation for liability-classified awards:

	Three months ended December 31,	
	2013	2012
Due to vesting	\$ 7,000	\$ 18,000
Due to remeasurement	(184,000)	(50,000)
Total share-based compensation benefit for liability-based awards	\$ (177,000)	\$ (32,000)

4. REAL ESTATE HELD FOR SALE

Kaupulehu 2007, LLLP (Kaupulehu 2007) currently owns one luxury residence that is available for sale in the Lot 4A Increment I area located in the North Kona District of the island of Hawaii, north of Hualalai Resort at Historic Ka`upulehu, between the Queen Kaahumanu Highway and the Pacific Ocean.

Table of Contents**5. INVESTMENTS**

A summary of Barnwell's investments is as follows:

	December 31, 2013	September 30, 2013
Investment in two residential parcels	\$ 2,331,000	\$ 2,331,000
Investment in land development partnerships	4,993,000	-
Investment in leasehold land interest - Lot 4C	50,000	50,000
Total investments	\$ 7,374,000	\$ 2,381,000

Investment in two residential parcels

Kaupulehu 2007 owns two residential parcels in the Lot 4A Increment I area located in the North Kona District of the island of Hawaii, north of Hualalai Resort at Historic Kaupulehu, between the Queen Kaahumanu Highway and the Pacific Ocean.

Investment in land development partnerships

On November 27, 2013, Barnwell, through a wholly-owned subsidiary, entered into two limited liability limited partnerships, KD Kona 2013 LLLP and KKM Makai, LLLP, and indirectly acquired a 19.6% ownership interest in each WB Kukio Resorts, LLC, WB Maniniowali, LLC, and WB Kaupulehu, LLC for \$5,140,000. These entities own certain real estate and development rights interests in the Kukio, Maniniowali, and Kaupulehu portions of Kukio Resort, a private residential community on the Kona coast of the island of Hawaii. WB Kaupulehu, LLC, which is comprised of WB KD Acquisition, LLC (WB) and WB KD Acquisition II, LLC (WBKD), is the developer of Kaupulehu Lot 4A Increments I and II, the area in which Barnwell has interests in percentage of sales payments. Barnwell's investment in these entities is accounted for using the equity method of accounting.

The limited liability limited partnership agreements provide for a priority return of Barnwell's investment prior to profit distributions. Net profits, losses and cash flows of the partnerships are allocated to Barnwell and the other partners at varying percentages based on whether the initial and any additional capital contributions have been repaid to the investors. For the period from the acquisition date, November 27, 2013, to December 31, 2013, Barnwell was allocated partnership losses of \$147,000.

Barnwell, through affiliated entities, borrowed approximately \$4,140,000 on the acquisition date under a new bank loan to partially fund the acquisition. In January 2014, Barnwell paid an additional \$1,000,000, of which approximately \$814,000 was borrowed under the new bank loan, to fund the remainder of the acquisition price. This amount is accrued under the caption Payable to affiliate in the Condensed Consolidated Balance Sheets at December 31, 2013.

The initial accounting for the acquisition by the general partner of the investees is incomplete as the general partner is currently in the process of performing an acquisition date audit. As such, we are unable to determine the amount, if any, of the basis difference between the underlying equity in net assets of the investee land development partnerships and the carrying value of Barnwell's investment as a limited partner.

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Barnwell, as well as WB and certain other owners of the partnership, have jointly and severally executed a surety indemnification agreement. Bonds issued by the surety at December 31, 2013 totaled approximately \$4,700,000 and relate to certain construction contracts of WB. If any such performance bonds are called, we may be obligated to reimburse the issuer of the performance bond as Barnwell, WB and certain other owners are jointly and severally liable, however we believe that it is remote that a material amount of any currently outstanding performance bonds will be called. Performance bonds do not have stated expiration dates. Rather, the performance bonds are released as the underlying performance is completed.

As of December 31, 2013, Barnwell's maximum loss exposure as a result of its investment in the land development partnerships was \$9,693,000, consisting of the carrying value of the investment of \$4,993,000 and \$4,700,000 from the surety indemnification agreement of which we are jointly and severally liable.

Summarized financial information for the land development partnerships is as follows for the period of November 27, 2013 to December 31, 2013:

Revenue	\$ 269,000
Gross profit	\$ 211,000
Loss from operations	\$ (386,000)
Net loss	\$ (381,000)

Percentage of sales payments

Kaupulehu Developments has the right to receive payments resulting from the sale of lots and/or residential units within approximately 870 acres of the Kaupulehu Lot 4A area in two increments (Increment I and Increment II).

The following table summarizes the Increment I percentage of sales payment revenues received during the three months ended December 31, 2013 (no amounts were received during the three months ended December 31, 2012). This sale occurred prior to our purchase of an ownership interest in the land development partnerships:

Sale of interest in leasehold land:	
Proceeds	\$ 140,000
Fees	(20,000)
Revenues sale of interest in leasehold land, net	\$ 120,000

Investment in leasehold land interest - Lot 4C

Kaupulehu Developments holds an interest in an area of approximately 1,000 acres of vacant leasehold land zoned conservation located adjacent to Lot 4A. The lease terminates in December 2025.

Table of Contents**6. LONG-TERM DEBT**

A summary of Barnwell's long-term debt is as follows:

	December 31, 2013	September 30, 2013
Canadian revolving credit facility	\$ 12,000,000	\$ 12,000,000
Real estate loan	4,506,000	4,640,000
Land investment loan	4,186,000	-
	20,692,000	16,640,000
Less: current portion	(7,106,000)	(5,240,000)
Total long-term debt	\$ 13,586,000	\$ 11,400,000

The limitation of liability and indemnification provisions that are included in our amended and restated certificate of incorporation, amended and restated bylaws and in indemnification agreements that we entered into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive officers even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification

provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

Our amended and restated bylaws provide that we may purchase and maintain insurance, at our expense, to protect us and any person who is or was a director, officer, employee or agent of us or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not we would have the power to indemnify such person against such expense, liability or loss under the DGCL. We maintain insurance under which, subject to the limitations of the insurance policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

Certain of our non-employee directors may, through their relationships with their employers, be insured or indemnified against certain liabilities incurred in their capacity as members of our Board.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, we have been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Director Independence

Under the rules and listings standards of the Nasdaq Rules, a majority of the members of our Board must satisfy the Nasdaq criteria for “independence.” No director qualifies as independent under the Nasdaq Rules unless our Board affirmatively determines that the director does not have a relationship with us that would impair independence (directly or as a partner, stockholder or officer of an organization that has a relationship with us). Our Board has determined that Dr. Macartney and Messrs. Singleton, Rowland and Webster are independent directors as defined under the Nasdaq Rules. Dr. Lian is not independent under the Nasdaq Rules as a result of his position as our President and Chief Executive Officer. Mr. Foehr is not independent under the Nasdaq Rules in light of the Master License Agreement, as amended from time to time, and related agreements between us and Ligand, and Mr. Foehr’s position as an executive officer of Ligand.

Principal Accounting Fees and Services

Principal Accountant Fees and Services

The following table represents aggregate fees billed to us for the fiscal years ended December 31, 2017 and December 31, 2016 by Marcum LLP, our independent registered public accounting firm for such periods. All fees described below were approved by the Audit Committee.

	Fiscal Year Ended December 31,	
	2017	2016
Audit Fees (1)	\$ 159,160	\$ 155,921
Audit-Related Fees (2)	74,572	157,230
Tax Fees	—	—
All Other Fees (3)	3,145	—
Total Fees	\$236,877	\$313,151

(1) Audit fees consist of fees billed for services rendered for the audit of our annual financial statements, including review of the interim financial statements included in quarterly reports.

(2) Audit-related fees consist of fees for assurance and related services that are traditionally performed by our independent registered public accounting firm and include fees reasonably related to the performance of the audit or review of our interim financial statements and due diligence services and not reported under the caption "Audit Fees" and includes review of our registration statement for our initial and subsequent public offerings, and related services that are normally provided in connection with statutory and regulatory filings or engagements.

(3) All Other Fees consist of fees related to a Marcum conference that Viking attended and presented at.

Audit Committee's Pre-Approval Policies and Procedures

The Audit Committee has adopted a policy for the pre-approval of audit and non-audit services rendered by our independent registered public accounting firm, Marcum LLP. The policy generally pre-approves specified services in the defined categories of audit services, audit-related services and tax services up to specified amounts. Pre-approval may also be given as part of the Audit Committee's approval of the scope of the engagement of the independent registered public accounting firm or on an individual case-by-case basis before the independent registered public accounting firm is engaged to provide each service. The pre-approval of services may be delegated to one or more of the Audit Committee's members, but the decision must be reported to the full Audit Committee at its next scheduled meeting. By the adoption of this policy, the Audit Committee has delegated the authority to pre-approve services to the Chairperson of the Audit Committee, subject to certain limitations.

The Audit Committee has determined that the rendering of the services other than audit services by Marcum LLP is compatible with maintaining

the independent registered public accounting firm's independence.

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LEGAL MATTERS

The validity of the shares of Common Stock being offered by this prospectus will be passed upon for us by Paul Hastings LLP, Palo Alto, California.

EXPERTS

Marcum LLP, independent registered public accounting firm, has audited our financial statements included in our annual report on Form 10-K for the year ended December 31, 2016, which is incorporated by reference into this prospectus and elsewhere in the registration statement of which this prospectus is a part. Our financial statements are incorporated by reference in reliance on Marcum LLP's report (which includes an explanatory paragraph as to Viking Therapeutics, Inc.'s ability to continue as a going concern), given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of Common Stock being offered by this prospectus. This prospectus does not contain all of the information in the registration statement of which this prospectus is a part and the exhibits to such registration statement. For further information with respect to us and the Common Stock offered by this prospectus, we refer you to the registration statement of which this prospectus is a part and the exhibits to such registration statement. Statements contained in this prospectus as to the contents of any contract or any other document are not necessarily complete, and in each instance, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement of which this prospectus is a part. Each of these statements is qualified in all respects by this reference.

You may read and copy the registration statement of which this prospectus is a part, as well as our reports, proxy statements and other information, at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call

the SEC at 1-800-SEC-0330 for more information about the operation of the Public Reference Room. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including Viking Therapeutics, Inc. The SEC's Internet site can be found at <http://www.sec.gov>. You may also request a copy of these filings, at no cost, by writing us at 12340 El Camino Real, Suite 250, San Diego, California 92130 or telephoning us at (858) 704-4660.

We are subject to the information and reporting requirements of the Securities Exchange Act of 1934, as amended, and, in accordance with this law, file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information are available for inspection and copying at the SEC's public reference facilities and the website of the SEC referred to above. We also maintain a website at www.vikingtherapeutics.com. You may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers, and persons controlling us pursuant to the provisions described in Item 14 of the registration statement of which this prospectus is a part or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than our payment of expenses incurred or paid by our directors, officers, or controlling persons in the successful defense of any action, suit, or proceeding) is asserted by our directors, officers, or controlling persons in connection with the Common Stock

being registered, we will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by us is against public policy as expressed in the Securities Act and will be governed by the final adjudication of the issue.

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INCORPORATION OF CERTAIN
INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference the information and reports we file with it, which means that we can disclose important information to you by referring you to these documents. The information incorporated by reference is an important part of this prospectus. We are incorporating by reference the documents listed below, which we have already filed with the SEC:

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, filed with the SEC on March 21, 2017;
- our Quarterly Report on Form 10-Q for the quarter ended March 31, 2017, filed with the SEC on May 10, 2017;
- our Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the SEC on August 9, 2017;
- our Quarterly Report on Form 10-Q for the quarter ended September 30, 2017, filed with the SEC on November 8, 2017;
- our Definitive Proxy Statement on Schedule 14A filed with the SEC on April 7, 2017;
- our Current Reports on Form 8-K filed with the SEC on February 14, 2017, May 24, 2017, June 14, 2017, June 19, 2017, July 6, 2017, September 29, 2017, December 7, 2017 and December 11, 2017; and
- the description of our Common Stock set forth in the Registrant's Registration Statement on Form 8-A (File No. 001-37355), filed with the SEC on April 23, 2015, including any amendments or reports filed for the purpose of updating such description.

We also incorporate by reference any future filings (other than current reports furnished under Item 2.02 or Item 7.01 of Form 8-K and exhibits filed on such form that are related to such items unless such Form 8-K expressly provides to the contrary) made with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, including those made after the date of the initial filing of the registration statement of which this prospectus is a part and prior to effectiveness of such registration statement, until we file a post-effective amendment that indicates the termination of the offering of the securities made by this prospectus

and such future filings will become a part of this prospectus from the respective dates that such documents are filed with the SEC. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes hereof to the extent that a statement contained herein or in any other subsequently filed document which is also incorporated or deemed to be incorporated herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

Documents incorporated by reference are available from us, without charge. You may obtain documents incorporated by reference in this prospectus by requesting them in writing or by telephone at the following address:

Viking Therapeutics, Inc.

12340 El Camino Real, Suite 250

San Diego, California 92130

Telephone: (858) 704-4660

You also may access these filings on our Internet site at www.vikingtherapeutics.com. Our web site and the information contained on that site, or connected to that site, are not incorporated into this prospectus or the registration statement of which this prospectus is a part.

This prospectus is part of a registration statement we filed with the SEC. We have incorporated exhibits into the registration statement of which this prospectus is a part. You should read the exhibits carefully for provisions that may be important to you.

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Neither we nor the selling stockholder authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under the circumstances and in the jurisdictions where it is lawful to do so. The information contained in this prospectus or in any applicable free writing prospectus is current only as of its date, regardless of its time of delivery or any sale of shares of our Common Stock. Our business, financial condition, results of operations and prospects may have changed since that date. We are not, and the selling stockholder is not, making an offer of these securities in any jurisdiction where such offer is not permitted.

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1,987,337 Shares

Common Stock

PROSPECTUS

, 2018



PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable by Viking Therapeutics, Inc., or the Registrant, in connection with the sale and distribution of the securities being registered. All amounts are estimated except the SEC registration fee.

Item	Amount
SEC registration fee	\$ 1,078
Legal fees and expenses	15,000
Accounting fees and expenses	5,000
Printing, transfer agent fees and miscellaneous expenses	3,922
Total	\$25,000

Item 14. Indemnification of Directors and Officers
Section 145 of the General Corporation Law of the State of Delaware, or the DGCL, authorizes a corporation's board of directors to grant, and authorizes a court to award, indemnity to officers, directors and other corporate agents.

The Registrant's amended and restated certificate of incorporation and amended and restated bylaws contain provisions that limit the liability of the Registrant's directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, the Registrant's directors are not personally liable to the Registrant or the Registrant's stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to the Registrant or the Registrant's stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in

Section 174 of the DGCL; and
any transaction from which they derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the DGCL is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of the Registrant's directors will be further limited to the greatest extent permitted by the DGCL.

The Registrant's amended and restated certificate of incorporation provides that the Registrant will, under certain circumstances, indemnify any director, officer, employee or agent of the Registrant, subject to any provisions contained in the Registrant's amended and restated bylaws. The Registrant's amended and restated bylaws provide that the Registrant will indemnify, to the fullest extent permitted by law, each person who was or is made a party or is threatened to be made a party to, or is otherwise involved in, any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Registrant, or is or was serving at the request of the Registrant, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against all expense, liability and loss (including, among other things, attorney's fees and amounts paid in settlement) reasonably incurred or suffered by such director, officer, employee or agent in connection therewith, subject to certain conditions. The Registrant's amended and restated bylaws also provide the Registrant with the power to, to the extent authorized by the Registrant's board of directors, grant rights to indemnification and to advancement of expenses to any employee or agent of the Registrant to the fullest extent indemnification may be granted to the Registrant's directors and officers. In addition, the Registrant's amended and restated bylaws provide that the Registrant must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to certain exceptions.

The Registrant has indemnification agreements with each of its directors and executive officers that may be broader than the specific indemnification provisions contained in the DGCL. These indemnification agreements require the Registrant, among other things, to indemnify its directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require the Registrant to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding, subject to certain exceptions. The Registrant believes that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions that are included in the Registrant's amended and restated certificate of incorporation, amended and restated bylaws and indemnification agreements with its directors and executive officers may discourage stockholders from bringing a lawsuit against the Registrant's directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against the Registrant's directors and executive officers even though an action, if successful, might benefit the Registrant and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that the Registrant pays the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, the Registrant is not aware of any pending litigation or proceeding involving any person who is or was one of its directors, officers, employees or other agents or is or was serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and the Registrant is not aware of any threatened litigation that may result in claims for indemnification.

The Registrant's amended and restated bylaws provide that the Registrant may purchase and

maintain insurance, at its expense, to protect itself and any person who is or was a director, officer, employee or agent of the Registrant or is or was serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Registrant would have the power to indemnify such person against such expense, liability or loss under the DGCL. The Registrant maintains insurance under which, subject to the limitations of the insurance policies, coverage is provided to the Registrant's directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to the Registrant with respect to payments that may be made by the Registrant to these directors and executive officers pursuant to the Registrant's indemnification obligations or otherwise as a matter of law.

Item 15. Recent Sales of Unregistered Securities. Since January 1, 2014, the Registrant has issued the following securities that were not registered under the Securities Act of 1933, as amended, or the Securities Act:

(1) On February 20, 2014, the Registrant issued and sold an aggregate of 1,000,000 shares of the Registrant's Common Stock to one of its executive officers at a deemed fair value per share of \$0.01 in exchange for the contribution of services to the Registrant having a deemed value of \$10,000.

(2) On May 27, 2014, the Registrant issued and sold a convertible promissory note, or the Convertible Note, having an aggregate principal amount of \$1,000,000 to Ligand Pharmaceuticals Incorporated, or Ligand, an accredited investor. The aggregate principal amount of the Convertible Note was increased to \$1,250,000 on June 1, 2014, \$1,500,000 on July 1, 2014, \$1,750,000 on August 1, 2014, \$2,000,000 on September 2, 2014, \$2,250,000 on October 1, 2014 and \$2,500,000 on November 3, 2014.

(3) Prior to the filing of the Registrant's registration statement on Form S-8 on May 1, 2015, the

Registrant granted stock options to directors under the Viking Therapeutics, Inc. 2014 Equity Incentive Plan to purchase an aggregate of 83,144 shares of the Registrant's Common Stock, at a weighted-average exercise price of \$8.00 per share.

(4) On April 13, 2016, pursuant to the terms of the Loan and Security Agreement between the Registrant and Ligand, the Registrant issued to Ligand an aggregate of 960,000 shares of the Registrant's Common Stock, or the Ligand Shares, and a warrant to purchase up to 960,000 shares of the Registrant's Common Stock, or the Ligand Warrant. The Ligand Warrant has an exercise price of \$1.50 per share of Common Stock, was

immediately exercisable upon issuance (subject to a limitation on exercise to the extent that any exercise thereof would increase Ligand's beneficial ownership of the Registrant's Common Stock to greater than 49.9%) and expires on April 13, 2021. The Ligand Shares and the Ligand Warrant were issued to Ligand as a repayment of \$1.2 million of the Registrant's obligation under the Convertible Note.

(5) On August 24, 2016, the Registrant entered into a Common Stock Purchase Agreement with Aspire Capital Fund, LLC, or Aspire Capital, which provided that, upon the terms and subject to the conditions and limitations set forth in the agreement, Aspire Capital was committed to purchase up to an aggregate of \$12.5 million shares of the Registrant's Common Stock over the 30-month term of the agreement. Pursuant to the terms of this agreement, Aspire Capital purchased 333,333 shares of the Registrant's Common Stock at \$1.50 per share and the Registrant issued 336,116 shares of its Common Stock to Aspire Capital in consideration for entering into the agreement. The Common Stock Purchase Agreement with Aspire Capital was terminated effective June 19, 2017.

(6) On February 8, 2017, the Registrant entered into a Stock Purchase Agreement with PoC Capital, LLC, or PoC, pursuant to which the Registrant sold to PoC, and PoC purchased from the Registrant, 1,286,173 shares of the Registrant's Common Stock for an aggregate issue price of \$1,800,000.

(7) On June 14, 2017, the Registrant entered into a Securities Purchase Agreement with certain accredited investors pursuant to which the Registrant, among other things, issued and sold on June 19, 2017 to each of the accredited investors a warrant to purchase 0.75 shares of the Registrant's Common Stock, or the Warrants, for each share of the Registrant's Common Stock purchased by an accredited investor in a concurrent registered direct offering of an aggregate of 3,749,783 shares of the Registrant's Common Stock for \$1.15 per share of the Registrant's Common Stock and a Warrant to purchase 0.75 shares of the Registrant's

Common Stock, for an aggregate purchase price of \$4,312,250. The Warrants have an exercise price of \$1.30 per share.

(8) On September 28, 2017, the Registrant entered into a Purchase Agreement with Lincoln Park Capital Fund, LLC, or Lincoln Park, which provides that, upon the terms and subject to the conditions and limitations set forth in the agreement, Lincoln Park is committed to purchase up to an aggregate of \$15.0 million shares of the Registrant's Common Stock over the 30-month term of the agreement. The Registrant issued 100,000 shares of its Common Stock to Lincoln Park in consideration for entering into the agreement.

The offers, sales and issuances of the securities described in each of the paragraphs above were deemed to be exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act as transactions by an issuer not involving any public offering. The recipient of the securities described in paragraph (1) was the Registrant's employee and represented his intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof. Appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions had adequate access, through employment, business or other relationships, to information about the Registrant.

All purchasers of securities in transactions exempt from registration pursuant to Section 4(a)(2) of the Securities Act represented to the Registrant that they were accredited investors and were acquiring the shares for investment purposes only and not with a view to, or for sale in connection with, any distribution thereof and that they could bear the risks of the investment and could hold the securities for an indefinite period of time. The purchasers received written disclosures that the securities had not been registered under the Securities Act and that any resale must be made pursuant to a registration statement or an available exemption from the registration requirements of the Securities Act.

All of the foregoing securities are deemed restricted securities for purposes of the Securities Act. The certificates representing the issued shares of capital stock described in this Item 15 included appropriate legends setting forth that the applicable securities have not been registered and reciting the applicable restrictions on transfer. There were no underwriters employed in connection with any of the transactions set forth in this Item 15.

Item 16. Exhibits and Financial Statement
Schedules.

(a) Exhibits

Exhibit Number	Description	Registrant's with the Form	Date Filed SEC	Exhibit Number
3.1	<u>Amended and Restated Certificate of Incorporation.</u>	S-1	7/1/2014	3.3
3.2	<u>Amended and Restated Bylaws.</u>	S-1	7/1/2014	3.4
4.1	<u>Form of Common Stock Certificate.</u>	S-1	7/1/2014	4.1
4.2	<u>Form of Common Stock Purchase Warrant issued by Viking Therapeutics, Inc. to Laidlaw & Company (UK) Ltd.</u>	S-1/A	4/10/2015	4.2
4.3	<u>Form of Warrant Agreement, by and between Viking Therapeutics, Inc. and American Stock Transfer & Trust Company, LLC, including the Form of Warrant Certificate issued by Viking Therapeutics, Inc.</u>	8-K	4/8/2016	4.1
4.4	<u>Warrant to Purchase Common Stock, dated April 13, 2016, issued by Viking</u>	8-K	4/14/2016	4.1

	<u>Therapeutics, Inc. to Ligand Pharmaceuticals Incorporated.</u>			
4.5	<u>Form of Common Stock Purchase Warrant issued by Viking Therapeutics, Inc. to purchasers in the June 2017 offering.</u>	8-K	6/19/2017	4.1
5.1*	<u>Opinion of Paul Hastings LLP</u>			
10.1#	<u>Form of Indemnification Agreement between Viking Therapeutics, Inc. and its directors and executive officers.</u>	S-1	7/1/2014	10.1
10.2#	<u>2014 Equity Incentive Plan.</u>	S-1/A	3/2/2015	10.2
10.3#	<u>Form of Stock Option Award Agreement (2014 Equity Incentive Plan).</u>	S-1	7/1/2014	10.3
10.4#	<u>Form of Restricted Stock Unit Award Agreement (2014 Equity Incentive Plan).</u>	S-1	7/1/2014	10.4
10.5#	<u>Form of Restricted Stock Award Agreement (2014 Equity Incentive Plan).</u>	S-1/A	9/2/2014	10.23

10.6#	<u>Form of Stock Appreciation Rights Award Agreement (2014 Equity Incentive Plan).</u>	S-1	7/1/2014	10.5
10.7#	<u>2014 Employee Stock Purchase Plan.</u>	S-1/A	3/2/2015	10.22
10.8#	<u>Amendment No. 1 to 2014 Employee Stock Purchase Plan.</u>	S-1	11/24/2015	10.8
10.9#	<u>Employment Agreement, effective as of June 2, 2014, by and between Viking Therapeutics, Inc. and Brian Lian, Ph.D.</u>	S-1/A	9/2/2014	10.6

10.10#	<u>First</u> <u>Amendment to</u> <u>Employment</u> <u>Agreement,</u> <u>effective as of</u> <u>March 14, 2016,</u> <u>by and between</u> <u>Viking</u> <u>Therapeutics,</u> <u>Inc. and Brian</u> <u>Lian, Ph.D.</u>	8-K	3/15/2016	10.1
10.11#	<u>Employment</u> <u>Agreement,</u> <u>effective as of</u> <u>May 21, 2014,</u> <u>by and between</u> <u>Viking</u> <u>Therapeutics,</u> <u>Inc. and Michael</u> <u>Morneau.</u>	S-1/A	9/2/2014	10.7
10.12#	<u>Amendment to</u> <u>Employment</u> <u>Agreement,</u> <u>effective as of</u> <u>September 30,</u> <u>2014, by and</u> <u>between Viking</u> <u>Therapeutics,</u> <u>Inc. and Michael</u> <u>Morneau.</u>	S-1/A	3/2/2015	10.26
10.13#	<u>Second</u> <u>Amendment to</u> <u>Employment</u> <u>Agreement,</u> <u>effective as of</u> <u>March 14, 2016,</u> <u>by and between</u> <u>Viking</u> <u>Therapeutics,</u> <u>Inc. and Michael</u> <u>Morneau.</u>	8-K	3/15/2016	10.2
10.14#	<u>Employment</u> <u>Agreement,</u> <u>effective as of</u> <u>June 2, 2014, by</u>	S-1/A	9/2/2014	10.9

and between
Viking
Therapeutics,
Inc. and
Rochelle
Hanley, M.D.

10.15#	<u>Amendment to</u> <u>Employment</u> <u>Agreement,</u> <u>effective as of</u> <u>September 30,</u> <u>2014, by and</u> <u>between Viking</u> <u>Therapeutics,</u> <u>Inc. and</u> <u>Rochelle</u> <u>Hanley, M.D.</u>	S-1/A	3/2/2015	10.28
10.16#	<u>Second</u> <u>Amendment to</u> <u>Employment</u> <u>Agreement,</u> <u>effective as of</u> <u>March 14, 2016,</u> <u>by and between</u> <u>Viking</u> <u>Therapeutics,</u> <u>Inc. and</u> <u>Rochelle</u> <u>Hanley, M.D.</u>	8-K	3/15/2016	10.3
10.17#	<u>Non-Employee</u> <u>Director</u> <u>Compensation</u> <u>Policy.</u>	S-1	11/24/2015	10.16
10.18†	<u>Master License</u> <u>Agreement,</u> <u>dated May 21,</u> <u>2014, by and</u> <u>among Viking</u> <u>Therapeutics,</u> <u>Inc., Ligand</u> <u>Pharmaceuticals</u> <u>Incorporated and</u> <u>Metabasis</u> <u>Therapeutics,</u> <u>Inc.</u>	S-1	7/1/2014	10.12
10.19†		S-1/A	9/8/2014	10.24

First
Amendment to
Master License
Agreement,
dated
September 6,
2014, by and
among Viking
Therapeutics,
Inc., Ligand
Pharmaceuticals
Incorporated and
Metabasis
Therapeutics,
Inc.

10.20† Second S-1/A 4/10/2015 10.30

Amendment to
Master License
Agreement,
dated April 8,
2015, by and
among Viking
Therapeutics,
Inc., Ligand
Pharmaceuticals
Incorporated and
Metabasis
Therapeutics,
Inc.

10.21† Loan and S-1 7/1/2014 10.13

Security
Agreement,
dated May 21,
2014, by and
between Viking
Therapeutics,
Inc. and Ligand
Pharmaceuticals
Incorporated.

10.22†	<p><u>First</u> <u>Amendment to</u> <u>Loan and</u> <u>Security</u> <u>Agreement,</u> <u>dated April 8,</u> <u>2015, by and</u> <u>between Viking</u></p>	S-1/A 4/10/2015 10.31
	<p>Therapeutics, Inc. and Ligand Pharmaceuticals Incorporated.</p>	
10.23	<p><u>Second</u> <u>Amendment to</u> <u>Loan and</u> <u>Security</u> <u>Agreement,</u> <u>dated</u> <u>January 22,</u> <u>2016, by and</u> <u>between Viking</u> <u>Therapeutics,</u> <u>Inc. and Ligand</u> <u>Pharmaceuticals</u> <u>Incorporated.</u></p>	8-K 1/25/2016 10.1
10.24	<p><u>Convertible</u> <u>Note, dated</u> <u>May 27, 2014,</u> <u>issued by Viking</u> <u>Therapeutics,</u> <u>Inc. to Ligand</u> <u>Pharmaceuticals</u> <u>Incorporated.</u></p>	S-1 7/1/2014 10.14
10.25	<p><u>Letter</u> <u>Agreement</u> <u>regarding board</u> <u>composition and</u> <u>management</u> <u>rights, dated</u> <u>May 21, 2014,</u> <u>by and between</u> <u>Viking</u> <u>Therapeutics,</u> <u>Inc. and Ligand</u> <u>Pharmaceuticals</u></p>	S-1 7/1/2014 10.15

Incorporated.

- | | | | | |
|--------|--|-----|-----------|-------|
| 10.26 | <u>Registration Rights Agreement, dated May 21, 2014, by and among Viking Therapeutics, Inc., Metabasis Therapeutics, Inc. and Ligand Pharmaceuticals Incorporated.</u> | S-1 | 7/1/2014 | 10.16 |
| 10.27 | <u>First Amendment to Registration Rights Agreement, dated January 22, 2016, by and between Viking Therapeutics, Inc. and Ligand Pharmaceuticals Incorporated.</u> | 8-K | 1/25/2016 | 10.2 |
| 10.28 | <u>Voting Agreement, dated May 21, 2014, by and among Viking Therapeutics, Inc., Ligand Pharmaceuticals Incorporated, Metabasis Therapeutics, Inc., Brian Lian, Ph.D. and Michael Dinerman, M.D.</u> | S-1 | 7/1/2014 | 10.17 |
| 10.29# | <u>Founder Common Stock Purchase Agreement, dated September 26,</u> | S-1 | 7/1/2014 | 10.18 |

2012, by and
between Viking
Therapeutics,
Inc. and Brian
Lian, Ph.D.

10.30# Amendment No. 1 to Founder
Common Stock
Purchase
Agreement,
dated May 4,
2015, by and
between Viking
Therapeutics,
Inc. and Brian
Lian, Ph.D. 10-Q 6/12/2015 10.2

10.31# Common Stock
Purchase
Agreement,
dated April 15,
2013, by and
between Viking
Therapeutics,
Inc. and
Rochelle
Hanley, M.D. S-1 7/1/2014 10.20

10.32# Amendment No. 1 to Common
Stock Purchase
Agreement,
dated May 4,
2015, by and
between Viking
Therapeutics,
Inc. and
Rochelle
Hanley, M.D. 10-Q 6/12/2015 10.4

- 10.33#† Common Stock S-1 7/1/2014 10.21
Purchase
Agreement,
dated
February 20,
2014, by and
between Viking
Therapeutics,
Inc. and Brian
Lian, Ph.D.
- 10.34# Amendment No. 10-Q 6/12/2015 10.5
1 to Common
Stock Purchase
Agreement,
dated May 4,
2015, by and
between Viking
Therapeutics,
Inc. and Brian
Lian, Ph.D.
- 10.35# Amended and 10-Q 6/12/2015 10.1
Restated Stock
Repurchase
Agreement,
dated April 28,
2015, by and
among Viking
Therapeutics,
Inc., Brian Lian,
Ph.D., Michael
Dinerman, M.D.,
Isabelle
Dinerman and
Rochelle
Hanley, M.D.
- 10.36 Sublease 10-Q 11/5/2015 10.1
between Fish &
Richardson P.C.
and Viking
Therapeutics,
Inc. dated July 7,
2015.
- 10.37 Registration 8-K 8/25/2016 4.1
Rights
Agreement by

and between
Viking
Therapeutics,
Inc. and Aspire
Capital Fund,
LLC, dated
August 24, 2016.

- 10.38 Stock Purchase Agreement by and between Viking Therapeutics, Inc. and PoC Capital, LLC, dated February 8, 2017. 8-K 2/14/2017 10.1
- 10.39 Third Amendment to Loan and Security Agreement, dated as of May 8, 2017, by and between Viking Therapeutics, Inc. and Ligand Pharmaceuticals Incorporated. 10-Q 5/10/17 10.2
- 10.40 Form of Securities Purchase Agreement, dated June 14, 2017, by and between Viking Therapeutics, Inc. and purchasers in the June 2017 offering. 8-K 6/19/2017 10.1
- 10.41 Placement Agent Agreement, dated June 14, 2017, by and among Viking Therapeutics, Inc., Maxim

Group LLC and
Roth Capital
Partners, LLC.

- | | | | | |
|-------|--|-----|-----------|------|
| 10.42 | <u>Purchase Agreement, dated as of September 28, 2017, by and between the Company and Lincoln Park Capital Fund, LLC.</u> | 8-K | 9/29/2017 | 10.1 |
| 10.43 | <u>Purchase Agreement, dated as of September 28, 2017, by and between the Company and Lincoln Park Capital Fund, LLC.</u> | 8-K | 9/29/2017 | 10.2 |
| 10.44 | <u>Registration Rights Agreement, dated as of September 28, 2017, by and between the Company and Lincoln Park Capital Fund, LLC.</u> | 8-K | 9/29/2017 | 10.3 |
| 23.1* | <u>Consent of Marcum LLP, Independent Registered Public Accounting Firm.</u> | | | |
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23.2* Consent of Paul Hastings LLP
(included in Exhibit 5.1)

24.1** Power of Attorney (included on the
signature page to this Registration
Statement).

*Filed herewith.

**Previously filed.

#Indicates management or compensatory plan or arrangement.

€Confidential treatment has been granted with respect to certain portions of this exhibit, which portions have been omitted and filed separately with the Securities and Exchange Commission.

(b) Financial Statement Schedules

All financial statement schedules are omitted because they are not applicable, the required information is not present in amounts sufficient to require submission of such schedules or the information is included in the Registrant's financial statements or notes thereto.

Item 17. Undertakings

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate,

the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the “Calculation of Registration Fee” table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that:

Paragraphs (1)(i), (1)(ii) and (1)(iii) of this section do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(ii) If the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than

prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(6) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has

been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 1 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Diego, State of California, on January 9, 2018.

VIKING THERAPEUTICS, INC.

By: /s/ Brian Lian, Ph.D.

Brian Lian, Ph.D.

President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to the registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Brian Lian, Ph.D. Brian Lian, Ph.D.	President, Chief Executive Officer and Director (Principal Executive Officer)	January 9, 2018
/s/ Michael Morneau Michael Morneau	Chief Financial Officer (Principal Financial Officer and Accounting Officer)	January 9, 2018
* Lawson Macartney, DVM, Ph.D.	Director	January 9, 2018
* Matthew W. Foehr	Director	January 9, 2018

*	Director	January 9, 2018
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Charles
Rowland

*	Director	January 9, 2018
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Matthew
Singleton

*	Director	January 9, 2018
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Stephen W.
Webster

* By: /s/ Brian Lian, Ph.D.

Brian Lian, Ph.D.

Attorney-in-Fact