
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported):
May 11, 2018**

Denali Therapeutics Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38311
(Commission
File Number)

46-3872213
(I.R.S. Employer
Identification No.)

**151 Oyster Point Blvd., 2nd Floor
South San Francisco, California 94080**
(Address of principal executive offices, including zip code)

(650) 866-8548
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last reports)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On May 11, 2018, Denali Therapeutics Inc. (the “*Company*”) issued a press release announcing its financial results for the first quarter ended March 31, 2018. The full text of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

All of the information furnished in this Item 2.02 and Item 9.01 (including Exhibit 99.1) shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated May 11, 2018.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DENALI THERAPEUTICS INC.

Date: May 11, 2018

By: /s/ Steve E. Krognas
Steve E. Krognas
Chief Financial Officer



Denali Therapeutics Reports First Quarter 2018 Financial Results

May 11, 2018

SOUTH SAN FRANCISCO, Calif., May 11, 2018 – Denali Therapeutics Inc. (NASDAQ: DNLI), a biopharmaceutical company developing a broad portfolio of therapeutic candidates for neurodegenerative diseases, today reported financial results for the first quarter ended March 31, 2018.

First Quarter 2018 Financial Results

For the three months ended March 31, 2018, Denali reported a net loss of \$23.7 million, compared with a net loss for the three months ended March 31, 2017 of \$21.3 million.

Collaboration Revenue was \$0.6 million for the three months ended March 31, 2018, with no revenue recognized for the three months ended March 31, 2017. The increase was due to revenue recognized under the Option and Collaboration Agreement with Takeda Pharmaceutical Company Limited, which was entered into in January 2018.

Total research and development expenses were \$20.8 million for the three months ended March 31, 2018 compared to \$18.5 million for the three months ended March 31, 2017, including non-cash stock-based compensation of \$1.7 million and \$0.5 million in the first quarter of 2018 and 2017, respectively. The increase in total research and development expenses of \$2.3 million was primarily attributable to an increase in personnel related expenses, including stock-based compensation, and an increase in lab consumable costs and facilities related expenses. The main drivers of these increases are an increase in research and development headcount and the increased value of Denali's common stock.

General and administrative expenses were \$5.6 million for the three months ended March 31, 2018 compared to \$3.3 million for the three months ended March 31, 2017, including non-cash stock-based compensation of \$1.2 million and \$0.2 million in the first quarter of 2018 and 2017, respectively. The increase in total general and administrative expenses of \$2.3 million was primarily attributable to an increase in personnel related expenses, including stock-based compensation, and an increase in legal and professional service expenses. The main drivers of these increases are an increase in general and administrative headcount and the increased value of Denali's common stock, as well as the increased professional services required as a public company.

Cash, cash equivalents, and marketable securities were \$592.8 million as of March 31, 2018, compared to \$467.0 million as of December 31, 2017. The increase of \$125.8 million was primarily attributable to \$155.0 million in cash received related to the Option and Collaboration Agreement and Stock Purchase Agreement with Takeda.

About Denali Therapeutics

Denali is a biopharmaceutical company developing a broad portfolio of therapeutic candidates for neurodegenerative diseases. Denali pursues new treatments by rigorously assessing genetically validated targets, engineering delivery across the blood-brain barrier and guiding development with biomarker monitoring to demonstrate target engagement and select patients. Denali is based in South San Francisco. For additional information, please visit www.denalitherapeutics.com.

Denali Therapeutics Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

(In thousands, except per share amounts)

	Three Months Ended	
	March 31,	
	2018	2017
Collaboration revenue	\$ 641	\$ —
Operating expenses:		
Research and development	20,819	18,470
General and administrative	5,570	3,274
Total operating expenses	<u>26,389</u>	<u>21,744</u>
Loss from operations	(25,748)	(21,744)
Interest income, net	2,070	424
Net loss	<u>\$ (23,678)</u>	<u>\$ (21,320)</u>
Net loss per share, basic and diluted	<u>\$ (0.26)</u>	<u>\$ (2.36)</u>
Weighted average number of shares outstanding, basic and diluted	<u>89,560,576</u>	<u>9,017,425</u>

Denali Therapeutics Inc.
Condensed Consolidated Balance Sheet Data
(Unaudited)

(In thousands)

	March 31, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 44,001	\$ 218,375
Short-term marketable securities	329,401	187,851
Prepaid expenses and other current assets	4,020	3,381
Total current assets	<u>377,422</u>	<u>409,607</u>
Long-term marketable securities	219,406	60,750
Property and equipment, net	14,860	14,923
Other non-current assets	2,265	1,441
Total assets	<u>\$613,953</u>	<u>\$ 486,721</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 1,377	\$ 2,716
Accrued liabilities	4,425	5,364
Accrued compensation	1,994	5,166
Contract Liability	8,434	—
Deferred rent	874	855
Other current liabilities	63	63
Total current liabilities	<u>17,167</u>	<u>14,164</u>
Contract liability, less current portion	51,519	—
Deferred rent, less current portion	6,051	6,294
Other non-current liabilities	188	467
Total liabilities	<u>74,925</u>	<u>20,925</u>
Total stockholders' equity	<u>539,028</u>	<u>465,796</u>
Total liabilities and stockholders' equity	<u>\$613,953</u>	<u>\$ 486,721</u>