Idera Pharmaceuticals Reports Fourth Quarter and Year End 2013 Financial Results and Provides Corporate Update

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- Clinical advancements in autoimmune diseases and genetically defined forms of B-cell lymphoma -

- Details announced for planned clinical development of IMO-8400 in polymyositis and dermatomyositis –

- Plans announced to identify drug candidates from its gene silencing oligonucleotide platform -

CAMBRIDGE, Mass.--(BUSINESS WIRE)--Mar. 13, 2014-- Idera Pharmaceuticals, Inc. (NASDAQ: IDRA), a clinical stage biopharmaceutical company developing a novel therapeutic approach for the treatment of autoimmune disorders and genetically defined forms of B-cell lymphoma, today reported its financial and operational results for the fourth quarter and year ended December 31, 2013.

"2013 was a year of transformation for Idera and we are very pleased to have continued this positive momentum into 2014," reflected Sudhir Agrawal, D. Phil., Chief Executive Officer of Idera Pharmaceuticals. "We are developing a deep and diverse clinical-stage pipeline, and as we advance our programs forward in the year ahead, we will see our efforts bolstered by our improved financial position, strong management team and clear strategic vision."

Program Updates

Over the past year, Idera has significantly strengthened its pipeline, which includes clinical programs designed to inhibit the over-activation of Toll-like receptors (TLRs) across a number of disease areas, and a preclinical program developing gene silencing oligonucleotides (GSOs) designed to inhibit the production of disease-associated proteins by targeting RNA.

Autoimmune Diseases

- Idera announced today its plans to initiate clinical development of its lead compound, IMO-8400, for the treatment of patients with polymyositis and dermatomyositis in the first half of 2014. This represents further progress of a previously announced strategy to expand the clinical development program for IMO-8400 into orphan autoimmune diseases, as polymyositis and dermatomyositis are both serious autoimmune conditions with significant unmet medical needs. Both polymyositis and dermatomyositis have been designated as orphan diseases by the U.S. Food and Drug Administration (FDA).
- Idera is continuing to conduct a Phase 2 trial of IMO-8400 in patients with moderate-to-severe plaque psoriasis. This fully enrolled study is designed to evaluate safety, tolerability and clinical activity, based on changes in psoriasis area severity index (PASI) scores. Idera anticipates that top-line data from the first three dosing cohorts will be available by the end of the first quarter of 2014. Based on blinded safety data from the trial, in October 2013, Idera expanded the trial to evaluate a higher dose of 0.6 mg/kg and placebo in up to 12 patients and the Company anticipates that top-line data from this cohort will be available in the second quarter of 2014.
- Idera has also expanded its pipeline of TLR antagonist candidates with the advancement of IMO-9200, for the potential use in selected autoimmune disease indications. The Company plans to submit an Investigational New Drug (IND) application to the FDA and initiate a Phase 1 trial for IMO-9200 in the second half of 2014.

Genetically Defined Forms of B-cell Lymphoma

Idera’s program in genetically defined forms of B-cell lymphoma is based on recent reports from several independent investigators offering evidence that in certain B-cell lymphomas the presence of the MYD88 L265P mutation led to over-activation of TLR7 and TLR9 signaling and that blocking these TLRs accelerated tumor cell death.

- In December 2013, Idera was cleared to open enrollment in its Phase 1/2 trial of IMO-8400 in patients with Waldenström’s macroglobulinemia, a form of non-Hodgkin lymphoma. The trial is

designed to evaluate IMO-8400's safety, tolerability and potential clinical activity in patients who have a history of relapse or failure to respond to one or more prior therapies. The Company anticipates that patient treatment in this trial will begin in the first half of 2014.

- Idera also intends to initiate clinical development of IMO-8400 in patients with diffuse large B-cell lymphoma (DLBCL) harboring the MYD88 L265P mutation. The Company has recently submitted a protocol for a Phase 1/2 trial in this indication.

Gene Silencing Oligonucleotides

Idera is also continuing its advancement of its GSO platform, designed to inhibit the production of disease-associated proteins by targeting RNA in a wide range of therapeutic areas. The Company believes that its GSO platform could offer an improved therapeutic index, based on efficient delivery without carrier, reduced immunotoxicity and increased potency.

Idera has conducted extensive preclinical studies which validate its GSO technology, and is in the process of prioritizing disease indications for clinical development. Idera expects to announce its two disease targets in the second half of 2014.

Recent Corporate Highlights

Financing

In February 2014, Idera announced the closing of its underwritten public offering, with gross proceeds of approximately $40.1 million.

Management Addition

In January 2014, Idera welcomed Lou Brenner, M.D., as Senior Vice President and Chief Medical Officer. He was previously at Radius Health, where he served as Senior Vice President and Chief Medical Officer. He had earlier served in key roles at AMAG Pharmaceuticals and Genzyme.

Board of Directors Additions

In March 2014, the Company announced that Julian C. Baker and Kelvin M. Neu, M.D., of Baker Brothers Investments, joined its Board of Directors.

In January 2014, the Company announced the addition of Mark Goldberg, M.D., to its Board of Directors. He is currently Senior Vice President for Medical and Regulatory Affairs at Synageva BioPharma.

In July 2013, Idera appointed James Geraghty as Chairman of the Board of Directors. He is currently an Entrepreneur-in-Residence at Third Rock Ventures.

Financial Results

Fourth Quarter Results

Net loss applicable to common stockholders for the three months ended December 31, 2013 was $6.4 million, or $0.10 per diluted share, compared to a net loss applicable to common stockholders of $6.5 million, or $0.24 per diluted share, for the same period in 2012. There was nominal revenue recognized in the fourth quarter of 2013 and 2012. Research and development expenses for the three months ended December 31, 2013 totaled $3.6 million compared to $3.1 million for the same period in 2012. General and administrative expense for the three months ended December 31, 2013 totaled $2.4 compared to $1.3 million for the same period in 2012.

Full Year Results

Net loss applicable to common stockholders for the year ended December 31, 2013 was $21.1 million or $0.48 per diluted share, compared to net loss applicable to common stockholders of $22.5 million, or $0.81 per diluted share, for the same period in 2012. There was nominal revenue recognized during the years ended December 31, 2013 and 2012. Research and development expenses for the year ended December 31, 2013 totaled $10.5 million compared to $13.7 million for the same period in 2012. General and administrative expenses for the year ended December 31, 2013 totaled $7.7 million compared to $6.3 million for the same period in 2012.

As of December 31, 2013, Idera's cash, cash equivalents and investments totaled $35.6 million compared to $10.1 million as of December 31, 2012.

Webcast and Conference Call

Idera will host a conference call today at 8:30 AM EST to discuss these fourth quarter and year end 2013 results.

In order to participate in the conference call, please dial 1-866-271-6130 (domestic) or 1-617-213-8894 (international) and provide the access code 13838305. The live webcast can be accessed under "Investor Events" in the Investors section of the Company's website at www.iderapharma.com or you may use the link http://edge.media-server.com/m/p/tni65ic2/lan/en.

A replay of the call will be available at 12:30 p.m. EDT on March 13, 2014 until 11:59 p.m. EDT on March 20, 2014. To access the replay, please dial 1-888-286-8010 (domestic) or 1-617-801-6888 (international) and reference the access code 11389237. The archived webcast will be available for 30 days in the

Investors section of Idera's website at www.iderapharma.com

About Idera Pharmaceuticals, Inc.

Idera's proprietary technology involves creating novel nucleic acid therapeutics designed to inhibit over-activation of Toll-like Receptors (TLRs). Idera is developing these therapeutics for the treatment of genetically defined forms of B-cell lymphoma and for autoimmune diseases with orphan indications. In addition to its TLR programs, Idera is developing gene silencing oligonucleotides that it has created using its proprietary technology, to inhibit the production of disease-associated proteins by targeting RNA. More information on Idera is available at www.iderapharma.com.

Forward Looking Statements

This press release includes statements concerning Idera Pharmaceuticals, Inc. and its future expectations, plans and prospects that constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995 and that involve a number of risks and uncertainties. For this purpose, any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words "believes," "anticipates," "plans," "expects," "estimates," "intends," "should," "could," "will," "may," and similar expressions are intended to identify forward-looking statements. There are a number of important factors that could cause Idera's actual results to differ materially from those indicated by such forward-looking statements, including whether Idera's cash resources will be sufficient to fund the Company's continuing operations and the further development of the Company's programs into the second half of 2016, and whether Idera will be able to obtain additional cash resources sufficient to fund the Company's operations beyond that time; whether results obtained in early research, preclinical studies and clinical trials will be indicative of the results that will be generated in future preclinical and clinical studies; whether Idera's preclinical studies and clinical trials will commence and will be completed when expected by Idera; whether products based on Idera's technology will advance into or through the clinical trial process on a timely basis or at all and receive approval from the U.S. Food and Drug Administration (FDA) or equivalent foreign regulatory agencies; whether, if the Company's products receive approval, they will be successfully distributed and marketed; and such other important factors as are set forth under the caption "Risk Factors" in Idera's Annual Report on Form 10-K for the year ended December 31, 2013, which important factors are incorporated herein by reference. Idera disclaims any intention or obligation to update any forward-looking statements.

Idera Pharmaceuticals, Inc.
Condensed Statements of Operations
(In thousands, except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2013	2012	2013	2012
	(Unaudited)			
Revenues	$ 4	$ 11	$ 47	$ 51
Operating Expenses				
Research & Development	3,640	3,078	10,475	13,673
General & Administrative	2,436	1,265	7,741	6,279
Total Operating Expenses	6,076	4,343	18,216	19,952
Loss from Operations	(6,072)	(4,332)	(18,169)	(19,901)
Decrease in Fair Value of Warrant Liability	-	569	-	675
Other, net	(18)	(35)	(57)	(14)
Net Loss	(6,090)	(3,798)	(18,226)	(19,240)
Loss on Extinguishment of Preferred Stock, Preferred Stock Accretion and Dividends	279	2,730	2,866	3,210
Net Loss Applicable to Common Stockholders	$ (6,369)	$ (6,528)	$(21,092)	$(22,450)
Basic and Diluted Net Loss Per Common Share Applicable to Common Stockholders	$ (0.10)	$ (0.24)	$ (.48)	$ (0.81)
Shares Used in Computing Basic and Diluted Net Loss Per Common Share Applicable to Common Stockholders	63,795	27,642	43,906	27,639

Idera Pharmaceuticals, Inc.
Condensed Balance Sheet Data
(In thousands)

	At December 31,	
	2013	2012
Cash, Cash Equivalents & Investments	$35,592	$10,096
Other Assets	1,275	727
Total Assets	$36,867	$10,823
Total Liabilities	$ 4,415	$ 4,196
Redeemable Preferred Stock	-	5,921
Stockholders' Equity	32,452	706
Total Liabilities, Redeemable Preferred Stock & Stockholders' Equity	$36,867	$10,823

Source: Idera Pharmaceuticals, Inc.

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