Idera Pharmaceuticals Reports Second Quarter 2013 Financial Results and Corporate Highlights

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-- Clinical Proof of Concept Data Presented, Phase 2 Trial Initiated --

CAMBRIDGE, Mass--(BUSINESS WIRE)--Aug. 15, 2013-- Idera Pharmaceuticals, Inc. (NASDAQ: IDRA) today reported financial results for the quarter ended June 30, 2013, and highlighted progress in the development of its Toll-like receptor (TLR) antagonist programs.

“During the second quarter, we made progress on multiple fronts. We strengthened our financial position through a $16.5 million common stock offering. In addition, we presented clinical proof-of-concept data of TLR antagonism and initiated a Phase 2 trial of our lead TLR antagonist, IMO-8400, in patients with moderate-to-severe plaque psoriasis,” said Sudhir Agrawal, D.Phil., Chief Executive Officer. “We expect data from the Phase 2 trial to be available during the first quarter of 2014.”

"With cash and cash equivalents of $16.3 million at the end of the second quarter, we believe we have funds to complete our Phase 2 clinical trial of IMO-8400 in patients with psoriasis and to fund our operations through year-end 2014,” said Lou Arcudi, Chief Financial Officer.

Also during the quarter, the United States Patent and Trademark Office issued to Idera patent number 8,486,908, providing both composition of matter and method of use protection for IMO-8400. IMO-8400, an antagonist of TLRs 7, 8, and 9, is the Company’s lead candidate in development for the treatment of autoimmune diseases.

2Q 2013 Research and Development Highlights

Autoimmune and Inflammatory Diseases Program

Idera is developing TLR antagonist candidates for the potential treatment of autoimmune and inflammatory diseases by blocking the induction of multiple cytokines, which are mediated through TLR7, TLR8, and TLR9.

IMO-8400 (an antagonist of TLR7, TLR8, and TLR9)

Completion of Phase 1 Trial of IMO-8400 in Healthy Subjects

IMO-8400 was well-tolerated following escalating single and multiple dose administration in this randomized, double-blind, placebo controlled trial in 42 healthy subjects. IMO-8400-treated subjects showed inhibition of TLRs 7, 8, and 9-mediated cytokine induction compared to placebo-treated subjects. The Company presented Phase 1 trial data of IMO-8400 during the second quarter of 2013.

Initiation of a Phase 2 Trial of IMO-8400 in Patients with Moderate-to-Severe Plaque Psoriasis

The Company initiated a randomized, double-blind, placebo-controlled Phase 2 trial of IMO-8400 in patients with moderate-to severe plaque psoriasis in the second quarter of 2013. In this trial, 32 patients with Psoriasis Area Severity Index (PASI) scores of 12 or greater will be randomized 1:1:1:1 to receive weekly subcutaneous doses of IMO-8400 at 0.075, 0.15, or 0.3 mg/kg/week or placebo for 12 weeks. Safety and improvements in PASI score will be monitored throughout the 12-week treatment period and six-week follow up period. The trial is being conducted in the Netherlands. Idera expects to have top-line data during the first quarter of 2014.

IMO-3100 (an antagonist of TLR7 and TLR9)

Presentation of Positive Data from Phase 2 Trial of IMO-3100 in Patients with Psoriasis

Data from a randomized, double-blind, placebo-controlled Phase 2 trial of IMO-3100 in patients with moderate-to-severe plaque psoriasis were presented at the International Investigative Dermatology meeting in Edinburgh, Scotland in May 2013. In this trial, treatment with IMO-3100 weekly for four weeks was well-tolerated and showed improvements from baseline of up to 90% in PASI scores. Additionally, analysis of biopsy samples indicated that PASI score improvements were associated with significant improvement of psoriasis disease-associated gene profile, including downregulation of activated genes in the IL-17 pathway, which is central to the pathogenesis of psoriasis. Details of this presentation are available on Idera’s website.

Strengthened Balance Sheet and Leadership Team

The Company closed on a $16.5 million public offering with net proceeds to Idera totaling approximately $14.6 million in May 2013.

In July, James Geraghty was appointed to serve as a member of the Board of Directors and also as its Chairman. Mr. Geraghty held a wide range of leadership positions during a 20-year career at Genzyme Corporation, including substantial experience overseeing product development, commercial launches, and strategic transactions. Mr. Geraghty also served as a Senior Vice President of Sanofi SA following its acquisition of Genzyme, and recently took on a role as an Entrepreneur-in-Residence at Third Rock Ventures.

Financial Results

As of June 30, 2013, cash and cash equivalents totaled $16.3 million compared to $10.1 million at December 31, 2012.

Second Quarter Results

Net loss applicable to common stockholders for the three months ended June 30, 2013, was $5.6 million, or $0.15 per diluted share, compared to a net loss applicable to common stockholders of $4.0 million, or $0.15 per diluted share, for the same period in 2012. For the six-month period, the Company's net loss applicable to common stockholders was $9.7 million, or $0.30 per diluted share, compared to a net loss applicable to common

stockholders of $11.1 million, or $0.40 per diluted share, for the same period in 2012.

Research and development expenses for the three months ended June 30, 2013, totaled $2.0 million compared to $3.5 million for the same period in 2012. For the six-month period, R&D expenses totaled $4.3 million compared to $7.3 million for the same period in 2012.

General and administrative expenses for the three months ended June 30, 2013, totaled $1.6 million compared to $1.8 million for the same period in 2012. For the six-month period, G&A expenses totaled $3.1 million compared to $3.5 million for the same period in 2012.

About Idera Pharmaceuticals, Inc.

Idera Pharmaceuticals technology platform involves creating novel synthetic RNA- and DNA-based compounds to modulate immune responses. Idera has applied this platform to develop proprietary Toll-like receptor (TLR) antagonists as immunomodulatory drug candidates. Toll-like receptor antagonists block the overactivation of immune factors which can cause a range of pathological effects. Idera is conducting clinical development of TLR antagonists in autoimmune and inflammatory diseases. More information on Idera is available at: http://www.iderapharma.com.

Idera Forward Looking Statements

This press release contains forward-looking statements concerning Idera Pharmaceuticals, Inc. 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 under The Private Securities Litigation Reform Act of 1995. Without limiting the foregoing, the words "believes," "anticipates," "plans," "expects," "estimates," "intends," "should," "could," "will," "may," and similar expressions are intended to identify such 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 continue to fund the Company's operations through year-end 2014 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 preclinical studies and early clinical trials such as the studies and trials referred to in this release will be indicative of results obtained in future clinical trials; whether Idera's 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 United States Food and Drug Administration or equivalent foreign regulatory agencies; whether, if the Company's products receive approval, they will be successfully distributed and marketed; whether the patents and patent applications owned or licensed by the Company will protect the Company's technology and prevent others from infringing it; and such other important factors as are set forth under the caption "Risk Factors" in Idera's Report on Form 10-Q for the period ended June 30, 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 (Unaudited)
(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
Revenues	$ 29	$ 28	$ 36	$ 37
Operating Expenses				
Research & Development	1,997	3,504	4,325	7,317
General & Administrative	1,599	1,848	3,126	3,537
Total Operating Expenses	3,596	5,352	7,451	10,854
Loss from Operations	(3,567)	(5,324)	(7,415)	(10,817)
Decrease (Increase) in Fair Value of Warrant Liability	-	1,318	-	(3)
Other, net	(24)	119	17	47
Net Loss	(3,591)	(3,887)	(7,398)	(10,773)
Loss on Extinguishment of Preferred Stock and Preferred Stock Dividends	2,030	160	2,309	320
Net Loss Applicable to Common Stockholders	$ (5,621)	$ (4,047)	$ (9,707)	$ (11,093)
Basic & Diluted Net Loss Per Common Share Applicable to Common Stockholders	$ (0.15)	$ (0.15)	$ (0.30)	$ (0.40)
Shares Used in Computing Basic & Diluted Net Loss Per Common Share Applicable to Common Stockholders	38,048	27,638	32,875	27,638

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

	June 30, 2013 (Unaudited)	December 31, 2012
Cash & Cash Equivalents	$ 16,301	$ 10,096
Other Assets	657	727
Total Assets	$ 16,958	$ 10,823
Total Liabilities	$ 3,031	$ 4,196
Redeemable Preferred Stock	-	5,921
Stockholders' Equity	13,927	706
Total Liabilities, Redeemable Preferred Stock & Stockholders' Equity	$ 16,958	$ 10,823

Source: Idera Pharmaceuticals, Inc.

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