

IDERA PHARMACEUTICALS, INC.

Form 10-Q

May 02, 2019

Table of Contents

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 March 31, 2019

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For transition period from _____ to _____ .

Commission File Number: 001-31918

IDERA PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware

04-3072298

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(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
505 Eagleview Blvd., Suite 212 Exton, Pennsylvania	19341
(Address of principal executive offices)	(Zip code)

(484) 348-1600

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class Common Stock, par value \$0.001 per share	Trading Symbol(s) IDRA	Name of each exchange on which registered Nasdaq Capital Market
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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 every Interactive Data File required to be submitted 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 such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company
	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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Common Stock, par value \$.001 per share	28,021,756
Class	Outstanding as of April 30, 2019

Table of Contents

IDERA PHARMACEUTICALS, INC.

FORM 10-Q

TABLE OF CONTENTS

	Page
<u>PART I — FINANCIAL INFORMATION</u>	
Item 1. <u>Financial Statements</u>	1
<u>Condensed Balance Sheets as of March 31, 2019 and December 31, 2018</u>	1
<u>Condensed Statements of Operations and Comprehensive Loss for the Three Months Ended March 31, 2019 and 2018</u>	2
<u>Condensed Statements of Cash Flows for the Three Months Ended March 31, 2019 and 2018</u>	3
<u>Condensed Statements of Stockholders' Equity for the Three Months Ended March 31, 2019 and 2018</u>	4
<u>Notes to Condensed Financial Statements</u>	5
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	16
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	30
Item 4. <u>Controls and Procedures</u>	30
<u>PART II — OTHER INFORMATION</u>	
Item 1A. <u>Risk Factors</u>	31
Item 6. <u>Exhibits</u>	32
<u>Signatures</u>	33

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Table of Contents

NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements, other than statements of historical fact, included or incorporated in this report regarding our strategy, future operations, clinical trials, collaborations, intellectual property, cash resources, financial position, future revenues, projected costs, prospects, plans, and objectives of management are forward-looking statements. The words “believes,” “anticipates,” “estimates,” “plans,” “expects,” “intends,” “may,” “could,” “should,” “potential,” “likely,” “prudent,” “will,” and “would” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We cannot guarantee that we actually will achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements.

There are a number of important factors that could cause our actual results to differ materially from those indicated or implied by forward-looking statements. These important factors include those set forth under Part I, Item 1A “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, which was filed with the Securities and Exchange Commission, or the SEC, on March 6, 2019. These factors and the other cautionary statements made in this Quarterly Report on Form 10-Q should be read as being applicable to all related forward-looking statements whenever they appear in this Quarterly Report on Form 10-Q.

In addition, any forward-looking statements, including any statements about the proposed transaction, represent our estimates only as of the date that this Quarterly Report on Form 10-Q is filed with the SEC and should not be relied upon as representing our estimates as of any subsequent date. We do not assume any obligation to update any forward-looking statements. We disclaim any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Table of Contents

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements.

IDERA PHARMACEUTICALS, INC.

CONDENSED BALANCE SHEETS

(In thousands, except per share amounts)	March 31, 2019	December 31, 2018*
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 24,198	\$ 71,431
Short-term investments	35,666	—
Prepaid expenses and other current assets	1,736	1,376
Total current assets	61,600	72,807
Property and equipment, net	176	207
Operating lease right-of-use asset	216	—
Other assets	9	9
Total assets	\$ 62,001	\$ 73,023
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 895	\$ 1,134
Accrued expenses	5,179	7,884
Operating lease liability	202	—
Total current liabilities	6,276	9,018
Operating lease liability, net of current portion	35	—
Other liabilities	18	11
Total liabilities	6,329	9,029
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value, Authorized — 5,000 shares:		
Series A convertible preferred stock; Designated — 1,500 shares, Issued and outstanding — 1 share	—	—
	28	27

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Common stock, \$0.001 par value, Authorized — 70,000 shares; Issued and outstanding — 28,008 and 27,188 shares at March 31, 2019 and December 31, 2018, respectively

Additional paid-in capital	730,991	728,342
Accumulated deficit	(675,349)	(664,375)
Accumulated other comprehensive income	2	—
Total stockholders' equity	55,672	63,994
Total liabilities and stockholders' equity	\$ 62,001	\$ 73,023

* The condensed balance sheet at December 31, 2018 has been derived from the audited financial statements at that date.

The accompanying notes are an integral part of these financial statements.

1

Table of Contents

IDERA PHARMACEUTICALS, INC.

CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(UNAUDITED)

(In thousands, except per share amounts)	Three Months Ended	
	March 31, 2019	2018
Alliance revenue	\$ —	\$ 255
Operating expenses:		
Research and development	8,102	13,556
General and administrative	3,143	3,481
Merger-related costs, net	—	3,498
Restructuring costs	131	—
Total operating expenses	11,376	20,535
Loss from operations	(11,376)	(20,280)
Other income (expense):		
Interest income	404	211
Interest expense	—	(7)
Foreign currency exchange loss	(2)	(19)
Net loss	\$ (10,974)	\$ (20,095)
Net loss per share applicable to common stockholders - basic and diluted (Note 12)	\$ (0.40)	\$ (0.81)
Weighted-average number of common shares used in computing net loss per share applicable to common stockholders - basic and diluted	27,676	24,879
Comprehensive loss:		
Net loss	\$ (10,974)	\$ (20,095)
Other comprehensive income (loss):		
Unrealized gain on available-for-sale securities	2	—
Total other comprehensive income	2	—
Comprehensive loss	\$ (10,972)	\$ (20,095)

The accompanying notes are an integral part of these financial statements.