November 12, 2014

Immune Design Reports Third Quarter 2014 Financial Results and Provides Corporate Update

SEATTLE and SOUTH SAN FRANCISCO, Calif., Nov. 12, 2014 (GLOBE NEWSWIRE) -- Immune Design Corp. (Nasdaq:IMDZ), a clinical-stage immunotherapy company, today reported financial results for the third quarter ended September 30, 2014.

"Immune Design had a very successful initial quarter as a public company, with progress on all fronts and execution according to plan," said Carlos V. Paya, M.D., Ph.D., president and chief executive officer of Immune Design.

Third Quarter 2014 Highlights and Corporate Update

Immuno-oncology Clinical Trials

- **Continued progress on clinical trial enrollment**. Enrollment for all ongoing clinical trials continues per plan. Within the company's Specific Antigen approach targeting NY-ESO-1-expressing tumors, the LV305 and G305 Phase 1 studies in five types of cancer are on schedule to complete enrolment by year-end, with data available to the company by the end of the first quarter of 2015. In the Endogenous Antigen approach, the G100 Phase 1 study continues to enroll Merkel cell carcinoma patients and should complete enrollment in the first half of 2015.
- **CMB305 IND cleared**. The FDA has cleared Immune Design to proceed with the first clinical study of CMB305, the prime-boost approach combining LV305 and G305, and the next stage in the Specific Antigen approach. The company expects to begin enrolling patients in the first quarter of 2015.
- **Multiple new studies planned for 2015.** In addition to starting the CMB305 Phase 1 study, in the latter part of 2015, Immune Design intends to begin two CMB305 Phase 2 studies in two tumor types, as well as an expansion study of LV305 at the maximum tolerated dose from its Phase 1 study in the first quarter of 2015. In the second quarter of 2015, the company also intends to start a G100 Phase 1 study in a second tumor, a type of non-Hodgkin lymphoma.

Non-oncology Strategy Update

- Immune Design continued to execute on its near-term strategy to partner in non-oncology indications with the announcement of two partnerships leveraging the GLAAS™ Platform:
  - **License to Sanofi to Explore Novel Approach to Treat Food Allergy:** In August 2014, Immune Design granted Sanofi an exclusive license to discover, develop and commercialize products to treat a selected food allergy, for which the company received an upfront payment and will be eligible to receive development and commercialization milestones totaling $168.0 million, as well as tiered royalties on sales of approved products.
  - **Broad Collaboration for the Development of a Herpes Simplex Virus Therapy with Sanofi Pasteur:** In October 2014, Immune Design entered into a broad collaboration for the development of a herpes simplex virus (HSV) therapy with Sanofi Pasteur, the vaccines division of Sanofi. The two companies will each contribute product candidates and develop them jointly through Phase 2 clinical trials, at which point Sanofi Pasteur intends to continue development of the most promising candidate. Sanofi Pasteur will bear the costs of all preclinical and clinical development, as well as commercial costs, with Immune Design providing a specific formulation of GLA from the GLAAS platform at its cost through Phase 2 studies. Immune Design will be eligible to receive future milestone and royalty payments on any product developed from the collaboration.

Financing

- **Initial Public Offering Completed:** In July 2014, Immune Design completed its initial public offering (IPO) of 5,410,564 shares, at a public offering price of $12.00 per share, resulting in aggregate gross proceeds of approximately $64.9 million, before underwriting discounts, commissions and expenses.

Third Quarter 2014 Financial Highlights and 2014 Guidance

- Immune Design ended the third quarter of 2014 with $83.4 million in cash and cash equivalents compared to $18.0 million at the end of the second quarter. Proceeds from the IPO and the exercise of warrants provided net cash from financing activities during the quarter of $67.3 million, which was offset by approximately $1.9 million net cash used for operating activities during the quarter.
- Research and development expenses for the third quarter of 2014 were $6.0 million, compared with $2.9 million for the third quarter of 2013. The increase of $3.1 million was primarily due to increased manufacturing of our clinical trial materials and the clinical trial costs for three ongoing Phase 1 studies in the current quarter.

- General and administrative expenses for the third quarter of 2014 were $4.1 million, compared to $1.1 million for the third quarter of 2013. The $3.0 million increase was driven primarily by the increased costs required to operate as a public company and increased legal fees.
- Net loss for the third quarter of 2014 was $6.7 million, compared to $4.0 million for the third quarter 2013.
- Immune Design expects full-year 2014 net cash used in operating activities to be less than $20.0 million, estimates ending 2014 with approximately $75.0 million in cash and equivalents, and expects to have cash to fund operations for approximately three years, without entering into any additional collaboration agreements or receiving any future milestone payments.

Conference Call Information

Immune Design will host a conference call and live audio webcast this morning at 5:30 a.m. PST/8:30 a.m. EST to provide a corporate update and discuss its financial results. To participate in the conference call, please dial (844) 831-3023 (domestic) or (920) 663-6275 (international) and refer to conference ID 31434939. To access the live webcast, please visit the "Events & Presentations" page under the "Investors" tab on Immune Design's website at www.immunedesign.com.

An archived copy of the webcast will be available on Immune Design's website beginning approximately two hours after the conference call. Immune Design will maintain an archived replay of the webcast on its website for at least 30 days after the conference call.

Future Conference Calls

Immune Design intends to hold semi-annual calls beginning in March 2015 and following the end of the second quarter after the availability of year-end and second quarter financials, respectively.

Immune Design intends to and in the future may use, its Investor Relations website (http://ir.immunedesign.com/index.cfm) as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD. For more information, please visit (http://ir.immunedesign.com/index.cfm).

About Immune Design

Immune Design is a clinical-stage immunotherapy company employing next-generation in vivo approaches to enable the body's immune system to fight disease. The company's technologies are engineered to activate the immune system's natural ability to create and/or expand antigen-specific cytotoxic T cells, while enhancing other immune effectors, to fight cancer and other chronic diseases. Immune Design's three on-going immuno-oncology clinical programs are the product of its two synergistic discovery platforms: ZVex™ and GLAAS™. Immune Design has offices in Seattle and South San Francisco. For more information, visit www.immunedesign.com.

Cautionary Note on Forward-looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "may," "will," "expect," "plan," "anticipate," "estimate," "intend" and similar expressions (as well as other words or expressions referencing future events, conditions or circumstances) are intended to identify forward-looking statements. These forward-looking statements are based on Immune Design's expectations and assumptions as of the date of this press release. Each of these forward-looking statements involves risks and uncertainties. Actual results may differ materially from these forward-looking statements. Forward-looking statements contained in this press release include, but are not limited to, statements about the timing of initiation, progress and scope of clinical trials for Immune Design's product candidates and the reporting of clinical data regarding Immune Design's product candidates. Many factors may cause differences between current expectations and actual results including unexpected safety or efficacy data observed during preclinical or clinical studies, clinical trial site activation or enrolment rates that are lower than expected, changes in expected or existing competition, changes in the regulatory environment, failure of Immune Design's collaborators to support or advance collaborations or product candidates and unexpected litigation or other disputes. Other factors that may cause Immune Design's actual results to differ from those expressed or implied in the forward-looking statements in this press release are discussed in Immune Design's filings with the U.S. Securities and Exchange Commission, including the "Risk Factors" sections contained therein. Except as required by law, Immune Design assumes no obligation to update any forward-looking statements contained herein to reflect any change in expectations, even as new information becomes available.

Immune Design

Selected Balance Sheet Data (unaudited)

(In Thousands)

	September 30,	**December 31,**

	2014	2013
Cash and cash equivalents	$ 83,388	$ 30,387
Total assets	85,016	30,965
Total Current liabilities	5,955	1,975
Convertible preferred stock	--	81,394
Total stockholders' equity (deficit)	78,996	(55,834)

Statements of Operation Data

(In Thousands Except Per Share Amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
	(unaudited)			
Revenues:				
Licensing revenue	$ 3,500	$ 13	$ 4,500	$ 717
Product sales	44	116	133	858
Total revenues	3,544	129	4,633	1,575
Operating expenses:				
Cost of product sales	31	70	63	532
Research and development	5,988	2,920	13,949	8,819
General and administrative	4,082	1,132	7,378	2,827
Total operating expenses	10,101	4,122	21,390	12,178
Loss from operations	(6,557)	(3,993)	(16,757)	(10,603)
Interest and other income (expense)	2	(1)	3	34
Change in fair value of convertible preferred stock warrant liability	(127)	—	(4,277)	—
Net loss attributable to common stockholders	$ (6,682)	$ (3,994)	$ (21,031)	$ (10,569)
Basic and diluted net loss per share attributable to common stockholders	$ (0.55)	$ (10.81)	$ (4.85)	$ (28.81)
Weighted-average shares used to compute basic and diluted net loss per share attributable to common stockholders	12,128,810	369,460	4,332,480	366,854

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Source: Immune Design