Inovio Pharmaceuticals – Releases quarter results to March 2015

Inovio Pharma {NASDAQ: INO} today released results for the quarter until March 2015.

Total revenue more than doubled compared to the corrrsponding quarter in 2014,whilst the operating expenses increased only slightly.

PLYMOUTH MEETING, Pa., May 11, 2015 **Inovio Pharmaceuticals, {Nasdaq:INO}** today reported financial results for the quarter ended March 31, 2015.

Total revenue was $5.2 million for the three months ended March 31, 2015, compared to $2.4 million for the same period in 2014. Total operating expenses were $13.5 million compared to $12.4 million.

The net loss attributable to common stockholders for the quarter ended March 31, 2015, was $10.6 million, or$0.17 per share, compared to $10.8 million, or $0.20 per share, for the quarter ended March 31, 2014.

Revenue

The increase in revenue was primarily due to payments received from Roche under our partnership agreement established in September 2013.

Operating Expenses

Research and development expenses for Q1 2015 were $9.4 million compared to $8.2 million for Q1 2014. The increase in R&D expenses was generally related to increased investment in all our product development programs. General and administrative expenses were $4.1 million for Q1 2015 versus $4.1 million for Q1 2014.

Capital Resources

As of March 31, 2015 cash and cash equivalents and short-term investments were $81.0 million compared with$93.6 million as of December 31, 2014. At quarter end the company had 60.7 million shares outstanding and 67.8 million fully diluted.

On May 5, 2015, the Company closed an underwritten public offering of 10,925,000 shares of the Company's common stock, including 1,425,000 shares of common stock issued pursuant to the underwriter's exercise of its option, at the public offering price of $8.00 per share. The gross proceeds of this offering were $87.4 million. Net proceeds to the Company, after deducting the underwriter's discounts and commission and other estimated offering expenses payable by the Company, were approximately $82.1 million.

We intend to use the net proceeds received from the sale of our common stock for general corporate purposes, including clinical trial expenses, research and development expenses, general and administrative expenses, manufacturing expenses and potential acquisitions of companies and technologies that complement our business.

Based on management's projections and analysis, the Company

believes that cash, cash equivalents and short-term investments are sufficient to meet its planned working capital requirements, including the cost of its planned phase III clinical trial of VGX-3100, through the end of 2018.

Inovio's balance sheet and statement of operations are provided below. Form 10-Q providing the complete 2015 first quarter financial report can be found at: http://ir.inovio.com/secfilings.

Corporate Update

Clinical Development

Detailed study findings from our phase II study of VGX-3100 in patients with high-grade cervical dysplasia have been submitted in a manuscript for peer review with the goal of publication in a medical journal. In this study we achieved our primary and secondary endpoints, with statistical significance in regressing high grade cervical dysplasia from CIN2/3 to CIN1 or no disease and clearing HPV. Robust and durable T-cell activity was detected in subjects who received VGX-3100 compared to those who received placebo. There were no serious adverse events.

We are preparing to launch a phase III registration study of VGX-3100 in early 2016. Necessary steps include scaling up commercial-level production of our immunotherapy product and delivery devices, and completing an end-of-phase-II meeting with the FDA.

As part of our expanding franchise targeting all HPV-associated precancers and cancers, we reported preliminary data from our first cancer study, a head & neck cancer trial, showing that INO-3112 (VGX-3100 plus Inovio's IL-12 based immune activator) generated strong CD8+ T cell responses in 3 of 4 patients.

We received regulatory approval to initiate a phase I study of our prostate cancer DNA immunotherapy, INO-5150, targeting prostate-specific membrane antigen and prostate-specific antigen. We intend to begin enrolling patients in 2Q 2015.

We initiated with our partner Roche a phase I trial for our hepatitis B immunotherapy, INO-1800. This randomized, open-label, active-controlled, dose escalation study is evaluating the safety, tolerability, and immunogenicity of Inovio's hepatitis B immunotherapy alone or in combination with Inovio's IL-12-based immune activator.

With collaborators under a DARPA-funded project (see Corporate Development below), we expect to start a phase I study of our Ebola immunotherapy, INO-4212, in 2Q 2015. Inovio published data in 2013 showing 100% protection of animals immunized with our Ebola DNA immunotherapy.

We reported that in a 12-patient phase I study our single-clade PENNVAX®-B HIV immunotherapy induced in HIV-infected patients CD8+ T cells with functional characteristics similar to those of long-term non-progressors (rare HIV-infected individuals who, without treatment, do not progress to further stages of the disease): "Synthetic consensus HIV-1 DNA induces potent cellular immune responses and synthesis of granzyme B, perforin in HIV infected individuals," *Molecular Therapy*. Building on these data, we created our global, multi-clade PENNVAX®-GP preventive and therapeutic HIV DNA immunotherapy candidate with funding via a $25 million NIH contract. We expect the HVTN to initiate a phase I study of PENNVAX®-GP in 2Q 2015.

Our phase I/IIa studies of INO-3112 in head & neck and cervical cancers; INO-1400 (hTERT antigen) in breast, lung or pancreatic cancer patients; and INO-8000, targeting hepatitis C virus genotypes 1a and 1b, in collaboration with GeneOne Life Sciences, Inc., are ongoing.

Corporate Development

The initiation of the phase I trial for Inovio's hepatitis B multi-antigen DNA immunotherapy, INO-1800, triggered a$3 million milestone payment from Roche, which exclusively licensed this product in 2013.

The National Institute of Allergy and Infectious Diseases (NIAID) awarded Inovio and its collaborators (University of Pennsylvania (primary), Emory University, Duke University, University of Massachusetts, VGXi, and Waisman Biomanufacturing) a five-year $16 million Integrated Preclinical/Clinical AIDS Vaccine Development Program to expand the coverage of Inovio's PENNVAX HIV vaccine to additional HIV strains and advance new technologies to further improve vaccination outcomes.

Under an award worth potentially $45 million from the Defense Advanced Research Projects Agency (DARPA), Inovio (primary) is collaborating with MedImmune as well as GeneOne Life Sciences and its manufacturing subsidiary, VGXI, Inc., University of Pennsylvania, Emory University and Vanderbilt University to advance multiple treatment and prevention approaches against Ebola. These approaches include Inovio's therapeutic DNA-based monoclonal antibody technology, MedImmune's protein-based therapeutic monoclonal antibodies, and Inovio's DNA-based vaccines. This award follows on a $12.2 million DARPA grant awarded last September under which Inovio, MedImmune, and scientists from the University of Pennsylvania (primary) are collaborating to develop and assess DNA-based monoclonal antibodies for influenza and antibiotic resistant bacteria.

For the third consecutive year, Inovio was recognized by industry peers at the World Vaccine Congress for "Best Therapeutic Vaccine" for its DNA-based immunotherapy,

VGX-3100. In addition, the laboratory of Dr. David B. Weiner, Chair of Inovio's Scientific Advisory Board and Professor of Pathology and Laboratory Medicine at The Perelman School of Medicine at the University of Pennsylvania, was awarded "Best Academic Research Team." Through Inovio's license agreement with the University of Pennsylvania, Dr. Weiner's laboratory is advancing DNA immunotherapy technology and products that form the foundation of Inovio's product portfolio.

Inovio continues its corporate development efforts to secure grants, collaborations, and partnerships to help advance its SynCon® immunotherapy and vaccine products.

About Inovio Pharmaceuticals, Inc.

Inovio is revolutionizing the fight against cancer and infectious diseases. Our immunotherapies uniquely activate best-in-class immune responses to prevent and treat disease, and have shown clinically significant efficacy with a favorable safety profile. With an expanding portfolio of immune therapies, the company is advancing a growing preclinical and clinical stage product pipeline. Partners and collaborators include Roche, MedImmune, University of Pennsylvania, DARPA, Drexel University, NIH, HIV Vaccines Trial Network, National Cancer Institute, U.S. Military HIV Research Program, and University of Manitoba. For more information, visit www.inovio.com.

This press release contains certain forward-looking statements relating to our business, including our plans to develop electroporation-based drug and gene delivery technologies and DNA vaccines, our expectations regarding our research and development programs and our capital resources. Actual events or results may differ from the expectations set forth herein as a result of a number of factors, including uncertainties inherent in pre-clinical studies, clinical trials and product

development programs (including, but not limited to, the fact that pre-clinical and clinical results referenced in this release may not be indicative of results achievable in other trials or for other indications, that the studies or trials may not be successful or achieve the results desired, including safety and efficacy for VGX-3100, that pre-clinical studies and clinical trials may not commence or be completed in the time periods anticipated, that results from one study may not necessarily be reflected or supported by the results of other similar studies and that results from an animal study may not be indicative of results achievable in human studies), the availability of funding to support continuing research and studies in an effort to prove safety and efficacy of electroporation technology as a delivery mechanism or develop viable DNA vaccines, our ability to support our broad pipeline of SynCon® active immune therapy and vaccine products, our ability to advance our portfolio of immune-oncology products independently, including INO-5150, and to commence a phase I clinical trial for INO-5150 in the first half of 2015, the adequacy of our capital resources, the availability or potential availability of alternative therapies or treatments for the conditions targeted by the company or its collaborators, including alternatives that may be more efficacious or cost-effective than any therapy or treatment that the company and its collaborators hope to develop, our ability to enter into partnerships in conjunction with our research and development programs, evaluation of potential opportunities, issues involving product liability, issues involving patents and whether they or licenses to them will provide the company with meaningful protection from others using the covered technologies, whether such proprietary rights are enforceable or defensible or infringe or allegedly infringe on rights of others or can withstand claims of invalidity and whether the company can finance or devote other significant resources that may be necessary to prosecute, protect or defend them, the level of corporate expenditures,

assessments of the company's technology by potential corporate or other partners or collaborators, capital market conditions, the impact of government healthcare proposals and other factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2014, our Form 10-Q for the quarter ended March 31, 2015, and other regulatory filings from time to time. There can be no assurance that any product in Inovio's pipeline will be successfully developed or manufactured, that final results of clinical studies will be supportive of regulatory approvals required to market licensed products, or that any of the forward-looking information provided herein will be proven accurate.

Inovio Pharmaceuticals, Inc.		
CONSOLIDATED BALANCE SHEETS		
	March 31, 2015	**December 31, 2014**
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$26,145,723	$40,543,982
Short-term investments	54,866,570	53,075,974
Accounts receivable	3,299,584	2,804,207
Prepaid expenses and other current assets	657,664	797,973
Prepaid expenses and other current assets from affiliated entity	2,017,465	1,382,375
Deferred tax asset	342,573	342,573
Total current assets	87,329,579	98,947,084
Fixed assets, net	4,946,951	4,583,204
Investment in affiliated entity	9,988,502	12,340,811

Intangible assets, net	4,552,574	4,776,059
Goodwill	10,113,371	10,113,371
Common stock warrants	259,000	550,000
Other assets	665,220	474,568
Total assets	$117,855,197	$131,785,097
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$4,445,074	$6,383,170
Accounts payable and accrued expenses due to affiliated entity	5,000	28,407
Accrued clinical trial expenses	1,266,885	2,007,432
Common stock warrants	1,732,956	2,022,729
Deferred revenue	193,089	3,187,223
Deferred revenue from affiliated entity	376,042	394,791
Deferred rent	139,842	—
Total current liabilities	8,158,888	14,023,752
Deferred revenue, net of current portion	329,777	173,779
Deferred revenue from affiliated entity, net of current portion	742,944	836,694
Deferred rent, net of current portion	4,693,493	4,709,229
Deferred tax liabilities	504,049	504,049
Total liabilities	14,429,151	20,247,503
Inovio Pharmaceuticals, Inc. stockholders' equity:		
Common stock	60,741	60,741
Additional paid-in capital	445,739,370	443,327,915

Accumulated deficit	(342,492,069)	(331,910,290)
Accumulated other comprehensive loss	(191,522)	(251,390)
Total Inovio Pharmaceuticals, Inc. stockholders' equity	103,116,520	111,226,976
Non-controlling interest	309,526	310,618
Total stockholders' equity	103,426,046	111,537,594
Total liabilities and stockholders' equity	$117,855,197	$131,785,097
Inovio Pharmaceuticals, Inc.		
CONSOLIDATED STATEMENTS OF OPERATIONS		
(Unaudited)		
	Three Months Ended March 31,	
	2015	**2014**
Revenues:		
Revenue under collaborative research and development arrangements	$4,245,571	$1,435,727
Revenue under collaborative research and development arrangements with affiliated entity	112,500	116,964
Grants and miscellaneous revenue	808,566	804,952
Total revenues	5,166,637	2,357,643
Operating expenses:		
Research and development	9,426,320	8,225,480
General and administrative	4,107,928	4,132,218
Total operating expenses	13,534,248	12,357,698
Loss from operations	(8,367,611)	(10,000,055)

Other income (expense):		
Interest and other income, net	138,276	52,076
Change in fair value of common stock warrants	(1,227)	(505,926)
Loss on investment in affiliated entity	(2,352,309)	(376,963)
Net loss	(10,582,871)	(10,830,868)
Net loss attributable to non-controlling interest	1,092	9,408
Net loss attributable to Inovio Pharmaceuticals, Inc.	$(10,581,779)	$(10,821,460)
Net loss per common share attributable to Inovio Pharmaceuticals, Inc. stockholders:		
Basic	$(0.17)	$(0.20)
Diluted	$(0.18)	$(0.20)
Weighted average number of common shares outstanding used in per share calculations:		
Basic	60,741,082	55,159,002
Diluted	60,913,423	55,159,002

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Source: Inovio Pharmaceuticals