Inovio Pharmaceuticals Reports 2016 Q2 Financial Results

Inovio Pharmaceuticals, Inc. {NASDAQ: INO} reported financial results for the quarter ended June 30, 2016.

The following financial results provide a year-over-year comparison of the second quarter in 2016 and 2015. Total revenue was $6.2 million compared to $5.3 million.
Inovio Pharmaceuticals Reports 2016 Second Quarter Financial Results

PLYMOUTH MEETING, Pa., Aug. 08, 2016 – **Inovio Pharmaceuticals, Inc. {NASDAQ: INO}** today reported financial results for the quarter ended June 30, 2016.

The following financial results provide a year-over-year comparison of the second quarter in 2016 and 2015. Total revenue was $6.2 million compared to $5.3 million. Total operating expenses were $24.4 million compared to $20.4 million. The net loss attributable to common stockholders was $18.7 million, or $0.26 per share, compared to $6.2 million, or $0.09 per share.

Revenue

The increase in revenue was primarily due to an increase in development payments from our DARPA Ebola grant.

Operating Expenses

Research and development expenses were $19.6 million compared to $16.7 million. The increase was primarily related to increased investment in our product development programs. General and administrative expenses were $5.8 million compared to $4.7 million.

Capital Resources

As of June 30, 2016, cash and cash equivalents and short-term investments were $134.5 million compared with $163.0 million as of December 31, 2015. There were 73.5 million shares outstanding and 81.2 million fully diluted.

The Company sold 119,400 shares of common stock at an average price of $11.12 per share, for net proceeds of $1.3 million, under the ATM common stock sales agreement implemented during the period.

Inovio’s balance sheet and statement of operations are provided below. Form 10-Q providing the complete 2016 second quarter financial report can be found at: http://ir.inovio.com/secfilings.

Corporate Update

Clinical Development

The FDA and European Medicines Agency provided an affirmative path toward an indication for VGX-3100 to treat HPV-16/18-

related high grade cervical dysplasia in a pivotal phase III registration study. We completed major commercial device design and manufacturing process development efforts, and are in the final stage of testing. Completion of this extensive work will enable us to then submit our final package to the FDA in order to start the phase III in 4Q 2016.

Received approval from the FDA to initiate a phase I human trial to evaluate Inovio's Zika DNA vaccine (GLS-5700). This phase I, open-label, dose-ranging study with 40 healthy subjects is evaluating the safety, tolerability and immunogenicity of GLS-5700. Subsequent to the quarter Inovio announced the dosing of the first subject in this study. We expect to report interim immune response and safety data in 4Q 2016.

Inovio will continue to develop its hepatitis B DNA immunotherapy (INO-1800) independently following Roche's notice that it will discontinue its collaboration with Inovio and its development of INO-1800. INO-1800 was licensed to Roche from Inovio in 2013. All of Roche's rights to INO-1800, including the right to license the product to other parties, will be returned. Inovio will continue to advance its current phase I study of INO-1800, which is enrolling as planned in 30 clinical sites in the U.S. and Asia-Pacific regions. Inovio anticipates completing enrollment in the first half of 2017 and expects results in the second half of 2017.

The study has completed interim safety reviews with a favorable safety profile to date. Immunology analyses are planned after completion of enrollment.

Partnered with the National Cancer Institute and Mayo Clinic to initiate a phase I trial of our immunotherapy for hepatitis C (INO-8000). The dose escalation study will enroll patients in the early stages of chronic HCV infection to determine the therapy's ability to decrease and potentially eliminate HCV viral load, measure HCV specific immune responses and durability of these immune responses, and evaluate safety and tolerability.

Completed enrollment of 94 subjects in the phase I study of

our PENNVAX®-GP HIV immunotherapy. After completing extensive immunogenicity analyses, we expect to report data in 1H 2017.
Completed enrollment of 22 subjects in the phase I study of our HPV-driven cancer immunotherapy, INO-3112, in head & neck cancer patients. We expect to report additional immune response and safety data in 4Q 2016.
Completed enrollment of 62 subjects in the phase I study of our INO-5150 prostate cancer immunotherapy. We expect to report interim immune response and safety data in 4Q 2016.
Completed enrollment of 75 subjects in the phase I study of our GLS-5300 MERS vaccine. We expect to report interim immune response and safety data in 4Q 2016.
Corporate Development

Inovio completed the acquisition of all of Bioject Medical Technologies Inc.’s assets, including pioneering needle-free jet injection technology, devices, and intellectual property, for $5.5 million in cash and stock.
Inovio’s DNA-based monoclonal antibody technology will be deployed to develop new immunotherapy approaches to treat HIV. This work will be funded by a $23 million grant, called BEAT-HIV: Delaney Collaboratory to Cure HIV-1 Infection by Combination Immunotherapy, from the National Institutes of Health to The Wistar Institute, an Inovio collaborator, and more than 30 of the nation’s leading HIV investigators.
Preclinical Development

Preclinical testing of our Zika virus synthetic vaccine induced robust and durable immune responses in mice and in non-human primates (monkeys).
About Inovio Pharmaceuticals, Inc.

Inovio is taking immunotherapy to the next level in the fight against cancer and infectious diseases. We are the only immunotherapy company that has reported generating T cells in vivo in high quantity that are fully functional and whose killing capacity correlates with relevant clinical outcomes 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 MedImmune, The Wistar Institute, University of Pennsylvania, DARPA, GeneOne Life Science, Plumbline Life Sciences, Drexel University, NIH, HIV Vaccines Trial Network, National Cancer Institute, U.S. Military HIV Research Program, and Laval University.

For more information, please 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 and INO-3112, 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 immunotherapy and vaccine products, our ability to advance our portfolio of immuno-oncology products independently, the ability of our

collaborators to attain development and commercial milestones for products we license and product sales that will enable us to receive future payments and royalties, 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, 2015, our Form 10-Q for the quarter ended June 30, 2016, 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.