Inovio publishes Q3 results

Inovio Pharmaceuticals {NASDAQ: INO} have released their Q3 results.

Total revenue for the 9 month period increased 300% Year on year, driven by some government funded projects for MERS and Ebola vaccine projects.

Inovio Pharmaceuticals Reports 2015 Third Quarter Results

PLYMOUTH MEETING, PA – November 9, 2015 – **Inovio Pharmaceuticals Inc. {NASDAQ: INO}** today reported financial results for the quarter ended September 30, 2015.

Total revenue was $24.2 million and $34.6 million for the three and nine months ended September 30, 2015, compared to $1.8 million and $8.0 million for the same periods in 2014.

Total operating expenses were $20.5 million and $54.4 million for the three and nine months ended September 30, 2015, compared to $10.2 million and $36.5 million for the same periods in 2014.

The net income (loss) attributable to common stockholders for the three and nine months ended September 30, 2015, was $5.6 million, or $0.08 per share, and $(11.2 million), or $(0.17) per share, compared to $(7.2 million), or $(0.12) per share,

and $(28.7 million), or $(0.49) per share, for the same periods in 2014.

Revenue

The increase in revenue for the comparable periods was primarily due to development payments from our DARPA Ebola grant as well as $15.0 million of revenue recognized in the third quarter 2015 from the up-front payment received from our partnership agreement with MedImmune. Accounting recognition of the remainder of the $27.5 million upfront payment has been deferred and will be triggered by future events.

The net income achieved during the third quarter was attributable to the increase in revenue and may not be reflective of future quarters.

Operating Expenses

Research and development expenses for the three and nine months ended September 30, 2015, were $16.1 million and $42.2 million, compared to $7.0 million and $24.9 million for the same periods in 2014. The increase for the three and nine month periods was primarily related to increased investment in our product development programs. General and administrative expenses for the three and nine months ended September 30, 2015, were $4.4 million and $13.2 million versus $3.2 million and $11.6 million for the same periods in 2014.

Capital Resources

As of September 30, 2015, cash and short-term investments were $170.8 million compared with $93.6 million as of December 31, 2014. At quarter end the company had 72.2 million shares

outstanding and 78.9 million fully diluted.

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

Corporate Update

Corporate Development

On August 7, 2015, Inovio entered into a strategic cancer vaccine collaboration and license agreement with MedImmune, the global biologics research and development arm of AstraZeneca. MedImmune acquired exclusive rights to Inovio's INO-3112 immunotherapy, which targets cancers caused by human papillomavirus (HPV) types 16 and 18. MedImmune intends to study INO-3112 in combination with selected immunotherapy molecules within its pipeline in HPV-driven cancers. Emerging evidence suggests that the benefits from immuno-oncology molecules, such as those in MedImmune's portfolio, can be enhanced when they are used in combination with cancer vaccines that generate tumor-specific T-cells.

MedImmune paid Inovio $27.5 million in the third quarter and will make potential future payments totaling up to $700 million upon reaching development and commercial milestones. MedImmune will fund all development costs. Inovio is entitled to receive up to double-digit tiered royalties on INO-3112 product sales.

Inovio and MedImmune will also develop two additional DNA-based cancer vaccine products not included in Inovio's current product pipeline, which MedImmune will have the exclusive rights to develop and commercialize. Inovio will be eligible to receive development, regulatory and commercialization milestone payments and royalties on net sales for these cancer vaccines.

This is the second major pharmaceutical partnership for Inovio's DNA-based immunotherapy technology, adding to its existing license agreement with Roche for the INO-1800 hepatitis B immunotherapy.

Inovio initiated a partnership with the European Organization for Research and Treatment of Cancer to evaluate INO-3112 in combination with traditional chemo-radiotherapy for the treatment of patients with locally advanced stage cervical cancer. The primary endpoint of this phase II study is to evaluate progression free survival at 18 months. It is expected to begin in 2016 and will be part of MedImmune's development plans.

Inovio and collaborators are advancing multiple treatment and prevention approaches against Ebola. Inovio received an initial $20 million award from the Defense Advanced Research Projects Agency (DARPA). In September, DARPA awarded Inovio an additional $25 million for the successful completion of pre-clinical and clinical development milestones. This funding supports the development of a DNA-based vaccine, a therapeutic DNA-based monoclonal antibody treatment (dMAb™), and a conventional monoclonal antibody treatment. Inovio has completed enrollment of 75 healthy subjects in a phase I study of the Ebola DNA vaccine.

Clinical Development

Inovio's manuscript detailing the broad study findings of its phase II study of VGX-3100 in patients with high-grade cervical dysplasia (CIN 2/3) was published in The Lancet, a top peer-reviewed medical journal. This publication describes that VGX-3100, a first-in-class product for treating high grade cervical neoplasia associated with HPV, is the first therapy to demonstrate that activated killer T cells induced in the body have the power to clear neoplastic lesions as well as the virus which caused the disease. These findings provide proof of principle not only for this disease indication but for the broad utility of Inovio's technology across cancers and infectious diseases.

Results of the trial were reported in the article entitled, "Safety, efficacy, and immunogenicity of VGX-3100, a therapeutic synthetic DNA vaccine targeting human papillomavirus 16 and 18 E6 and E7 proteins for cervical intraepithelial neoplasia 2/3: a randomized, double-blind, placebo-controlled phase 2b trial."

Inovio continues to make preparations to launch a phase III registration study of VGX-3100 in 2016. Necessary steps include scaling to commercial-level production of its immunotherapy product and delivery devices. The company expects its end-of-phase-II meeting with the FDA, which will review Inovio's phase II data and proposed phase III clinical trial design, to take place in early 2016.

Inovio launched a phase I study of INO-5150, its SynCon®

immunotherapy targeting prostate-specific membrane antigen and prostate-specific antigen, in men with biochemically relapsed prostate cancer. This study is evaluating the safety, tolerability, and immunogenicity of INO-5150 alone or in combination with Inovio's DNA-based IL-12 immune activator. The company expects to report interim data from this study in 2016.

The first patient was dosed in Inovio's phase I trial to evaluate safety and tolerability of PENNVAX®-GP, the company's "universal" DNA vaccine for HIV. The trial will measure immune responses following administration of the vaccine in four groups of healthy subjects receiving the vaccine with and without an immune activator (DNA IL-12) and delivered into muscle or skin using Inovio's CELLECTRA® delivery technology. This 94-patient study is being conducted by the HIV Vaccines Trial Network (HVTN) and funded by the National Institute of Allergy and Infectious Diseases (NIAID).

Inovio's partner for its DNA vaccine for Middle East Respiratory Syndrome (MERS), GeneOne Life Science Inc., filed an Investigational New Drug Application (IND) for GLS-5300 with the United States Food and Drug Administration in October and intends to launch a clinical trial in healthy volunteers by the year end.

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 is 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, Roche, University of Pennsylvania, DARPA, GeneOne Life Science, Drexel University, NIH, HIV Vaccines Trial Network, National Cancer Institute, U.S. Military HIV Research Program, and University of Manitoba.

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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 immune therapy and vaccine products, our ability to advance our portfolio of immune-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, 2014, our Form 10-Q for the quarter ended September 30, 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.