NEWS RELEASE

Inovio Pharmaceuticals Reports 2016 Third Quarter Financial Results

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PLYMOUTH MEETING, Pa., Nov. 09, 2016 (GLOBE NEWSWIRE) -- Inovio Pharmaceuticals, Inc. (NASDAQ:INO) today reported financial results for the quarter ended September 30, 2016. The following financial results provide a year-over-year comparison of the third quarter in 2016 and 2015. Total revenue was $12.5 million compared to $24.2 million. Total operating expenses were $32.7 million compared to $20.5 million. The net loss attributable to common stockholders was $20.8 million, or $0.28 per share for the third quarter 2016, compared to net income of $5.6 million, or $0.08 per share in the third quarter of 2015.

Revenue

The decrease in revenue for the comparable periods was primarily due to $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 was deferred and will be triggered by future events. The net income achieved during the third quarter 2015 was attributable to the increase in revenue and may not repeat in future quarters.

Operating Expenses

Research and development expenses were $27.0 million compared to $16.1 million for the third quarter ending 2016 and 2015 respectively. The increase was primarily related to increased investment in our product development programs – notably the DARPA funded Ebola program and clinical trial preparations for the initiation of the VGX-3100 phase III study. General and administrative expenses were $5.8 million compared to $4.4 million.

Capital Resources

As of September 30, 2016, cash and cash equivalents and short-term investments were $119.7 million compared with $163.0 million as of December 31, 2015. There were 74.0 million shares outstanding and 81.8 million fully diluted.

During the three months ended September 30, 2016, the Company sold 448,848 shares of common stock under its ATM common

stock sales agreement for net proceeds of $4.2 million, with an average price of $9.45 per share.

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

Corporate Update

Clinical Development

- The U.S. Food and Drug Administration (FDA) requested additional information regarding Inovio's submission for its proposed phase III clinical program for VGX-3100, placing the program on clinical hold. The study had not yet been initiated and has not enrolled or dosed subjects. In its initial communication the FDA requested additional data to support Inovio's shelf-life claim for the single-use disposable array of the newly designed and manufactured CELLECTRA® 5PSP immunotherapy delivery device. Inovio expects to receive a formal letter in November, which may request other information, and estimates the start of the phase III clinical program will be delayed until the first half of 2017, pending resolution of the FDA's request. This clinical hold does not affect other Inovio clinical programs.
- Initiated a phase I Zika DNA vaccine trial in Puerto Rico to test for safety, immune responses and initial evidence of efficacy. The placebo-controlled double-blind trial will assess differences in Zika infection rates in 160 healthy participants given either placebo or vaccine as part of an exploratory endpoint. This is the second human Zika vaccine trial initiated by Inovio. All 40 subjects for the first clinical study have been fully enrolled and dosed.
- Expanded phase I Ebola vaccine trial by fully enrolling an additional 125 subjects in a second stage after generating positive initial safety and immune response data in the first set of 75 healthy volunteers. The study will assess immune response characteristics generated with fewer intradermal administrations, lower doses, and with and without its DNA-based IL-12 immune activator.

Corporate Development

- Inovio incorporated a 100%-owned subsidiary, GENEOS Therapeutics, Inc., to develop and commercialize neo-antigen based personalized cancer therapies. While Inovio pursues the unique potential of its SynCon® immunotherapy design to break tolerance and create cancer products targeting universal tumor specific antigens, GENEOS will exclusively focus on leveraging Inovio's potent DNA immunotherapy technology platform to advance the emerging field of patient-specific neo-antigen therapies. Inovio's clinically validated DNA based platform is well suited for advancing individualized therapies due to its rapid product design and manufacturing benefits, ability to combine multiple neo-antigens into formulations, and generation of potent killer T cell responses that are needed to drive clinical efficacy. GENEOS plans to independently raise capital and build a team to execute this complementary business model. Inovio will continue its focus on advancing its universal antigen-specific cancer immunotherapy portfolio, including INO-3112 (with Medimmune), INO-5150, INO-1400, and INO-5401, as well as its pre-cancer (VGX-3100) and infectious disease products.

- Licensed a veterinary vaccine for foot and mouth disease (FMD) to Plumbline Life Sciences, an animal health company headquartered in South Korea. Plumbline will fund all development activities for this FMD vaccine and pay Inovio milestone payments as well as royalties on potential product sales.
- Inovio expanded its leadership team with the appointment of multiple individuals to lead the functions of business development, biologic and device manufacturing, regulatory, and oncology clinical development.

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, 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 our ability to obtain a release of the clinical hold from the FDA for the proposed phase III clinical program for VGX-3100, 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 September 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.

Inovio Pharmaceuticals, Inc.

CONSOLIDATED BALANCE SHEETS

	September 30, 2016 (Unaudited)	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 23,250,762	$ 57,632,693
Short-term investments	96,435,585	105,357,277
Accounts receivable	17,455,108	7,333,059
Prepaid expenses and other current assets	1,391,252	917,257
Prepaid expenses and other current assets from affiliated entity	1,697,213	610,652
Total current assets	140,229,920	171,850,938
Fixed assets, net	8,990,714	7,306,695
Investment in affiliated entity- GeneOne	20,758,587	14,941,277
Investment in affiliated entity - PLS	4,537,761	5,045,915
Intangible assets, net	8,036,874	3,905,860
Goodwill	10,513,371	10,113,371
Other assets	1,482,066	676,803
Total assets	$ 194,549,293	$ 213,840,859
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 16,183,976	$ 13,064,899
Accounts payable and accrued expenses due to affiliated entity	493,420	165,047
Accrued clinical trial expenses	7,216,266	2,600,483
Common stock warrants	1,812,502	1,301,138
Deferred revenue	14,829,634	13,449,768
Deferred revenue from affiliated entity	438,542	504,442
Deferred rent	400,200	380,629
Total current liabilities	41,374,540	31,466,406
Deferred revenue, net of current portion	365,687	103,074
Deferred revenue from affiliated entity, net of current portion	180,444	677,371
Deferred rent, net of current portion	5,474,834	5,485,313
Deferred tax liabilities	175,642	175,642
Total liabilities	47,571,147	37,907,806
Inovio Pharmaceuticals, Inc. stockholders' equity:		
Common stock	73,967	72,218
Additional paid-in capital	552,753,321	534,004,564
Accumulated deficit	(408,604,765)	(361,097,896)
Accumulated other comprehensive income	2,659,354	2,708,339
Total Inovio Pharmaceuticals, Inc. stockholders' equity	146,881,877	175,687,225
Non-controlling interest	96,269	245,828
Total stockholders' equity	146,978,146	175,933,053
Total liabilities and stockholders' equity	$ 194,549,293	$ 213,840,859

Inovio Pharmaceuticals, Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenues:				
Revenue under collaborative research and development arrangements	$ 2,327,316	$ 16,475,083	$ 6,014,161	$ 25,055,890
Revenue under collaborative research and development arrangements with affiliated entity	574,596	125,000	1,211,316	404,167
Grants and miscellaneous revenue	9,410,648	7,583,151	19,401,029	9,176,492
Grants and miscellaneous revenue from affiliated entity	227,903	—	227,903	—
Total revenues	12,540,463	24,183,234	26,854,409	34,636,549
Operating expenses:				
Research and development	26,980,343	16,075,201	64,800,304	42,190,032
General and administrative	5,755,603	4,377,616	16,926,746	13,203,804
Gain on sale of assets	—	—	(1,000,000)	(1,000,000)
Total operating expenses	32,735,946	20,452,817	80,727,050	54,393,836
Income (Loss) from operations	(20,195,483)	3,730,417	(53,872,641)	(19,757,287)
Other income (expense):				
Interest and other income, net	391,596	214,982	1,065,797	499,590
Change in fair value of common stock warrants, net	2,690	518,877	(517,334)	467,877
Gain (loss) on investment in affiliated entity	(958,141)	(659,054)	5,817,309	5,849,782
Net income (loss) before income tax benefit	(20,759,338)	3,805,222	(47,506,869)	(12,940,038)
Income tax benefit	—	1,789,246	—	1,789,246
Net income (loss)	(20,759,338)	5,594,468	(47,506,869)	(11,150,792)
Net (income) loss attributable to non-controlling interest	—	—	—	(84,769)
Net income (loss) attributable to Inovio Pharmaceuticals, Inc.	$ (20,759,338)	$ 5,594,468	$ (47,506,869)	$ (11,235,561)
Net income (loss) per common share attributable to Inovio Pharmaceuticals, Inc. stockholders:				
Basic	$ (0.28)	$ 0.08	$ (0.65)	$ (0.17)
Diluted	$ (0.28)	$ 0.07	$ (0.65)	$ (0.18)
Weighted average number of common shares outstanding used in per share calculations:				
Basic	73,602,834	72,029,644	72,932,199	66,846,481
Diluted	73,789,008	73,961,237	72,932,199	67,018,961

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