NEWS RELEASE

Inovio Pharmaceuticals Reports 2017 First Quarter Financial Results

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PLYMOUTH MEETING, Pa., May 10, 2017 (GLOBE NEWSWIRE) -- Inovio Pharmaceuticals, Inc. (NASDAQ:INO) today reported financial results for the quarter ended March 31, 2017.

Total revenue was $10.4 million for the three months ended March 31, 2017, compared to $8.1 million for the same period in 2016. Total operating expenses were $32.3 million compared to $23.6 million.

The net loss attributable to common stockholders for the quarter ended March 31, 2017, was $23.1 million, or $0.31 per share, compared to $8.0 million, or $0.11 per share, for the quarter ended March 31, 2016. The increase in net loss for the quarter resulted primarily from a higher non-cash accounting expense related to the change in fair value of the investment in our affiliated entity.

Revenue

The increase in revenue was primarily due to the revenue recognized from the termination payment received from Roche during Q1 2017.

Operating Expenses

Research and development expenses for Q1 2017 were $24.5 million compared to $18.2 million for Q1 2016. The increase in R&D expenses was related to increased investment in all our product development programs. General and administrative expenses were $7.8 million for Q1 2017 versus $5.4 million for Q1 2016. The increase in G&A expenses primarily related to an increase in non-cash stock based compensation.

Capital Resources

As of March 31, 2017, cash and cash equivalents and short-term investments were $89.7 million compared with $104.8 million as of

December 31, 2016. At quarter end the company had 74.6 million shares outstanding and 84.1 million fully diluted.

Under a collaboration and license agreement established with ApolloBio Corporation in February, Inovio expects to receive up to $50 million in payments and an equity investment. Details of this agreement are discussed under Corporate Development below.

Inovio's balance sheet and statement of operations are provided below. Form 10-Q providing the complete 2017 first quarter financial report can be found at: **http://ir.inovio.com/secfilings**.

Corporate Update

Clinical Development

VGX-3100: Cervical Pre-Cancer (Phase 3)

- Subsequent to the quarter, Inovio submitted a complete response relating to the clinical hold imposed by the U.S. FDA regarding device-related questions and comments pertaining to its VGX-3100 phase 3 program. Inovio's new CELLECTRA® 5PSP commercial delivery device has been the focus of a clinical hold since 4Q 2016. The FDA's information request sought to confirm details on various parameters of this new fully automated device developed for the phase 3 clinical study and future commercial use. Inovio's response involved the generation of extensive testing and validation data. If this complete response is deemed satisfactory by the FDA to lift the clinical hold, Inovio would be in a position to start the phase 3 study in the second quarter.
- We have been preparing investigational sites for the phase 3 study and are prepared to enroll patients after the clinical hold is lifted and the study is initiated.

VGX-3100: Vulvar Pre-Cancer (Phase 2)

- Subsequent to the quarter, Inovio commenced a randomized, open label phase 2 trial to evaluate the efficacy of VGX-3100 in 36 women with high-grade HPV-related pre-cancerous lesions of the vulva, or vulvar intraepithelial neoplasia, a disease with a high unmet medical need. The immunotherapy will be administered with Inovio's CELLECTRA® intramuscular delivery device. The primary endpoint of the study is histologic clearance of high-grade lesions and virologic clearance of the HPV virus in vulvar tissue samples. The study will also evaluate safety and tolerability.

MEDI0457: HPV-Related Head & Neck Cancer (Phase 1/2)

- MedImmune, AstraZeneca's global biologics research and development arm, will start a combination trial with MEDI0457, an immunotherapy designed to generate antigen specific killer T-cell responses targeting HPV-related tumors, and MedImmune's recently approved PDL-1 checkpoint inhibitor, durvalumab. MEDI0457, previously known as INO-3112, was developed by Inovio and licensed to MedImmune in 2015. In the second quarter, we expect enrollment to begin of patients with metastatic

HPV-related squamous cell carcinoma of the head & neck with persistent or recurrent disease after chemotherapy treatment. The open-label study is designed to evaluate the safety and efficacy of the combination therapy in approximately 50 subjects at multiple U.S. sites. The primary endpoints of the study are safety and tumor regression. The study will also evaluate immunological impact, progression-free survival and overall survival.

Infectious Disease Studies

- Completed enrollment of 90 patients in phase 1 study of hepatitis B DNA immunotherapy, INO-1800, and expect to report preliminary immune response data in 2H 2017. The study has completed interim safety reviews with a favorable safety profile.
- Reported that in our first 40-subject phase 1 study of GLS-5700 (Zika-001) high levels of binding antibodies were measured in 100% (39 of 39) of evaluated subjects after three doses. The vaccine was safe and well-tolerated. We also expect that our second phase 1 Zika vaccine study of GLS-5700 (ZIKA-002), which is being conducted in Puerto Rico, will fully enroll 160 subjects in 2Q. In this randomized, placebo-controlled, double-blind trial, 80 subjects will receive vaccine and 80 subjects will receive placebo. The study is evaluating the safety, tolerability and immunogenicity of GLS-5700 administered with Inovio's CELLECTRA®-3P intradermal device. The study will also assess differences in Zika infection rates between the arms as an exploratory signal of vaccine efficacy.
- Reported that our fully enrolled 75-subject phase 1 study of our MERS DNA vaccine GLS-5300 generated high levels of binding antibodies in 92% (57 of 62) of evaluated subjects after three vaccinations. The vaccine was safe and well-tolerated.
- Preliminary results from the expanded stage of our phase 1 study, EBOV-001, demonstrated that 95% (170 of 179) of evaluable subjects generated an Ebola-specific antibody immune response, with the mean antibody titer comparable or superior to those reported from viral vector-based Ebola vaccines; and a favorable safety profile compared to such vaccines.

Corporate Development

- Inovio entered into an immuno-oncology collaboration agreement with Regeneron Pharmaceuticals, Inc. Inovio will conduct a phase 1/2 study against newly-diagnosed glioblastoma multiforme (GBM) combining its INO-5401 T-cell activating immunotherapy encoding multiple antigens and INO-9012, an immune activator encoding IL-12, with Regeneron's PD-1 checkpoint inhibitor, REGN2810. This 50-subject open-label trial will be conducted at multiple U.S. sites and will evaluate safety, tolerability, immunological impact, tumor regression, progression-free survival and overall survival. Inovio expects to begin enrollment in the second half of the year.
- Under a collaboration and license agreement established with ApolloBio Corporation in February, ApolloBio is awaiting approval of the agreement by Chinese regulatory authorities. Upon receiving regulatory approval, ApolloBio will pay Inovio a $3 million signing fee and a $12 million milestone tied to the lifting of the VGX-3100 phase 3 clinical hold by the FDA. Under a separate equity agreement, ApolloBio will invest in Inovio common stock subsequent to lifting of the clinical hold at a volume weighted average price encompassing a trading period prior to and following the lifting of the clinical hold. The aggregate investment, which is expected to be completed in the first half of 2017, will not exceed $35 million and may be a lower amount such that ApolloBio will not be the largest shareholder in Inovio. ApolloBio will fund all clinical development costs

within the licensed territory (Greater China), and will pay Inovio up to $20 million based upon the achievement of certain regulatory milestones in the US and China, and tiered double digit royalties on net sales of VGX-3100. The agreements are subject to People's Republic of China (PRC) corporate and regulatory approvals, and payments are subject to PRC currency approvals.

- Inovio academic and industry collaborators received a multi-year $6.95 million grant from the NIH's National Institute of Allergy and Infectious Diseases to develop a single or combination therapy using Inovio's PENNVAX®-GP and a PD-1 checkpoint inhibitor with the goal of attaining long-term HIV remission in the absence of antiviral drugs.
- Inovio's Board of Directors appointed as a director Mr. George Bickerstaff, an internationally recognized expert in finance, healthcare and information technology. He served Novartis Pharma AG as its chief financial officer and held senior financial positions at IMS Health, Dun & Bradstreet and General Electric. He serves on various boards and is currently partner and managing director of M.M. Dillon & Co., an investment bank and financial advisory firm. Mr. Bickerstaff will stand for election by shareholders with other existing directors at the 2017 annual general meeting.

Preclinical Development

- **Molecular Therapy** published a paper entitled, "A novel DNA vaccine platform enhances neo-antigen-like T-cell responses against WT1 to break tolerance and induce anti-tumor immunity," showing that this DNA-encoded antigen induced T cell responses that caused tumor regression in pre-clinical studies. The WT1 antigen is over-expressed in multiple cancer types but not found in most normal tissue, giving it potential to be used as part of a universal cancer vaccine against multiple tumor types. Inovio has combined WT1 with its hTERT and PSMA antigens, which are also prevalent across many cancer types, to create INO-5401; this new immunotherapy product is advancing into human studies in combination with a Regeneron PD-1 checkpoint inhibitor in patients with GBM.

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, Regeneron, The Wistar Institute, University of Pennsylvania, DARPA, GeneOne Life Science, Plumbline Life Sciences, ApolloBio Corporation, 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, 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, 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, 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, 2016, our Form 10-Q for the period ended March 31, 2017, 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, 2017	December 31, 2016
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 22,903,253	$ 19,136,472
Short-term investments	66,755,201	85,629,412
Accounts receivable	9,864,900	15,821,511
Accounts receivable from affiliated entity	1,232,905	748,355
Prepaid expenses and other current assets	4,206,127	1,749,059
Prepaid expenses and other current assets from affiliated entity	1,816,769	1,512,424
Total current assets	106,779,155	124,597,233
Fixed assets, net	9,803,457	9,025,446
Investment in affiliated entity- GeneOne	14,443,248	16,052,065
Investment in affiliated entity - PLS	3,027,549	3,777,510
Intangible assets, net	7,222,095	7,628,394
Goodwill	10,513,371	10,513,371
Other assets	1,525,154	2,113,147
Total assets	$ 153,314,029	$ 173,707,166
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 14,465,785	$ 19,597,787
Accounts payable and accrued expenses due to affiliated entity	529,169	1,072,579
Accrued clinical trial expenses	5,909,873	6,368,389
Common stock warrants	1,051,137	1,167,614
Deferred revenue	17,060,324	14,762,720
Deferred revenue from affiliated entity	368,986	407,292
Deferred rent	617,289	446,646
Total current liabilities	40,002,563	43,823,027
Deferred revenue, net of current portion	227,481	317,808

Deferred revenue from affiliated entity, net of current portion	—	86,694
Deferred rent, net of current portion	6,963,866	5,926,424
Deferred tax liabilities	174,793	174,793
Total liabilities	47,368,703	50,328,746
Inovio Pharmaceuticals, Inc. stockholders' equity:		
Common stock	74,627	74,062
Additional paid-in capital	563,229,335	556,718,356
Accumulated deficit	(458,236,452)	(434,838,235)
Accumulated other comprehensive income	781,547	1,327,968
Total Inovio Pharmaceuticals, Inc. stockholders' equity	105,849,057	123,282,151
Non-controlling interest	96,269	96,269
Total stockholders' equity	105,945,326	123,378,420
Total liabilities and stockholders' equity	$ 153,314,029	$ 173,707,166

Inovio Pharmaceuticals, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	2017	2016
Revenues:		
Revenue under collaborative research and development arrangements	$ 4,288,586	$ 1,796,857
Revenue under collaborative research and development arrangements with affiliated entity	233,330	137,000
Grants and miscellaneous revenue	5,240,233	6,176,298
Grants and miscellaneous revenue from affiliated entity	614,036	—
Total revenues	10,376,185	8,110,155
Operating expenses:		
Research and development	24,542,504	18,189,160
General and administrative	7,767,589	5,371,613
Total operating expenses	32,310,093	23,560,773
Loss from operations	(21,933,908)	(15,450,618)
Other income (expense):		
Interest and other income, net	340,341	333,070
Change in fair value of common stock warrants, net	116,477	(406,249)
Gain (loss) on investment in affiliated entity	(1,608,817)	7,480,977
Net loss attributable to Inovio Pharmaceuticals, Inc.	$ (23,085,907)	$ (8,042,820)
Net loss per common share attributable to Inovio Pharmaceuticals, Inc. stockholders		
Basic	$ (0.31)	$ (0.11)
Diluted	$ (0.31)	$ (0.11)
Weighted average number of common shares outstanding used in per share calculations:		
Basic	74,152,609	72,230,411
Diluted	74,300,884	72,230,411

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