NEWS RELEASE

Inovio Pharmaceuticals Reports 2018 Fourth Quarter and Year-End Financial Results

2019-03-12

PLYMOUTH MEETING, Pa., March 12, 2019 /PRNewswire/ -- Inovio Pharmaceuticals, Inc. (NASDAQ:INO), a late-stage biotechnology company focused on the development and commercialization of DNA immunotherapies targeted against cancers and infectious diseases, today reported financial results for the fourth quarter and year ended December 31, 2018. Inovio's management will host a live conference call and webcast at 4:30 p.m. Eastern Time today to discuss financial results and provide a general business update.

Inovio Highlights

- MEDI0457 (formerly INO-3112, licensed to AstraZeneca)

  Between October 2018 and January 2019, Inovio announced two patients with human papilloma virus (HPV)-related head and neck cancer that were treated with INO-3112 (now called MEDI0457) in a Phase 1 trial achieved a sustained complete response (full remission) following subsequent treatment with a PD-1 checkpoint inhibitor. Both patients who achieved full cancer remission were treated with four doses of synthetic DNA vaccine as part of a Phase 1 monotherapy trial of 22 patients with HPV-related head and neck squamous cell carcinoma in which 91% of patients (20/22) showed T cell activity in the blood or tissue. The administration of synthetic DNA vaccine in the trial generated robust HPV16/18 specific CD8+ T cell responses in peripheral blood and increased CD8+ T cell infiltration in resected tumor tissue samples. Complete response in 2 out of 4 (50%) progressors is encouraging, as to Inovio's knowledge, the best complete response rate by PD-1 inhibitors as a monotherapy in metastatic head and neck cancer is approximately 4% (8/192 with KEYTRUDA® alone and 6/240 with OPDIVO® alone).

  Additionally, in December 2018, Inovio announced a second Phase 2 study in collaboration with AstraZeneca and the MD Anderson Cancer Center to evaluate MEDI0457 in combination with durvalumab targeting a broad array of cancers associated with HPV. The treatment of the first patient with cervical cancer in this trial resulted in a milestone payment from AstraZeneca to Inovio.

- VGX-3100 – HPV-related Pre-cancers

VGX-3100, which is a sibling product candidate to MEDI0457, continues to be evaluated in the double-blind global Phase 3 study for the treatment of cervical dysplasia (CIN). The enrollment for primary study, REVEAL 1, is nearing completion; while the confirmatory study, REVEAL 2, is now open and recruiting. The company maintains the target objective on a BLA submission for VGX-3100 in 2021. In addition to VGX-3100 for the treatment of CIN, the company anticipates interim efficacy later this year from our 2 separate Phase 2 studies that are evaluating the efficacy of VGX-3100 in patients with precancerous lesions of the vulva, or vulvar dysplasia, as well as for anal dysplasia.

- INO-5401 – Cancer Combination Trials

  Inovio's Phase 1/2 immuno-oncology trial evaluating INO-5401 plus INO-9012, in combination with Regeneron Pharmaceuticals' cemiplimab (REGN2810) in patients with newly diagnosed glioblastoma currently has 20 sites open within the United States with the enrollment of 52 patients nearly completed. In Inovio's other Phase 1/2a study of INO-5401 plus INO-9012, in combination with Genentech/Roche's atezolizumab, for the treatment of advanced or metastatic bladder cancer, the company recently opened sites in Europe to further accelerate enrollment along with its 13 active sites in the United States. The company expects interim efficacy results from both programs in 2019.

- Infectious Diseases
  - Inovio and its partner GeneOne Life Science, with a full funding from the International Vaccine Institute, are conducting a Phase 1/2a MERS vaccine study in South Korea, with data report expected in 2019. Inovio also plans to initiate a Phase 2 MERS vaccine field trial in the Middle East with full CEPI funding in 2H 2019.
  - Inovio received IND approval for another CEPI funded vaccine for combatting Lassa fever, which will advance into the first human trial in the second quarter.
  - All patient samples have been collected for Inovio's Zika vaccine trial in Puerto Rico. Inovio's partner GeneOne is analyzing all samples blindly and will report safety, immune responses and infection rate data from this study in 2019.
  - Inovio expects to have clinical data from several Phase 1 vaccine programs published multiple publications in 2019: Ebola vaccine; MERS vaccine; HIV; and ZIka vaccine study in Puerto Rico.

- DNA-Encoded Monoclonal Antibody (dMAb™)

  In February 2019, the company dosed the first subject in the first-ever human study of Inovio's DNA-encoded monoclonal antibody (dMAb™) technology evaluating the dMAb's (INO-A002) ability to prevent or treat Zika virus infection. This study is being fully funded by The Bill and Melinda Gates Foundation. While the trial's focus is on evaluating the dMAb for Zika infection, the clinical results are intended to help advance Inovio's dMAb programs in infectious diseases and cancer.

- Geneos Therapeutics, Inc.

  In February 2019, Inovio's subsidiary Geneos, secured a Series A financing round with potential proceeds of up $10.5 million. This funding has launched Geneos' operations as a standalone entity to develop the next generation of neoantigen-targeting cancer immunotherapies. Geneos has an exclusive license to Inovio's DNA-based immunotherapy platform for personalized cancer immunotherapy; Inovio will continue to develop and potentially commercialize all global population-based (non-personalized) cancer immunotherapies and infectious disease vaccines based on its proprietary SynCon® design.

- Cash Position

  As of December 31, 2018, cash and cash equivalents and short-term investments were $81.2 million compared to $85.5 million as of September 30, 2018. In February and March 2019, the Company completed a private placement of $78.5 million aggregate principal amount of 6.50% convertible senior notes due 2024, or the Notes. The Notes were sold in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. Net proceeds from the offering were approximately $75.8 million, after deducting the initial purchasers' discount and estimated offering expenses payable by the Company.

Dr. J. Joseph Kim, Inovio's President & CEO said, "Our Phase 3 program for VGX-3100 is advancing with REVEAL 1 nearing complete enrollment and the opening of sites for REVEAL 2. Moreover, Inovio continues to generate impressive efficacy data for HPV-related head and neck cancers, further validating our objective to be the global leader in treating HPV-related diseases. The announcement of the second patient achieving full cancer remission in January provides additional corroboration for Inovio's overall cancer combination strategy using a T cell activator combined with a checkpoint inhibitor against an array of cancers with big pharma partners providing various checkpoint inhibitors. With interim efficacy data expected later this year from our INO-5401 programs, we believe Inovio is well-positioned to continue to build upon its synthetic DNA immunotherapy approach, while continuing to leverage our current partnerships and seeking to form new ones."

Fourth Quarter 2018 Financial Results

Total revenue was $2.5 million and $30.5 million for the quarter and year ended December 31, 2018, respectively, compared to $8.8 million and $42.2 million for the same periods in 2017. Total operating expenses were $32.0 million and $124.6 million for the quarter and year ended December 31, 2018, respectively, compared to $31.7 million and $125.9 million for the same periods in 2017, respectively.

As a result of the adoption of Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers, beginning on January 1, 2018, all contributions received from current grant agreements have been recorded as a contra-expense as opposed to revenue on the consolidated statement of operations. For the quarter and year ended December 31, 2018, $2.8 million and $9.5 million, respectively, was recorded as contra-research and development expense, which would have been classified as grant revenue in the prior year. Had this change in presentation not occurred, total revenue would have been $5.3 million and $40.0 million for the quarter and year ended December 31, 2018, respectively, compared to $8.8 million and $42.2 million for the same periods in 2017. Total operating expenses would have been $34.8 million and $134.1 million for the quarter and year ended December 31, 2018, respectively, compared to $31.7 million and $125.9 million for the same periods in 2017.

Inovio's net loss for the quarter and year ended December 31, 2018 was $33.0 million, or $0.34 per basic and diluted share, and $97.0 million, or $1.05 per basic and diluted share, respectively, as compared to $21.5 million, or $0.24 per basic and diluted share, and $88.2 million, or $1.08 per basic and $1.09 per diluted share, for the same periods in 2017.

Revenue

The year over year decrease in comparable revenue and grant agreement recognition was primarily due to $15.4 million in lower revenues recognized under Inovio's collaborative research and development agreement with AstraZeneca, as previously deferred revenue was recognized in June 2017 upon AstraZeneca's selection of the first cancer research collaboration product candidate. There was also a decrease in grant funding recognized from Inovio's DARPA Ebola grant of $8.8 million as well as no revenue recognized in 2018 from Roche compared to $6.1 million for 2017 due to the termination of the agreement in 2017. These decreases were partially offset by the recognition of the gross up-front payment from ApolloBio of $23.0 million during the year (approximately $19.4 million after payment of required taxes), as well as an increase in grant funding from the CEPI grant of $4.3 million, among other variances.

Operating Expenses

Research and development (R&D) expenses for the quarter and year ended December 31, 2018 were $26.4 million and $95.3 million, respectively, compared to $24.6 million and $98.6 million for the same periods in 2017. The year over year decrease in R&D expenses was primarily due to the $9.5 million contra-research and development expense recorded from grant agreements as discussed above, as well as a decrease in expenses related to Inovio's DARPA Ebola grant. These decreases were offset by an increase in expenses for drug manufacturing related to Inovio's collaboration with AstraZeneca, employee headcount to support clinical trials and partnerships, and expenses related to clinical trials, among other variances.

General and administrative expenses were $5.6 million and $29.3 million, respectively, for the quarter and year ended December 31, 2018 versus $8.0 million and $28.3 million, respectively, for the same periods in 2017.

Capital Resources

As of December 31, 2018, cash and cash equivalents and short-term investments were $81.2 million compared to $85.5 million as of September 30, 2018. As of December 31, 2018, the Company had 97.2 million common shares outstanding and 107.7 million common shares outstanding on a fully diluted basis, after giving effect to outstanding options, restricted stock units and convertible preferred stock.

During the year ended December 31, 2018, the Company sold 5,669,025 shares of common stock under its current and prior "at-the-market" (ATM) common stock sales agreements for aggregate net proceeds of $29.2 million.

During the year ended December 31, 2018, stock options and warrants to purchase an aggregate of 756,853 shares of common stock were exercised for aggregate net proceeds of $2.4 million.

In February and March 2019, the Company completed a private placement of $78.5 million aggregate principal amount of 6.50%

convertible senior notes due 2024, or the Notes. The Notes were sold in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. Net proceeds from the offering were approximately $75.8 million, after deducting the initial purchasers' discount and estimated offering expenses payable by the Company.

Inovio's balance sheet and statement of operations are provided below. Additional information is included in Inovio's annual report on Form 10-K for the year ended December 31, 2018, which can be accessed at: **http://ir.inovio.com/investors/financial-reports/default.aspx**.

About Inovio Pharmaceuticals, Inc.

Inovio is a late-stage biotechnology company focused on the discovery, development, and commercialization of DNA-based immunotherapies and vaccines that transform the treatment and prevention of cancer and infectious disease. Inovio's proprietary technology platform applies antigen sequencing and DNA delivery to activate potent immune responses to targeted diseases. The technology functions exclusively in vivo, and has been demonstrated to consistently activate robust and fully functional T cell and antibody responses against targeted cancers and pathogens. Inovio's most advanced clinical program, VGX-3100, is in Phase 3 for the treatment of HPV-related cervical pre-cancer. Also in development are Phase 2 immuno-oncology programs targeting HPV-related cancers, bladder cancer, and glioblastoma, as well as platform development programs in hepatitis B, Zika, Ebola, MERS, and HIV. Partners and collaborators include AstraZeneca, Regeneron, Roche/Genentech, ApolloBio Corporation, The Wistar Institute, The Bill & Melinda Gates Foundation, the University of Pennsylvania, Parker Institute for Cancer Immunotherapy, CEPI, DARPA, GeneOne Life Science, Plumbline Life Sciences, NIH, HIV Vaccines Trial Network, National Cancer Institute, Walter Reed Army Institute of Research, Drexel University, and Laval University. For more information, visit **www.inovio.com**.

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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, including the planned initiation and conduct of clinical trials and the availability and timing of data from those trials. 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 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 us or our collaborators, including alternatives that may be more efficacious or cost effective than any therapy or treatment that we and our collaborators hope to develop, issues involving product liability, issues involving patents and whether they or licenses to them will provide us 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 we can finance or devote other significant resources that may be necessary to prosecute, protect or defend them, the level of corporate expenditures, assessments of our 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, 2018, our Quarterly Reports on Form 10-Q and other regulatory filings we make from time to time. There can be no assurance that any product candidate in our pipeline will be successfully developed, manufactured or commercialized, that final results of clinical trials 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. Forward-looking statements speak only as of the date of this release, and we undertake no obligation to update or revise these statements, except as may be required by law.

Inovio Pharmaceuticals, Inc.

CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31,	
	2018	2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 23,693,633	$ 23,786,579
Short-term investments	57,538,852	103,638,844
Accounts receivable	3,316,361	6,003,205
Accounts receivable from affiliated entities	738,583	486,619
Prepaid expenses and other current assets	1,406,590	2,600,906
Prepaid expenses and other current assets from affiliated entities	1,120,805	1,846,007
Total current assets	87,814,824	138,362,160
Fixed assets, net	15,949,014	18,320,176
Investment in affiliated entity - GeneOne	6,381,926	9,069,401
Investment in affiliated entity - PLS	3,023,987	2,325,079
Intangible assets, net	4,760,145	6,009,729

Goodwill	10,513,371	10,513,371
Other assets	2,669,998	2,639,354
Total assets	$ 131,113,265	$ 187,239,270
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 23,134,733	$ 23,278,798
Accounts payable and accrued expenses due to affiliated entities	977,792	926,943
Accrued clinical trial expenses	5,671,764	8,611,892
Common stock warrants	—	360,795
Deferred revenue	223,577	1,175,353
Deferred revenue from affiliated entities	33,575	174,110
Deferred rent	1,065,387	877,535
Deferred grant funding	4,165,848	—
Deferred grant funding from affiliated entities	27,083	—
Total current liabilities	35,299,759	35,405,426
Deferred revenue, net of current portion	150,793	215,853
Deferred rent, net of current portion	8,518,207	9,104,416
Deferred tax liabilities	24,766	24,766
Other liabilities	87,333	—
Total liabilities	44,080,858	44,750,461
Commitments and contingencies		
Inovio Pharmaceuticals, Inc. stockholders' equity:		
Preferred stock—par value $0.001; Authorized shares: 10,000,000, issued and outstanding shares: 23 at December 31, 2018 and December 31, 2017	—	—
Common stock—par value $0.001; Authorized shares: 600,000,000 at December 31, 2018 and December 31, 2017, issued and outstanding: 97,225,810 at December 31, 2018 and 90,357,644 at December 31, 2017	97,226	90,358
Additional paid-in capital	707,794,215	665,775,504
Accumulated deficit	(620,426,436)	(523,356,317)
Accumulated other comprehensive loss	(528,867)	(117,005)

Total Inovio Pharmaceuticals, Inc. stockholders' equity	86,936,138	142,392,540
Non-controlling interest	96,269	96,269
Total stockholders' equity	87,032,407	142,488,809
Total liabilities and stockholders' equity	$ 131,113,265	$ 187,239,270

Inovio Pharmaceuticals, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	For the Year ended December 31,		
	2018	2017	2016
Revenues:			
Revenue under collaborative research and development arrangements	$ 29,860,785	$ 28,407,388	$ 6,490,747
Revenue under collaborative research and development arrangements with affiliated entities	449,524	765,828	1,400,594
Grants and miscellaneous revenue	171,588	10,474,539	27,136,457
Grants and miscellaneous revenue from affiliated entity	—	2,572,331	340,563
Total revenues	30,481,897	42,220,086	35,368,361
Operating expenses:			
Research and development	95,257,876	98,572,618	88,712,035
General and administrative	29,315,159	28,290,369	23,892,263
Gain on sale of assets	—	(1,000,000)	(1,000,000)
Total operating expenses	124,573,035	125,862,987	111,604,298

Loss from operations	(94,091,138)	(83,642,901)	(76,235,937)
Other income (expense):			
Interest and other income, net	920,891	1,612,974	1,257,257
Change in fair value of common stock warrants	360,795	806,819	127,554
Gain (loss) on investment in affiliated entity	(1,988,567)	(6,982,664)	1,110,787
Net loss before provision for income tax	(94,798,019)	(88,205,772)	(73,740,339)
Provision for income taxes	(2,169,811)	—	—
Net loss	(96,967,830)	(88,205,772)	(73,740,339)
Net loss per share			
Basic	$ (1.05)	$ (1.08)	$ (1.01)
Diluted	$ (1.05)	$ (1.09)	$ (1.01)
Weighted average number of common shares outstanding			
Basic	92,539,997	81,777,493	73,214,766
Diluted	92,539,997	81,918,022	73,214,766

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