INOVIO PHARMACEUTICALS, INC.
Form 424B5
June 11, 2018
Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-225233

PROSPECTUS

$100,000,000

Common Stock

We have entered into an At-the-Market Equity Offering Sales Agreement, or the Sales Agreement, with Stifel, Nicolaus & Company, Incorporated, or Stifel, relating to shares of our common stock offered by this prospectus and the accompanying prospectus. In accordance with the terms of the Sales Agreement, we may offer and sell shares of our common stock, from time to time, having an aggregate offering price of up to $100.0 million through Stifel as our sales agent.

Our common stock is listed on the Nasdaq Global Select Market under the symbol INO. The last reported sale price of our common stock on the Nasdaq Global Select Market on May 23, 2018 was $4.86 per share.

Sales of our common stock, if any, under this prospectus and the accompanying prospectus may be made in sales deemed to be an at the market offering as defined in Rule 415(a)(4) promulgated under the Securities Act of 1933, as amended, or the Securities Act. Stifel is not required to sell any specific number or dollar amount of securities, but will act as a sales agent using commercially reasonable efforts consistent with its normal trading and sales practices on mutually agreed terms between Stifel and us. There is no arrangement for funds to be received in any escrow, trust or similar arrangement.

The compensation to Stifel for sales of common stock sold pursuant to the sales agreement will be an amount equal to up to 3.0% of the gross sales price per share of common stock sold under the Sales Agreement. In connection with the sale of the common stock on our behalf, Stifel will be deemed to be an underwriter within the meaning of the Securities Act and the compensation of Stifel will be deemed to be underwriting commissions or discounts. We have also agreed to provide indemnification and contribution to Stifel with respect to certain liabilities, including liabilities under the Securities Act or the Securities Exchange Act of 1934, as amended, or the Exchange Act.

Investing in our securities involves a high degree of risk. You should read this prospectus, the accompanying prospectus and the documents incorporated by reference herein before you make your investment decision. See Risk Factors beginning on page S-7 of this prospectus and in the documents incorporated by reference herein, including our annual report on Form 10-K and our quarterly report on Form 10-Q, to read about risks that you should consider before purchasing shares of our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus or the accompanying prospectus are truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is June 8, 2018.

Table of Contents

TABLE OF CONTENTS

Prospectus

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission, or the SEC, utilizing a shelf registration process. This prospectus is not complete without, and may not be utilized except in connection with, the accompanying prospectus. This prospectus provides supplemental information regarding us and updates certain information contained in the accompanying prospectus and describes the specific terms of this offering. The accompanying prospectus gives more general information, some of which may not apply to this offering. We incorporate important information into this prospectus and the accompanying prospectus by reference. You should read this prospectus and the accompanying prospectus together with additional information described below under the headings Where You Can Find More Information and Incorporation of Certain Documents by Reference.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus or the accompanying prospectus will be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this prospectus or the accompanying prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You should rely only on the information contained in this prospectus, the accompanying prospectus, the documents incorporated by reference and any free writing prospectus that we may authorize for use in connection with the offering. We have not, and the sales agent has not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the sales agent is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The distribution of this prospectus and the offering of the common stock in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the common stock and the distribution of this prospectus outside the United States. This prospectus does not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any securities offered by this prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. You should assume that the information appearing in this prospectus is accurate as of the date on the front cover of this prospectus only. Our business, financial condition, results of operations and prospects may have changed since that date.

WHERE YOU CAN FIND MORE INFORMATION

We are currently subject to the information requirements of the Exchange Act, and in accordance therewith file periodic reports, proxy statements and other information with the Securities and Exchange Commission, or the SEC. You may read and copy (at prescribed rates) any such reports, proxy statements and other information at the SEC s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. For further information concerning the SEC s Public Reference Room, you may call the SEC at 1-800-SEC-0330. Some of this information may also be accessed through the SEC s Internet address at *http://www.sec.gov*. We maintain a website at *http://www.inovio.com*. You may access our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed pursuant to Sections 13(a) or 15(d) of the Exchange Act with the SEC free of charge at our website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. Except for the information incorporated by reference as noted herein, our website and the information contained on that site, or connected to that site, are not incorporated into and are not a part of this prospectus.

We have filed with the SEC a registration statement on Form S-3 with respect to the shares of common stock offered hereby. This prospectus does not contain all the information set forth in the registration statement, parts

Table of Contents

of which are omitted in accordance with the rules and regulations of the SEC. Any statements made in this prospectus concerning the provisions of legal documents are not necessarily complete and you should read the documents that are filed as exhibits to the registration statement or otherwise filed with the SEC for a more complete understanding of the document or matter.

If you make a request for information incorporated by reference into this prospectus in writing or by telephone, we will provide you, without charge, a copy of such information. Any such request should be directed to:

Inovio Pharmaceuticals, Inc.

660 W. Germantown Pike, Suite 110

Plymouth Meeting, Pennsylvania 19462

Attn: Investor Relations

Phone: (877) 446-6846

Table of Contents

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, the accompanying prospectus and the information incorporated or deemed to be incorporated by reference herein or therein contain or incorporate by reference forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as may, will, should, expect, plan, anticipate, believe, estimate, predict, potential or continue, the or other comparable terminology. These statements are only predictions. Actual events or results may differ materially.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither we, nor any other person, assume responsibility for the accuracy and completeness of the forward-looking statements. We are under no obligation to update any of the forward-looking statements after the filing of this prospectus or the accompanying prospectus to conform such statements to actual results or to changes in our expectations.

Such statements are based on currently available operating, financial and competitive information and are subject to various risks, uncertainties and assumptions that could cause actual results to differ materially from those anticipated or implied in our forward-looking statements due to a number of factors including, but not limited to, those set forth under the sections entitled Risk Factors in this prospectus or the accompanying prospectus, in our most recent Annual Report on Form 10-K and in our Quarterly Reports on Form 10-Q, as well as any amendments or supplements thereto filed with the SEC. We qualify all of the information presented or incorporated by reference in this prospectus and the accompanying prospectus, and particularly our forward-looking statements, by these cautionary statements. In particular, you should note the following risk factors that could cause actual results to differ from those contained in the forward-looking statements include but are not limited to:

- our history of losses;
- our lack of products that have received regulatory approval;
- uncertainties inherent in clinical trials and product development programs, including but not limited to the fact that pre-clinical and clinical results may not be indicative of results achievable in other trials or for other indications, that results from one study may not necessarily be reflected or supported by the results of other similar studies, that results from an animal study may not be indicative of results achievable in human studies, that clinical testing is expensive and can take many years to complete, that the outcome of any clinical trial is uncertain and failure can occur at any time during the clinical trial process, and that our electroporation technology and DNA vaccines may fail to show the desired safety and efficacy traits in clinical trials;
- the availability of funding;
- the ability to manufacture vaccine candidates;

our ability to establish or maintain collaborations, licensing or other arrangements;

the availability or potential availability of alternative therapies or treatments for the conditions we or our collaborators target, including alternatives that may be more efficacious or cost-effective than any therapy or treatment that we and our collaborators hope to develop;

whether our proprietary rights are enforceable or defensible or infringe or allegedly infringe on rights of others or can withstand claims of invalidity; and

the impact of government healthcare legislation and proposals.

You should not place undue reliance on any forward-looking statements, which we base on current expectations. Further, forward-looking statements speak only as of the date we make them, and we undertake no obligation to update publicly any of them in light of new information or future events.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights information contained or incorporated by reference in this prospectus. Because it is only a summary, it does not contain all of the information that may be important to you or that you should consider before making an investment in our common stock. You should carefully read the entire prospectus and the accompanying prospectus, including the information contained under the caption Risk Factors and elsewhere in our most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and our most recent Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2018, the information under Risk Factors beginning on page S-7 of this prospectus and other information that we file from time to time with the SEC as well as the financial statements and related notes and the other information incorporated by reference herein, before making an investment decision. See Where You Can Find More Information and Incorporation of Certain Documents By Reference in this prospectus. This prospectus may add to, update or change information in the accompanying prospectus. Unless the context otherwise requires, all references in this prospectus to Inovio, we, us, our, the Company or similar words refer to Inovio Pharmaceuticals, Inc., together with our consolidated subsidiaries.

Our Company

We are developing active DNA immunotherapies and vaccines focused on treating and preventing cancers and infectious diseases. Our DNA-based immunotherapies, in combination with our proprietary electroporation delivery devices, are intended to generate robust immune responses, in particular T cells, to fight target diseases. In September 2015, data was published in the medical journal The Lancet from a controlled Phase 2 clinical trial in which we generated significant, functional antigen-specific T cells that correlated to clinically relevant efficacy against HPV-associated cervical dysplasia (precancer). In June 2017, we began a Phase 3 clinical trial of our product candidate VGX-3100 for the treatment of HPV-caused cervical dysplasia. The Phase 3 trial for VGX-3100, which includes REVEAL 1, its primary study, and REVEAL 2, its confirmatory study, remains open and we are actively recruiting patients for REVEAL 1. A total of 60 sites globally are open to date and recruiting for REVEAL 1. We are also recruiting patients in a Phase 2 clinical trial of VGX-3100 for patients with vulvar dysplasia, or VIN, and associated diseases.

Our novel SynCon® immunotherapy design has shown the ability to help break the immune system s tolerance of cancerous cells. Our SynCon® product design approach is also intended to facilitate cross-strain protection against known and new unmatched strains of pathogens, such as influenza. Given the recognized role of CD8+ killer T cells in eliminating cancerous or infected cells from the body and the published results from our Phase 2 clinical trial, we believe that our active immunotherapies may play an important role in helping fight multiple cancers and infectious diseases. Human data to date have shown a favorable safety profile of our DNA immunotherapies delivered using electroporation.

We or our collaborators are currently conducting or planning clinical studies of our proprietary SynCon® immunotherapies for HPV-caused pre-cancers, including cervical, anal and vulvar neoplasia; HPV-caused cancers, including head and neck and cervical; bladder cancer; glioblastoma multiforme, or GBM; prostate cancer, breast, lung and pancreatic cancers; hepatitis C virus, or HCV; hepatitis B virus; or HBV; HIV; Ebola; Middle East Respiratory Syndrome, or MERS; and Zika virus. We plan to open sites for a Phase 1/2a clinical trial to evaluate the safety, immunogenicity and preliminary clinical efficacy of our product candidates INO-5401 and INO-9012, in combination with Genentech s atezolizumab, in participants with locally advanced unresectable or metastatic/recurrent urothelial carcinoma (bladder cancer) in the second quarter of 2018. In addition, we plan to open sites for a Phase 1/2 clinical trial to evaluate the safety, immunogenicity and preliminary efficacy of INO-5401 and INO-9012, in combination with Regeneron s cemiplimab, in patients with newly diagnosed GBM in the second quarter of 2018.

Table of Contents

Our corporate strategy is to advance and protect our differentiated immunotherapy platform and use its unique capabilities to design and develop an array of cancer and infectious disease immunotherapy and vaccine products. We aim to advance products through to commercialization. We continue to leverage third-party resources through collaborations and partnerships, including product license agreements. Our partners and collaborators include MedImmune, LLC, The Wistar Institute, University of Pennsylvania, GeneOne Life Science Inc., ApolloBio Corporation, Regeneron Pharmaceuticals, Inc., Genentech, Inc., Plumbline Life Sciences, Inc., Drexel University, National Microbiology Laboratory of the Public Health Agency of Canada, National Institute of Allergy and Infectious Diseases, United States Military HIV Research Program, U.S. Army Medical Research Institute of Infectious Diseases, National Institutes of Health, HIV Vaccines Trial Network, Defense Advanced Research Projects Agency, Parker Institute for Cancer Immunotherapy, and Coalition for Epidemic Preparedness Innovations.

All of our product candidates are in the research and development phase. We have not generated any revenues from the sale of any products, and we do not expect to generate any such revenues for at least the next several years. We earn revenue from license fees and milestone revenue and collaborative research and development agreements. Our product candidates will require significant additional research and development efforts, including extensive preclinical and clinical testing. All product candidates that we advance to clinical testing will require regulatory approval prior to commercial use, and will require significant costs for commercialization. We may not be successful in our research and development efforts, and we may never generate sufficient product revenue to be profitable.

Table of Contents

THE OFFERING

Common stock offered by us pursuant to this prospectus	Shares of common stock having an aggregate offering price of up to $100.0 million.
Common stock to be outstanding after this offering	Up to 111,281,063 shares, assuming sales at a price of $4.86 per shares, which was the closing price on the Nasdaq Global Select Market on May 23, 2018. The actual number of shares issued will vary depending on the sales price under this offering.
Manner of offering	At-the-market offering that may be made from time to time, if at all, through our sales agent, Stifel. See Plan of Distribution on page S-12.
Use of proceeds	We currently intend to use the net proceeds from this offering, if any, primarily for general corporate purposes, including clinical trial expenses, research and development expenses, working capital and general and administrative expenses. See Use of Proceeds on page S-9.
Risk factors	Investing in our common stock involves significant risks. See Risk Factors beginning on page S-7 of this prospectus for a discussion of factors that you should read and consider before investing in our securities.
Nasdaq listing	INO

The number of shares of our common stock that will be outstanding immediately after this offering as shown above is based on 90,704,931 shares outstanding as of March 31, 2018. The number of shares of common stock outstanding as of March 31, 2018, as used throughout this prospectus, unless otherwise indicated, excludes:

- 9,467,477 shares issuable upon exercise of outstanding options pursuant to our stock incentive plans at a weighted average option exercise price of $6.25 per share as of March 31, 2018;
- 1,791,886 shares issuable upon vesting of restricted stock units outstanding under our stock incentive plans as of March 31, 2018;
- 284,091 shares issuable upon exercise of outstanding warrants, at a weighted average exercise price of $3.17 per share as of March 31, 2018; and
- 8,456 shares issuable upon the conversion of outstanding Series C Cumulative Convertible Preferred Stock.

Table of Contents

RISK FACTORS

An investment in our common stock is subject to numerous risks as discussed more fully below and under the caption Risk Factors in the accompanying prospectus, our most recent Annual Report on Form 10-K for the year ended December 31, 2017 and our most recent Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2018, both of which we incorporate by reference herein, and other information that we file from time to time with the SEC after the date of this prospectus and which we incorporate by reference herein. Any of these risks could adversely affect our financial condition and results of operations or our ability to execute our business strategy. You should read and consider carefully all the information set forth and incorporated by reference in this prospectus and the accompanying prospectus before deciding whether to invest in our common stock. The risks and uncertainties we have described are not the only ones facing our company. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also affect our business operations. See Incorporation of Certain Documents By Reference.

Risks Related to this Offering

Resales of our common stock in the public market during this offering by our stockholders may cause the market price of our common stock to fall.

We may issue common stock from time to time in connection with this offering. This issuance from time to time of these new shares of our common stock, or our ability to issue these shares of common stock in this offering, could result in resales of our common stock by our current stockholders concerned about the potential dilution of their holdings. In turn, these resales could have the effect of depressing the market price for our common stock.

There may be future sales or other dilution of our equity, which may adversely affect the market price of our common stock.

We are generally not restricted from issuing additional common stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, common stock. The market price of our common stock could decline as a result of sales of common stock or securities that are convertible into or exchangeable for, or that represent the right to receive, common stock after this offering or the perception that such sales could occur.

We have broad discretion in how we use the net proceeds of this offering, and we may not use these proceeds effectively or in ways with which you agree.

Our management will have broad discretion as to the application of the net proceeds, if any, of this offering and could use them for purposes other than those contemplated at the time of this offering. Our stockholders may not agree with the manner in which our management chooses to allocate and spend the net proceeds. Moreover, our management may use the net proceeds for corporate purposes that may not increase the market price of our common stock.

Purchasers will experience immediate dilution in the book value per share of the common stock purchased in the offering.

The expected offering price of our common stock will be substantially higher than the net tangible book value per share of our outstanding common stock. As a result, based on our capitalization as of March 31, 2018, investors purchasing shares in this offering would incur immediate dilution of $3.11 per share of common stock purchased, based on an assumed public offering price of our common stock of $4.86 per share, the last reported sale price of the common stock on May 23, 2018. In addition to this offering, subject to market conditions and other factors, it is likely

that we will pursue additional financings in the future, as we continue to build our

Table of Contents

business. In future years, we will likely need to raise significant additional capital to finance our operations and to fund clinical trials, regulatory submissions and the development, manufacture and marketing of other products under development and new product opportunities. Accordingly, we may conduct substantial future offerings of equity or debt securities. The exercise of outstanding options and warrants and future equity issuances, including future public offerings or future private placements of equity securities and any additional shares issued in connection with acquisitions, will result in dilution to investors. In addition, the market price of our common stock could fall as a result of resales of any of these shares of common stock due to an increased number of shares available for sale in the market.

Table of Contents

USE OF PROCEEDS

We intend to use the net proceeds, if any, from the sale of the common stock under this prospectus for general corporate purposes, including clinical trial expenses, research and development expenses, working capital, general and administrative expenses, manufacturing expenses and potential acquisitions of companies and technologies that complement our business.

As of the date of this prospectus, we cannot specify with certainty all of the particular uses of the proceeds from this offering. Accordingly, our management will retain broad discretion over the use of such proceeds. Pending the use of the net proceeds from this offering, we intend to invest the net proceeds in investment-grade, interest-bearing instruments.

Table of Contents

DILUTION

If you invest in our common stock, your interest will be diluted immediately to the extent of the difference between the public offering price per share of our common stock and the adjusted net tangible book value per share of our common stock after this offering.

The net tangible book value of our common stock as of March 31, 2018, was approximately $97.0 million, or approximately $1.07 per share. Net tangible book value per share represents the amount of our total tangible assets, excluding goodwill and intangible assets, less total liabilities divided by the total number of shares of our common stock outstanding.

Dilution per share to new investors represents the difference between the amount per share paid by purchasers for our common stock in this offering and the net tangible book value per share of our common stock immediately following the completion of this offering.

After giving effect to the sale of shares of our common stock in the aggregate amount of $100,000,000 at an assumed offering price of $4.86 per share, the last reported sale price of our common stock on May 23, 2018 on the Nasdaq Global Select Market, and after deducting estimated commissions and estimated offering expenses, our as adjusted net tangible book value as of March 31, 2018 would have been approximately $194.8 million or approximately $1.75 per share. This represents an immediate increase in net tangible book value of approximately $0.68 per share to our existing stockholders and an immediate dilution in as adjusted net tangible book value of approximately $3.11 per share to purchasers of our common stock in this offering, as illustrated by the following table:

Assumed offering price per share		$ 4.86
Net tangible book value per share as of March 31, 2018	$ 1.07	
Increase in net tangible book value per share attributable to new investors	$ 0.68	
As adjusted net tangible book value per share after this offering	$ 1.75	
Net dilution per share to new investors participating in this offering		$ 3.11

The table above assumes for illustrative purposes only an aggregate of 20,576,132 shares of our common stock are sold at a price of $4.86 per share, for aggregate gross proceeds of $100.0 million. The shares, if any, sold in this offering will be sold from time to time at various prices. An increase of $1.00 per share in the price at which the shares are sold from the assumed offering price of $5.86 per share shown in the table above, assuming all of our common stock in the aggregate amount of $100.0 million is sold at that price, would increase our adjusted net tangible book value per share after the offering to $1.81 per share and would increase the dilution in net tangible book value per share to new investors in this offering to $4.05 per share, after deducting commissions and estimated aggregate offering expenses payable by us. A decrease of $1.00 per share in the price at which the shares are sold from the assumed offering price of $3.86 per share shown in the table above, assuming all of our common stock in the aggregate amount of $100.0 million is sold at that price, would increase our adjusted net tangible book value per share after the offering to $1.67 per share and would decrease the dilution in net tangible book value per share to new investors in this offering to $2.19 per share, after deducting commissions and estimated aggregate offering expenses payable by us. This information is supplied for illustrative purposes only.

The calculations above are based upon 90,704,931 shares of common stock outstanding as of March 31, 2018 and exclude: