

ONCOSEC MEDICAL Inc
Form 424B3
March 14, 2014

PROSPECTUS SUPPLEMENT
(To Prospectus Dated December 10, 2013)

FILED PURSUANT TO RULE 424(B)(3)

REGISTRATION STATEMENT NO. 333-175779

ONCOSEC MEDICAL INCORPORATED

PROSPECTUS

Up to 8,440,000 Shares of Common Stock

This Prospectus Supplement No. 2 supplements our Prospectus dated December 10, 2013 (which was contained in our Post-Effective Amendment No. 3 to Registration Statement on Form S-1 (File No. 333-175779)) with the following attached documents:

A Quarterly Report on Form 10-Q dated March 14, 2014

The attached information amends and supplements certain information contained in the Prospectus. This Prospectus Supplement No. 2 should be read in conjunction with the Prospectus, which is required to be delivered with this Prospectus Supplement.

Our common stock is quoted on the OTC Markets Group Inc.'s OTCQB tier under the symbol ONCS. On March 13, 2014 the last reported sale price of our common stock on the OTC Bulletin Board was \$0.82 per share.

Investing in our common stock involves risks. You should carefully consider the risk factors for our common stock, which are listed in the prospectus, as supplemented.

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

The date of this Prospectus Supplement No. 2 is March 14, 2014

INDEX TO FILINGS

	Annex
Quarterly Report on Form 10-Q dated March 14, 2014	A

Table of Contents

Annex A

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 000-54318

ONCOSEC MEDICAL INCORPORATED

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(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

98-0573252
(IRS Employer
Identification No.)

9810 Summers Ridge Road, Suite 110, San Diego, CA 92121

(Address of principal executive offices) (zip code)

855.662.6732

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files) Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

212,205,267 shares of the registrant's common stock were issued and outstanding as of March 12, 2014.

Table of Contents

OncoSec Medical Incorporated

Form 10-Q

for the Quarterly Period Ended January 31, 2014

PART I FINANCIAL INFORMATION

Item 1.	Condensed Consolidated Financial Statements: <u>Condensed Consolidated Balance Sheets as of January 31, 2014 (unaudited) and July 31, 2013</u>	3
	<u>Condensed Consolidated Statements of Operations for the three and six months ended January 31, 2014 and 2013 (unaudited)</u>	4
	<u>Condensed Consolidated Statements of Stockholders' Equity (Deficit) for the period from inception (February 8, 2008) to January 31, 2014 (unaudited)</u>	5
	<u>Condensed Consolidated Statements of Cash Flows for the six months ended January 31, 2014 and 2013 (unaudited)</u>	6
	<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>	7
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	11
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosure about Market Risk</u>	18
<u>Item 4.</u>	<u>Controls and Procedures</u>	18
<u>PART II OTHER INFORMATION</u>		
<u>Item 1.</u>	<u>Legal Proceedings</u>	18
<u>Item 1A.</u>	<u>Risk Factors</u>	19
<u>Item 6.</u>	<u>Exhibits</u>	31

Table of Contents**OncoSec Medical Incorporated****(A Development Stage Company)****Condensed Consolidated Balance Sheets****As of January 31, 2014 and July 31, 2013**

	(unaudited) January 31, 2014	July 31, 2013
Assets		
Current assets		
Cash and cash equivalents	\$ 18,450,070	\$ 4,970,175
Prepaid expenses and other current assets	328,006	199,512
Total Current Assets	18,778,076	5,169,687
Property and equipment, net	173,032	151,625
Intangible assets, net	813,212	1,161,731
Other long-term assets	26,685	26,685
Total Assets	\$ 19,791,005	\$ 6,509,728
Liabilities and Stockholders Equity		
Liabilities		
Current and long-term liabilities		
Accounts payable and accrued liabilities	\$ 838,299	\$ 729,085
Acquisition obligation, current		979,316
Accrued other	57,823	62,203
Total Liabilities	896,122	1,770,604
Stockholders Equity		
Common stock authorized - 3,200,000,000 common shares with a par value of \$0.0001, common stock issued and outstanding 190,273,641 and 118,014,224 common shares as of January 31, 2014 and July 31, 2013, respectively	19,028	11,802
Additional paid-in capital	29,594,134	11,467,139
Warrants issued and outstanding 60,562,459 and 57,644,276 warrants as of January 31, 2014 and July 31, 2013, respectively	7,284,551	6,611,098
Deficit accumulated during the development stage	(18,002,830)	(13,350,915)
Total Stockholders Equity	18,894,883	4,739,124
Total Liabilities and Stockholders Equity	\$ 19,791,005	\$ 6,509,728

The accompanying notes are an integral part of these condensed consolidated financial statements

Table of Contents**OncoSec Medical Incorporated****(A Development Stage Company)****Condensed Consolidated Statements of Operations (unaudited)**

	Three Months Ended January 31, 2014	Three Months Ended January 31, 2013	Six Months Ended January 31, 2014	Six Months Ended January 31, 2013	Period from Inception (February 8, 2008) to January 31, 2014
Revenue	\$	\$	\$	\$	\$
Expenses:					
Research and development	1,458,997	614,221	2,232,955	1,655,212	8,346,003
General and administrative	1,142,783	983,622	2,357,318	1,940,107	10,599,950
Loss from operations	(2,601,780)	(1,597,843)	(4,590,273)	(3,595,319)	(18,945,953)
Other income (expense):					
Fair value of derivative liabilities in excess of proceeds					(808,590)
Adjustments to fair value of derivative liabilities					3,150,986
Loss on extinguishment of debt					(761,492)
Financing transaction costs					(210,000)
Non-cash interest expense	(8,391)	(24,145)	(20,684)	(51,594)	(370,466)
Interest expense					(1,357)
Impairment charges					(9,000)
Net loss before income taxes	(2,610,171)	(1,621,988)	(4,610,957)	(3,646,913)	(17,955,872)
Provision (benefit) for income taxes	(9,742)		40,958	2,000	46,958
Net loss	\$ (2,600,429)	\$ (1,621,988)	\$ (4,651,915)	\$ (3,648,913)	\$ (18,002,830)
Basic net loss per common share	\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.04)	
Diluted net loss per common share	\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.04)	
Weighted average shares used in computing basic net loss per common share	176,838,878	102,895,957	160,542,971	95,394,076	
Weighted average shares used in computing diluted net loss per common share	176,838,878	102,895,597	160,542,971	95,394,076	

The accompanying notes are an integral part of these condensed consolidated financial statements

Table of Contents**OncoSec Medical Incorporated****(A Development Stage Company)****Condensed Consolidated Statements of Stockholders Equity (Deficit)****For the period from Inception (February 8, 2008) to January 31, 2014 (unaudited)**

	Common Stock (1)		Additional	Warrants		Deficit	Total
	Shares	Amount	Paid-In Capital (1)	Shares	Amount	Accumulated during the Development Stage	Stockholders Equity (Deficit)
Balance, February 8, 2008		\$	\$		\$	\$	\$
Shares issued to founder on Feb 8, 2008	48,000,000	4,800	10,200				15,000
Private placement on June 30, 2008	20,480,000	2,048	29,952				32,000
Net loss						(7,187)	(7,187)
Balance, July 31, 2008	68,480,000	6,848	40,152			(7,187)	39,813
Net loss						(33,714)	(33,714)
Balance, July 31, 2009	68,480,000	6,848	40,152			(40,901)	6,099
Net loss						(36,158)	(36,158)
Balance, July 31, 2010	68,480,000	6,848	40,152			(77,059)	(30,059)
Common stock cancelled	(17,280,000)	(1,728)	1,728				
Private placement on March 18, 2011	1,456,000	146	659,873	1,456,000	431,981		1,092,000
Common stock issued for services	200,000	20	331,980				332,000
Private placement on June 24, 2011	4,000,000	400	(400)	4,000,000			
Net loss						(3,758,817)	(3,758,817)
Balance, July 31, 2011	56,856,000	5,686	1,033,333	5,456,000	431,981	(3,835,876)	(2,364,876)
Issuance of warrants Inovio				4,000,000	958,111		958,111
Expiration of Series B Warrants				(4,000,000)			
Re-classification of Series A Warrants				4,240,000	657,604		657,604
Public offering on March 28, 2012, net of issuance costs of \$542,500	31,000,000	3,100	4,227,456	32,550,000	2,976,944		7,207,500
Share-based compensation expense			332,778				332,778
Net loss						(2,364,852)	(2,364,852)
Balance, July 31, 2012	87,856,000	8,786	5,593,567	42,246,000	5,024,640	(6,200,728)	4,426,265
Exercise of stock options	766,500	76	138,224				138,300
Exercise of common stock warrants	441,724	45	181,931	(441,724)	(39,858)		142,118
Common stock issued in connection with license agreement	150,000	15	34,485				34,500
Public offering on December 17, 2012, net of issuance costs of \$504,000	28,800,000	2,880	5,066,804	15,840,000	1,626,316		6,696,000

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Share-based compensation expense			452,128				452,128		
Net loss						(7,150,187)	(7,150,187)		
Balance, July 31, 2013	118,014,224	11,802	11,467,139	57,644,276	6,611,098	(13,350,915)	4,739,124		
Common stock issued for services	500,000	50	149,950				150,000		
Exercise of common stock warrants	23,367,417	2,337	9,341,389	(23,367,417)	(2,198,090)		7,145,636		
Exercise of stock options	600,000	60	107,940				108,000		
Public offering on September 18, 2013, net of issuance costs of \$836,360	47,792,000	4,779	8,235,318	26,285,600	2,871,543		11,111,640		
Share-based compensation expense			292,398				292,398		
Net loss						(4,651,915)	(4,651,915)		
Balance, January 31, 2014	190,273,641	\$ 19,028	\$ 29,594,134	60,562,459	\$ 7,284,551	\$ (18,002,830)	\$ (18,894,883)		

(1) Adjusted to reflect the forward stock split of 32-for-1 effective March 1, 2011.

The accompanying notes are an integral part of these condensed consolidated financial statements

Table of Contents**OncoSec Medical Incorporated****(A Development Stage Company)****Condensed Consolidated Statements of Cash Flows (unaudited)**

	Six Months Ended January 31, 2014	Six Months Ended January 31, 2013	Period from Inception (February 8, 2008) to January 31, 2014
<i>Operating activities</i>			
Net loss	\$ (4,651,915)	\$ (3,648,913)	\$ (18,002,830)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	382,350	366,965	2,087,495
Write-down of supplies inventory			38,000
Write-down of web development costs			9,000
Fair value of derivative liabilities in excess of proceeds			808,590
Loss on extinguishment of debt			761,492
Gain on adjustment to fair value of derivative liabilities			(3,150,986)
Non-cash interest expense	20,684	51,594	370,466
Share-based compensation	292,398	267,072	1,077,305
Common stock issued for services	100,000	34,500	499,833
Changes in operating assets and liabilities:			
(Increase) decrease in prepaid expenses and other current assets	(228,494)	200,179	(338,026)
Increase (decrease) in accounts payable and accrued liabilities	259,214	134,155	838,299
(Decrease) increase in accrued other	(4,380)	1,200	57,823
Net cash used in operating activities	(3,830,143)	(2,593,248)	(14,943,539)
<i>Investing activities</i>			
Purchases of property and equipment	(55,239)	(3,169)	(294,586)
Investment in intangible assets			(250,000)
Net cash used in investing activities	(55,239)	(3,169)	(544,586)
<i>Financing activities</i>			
Proceeds from issuance of common stock and warrants	11,948,000	7,200,000	31,037,000
Payment of financing and offering costs	(836,360)	(504,000)	(1,882,860)
Payment of amounts due under acquisition obligation	(1,000,000)	(500,000)	(2,750,000)
Proceeds from exercise of warrants and stock options	7,253,637	241,050	7,534,055
Proceeds from amounts due to stockholder			153,867
Repayment of amounts due to stockholder			(153,867)
Net cash provided by financing activities	17,365,277	6,437,050	33,938,195
Net increase in cash	13,479,895	3,840,633	18,450,070
Cash and cash equivalents, at beginning of period	4,970,175	5,141,509	
Cash and cash equivalents, at end of period	\$ 18,450,070	\$ 8,982,142	\$ 18,450,070
Supplemental disclosure for cash flow information:			
Cash paid during the period for:			
Interest	\$	\$	