

ONCOSEC MEDICAL Inc
Form 424B3
March 21, 2013

PROSPECTUS SUPPLEMENT
(To Prospectus Dated November 9, 2012)

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 November 9, 2012 (which was contained in our Post-Effective Amendment No. 1 to Registration Statement on Form S-1 (File No. 333-175559)) with the following attached documents:

A Quarterly Report on Form 10-Q dated March 15, 2013

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 Bulletin Board under the symbol ONCS. On March 19, 2013 the last reported sale price of our common stock on the OTC Bulletin Board was \$0.22 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 21, 2013

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|--|--------------|
| | Annex |
| Quarterly Report on Form 10-Q dated March 15, 2013 | A |

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**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, 2013

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.)

4690 Executive Drive, Suite 250, San Diego, CA 92121

(Address of principal executive offices) (zip code)

858.210.7333

(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

117,859,000 shares of the registrant's common stock were issued and outstanding as of March 15, 2013.

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OncoSec Medical Incorporated

Form 10-Q

for the Quarterly Period Ended January 31, 2013

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Table of Contents**OncoSec Medical Incorporated****(A Development Stage Company)****Consolidated Balance Sheets****As of January 31, 2013 and July 31, 2012**

| | (unaudited) January 31, 2013 | July 31, 2012 |
|---|------------------------------------|------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 8,982,142 | \$ 5,141,509 |
| Prepaid expenses | 143,400 | 343,180 |
| Other current assets | 7,969 | 8,367 |
| Total Current Assets | 9,133,511 | 5,493,056 |
| Property and equipment, net | 61,633 | 76,911 |
| Intangible assets, net | 1,510,251 | 1,858,770 |
| Total Assets | \$ 10,705,395 | \$ 7,428,737 |
| Liabilities and Stockholders Equity | | |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 681,023 | \$ 384,321 |
| Accrued compensation | 56,302 | 218,849 |
| Accrued income taxes | 4,400 | 3,200 |
| Acquisition obligation, current | 1,947,696 | 1,416,786 |
| Total Current Liabilities | 2,689,421 | 2,023,156 |
| Acquisition obligation, net of current portion | | 979,316 |
| Total Liabilities | 2,689,421 | 3,002,472 |
| Stockholders Equity | | |
| Common stock authorized - 3,200,000,000 common shares with a par value of \$0.0001, common stock issued and outstanding - 117,859,000 and 87,856,000 common shares as of January 31, 2013 and July 31, 2012, respectively | 11,786 | 8,786 |
| Additional paid-in capital | 11,229,263 | 5,593,567 |
| Warrants issued and outstanding-57,783,000 and 42,246,000 warrants as of January 31, 2013 and July 31, 2012, respectively | 6,624,566 | 5,024,640 |
| Deficit accumulated during the development stage | (9,849,641) | (6,200,728) |
| Total Stockholders Equity | 8,015,974 | 4,426,265 |
| Total Liabilities and Stockholders Equity | \$ 10,705,395 | \$ 7,428,737 |

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

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

| | Three Months Ended January 31, 2013 | Three Months Ended January 31, 2012 | Six Months Ended January 31, 2013 | Six Months Ended January 31, 2012 | Period from Inception (February 8, 2008) to January 31, 2013 |
|---|---|---|--|--|--|
| Revenue | \$ | \$ | \$ | \$ | \$ |
| Expenses: | | | | | |
| Research and development | 614,221 | 508,406 | 1,655,212 | 1,023,993 | 4,708,361 |
| General and administrative | 983,622 | 671,923 | 1,940,107 | 1,350,574 | 6,177,665 |
| Loss from operations | (1,597,843) | (1,180,329) | (3,595,319) | (2,374,567) | (10,886,026) |
| Other income (expense): | | | | | |
| Fair value of derivative liabilities in excess of proceeds | | | | | (808,590) |
| Adjustments to fair value of derivative liabilities | | (1,397,967) | | 2,579,451 | 3,150,985 |
| Loss on extinguishment of debt | | | | | (761,492) |
| Financing transaction costs | | | | | (210,000) |
| Non-cash interest expense | (24,145) | (93,168) | (51,594) | (162,302) | (318,161) |
| Interest expense | | | | | (1,357) |
| Impairment charges | | | | | (9,000) |
| Net income (loss) before income taxes | (1,621,988) | (2,671,464) | (3,646,913) | 42,582 | (9,843,641) |
| Provision for income taxes | | 400 | 2,000 | 2,400 | 6,000 |
| Net income (loss) | \$ (1,621,988) | \$ (2,671,864) | \$ (3,648,913) | \$ 40,182 | \$ (9,849,641) |
| Basic net income (loss) per common share | \$ (0.02) | \$ (0.05) | \$ (0.04) | \$ 0.00 | |
| Diluted net income (loss) per common share | \$ (0.02) | \$ (0.05) | \$ (0.04) | \$ 0.00 | |
| Weighted average shares used in computing basic net income (loss) per common share | 102,895,957 | 56,856,000 | 95,394,076 | 56,856,000 | |
| Weighted average shares used in computing diluted net income (loss) per common share | 102,895,957 | 56,856,000 | 95,394,076 | 57,020,251 | |

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

Table of Contents**OncoSec Medical Incorporated****(A Development Stage Company)****Consolidated Statements of Stockholders Equity (Deficit) (unaudited)****For the period from Inception (February 8, 2008) to January 31, 2013**

| | Common Stock (1) | | Additional Paid-In Capital (1) | Warrants | | Deficit Accumulated during the Development Stage | Total Stockholders Equity (Deficit) |
|---|------------------|---------|--------------------------------------|-------------|-----------|--|--|
| | Shares | Amount | | Shares | Amount | | |
| 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, | 31,000,000 | 3,100 | 4,227,456 | 32,550,000 | 2,976,944 | | 7,207,500 |

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| | | | | | | | | |
|--|-------------|-----------|---------------|------------|--------------|----------------|----|-------------|
| net of issuance costs of \$542,500 | | | | | | | | |
| 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 | 750,000 | 75 | 134,925 | | | | | 135,000 |
| Issuance of common stock upon exercise of warrants | 303,000 | 30 | 132,410 | (303,000) | (26,390) | | | 106,050 |
| 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 |
| Share-based compensation expense | | | 267,072 | | | | | 267,072 |
| Net loss | | | | | | (3,648,913) | | (3,648,913) |
| Balance, January 31, 2013 | 117,859,000 | \$ 11,786 | \$ 11,229,263 | 57,783,000 | \$ 6,624,566 | \$ (9,849,641) | \$ | 8,015,974 |

(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 consolidated financial statements

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

| | Six Months Ended January 31, 2013 | Six Months Ended January 31, 2012 | Period from Inception (February 8, 2008) to January 31, 2013 |
|--|---|---|--|
| <i>Operating activities</i> | | | |
| Net income (loss) | \$ (3,648,913) | \$ 40,182 | \$ (9,849,641) |
| Adjustments to reconcile net income (loss) to net cash used in operating activities: | | | |
| Depreciation and amortization | 366,965 | 350,151 | 1,335,238 |
| 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) loss on adjustment to fair value of derivative liabilities | | (2,579,451) | (3,150,985) |
| Non-cash interest expense | 51,594 | 162,302 | 318,161 |
| Share-based compensation | 267,072 | 56,693 | 599,850 |
| Common stock issued for services | 34,500 | 166,000 | 366,500 |
| Changes in operating assets and liabilities: | | | |
| (Increase) decrease in prepaid expenses | 199,781 | 20,628 | (143,401) |
| (Increase) decrease in other current assets | 398 | (2,794) | (7,971) |
| (Decrease) increase in accounts payable and accrued liabilities | 296,702 | (67,871) | 681,023 |
| (Decrease) increase in accrued compensation | (162,547) | (28,692) | 56,302 |
| (Decrease) Increase in accrued income taxes | 1,200 | 1,600 | 4,400 |
| Net cash (used in) provided by operating activities | (2,593,248) | (1,881,252) | (8,173,442) |
| <i>Investing activities</i> | | | |
| Purchases of property and equipment | (3,169) | (20,199) | (127,966) |
| Investment in intangible assets | | | (250,000) |
| Net cash (used in) provided by investing activities | (3,169) | (20,199) | (377,966) |
| <i>Financing activities</i> | | | |
| Proceeds from issuance of common stock and warrants | 7,200,000 | | 19,089,000 |
| Payment of financing and offering costs | (504,000) | | (1,046,500) |
| Payment of amounts due under acquisition obligation | (500,000) | (100,000) | (750,000) |
| Proceeds from exercise of warrants and stock options | 241,050 | | 241,050 |
| Proceeds from amounts due to stockholder | | | 153,867 |
| Repayment of amounts due to stockholder | | | (153,867) |
| Net cash (used in) provided by financing activities | 6,437,050 | (100,000) | 17,533,550 |
| Net increase (decrease) in cash | 3,840,633 | (2,001,451) | 8,982,142 |
| Cash and cash equivalents, at beginning of period | 5,141,509 | 2,457,693 | |
| Cash and cash equivalents, at end of period | \$ 8,982,142 | \$ 456,242 | \$ 8,982,142 |
| Supplemental disclosure for cash flow information: | | | |
| Cash paid during the period for: | | | |
| Interest | \$ | \$ | \$ 1,357 |

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| | | | | | | |
|--------------|----|-----|----|-----|----|-------|
| Income taxes | \$ | 800 | \$ | 800 | \$ | 1,600 |
|--------------|----|-----|----|-----|----|-------|