UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED OCTOBER 31, 2021

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 NO. 000-54318

ONCOSEC MEDICAL INCORPORATED
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

NEVADA	**98-0573252**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
24 NORTH MAIN STREET PENNINGTON, NJ	**08534**
(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)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	ONCS	Nasdaq Capital Market

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The number of shares outstanding of the Registrant's Common Stock, $0.0001 par value, was39,333,683 as of December 15, 2021.

OncoSec Medical Incorporated
Form 10-Q
for the Quarterly Period Ended October 31, 2021

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS:

OncoSec Medical Incorporated
Condensed Consolidated Balance Sheets

	October 31, 2021 (Unaudited)	July 31, 2021
Assets		
Current assets		
Cash and cash equivalents	$ 35,706,755	$ 45,951,233
Prepaid expenses and other current assets	2,983,727	3,228,191
Total Current Assets	38,690,482	49,179,424
Property and equipment, net	874,636	928,821
Intangible assets, net	430,941	448,412
Operating lease right-of-use assets	5,350,864	5,445,744
Other long-term assets	278,000	273,523
Total Assets	$ 45,624,923	$ 56,275,924
Liabilities and Stockholders' Equity		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 4,513,535	$ 5,561,645
Accrued compensation related	487,368	320,655
Operating lease liabilities	1,002,038	845,483
Notes payable	867,009	1,234,133
Total Current Liabilities	6,869,950	7,961,916
Operating lease liabilities, net of current portion	4,976,279	5,238,207
Liability under co-promotion agreement - related party	5,000,000	5,000,000
Total Liabilities	16,846,229	18,200,123
Commitments and Contingencies (Note 8)		
Stockholders' Equity		
Common stock authorized - 100,000,000 common shares with a par value of $0.0001 as of October 31, 2021 and July 31, 2021, common stock issued and outstanding — 39,202,590 and 39,152,610 common shares as of October 31, 2021 and July 31, 2021, respectively	3,921	3,916
Additional paid-in capital	286,979,197	286,337,291
Warrants issued and outstanding – 1,706,190 warrants as of October 31, 2021 and July 31, 2021	3,591,734	3,591,734
Accumulated other comprehensive loss	(209,502)	(79,109)
Accumulated deficit	(261,586,656)	(251,778,031)
Total Stockholders' Equity	28,778,694	38,075,801
Total Liabilities and Stockholders' Equity	$ 45,624,923	$ 56,275,924

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

OncoSec Medical Incorporated
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended	
	October 31, 2021	**October 31, 2020**
Revenue	$ -	$ -
Expenses:		
Research and development	6,645,771	9,799,361
General and administrative	3,269,723	3,240,732
Loss from operations	(9,915,494)	(13,040,093)
Other expense, net	(2,010)	(623)
Interest expense	(8,045)	(6,134)
Foreign currency exchange gain (loss), net	116,924	(176,917)
Loss before income taxes	(9,808,625)	(13,223,767)
Income tax expense	-	1,500
Net loss	$ (9,808,625)	$ (13,225,267)
Basic and diluted net loss per common share	$ (0.25)	$ (0.49)
Weighted average shares used in computing basic and diluted net loss per common share	39,177,330	26,771,176

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

OncoSec Medical Incorporated
Condensed Consolidated Statements of Comprehensive Loss
(Unaudited)

	Three Months Ended	
	October 31, 2021	**October 31, 2020**
Net Loss	$ (9,808,625)	$ (13,225,267)
Foreign currency translation adjustments	(130,393)	92,315
Comprehensive Loss	$ (9,939,018)	$ (13,132,952)

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

OncoSec Medical Incorporated
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)

Three Months Ended October 31, 2021

	Common Stock		Additional Paid-In	Warrants		Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Shares	Amount	Loss	Deficit	Equity
Balance, July 31, 2021	39,152,610	$ 3,916	$ 286,337,291	1,706,190	$ 3,591,734	$ (79,109)	$ (251,778,031)	$ 38,075,801
Stock-based compensation expense	37,480	4	599,903	—	—	—	—	599,907
Tax withholdings paid on equity awards	—	—	(28,119)	—	—	—	—	(28,119)
Tax shares sold to pay for tax withholdings on equity awards	—	—	27,623	—	—	—	—	27,623
Common stock issued for services	12,500	1	42,499	—	—	—	—	42,500
Net loss	—	—	—	—	—	—	(9,808,625)	(9,808,625)
Other comprehensive loss	—	—	—	—	—	(130,393)	—	(130,393)
Balance, October 31, 2021	39,202,590	$ 3,921	$ 286,979,197	1,706,190	$ 3,591,734	$ (209,502)	$ (261,586,656)	$ 28,778,694

Three Months Ended October 31, 2020

	Common Stock		Additional Paid-In	Warrants		Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Shares	Amount	Income (Loss)	Deficit	Equity
Balance, July 31, 2020	23,054,474	$ 2,305	$ 214,789,808	3,114,288	$ 5,708,127	$ (19,504)	$ (206,610,300)	$ 13,870,436
Stock-based compensation expense	6,541	—	1,894,022	—	—	—	—	1,894,022
Tax withholdings paid on equity awards	—	—	(13,532)	—	—	—	—	(13,532)
Tax shares sold to pay for tax withholdings on equity awards	—	—	14,113	—	—	—	—	14,113
August 2020 Registered Direct Offering, net of $1,464,276 issuance costs	4,608,589	461	13,513,177	—	—	—	—	13,513,638
Common stock issued for services	25,000	3	84,997	—	—	—	—	85,000
Other comprehensive loss	—	—	—	—	—	92,315	—	92,315
Net loss	—	—	—	—	—		(13,225,267)	(13,225,267)
Balance, October 31, 2020	27,694,604	$ 2,769	$ 230,282,585	3,114,288	$ 5,708,127	$ 72,811	$ (219,835,567)	$ 16,230,725

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

OncoSec Medical Incorporated
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended	
	October 31, 2021	**October 31, 2020**
Operating activities		
Net loss	$ (9,808,625)	$ (13,225,267)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	63,996	50,044
Amortization of right-of-use asset	94,880	209,248
Stock-based compensation	599,907	1,894,022
Common stock issued for services	42,500	85,000
Foreign currency exchange (gain) loss, net	(116,924)	176,917
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	270,956	(288,993)
Other long-term assets	-	(8)
Accounts payable and accrued liabilities	(1,076,281)	1,605,700
Accrued compensation related	166,712	(98,505)
Operating lease liabilities	(105,373)	(146,762)
Net cash used in operating activities	(9,868,252)	(9,738,604)
Financing activities		
Proceeds from issuance of common stock	-	14,977,914
Payment of financing and offering costs	-	(1,432,861)
Principal payments on note payable	(367,124)	(164,376)
Tax withholdings paid on equity awards	(28,119)	(13,532)
Tax shares sold to pay for tax withholdings on equity awards	27,623	14,113
Net cash (used in) provided by financing activities	(367,620)	13,381,258
Effect of exchange rate changes on cash and cash equivalents	(8,606)	(21,487)
Net (decrease) increase in cash and cash equivalents	(10,244,478)	3,621,167
Cash and cash equivalents, at beginning of period	45,951,233	20,354,462
Cash and cash equivalents, at end of period	$ 35,706,755	$ 23,975,629
Supplemental disclosure for cash flow information:		
Cash paid during the period for:		
Interest	$ 8,045	$ 3,741
Income taxes	$ -	$ 1,500
Noncash investing and financing transactions:		
Increase in right-of-use assets and operating lease liabilities resulting from contract modification	$ -	$ 388,372
Amounts accrued for offering costs	$ -	$ 31,415

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

Note 1—Nature of Operations and Basis of Presentation

OncoSec Medical Incorporated (together with its subsidiary, unless the context indicates otherwise, being collectively referred to as the "Company") began its operations as a biotechnology company in March 2011. The Company has not generated any revenues since its inception. The Company was incorporated in the State of Nevada on February 8, 2008 under the name of Netventory Solutions, Inc. and changed its name in March 2011 when it began operating as a biotechnology company.

The Company is a late-stage immuno-oncology company focused on designing, developing and commercializing innovative, proprietary, intra-tumoral DNA-based therapeutics to stimulate and to augment anti-tumor immune responses for the treatment of cancers. Its core technology platform ImmunoPulse® is a drug-device therapeutic modality platform comprised of proprietary intratumoral electroporation ("EP") delivery devices (the "OncoSec Medical System ("OMS") Electroporation Device" or "OMS EP Device") and a proprietary DNA plasmid that triggers transient expression of target protein in cells. The OMS EP Device is designed to deliver plasmid DNA-encoded drugs directly into a solid tumor and promote an immunological response against cancer. The OMS EP Device can be adapted to treat different tumor types, and consists of an electrical pulse generator, and disposable applicators. The Company's lead product candidate is a DNA-encoded interleukin-12 ("IL-12") called tavokinogene telseplasmid ("TAVO"). The OMS EP Device is used to deliver TAVO intratumorally, with the aim of reversing the immunosuppressive microenvironment in the treated tumor and elicit systemic tumor-specific immune responses in cancer patients. The activation of the appropriate inflammatory response in the treated tumor can drive a systemic anti-tumor response against untreated tumors in other parts of the body. In 2017, the Company received Fast Track Designation and Orphan Drug Designation from the U.S. Food and Drug Administration for TAVO in metastatic melanoma, which could qualify TAVO for expedited FDA review, a rolling Biologics License Application review and certain other benefits.

The Company's primary focus is to pursue its study of TAVO in combination with KEYTRUDA® (pembrolizumab) in melanoma and triple negative breast cancer ("TNBC").

The Company's KEYNOTE-695 study is a registration-directed, Phase 2b open-label, single-arm, multicenter study in approximately 100 patients treated with TAVO in combination with KEYTRUDA® (pembrolizumab) in anti-PD-1 checkpoint (nivolumab or pembrolizumab) relapsed or refractory metastatic melanoma, being conducted in the United States, Canada, Australia and Europe. In May 2017, the Company entered into a clinical trial collaboration and supply agreement with a subsidiary of Merck in connection with the KEYNOTE-695 study. Pursuant to the terms of the agreement, both companies will bear their own costs related to manufacturing and supply of their product, as well as be responsible for their own internal costs. The Company is the study sponsor and is responsible for external costs. The study completed enrollment of the primary cohort in December 2020. In December 2020, the protocol was amended to include an additional cohort, consisting of patients who progressed on prior treatment of both ipilimumab and nivolumab. The amendment also enabled enrollment of approximately 25 additional patients to be treated with an updated version of the OMS EP Device (i.e., GenPulse generator and Series 3 Applicator), in preparation for FDA clearance. Based on and subject to the outcome of the study and feedback from FDA, the Company plans to file for accelerated approval with the FDA for this patient population in the second half of 2022.

The Company's KEYNOTE-890 study is a Phase 2, open-label, single-arm, multicenter study conducted in the United States and Australia to evaluate in patients with inoperable locally advanced or metastatic TNBC the safety and efficacy of TAVO in combination with KEYTRUDA® in patient who have previously failed at least one systemic chemotherapy or immunotherapy (Cohort 1) or the safety and efficacy of TAVO in combination with KEYTRUDA® and chemotherapy in patients with no prior systemic therapy (Cohort 2). In May 2018, the Company entered into a second clinical trial collaboration and supply agreement with Merck with respect to the KEYNOTE-890 study, Cohort 1. Pursuant to the terms of the agreement, both companies will bear their own costs related to manufacturing and supply of their product, as well as be responsible for their own internal costs. The Company is the study sponsor and is responsible for external costs. In June 2020, the Company amended its second clinical trial collaboration and supply agreement with Merck to include KEYNOTE-890, Cohort 2. Pursuant to the terms of the amended agreement, both companies will bear their own costs related to the manufacture and supply of their product, as well as be responsible for their own internal costs. The Company is the study sponsor and is responsible for external costs. Enrollment of Cohort 1 was completed (26 patients) in December 2020. Interim data for Cohort 1 was initially presented at the San Antonio Breast Cancer Symposium ("SABCS") in December 2019, and an update on this cohort is was presented at the SABCS in December 2021. Enrollment of Cohort 2 (target 40 patients) began in January 2021 and is expected to be completed in 2022.

In May 2019, the Company supported commencement of an investigator-initiated Phase 1 clinical trial conducted by the University of California San Francisco ("UCSF") Helen Diller Family Comprehensive Cancer Center ("OMS-131"). This study targets patients with Squamous Cell Carcinoma of the Head & Neck and is a single-arm open-label clinical trial in which 68 evaluable patients will receive TAVO, KEYTRUDA® and epacadostat. Recruitment on this study has been halted after the last patient was treated in June 2021 while the Company and UCSF consider alterations in the design of the study.

In August 2020, the Company supported commencement of an investigator-initiated Phase 2 study conducted by the H. Lee Moffitt Cancer Center and Research Institute and the University of South Florida Morsani College of Medicine to evaluate TAVO™ as neoadjuvant treatment (administered before surgery) in combination with intravenous OPDIVO®(nivolumab) in up to 33 patients with operable locally/regionally advanced melanoma. This study has been designed to evaluate whether the addition of TAVO can increase the published anti-tumor response observed with monotherapy OPDIVO®, an anti-PD-1 checkpoint inhibitor, in patients with locally/regionally advanced melanoma prior to surgical resection of tumors. This study began enrolling patients in December of 2020 and is expected to complete enrollment in 2022.

In November 2020, the Company obtained exclusively licensed rights to the Cliniporator® electroporation gene electrotransfer platform from IGEA Clinical Biophysics. This platform has been used for electrochemotherapy in and outside of Europe in over 200 major oncological centers to treat cutaneous metastatic cancer nodules, including melanoma. The license encompasses a broad field of use for gene delivery in oncology, including use as part of the Company's visceral lesion applicator ("VLA") program.

In April 2020, the Company announced that Providence Cancer Institute, a part of Providence St. Joseph Health ("Providence"), was pursuing a first-in-human Phase 1 clinical trial of OncoSec's novel DNA-encodable, investigational vaccine, CORVax12, which is designed to act as a prophylactic vaccine to prevent COVID-19. CORVax12 consists of the Company's existing product candidate, TAVO™, in combination with an immunogenic component of the SARS-CoV-2 virus developed by researchers at the National Institutes of Health National Institute of Allergy and Infectious Diseases ("NIAID"). Providence investigators filed and received an Investigator-Initiated Investigational New Drug ("IND") Application; however, at this time, Providence does not intend to continue further enrollment in this study.

In April 2021, the Company announced that it has received authorization to CE mark the OMS (OncoSec Medical System) EP (Electroporation) Device for use in solid tumors. The CE-marked OMS includes GenPulse™, a new version of the electrical pulse generator. The CE mark certification augments the Notified Body certification to the International Organization for Standardization's ("ISO") 13485 standard for the design, development, manufacture and distribution of electroporation devices, which is renewed annually, subject to a successful audit. A CE mark indicates compliance with Medical Device Directives (MDD) of the European Commission, within the 31-nation European Economic Area and Switzerland. The GenPulse generator is being developed as a component of the OMS and is currently used as an investigational device in clinical trial sites in Australia and the EU. The Company is currently seeking FDA agreement to use GenPulse in U.S. clinical sites.

In July 2021, the Company entered into a clinical trial collaboration and supply agreement with Merck with respect to a Phase 3 study of TAVO™ in combination with KEYTRUDA® to evaluate the safety and efficacy of the combination in patients with Stage III or IV unresectable, metastatic melanoma, and who are refractory to prior checkpoint therapy. This study is referred to as KEYNOTE-C87. Pursuant to the terms of the agreement, both companies will bear their own costs related to manufacturing and supply of their product, as well as be responsible for their own internal costs. The Company is the study sponsor and is responsible for external costs. The trial is designed to be a global Phase 3 randomized clinical trial and is intended to support accelerated approval by the U.S. FDA and/or serve as a pivotal study to support a full licensure.

The Company intends to continue to pursue potential new trials and studies related to TAVO, in various tumor types. In addition, the Company is also developing its next-generation EP device and applicator, including advancements toward prototypes, pursuing discovery research to identify other product candidates that, in addition to IL-12, can be encoded into propriety plasmid-DNA and delivered intratumorally using EP. Specifically, the Company is developing, propriety technology to potentially treat liver, lung, bladder, pancreatic and other difficult to treat visceral lesions through the direct delivery of plasmid-based IL-12 with the VLA.

The VLA is being designed to work with low voltage EP generators, including but not limited to the Company's proprietary APOLLO™ EP generator and Cliniporator®, and will enable transfection of immunologically relevant genes into cells located in visceral organs. In early 2020, the Company had two poster presentations, one at the Society for Interventional Oncology ("SIO") and one at the Society for Interventional Radiology, where it presented preclinical data pertaining to visceral delivery of plasmid therapy. Additionally, the Company has successfully completed several large animal studies to assess VLA design and aims to bring a VLA into the clinic in 2023. By using the Company's next-generation technology with the VLA (and in cutaneous/subcutaneous settings as well), the Company's goal is to reverse the immunosuppressive mechanisms of a tumor, as well as to expand the Company's pipeline. The Company believes that the flexibility of the Company's proprietary plasmid-DNA technology allows the Company to deliver other immunologically relevant molecules into the tumor microenvironment in addition to the delivery of plasmid-DNA encoding for IL-12.

The Company established a collaboration with Emerge Health Pty ("Emerge"), the leading Australian company providing full registration, reimbursement, sales, marketing and distribution services of therapeutic products in Australia and New Zealand, to commercialize TAVO and make it available under Australia's Special Access Scheme ("SAS"). Emerge was acquired in late 2019 and in June 2021 informed the Company that oncology will not be a core therapeutic focus for Emerge into the future. The collaboration was terminated effective October 1, 2021, and the Company will not continue to participate in the SAS program.

Unaudited Interim Financial Information

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information and with instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all the information and footnotes required by U.S. GAAP for complete financial statements. The condensed consolidated balance sheet as of October 31, 2021, the condensed consolidated statements of operations, the condensed consolidated statements of comprehensive loss, the condensed consolidated statements of stockholders' equity and the condensed consolidated statements of cash flows for the three months ended October 31, 2021 and 2020, are unaudited, but include all adjustments (consisting of normal recurring adjustments) that the Company considers necessary for a fair presentation of the Company's financial position, results of operations and cash flows for the periods presented. The condensed consolidated results of operations for the three months ended October 31, 2021 shown herein are not necessarily indicative of the consolidated results that may be expected for the year ending July 31, 2022, or for any other period. These condensed consolidated financial statements, and notes thereto, should be read in conjunction with the audited consolidated financial statements for the fiscal year ended July 31, 2021, included in the Company's Annual Report on Form 10-K (the "Annual Report") filed with the U.S. Securities and Exchange Commission ("SEC") on October 29, 2021. The condensed consolidated balance sheet at July 31, 2021 has been derived from the audited financial statements at that date but does not include all the information and footnotes required by U.S. GAAP for complete financial statements.

Note 2—Significant Accounting Policies

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, OncoSec Medical Australia PTY LTD. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The accompanying condensed consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Such estimates include going concern, stock-based compensation, the accrual of research, product development and clinical obligations, impairment of long-lived assets, determining the Incremental Borrowing Rate for calculating Right-Of-Use ("ROU") assets and lease liabilities and accounting for income taxes, including the related valuation allowance on the deferred tax asset and uncertain tax positions. The Company bases its estimates on historical experience and on various other assumptions that it believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. On an ongoing basis, the Company reviews its estimates to ensure that they appropriately reflect changes in the business or as new information becomes available. Actual results may differ from these estimates.

Segment Reporting

The Company operates in a single industry segment—the discovery and development of novel immunotherapeutic product candidates to improve treatment options for patients and physicians, intended to treat a wide range of oncology indications.

Cash and Cash Equivalents

The Company considers all highly liquid investments that are readily convertible into cash and have an original maturity of three months or less at the time of purchase to be cash equivalents.

Concentrations and Credit Risk

The Company maintains cash balances at a small number of financial institutions in both the United States and Australia and such balances commonly exceed the $250,000 amount insured by the Federal Deposit Insurance Corporation and $250,000 AUD (approximately $183,000 USD) insured by the Australian Financial Claims Scheme. The Company has not experienced any losses in such accounts and management believes that the Company does not have significant credit risk with respect to such cash and cash equivalents.

Property and Equipment

The Company's capitalization threshold is $5,000 for property and equipment. The cost of property and equipment is depreciated on a straight-line basis over the estimated useful lives of the related assets. The useful lives of property and equipment for the purpose of computing depreciation are as follows:

Computers and equipment:	3 to 10 years
Computer software:	1 to 3 years
Leasehold improvements:	Shorter of lease period or useful life

Construction-in-progress is stated at cost, which relates to the cost of equipment not yet placed into service. No depreciation expense is recorded on construction-in-progress until such time as the relevant assets are completed and put into use.

Intangible Assets

Definite life intangible assets include a license. Intangible assets are recorded at cost. License agreements cost represent the fair value of the license agreement on the date acquired. Intangible assets are amortized on a straight-line basis over their estimated useful life.

Impairment of Long-Lived Assets

The Company periodically assesses the carrying value of intangible and other long-lived assets, and whenever events or changes in circumstances indicate that the carrying amount of an asset might not be recoverable. The assets are considered to be impaired if the Company determines that the carrying value may not be recoverable based upon its assessment, which includes consideration of the following events or changes in circumstances:

- the asset's ability to continue to generate income from operations and positive cash flow in future periods;
- loss of legal ownership or title to the asset(s);
- significant changes in the Company's strategic business objectives and utilization of the asset(s); and
- the impact of significant negative industry or economic trends.

If the assets are considered to be impaired, the impairment recognized is the amount by which the carrying value of the assets exceeds the fair value of the assets. Fair value is determined by the application of discounted cash flow models to project cash flows from the assets. In addition, the Company bases estimates of the useful lives and related amortization or depreciation expense on its subjective estimate of the period the assets will generate revenue or otherwise be used by it. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less selling costs. The Company also periodically reviews the lives assigned to long-lived assets to ensure that the initial estimates do not exceed any revised estimated periods from which the Company expects to realize cash flows from its assets.

Research and Development Expenses

Research and development expenses consist of costs incurred for internal projects, as well as partner-funded collaborative research and development activities. These costs include direct and research-related overhead expenses, which include salaries, stock-based compensation and other personnel-related expenses, facility costs, supplies, depreciation of facilities and laboratory equipment, as well as research consultants and the cost of funding research at universities and other research institutions, and are expensed as incurred. Costs to acquire technologies that are utilized in research and development that have no alternative future use, are expensed when incurred. In accordance with ASC 730-20, the Company accounts for upfront, non-refundable research and development payments received from a related party as a long-term liability as there has not been a substantive and genuine transfer of risk and there is a presumption that the Company is obligated to repay the related party.

Accruals for Research and Development Expenses and Clinical Trials

The Company is required to estimate its expenses resulting from its obligations under contracts with vendors, clinical research organizations and consultants and under clinical site agreements in connection with conducting clinical trials. The financial terms of these contracts vary from contract to contract and may result in payment terms that do not match the periods over which materials or services are provided under such contracts. The Company accounts for these expenses in its financial statements by matching those expenses with the period in which services are performed and efforts are expended. The Company determines accrual estimates through financial models and takes into account discussion with applicable personnel and outside service providers as to the progress of clinical trials, or the services completed. The Company makes estimates of its accrued expenses as of each balance sheet date based on the facts and circumstances known to it at that time. The Company's clinical trial accruals are dependent upon the timely and accurate reporting of contract research organizations and other third-party vendors. During the course of a clinical trial, the Company adjusts its clinical expense recognition if actual results differ from its estimates.

Fair Value of Financial Instruments

The carrying amounts for cash and cash equivalents, prepaid expenses, accounts payable and accrued expenses and notes payable approximate fair value due to the short-term nature of these instruments. It is management's opinion that the Company is not exposed to significant interest, currency, or credit risks arising from its other financial instruments and that their fair values approximate their carrying values except where expressly disclosed.

The accounting standard for fair value measurements provides a framework for measuring fair value and requires disclosures regarding fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, based on the Company's principal or, in the absence of a principal, most advantageous market for the specific asset or liability.

The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis, as well as assets and liabilities measured at fair value on a non-recurring basis, in periods subsequent to their initial measurement. The hierarchy requires the Company to use observable inputs when available, and to minimize the use of unobservable inputs, when determining fair value.

The three tiers are defined as follows:

- Level 1—Observable inputs that reflect quoted market prices (unadjusted) for identical assets or liabilities in active markets at the measurement date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

- Level 2—Observable inputs other than quoted prices in active markets that are observable either directly or indirectly in the marketplace for identical or similar assets and liabilities.

- Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The development and determination of the unobservable inputs for Level 3 fair value measurements and fair value calculations are the responsibility of the Company's management.

Changes in fair value measurements categorized within Level 3 of the fair value hierarchy are analyzed each period based on changes in estimates or assumptions and recorded as appropriate.

The Company had no assets or liabilities that required remeasurement on a recurring basis as of October 31, 2021 and July 31, 2021.

Warrants

The Company assesses its warrants as either equity or a liability based upon the characteristics and provisions of each instrument. Warrants classified as equity are recorded at fair value as of the date of issuance on the Company's balance sheet and no further adjustments to their valuation are made. Warrants classified as derivative liabilities and other derivative financial instruments that require separate accounting as liabilities are recorded on the Company's balance sheet at their fair value on the date of issuance and are re-measured on each subsequent balance sheet date until such instruments are exercised or expire, with any changes in the fair value between reporting periods recorded as other income or expense. Management estimates the fair value of these liabilities using option pricing models and assumptions that are based on the individual characteristics of the warrants or other instruments on the valuation date, as well as assumptions for future financings, expected volatility, expected life, yield and risk-free interest rate. As of October 31, 2021 and July 31, 2021, all outstanding warrants issued by the Company were classified as equity.

Net Loss Per Share

The Company computes basic net loss per common share by dividing the applicable net loss by the weighted-average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing the applicable net loss by the weighted-average number of common shares outstanding during the period plus additional shares to account for the dilutive effect of potential future issuances of common stock relating to stock options and other potentially dilutive securities using the treasury stock method.

The Company did not include shares underlying stock options, restricted stock units and warrants issued and outstanding during any of the periods presented in the computation of net loss per share, as the effect would have been anti-dilutive. The following potentially dilutive outstanding securities were excluded from diluted net loss per share because of their anti-dilutive effect:

	For the Three Months Ended October 31, 2021	For the Three Months Ended October 31, 2020
Stock options	2,852,425	2,520,639
Restricted stock units	105,164	25,873
Warrants	1,706,190	3,114,288
Total	4,663,779	5,660,800

Stock-Based Compensation

The Company grants equity-based awards (typically stock options or restricted stock units) under its stock-based compensation plan and outside of its stock-based compensation plan, with terms generally similar to the terms under the Company's stock-based compensation plan. The Company estimates the fair value of stock option awards using the Black-Scholes option valuation model. For employees, directors and consultants, the fair value of the award is measured on the grant date. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. The Black-Scholes option valuation model requires the input of subjective assumptions, including price volatility of the underlying stock, risk-free interest rate, dividend yield, and expected life of the option. The Company estimates the fair value of restricted stock unit awards based on the closing price of the Company's common stock on the date of issuance.

Employee Stock Purchase Plan

Employees may elect to participate in the Company's stockholder-approved employee stock purchase plan. The stock purchase plan allows for the purchase of the Company's common stock at not less than 85% of the lesser of (i) the fair market value of a share of common stock on the beginning date of the offering period and (ii) the fair market value of a share of common stock on the purchase date of the offering period, subject to a share and dollar limit as defined in the plan and subject to the applicable legal requirements. There are two six-month offering periods during each fiscal year, ending on January 31 and July 31.

In accordance with applicable accounting guidance, the fair value of awards under the stock purchase plan is calculated at the beginning of each offering period. The Company estimates the fair value of the awards using the Black-Scholes option valuation model. The Black-Scholes option valuation model requires the input of subjective assumptions, including price volatility of the underlying stock, risk-free interest rate, dividend yield, and the offering period. This fair value is then amortized at the beginning of the offering period. Stock-based compensation expense is based on awards expected to be purchased at the beginning of the offering period, and therefore is reduced when participants withdraw during the offering period.

Leases

The Company determines if an arrangement is a lease at inception. Operating lease ROU assets represent the Company's right to use an underlying asset during the lease term, and operating lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating leases are included in ROU assets, current operating lease liabilities, and long-term operating lease liabilities on the Company's condensed consolidated balance sheets.

Lease ROU assets and lease liabilities are initially recognized based on the present value of the future minimum lease payments over the lease term at commencement date calculated using the Company's incremental borrowing rate applicable to the lease asset, unless the implicit rate is readily determinable. ROU assets also include any lease payments made at or before lease commencement and exclude any lease incentives received. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Leases with a term of 12 months or less are not recognized on the condensed consolidated balance sheets. The Company's leases do not contain any residual value guarantees. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. The Company accounts for lease and non-lease components as a single lease component for all its leases.

Foreign Currency Translation

The Company uses the U.S. Dollar as the reporting currency for its financial statements. Functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company's wholly owned subsidiary is the Australian dollar.

Assets and liabilities of the Company's subsidiary are translated into U.S. Dollars at period-end foreign exchange rates, and revenues and expenses are translated at average rates prevailing throughout the period. Translation adjustments are included in "Accumulated other comprehensive income" as a separate component of stockholders' equity, and in the "Effect of exchange rate changes on cash and cash equivalents," on the Company's condensed consolidated statements of cash flows. Transaction gains and losses including intercompany transactions denominated in a currency other than the functional currency of the entity involved are included in "Foreign currency exchange gain (loss), net" on the Company's condensed consolidated statements of operations.

Accumulated Other Comprehensive Income (Loss)

Accumulated other comprehensive income (loss) includes foreign currency translation adjustments related to the Company's subsidiary in Australia and is excluded from the accompanying condensed consolidated statements of operations.

Australia Research and Development Tax Credit

The Company's wholly-owned Australian subsidiary incurs research and development expenses, primarily in the course of conducting clinical trials. The Company's Australian research and development activities qualify for the Australian government's tax credit program, which provides a 43.5% credit for qualifying research and development expenses. The tax credit does not depend on the Company's generation of future taxable income or ongoing tax status or position. Accordingly, the credit is not considered an element of income tax accounting under Accounting Standards Codification ("ASC") 740 "Income Taxes" and is recorded against qualifying research and development expenses.

Tax Reform

On March 27, 2020, the president signed into law the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") providing nearly $2 trillion in economic relief to eligible businesses impacted by the coronavirus outbreak. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer social security payments, net operating loss ("NOL") utilization and carryback periods, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property. In addition to the Small Business Administration ("SBA") loan received in April 2020, the Company continues to review, and intends to seek, any other available potential benefits under the CARES Act as well as any future legislation signed into law during 2021. The effects of the CARES Act did not have a significant impact on the Company's condensed consolidated financial statements during the three months ended October 31, 2021.

Recent Accounting Pronouncements

No recent accounting pronouncements are anticipated to have an impact on or related to the Company's financial condition, results of operations, or related disclosures.

Note 3—Going Concern and Management's Plans

The Company has sustained losses in all reporting periods since inception, with an accumulated deficit of approximately $262 million as of October 31, 2021. These losses are expected to continue for an extended period of time. Further, the Company has never generated any cash from its operations and does not expect to generate such cash in the near term. The aforementioned factors raise substantial doubt about the Company's ability to continue as a going concern within one year from the issuance date of the condensed consolidated financial statements. The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset amounts or the classification of liabilities that might be necessary should the Company be unable to continue as a going concern within one year after the date the condensed consolidated financial statements are issued.

As of December 13, 2021, the Company had cash and cash equivalents of $30.2 million. Since inception, cash flows from financing activities have been the primary source of the Company's liquidity. Based on the Company's current cash levels, the Company believes its cash resources are insufficient to meet the Company's anticipated needs for the 12 months following the date the condensed consolidated financial statements are issued.

The Company recognizes it will need to raise additional capital to continue operating its business and fund its planned operations, including research and development, clinical trials and, if regulatory approval is obtained, commercialization of its product candidates. In addition, the Company will require additional financing if it desires to in-license or acquire new assets, research and develop new compounds or new technologies and pursue related patent protection, or obtain any other intellectual property rights or other assets. There is no assurance that additional financing will be available to the Company when needed, that management will be able to obtain financing on terms acceptable to the Company, or whether the Company will become profitable and generate positive operating cash flow. The source, timing and availability of any future financing will depend principally upon market conditions, and, more specifically, on the progress of our clinical development programs. The ongoing COVID-19 pandemic has also caused volatility in the global financial markets and threatened a slowdown in the global economy, which may negatively affect our ability to raise additional capital on attractive terms or at all. If the Company is unable to raise sufficient additional funds when needed, on favorable terms or at all, the Company will not be able to continue the development of its product candidates as currently planned or at all, will need to reevaluate its planned operations and may need to delay, scale back or eliminate some or all of its development programs, reduce expenses or cease operations, any of which would have a significant negative impact on its prospects and financial condition.

Note 4—Balance Sheet Details

Property and Equipment

Property and equipment, net, is comprised of the following:

	October 31, 2021	July 31, 2021
Equipment and furniture	$ 1,911,641	$ 1,919,301
Computer software	109,242	109,242
Leasehold improvements	32,651	32,651
Construction in progress	234,409	234,409
Property and equipment, gross	2,287,943	2,295,603
Accumulated depreciation and amortization	(1,413,307)	(1,366,782)
Total	$ 874,636	$ 928,821

Depreciation and amortization expense recorded for the three months ended October 31, 2021 and 2020 was approximately $47,000 and $50,000, respectively.

Intangible Assets

Intangible assets, net, is comprised of the following:

	October 31, 2021	July 31, 2021
License	$ 495,000	$ 495,000
Accumulated amortization	(64,059)	(46,588)
Total	$ 430,941	$ 448,412

In November 2020, the Company licensed generator technology for use in its clinical trials and other research and development efforts. Unless earlier terminated, the term of the license agreement will remain in effect for 85 months. The Company has determined that the license has alternative future uses in research and development projects. The value of the acquired license is recorded as an intangible asset with amortization over the estimated useful life of 85 months.

Intangible asset amortization expense recorded for the three months ended October 31, 2021 and 2020 was approximately $17,000 and $0, respectively.

At October 31, 2021, the estimated amortization expense by fiscal year based on the current carrying value of intangible assets is as follows:

Years ending July 31,	
2022– the remainder of the fiscal year	$ 52,412
2023	69,882
2024	69,882
2025	69,882
2026	69,882
Thereafter	99,001
Total	$ 430,941

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are comprised of the following:

	October 31, 2021	**July 31, 2021**
Research and development costs	$ 3,032,542	$ 4,206,926
Professional services fees	1,411,141	1,229,040
Other	69,852	125,679
Total	$ 4,513,535	$ 5,561,645

Accrued Compensation

Accrued compensation is comprised of the following:

	October 31, 2021	**July 31, 2021**
Accrued payroll	$ 105,331	$ 311,590
401K payable	31,933	9,065
Accrued Severance	350,104	-
Total	$ 487,368	$ 320,655

Note 5—Notes Payable

On July 1, 2021, the Company entered into a finance agreement with AFCO Premium Credit LLC (“AFCO”). Pursuant to the terms of the agreement, AFCO loaned the Company the principal amount of $1,355,919, which would accrue interest at 2.894% per annum, to partially fund the payment of the premium of the Company’s Director & Officer insurance. The agreement requires the Company to make eleven monthly payments of $125,056, including interest starting on July 18, 2021. At October 31, 2021, the outstanding balance related to this finance agreement was $867,009.

Note 6—Stockholders’ Equity

August 2020 Offering

On August 19, 2020, the Company completed the offer and sale of an aggregate of 4,608,589 shares of its common stock at a purchase price of $3.25 per share in a registered direct offering. The gross proceeds from the offering were approximately $15.0 million, and the net proceeds, after deducting the placement agent’s fee and other offering fees and expenses paid by the Company, were approximately $13.5 million. In connection with the offering, the Company paid the placement agent and other financial advisors an aggregate cash fee equal to 8.0% of the gross proceeds of the offering, as well as legal and other expenses equal to approximately $0.3 million.

Outstanding Warrants

At October 31, 2021, the Company had outstanding warrants to purchase 1,706,190 shares of its common stock, with exercise prices ranging from $3.45 to $16.80, all of which were classified as equity instruments. These warrants expire at various dates between October 2022 and May 2024.

China Grand Pharmaceutical and Healthcare Holdings Limited and Sirtex Medical US Holdings, Inc.

On October 10, 2019, the Company and China Grand Pharmaceutical and Healthcare Holdings Limited, a company formed under the laws of the British Virgin Islands (“CGP”), and its affiliate, Sirtex Medical US Holdings, Inc., a Delaware corporation (“Sirtex”) entered into Stock Purchase Agreements (as amended, the “Purchase Agreements”). Pursuant to which CGP and Sirtex were given the right to purchase additional shares of common stock at a purchase price equal to the same exercise price paid by each warrant holder in order to maintain CGP and Sirtex’s respective ownership percentages of the outstanding shares of common stock of the Company as of October 10, 2019.

Note 7—Stock-Based Compensation

The OncoSec Medical Incorporated 2011 Stock Incentive Plan (as amended and approved by the Company's stockholders (the "2011 Plan")), authorizes the Company's Board of Directors to grant equity awards, including stock options and restricted stock units, to employees, directors and consultants. The 2011 Plan authorizes a total of 4,600,000 shares of common stock for issuance. Under the 2011 Plan, incentive stock options are to be granted at a price that is no less than 100% of the fair value of the Company's common stock at the date of grant. Stock options vest over a period specified in the individual option agreements entered into with grantees and are exercisable for a maximum period of 10 years after the date of grant. Incentive stock options granted to stockholders who own more than 10% of the outstanding stock of the Company at the time of grant must be issued at an exercise price of no less than 110% of the fair value of the Company's common stock on the date of grant

Stock Options

During the three months ended October 31, 2021, the Company granted options to purchase 23,400 shares of its common stock to employees under the 2011 Plan, respectively. The stock options issued to employees have a 10-year term, vest over two years and have exercise prices ranging from $2.01 to $2.26.

During the three months ended October 31, 2020, the Company granted options to purchase 726,576, 125,000 and 25,000 shares of its common stock to employees, directors and a consultant under the 2011 Plan, respectively. The stock options issued to employees have a 10-year term, vest over three years and have exercise prices ranging from $3.43 to $3.82. The stock options issued to directors have a 10-year term, vest over one year and have an exercise price of $3.43. The stock options issued to the consultant have a 10-year term, vest over one year and have an exercise price of $3.82.

During the three months ended October 31, 2020, the Company granted options to purchase 300,000 shares of its common stock to an employee outside the 2011 Plan. The stock options issued to the employee have a 10-year term, vest over one year and have an exercise price of $3.56.

The Company accounts for stock-based compensation based on the fair value of the stock-based awards granted and records forfeitures as they occur. As such, the Company recognizes stock-based compensation cost only for those stock-based awards that vest over their requisite service period, based on the vesting provisions of the individual grants. The service period is generally the vesting period, with the exception of stock options granted pursuant to a consulting agreement, in which case the stock option vesting period and the service period are defined pursuant to the terms of the consulting agreement.

The following assumptions were used for the Black-Scholes calculation of the fair value of stock-based compensation related to stock options granted during the periods presented:

	Three Months Ended October 31, 2021	Three Months Ended October 31, 2020
Expected term (years)	5.13 – 6.00 years	5.00–6.50 years
Risk-free interest rate	0.69 – 0.92%	0.27 -0.52%
Volatility	86.98 – 88.89%	85.31 – 88.44%
Dividend yield	0%	0%

The Company's expected volatility is derived from the historical daily change in the market price of its common stock. The Company uses the simplified method to calculate the expected term of options issued to employees, non-employees and directors, as the Company does not have much stock option exercise history and thus does not have enough information on exercise behavior to calculate a refined expected term based on that information. The risk-free interest rate used in the Black-Scholes calculation is based on the prevailing U.S. Treasury yield in effect at the time of grant, commensurate with the expected term. For the expected dividend yield used in the Black-Scholes calculation, the Company has never paid any dividends on its common stock and does not anticipate paying dividends on its common stock in the foreseeable future.

The following is a summary of the Company's 2011 Plan and non-Plan stock option activity for the three months ended October 31, 2021:

	Options	Weighted Average Exercise Price	Weighted - average Remaining Contract	Aggregate Intrinsic Value ($000)
Outstanding - July 31, 2021	3,111,642	$ 3.27		
Granted	23,400	$ 2.12		
Forfeited/Cancelled	(282,617)	$ 4.70		
Outstanding - October 31, 2021	2,852,425	$ 3.12	8.9	$ 92
Exercisable - October 31, 2021	2,083,160	$ 2.88	8.8	$ 88

The weighted-average grant date fair value of stock options granted during the three months ended October 31, 2021 and 2020 was $1.50 and $2.58, respectively.

As of October 31, 2021, the Company has approximately $1.9 million in unrecognized stock-based compensation expense attributable to the outstanding options, which is expected to be recognized over a weighted-average period of 1.45 years. The total fair value of shares vested during the three months ended October 31, 2021 and 2020 was approximately $1.1 million and $1.7 million, respectively.

Stock-based compensation expense recorded in the Company's condensed consolidated statements of operations for the three months ended October 31, 2021 resulting from stock options awarded to the Company's employees, directors and consultants was approximately $0.5 million. Of the total expense, $0.3 million was recorded to research and development and $0.2 million was recorded in general and administrative in the Company's condensed consolidated statements of operations for the three months ended October 31, 2021.

Stock-based compensation expense recorded in the Company's condensed consolidated statements of operations for the three months ended October 31, 2020 resulting from stock options awarded to the Company's employees, directors and consultants was approximately $1.9 million. Of the total expense, $1.0 million was recorded to research and development and $0.9 million was recorded in general and administrative in the Company's condensed consolidated statements of operations for the three months ended October 31, 2020.

Restricted Stock Units ("RSUs")

For the three months ended October 31, 2021 and 2020, the Company recorded approximately $76,000 and $27,000 in stock-based compensation related to RSUs, which is reflected in the condensed consolidated statements of operations.

The following table summarize restricted stock units issued and outstanding:

	RSUs	Weighted Average Grant Date Fair Value
Nonvested - July 31, 2021	442,749	$ 3.24
Vested	(37,480)	$ 3.29
Forfeited/Cancelled	(300,105)	$ 3.16
Nonvested - October 31, 2021	105,164	$ 3.44

As of October 31, 2021, there was approximately $0.3 million unrecognized compensation cost related to unvested RSUs. This amount is expected to be recognized over a weighted-average period of 1.6 years.

Shares Issued to Consultants

During the three months ended October 31, 2021 and 2020, 12,500 and 25,000 shares of common stock valued at approximately $0.04 million and $0.1 million, respectively, were issued to a consultant for services. The common stock share values were based on the date the shares were granted.

2015 Employee Stock Purchase Plan

Under the Company's 2015 Employee Stock Purchase Plan ("ESPP"), the Company is authorized to issue 50,000 shares of the Company's common stock. At October 31, 2021, there were 29,794 shares remaining available for issuance under the ESPP.

The ESPP is considered a Type B plan under FASB ASC Topic 718 because the number of shares a participant is permitted to purchase is not fixed based on the stock price at the beginning of the offering period and the expected withholdings. The ESPP enables the participant to "buy-up" to the plan's share limit, if the stock price is lower on the purchase date. As a result, the fair value of the awards granted under the ESPP is calculated at the beginning of each offering period as the sum of:

- 15% of the share price of an unvested share at the beginning of the offering period,
- 85% of the fair market value of a six-month call on the unvested share aforementioned, and
- 15% of the fair market value of a six-month put on the unvested share aforementioned.

The fair market value of the six-month call and six-month put are based on the Black-Scholes option valuation model. For the six-month offering period to end on January 31, 2022, the following assumptions were used: six-month maturity, 0.05% risk free interest, 72.99% volatility, 0% forfeitures and $0 dividends. For the six-month offering period ended January 31, 2021, the following assumptions were used: six-month maturity, 0.1% risk free interest, 122.84% volatility, 0% forfeitures and $0 dividends.

Approximately $1,200 and $4,100 was recorded as stock-based compensation during the three months ended October 31, 2021 and 2020, respectively.

Common Stock Reserved for Future Issuance

The following table summarizes all common stock reserved for future issuance at October 31, 2021:

Common Stock options outstanding (within the 2011 Plan and outside of the terms of the 2011 Plan)	2,852,425
Common Stock reserved for restricted stock unit release	105,164
Common Stock authorized for future grant under the 2011 Plan	1,283,463
Common Stock reserved for warrant exercise	1,706,190
Shares issuable under CGP and Sirtex stock purchase agreements (See Note 6)	1,924,001
Common Stock reserved for future ESPP issuance	29,794
Total Common Stock reserved for future issuance	7,901,037

Note 8—Commitments and Contingencies

Contingencies

The Company is not a party to any other legal proceeding or aware of any other threatened action as of the date of this report.

Employment Agreements

The Company has entered into employment agreements with certain executive officers and certain other key employees. Generally, the terms of these agreements provide that, if the Company terminates the officer or employee other than for cause, death or disability, or if the officer terminates his or her employment with the Company for good cause, the officer shall be entitled to receive certain severance compensation and benefits as described in each such agreement.

On August 13, 2021, the Company and the former interim CEO entered into an agreement, providing for severance payments and benefits to the former interim CEO consistent with the terms of his existing offer letter with the Company, including a severance payment of $365,000, less tax withholdings, and reimbursement of COBRA premiums (less the portion of the premium that he would have paid if he was an active employee), in each case payable for twelve months following his departure. Accrued severance of approximately $350,000 was included in Accrued compensation related on the condensed consolidated balance sheet as of October 31, 2021.

Note 9—Leases

Lease Agreements

The Company has operating leases for corporate offices and lab space. These leases have remaining lease terms of approximately one year to seven years, some of which include options to extend the lease. For any lease where the Company is reasonably certain that a renewal option will be exercised, the lease payments associated with the renewal option period are included in the ROU asset and lease liability as of October 31, 2021.

Supplemental balance sheet information related to leases as of October 31, 2021 was as follows:

Operating Leases:	
Operating lease right-of-use assets	$ 5,350,864
Operating Leases:	
Current portion included in current liabilities	$ 1,002,038
Long-term portion included in non-current liabilities	4,976,279
Total operating lease liabilities	$ 5,978,317

Supplemental lease expense related to leases was as follows:

	For the Three Months Ended October 31, 2021
Operating lease cost	$ 369,792
Total lease expense	$ 369,792

Other information related to leases where the Company is the lessee is as follows:

	As of October 31, 2021
Weighted-average remaining lease term	4.8 years
Weighted-average discount rate	9.96%

Supplemental cash flow information related to operating leases is as follows:

	For the Three Months Ended October 31, 2021
Cash paid for operating lease liabilities	$ 380,284
Total cash flows related to operating lease liabilities	$ 380,284

Future minimum lease payments under non-cancellable leases as of October 31, 2021 is as follows:

Years ending July 31,	
2022– the remainder of the fiscal year	$ 1,162,716
2023	1,585,224
2024	1,539,142
2025	1,516,126
2026	1,533,882
Thereafter	240,688
Total minimum lease payments	7,577,778
Less: Imputed interest	(1,599,461)
Total	$ 5,978,317

Note 10—401(k) Plan

Effective May 15, 2012, the Company adopted a defined contribution savings plan pursuant to Section 401(k) of the Code. The plan is for the benefit of all qualifying employees and permits voluntary contributions by employees of up to 100% of eligible compensation, subject to the maximum limits imposed by Internal Revenue Service. The terms of the plan allow for discretionary employer contributions and the Company currently matches 100% of its employees' contributions, up to 3% of their annual compensation. The Company's contributions are recorded as expense in the accompanying condensed consolidated statements of operations and totalled approximately $54,000 and $28,000 for the three months ended October 31, 2021 and 2020, respectively.

Note 11—Related Party Transactions

Except as disclosed elsewhere herein, below are the Company's related party transactions.

Equity Offerings

On August 19, 2020, the Company completed the offer and sale of an aggregate of 4,608,589 shares of its common stock at a purchase price of $3.25 per share in a registered direct offering (See Note 6). CGP and Sirtex participated in the registered direct offering and maintained their respective ownership percentages of the outstanding shares of common stock of the Company upon close.

Co-Promotion and Funded Research Agreement

In January 2021, the Company entered into a co-promotion agreement with Sirtex, pursuant to which the Company granted Sirtex the option to co-promote TAVO for the treatment of anti-PD-1 refractory locally advanced or metastatic melanoma in the U.S., including its territories and possessions. In consideration for the option, the Company received an upfront, non-refundable payment of $5.0 million from Sirtex (the "option fee"). The option to co-promote is non-exclusive and may be exercised at any time by Sirtex from the effective date until 90 days following the receipt by Sirtex of a complete copy of the final BLA filed by the Company with the FDA (the "option period"). If Sirtex exercises the option, the Company will receive an additional non-refundable and non-creditable option exercise fee of $25.0 million, comprised of $20.0 million in cash, and $5.0 million for the issuance of common shares of the Company determined by the average closing price of the stock for the 30 days prior to the date of receipt of the exercise notice for the option.

Under the terms of the co-promotion agreement, if Sirtex exercises the co-promote option, the Company will pay to Sirtex a high-teens to low-twenties royalty ("promotion fee") of U.S. net sales of the TAVO products. The co-promotion agreement will continue until the earlier of the expiration of the option period without Sirtex extending the option or the eighth anniversary of the first FDA approval of the BLA, and can be extended by mutual agreement between the Company and Sirtex. During the co-promotion term, the Company is responsible for funding approximately two-thirds of the promotional costs incurred by Sirtex and Sirtex shall be responsible for approximately one-third.

The Company has determined that the co-promotion agreement represents a funded research and development arrangement within the scope of ASC Subtopic 730-20, Research and Development—Research and Development Arrangements (ASC 730-20). The Company concluded that there has not been a substantive and genuine transfer of risk related to the co-promotion agreement and the Company's ongoing development of TAVO as there is a presumption that the Company is obligated to repay Sirtex based on the significant related party relationship that exists between the parties. This significant related party relationship is based on Sirtex's approximate 8% ownership of the outstanding shares of the Company's common stock, and that of its significant equity holder, CGP (which owns 49% of Sirtex), which, at the time of entering into the agreement, owned approximately 42% of the outstanding shares of the Company's common stock and is the Company's largest shareholder.

The Company has determined that the appropriate accounting treatment under ASC 730-20 is to record any proceeds received from Sirtex for the co-promote option or upon exercise of the option as cash and cash equivalents as the Company has the ability to direct the usage of funds, and as a corresponding long-term liability ("Liability under co-promotion agreement – related party") on the Company's condensed consolidated balance sheet when received. The liability will remain on the balance sheet until (i) Sirtex exercises the option which results in royalties paid by the Company to Sirtex based on the net sales of the TAVO products, or (ii) Sirtex does not exercise the option and the co-promotion agreement is terminated by the parties.

As of October 31, 2021, the balance of the Liability under co-promotion agreement – related party relates to the option fee payment of $5.0 million received from Sirtex.

Note 12—Subsequent Events

Except as disclosed elsewhere herein, below are the Company's subsequent events.

On November 29, 2021, the Company notified The Nasdaq Capital Market ("Nasdaq") that Robert Ward, as previously disclosed on the Company's Current Report filed on Form 8-K on November 30, 2021, had resigned as a member of the board of directors of the Company (the "Board") and the Company's Audit Committee. After giving effect to Mr. Ward's resignation, the Company's Audit Committee no longer consists of three independent members as required by Nasdaq Listing Rule 5605(c)(2)(A).

On December 8, 2021, the Company received a letter from Nasdaq noting that the Company no longer complied with the requirement of Listing Rule 5605. The letter also acknowledged that the Listing Rules provide a cure period in order for the Company to regain compliance until the earlier of the Company's next annual meeting of stockholders or November 23, 2022 (or, by May 23, 2022, if such meeting is held before May 23, 2022). The Company intends to cure this deficiency during the allotted period afforded to it by Nasdaq.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Unless the context indicates otherwise, all references to "OncoSec," "our company," "we," "us" and "our" in this report refer to OncoSec Medical Incorporated and its consolidated subsidiary. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and the related notes included in this report.

This discussion and analysis of our financial condition and results of operations is not a complete description of our business or the risks associated with an investment in our common stock. As a result, this discussion and analysis should be read together with our condensed consolidated financial statements and related notes included in this report, as well as the other disclosures in this report and in the other documents we file from time to time with the Securities and Exchange Commission, or SEC, including our Annual Report on Form 10-K for our fiscal year ended July 31, 2021 filed with the SEC on October 29, 2021 (the "Annual Report"). Pursuant to Instruction 2 to paragraph (b) of Item 303 of Regulation S-K promulgated by the SEC, in preparing this discussion and analysis, we have presumed that readers have access to and have read the discussion and analysis of our financial condition and results of operations included in the Annual Report.

This discussion and analysis and the other disclosures in this report contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or Exchange Act. Forward-looking statements relate to future events or circumstances or our future performance and are based on our current assumptions, expectations and beliefs about future developments and their potential effect on our business. All statements in this report that are not statements of historical fact could be forward-looking statements. The forward-looking statements in this discussion and analysis include statements about, among other things, the status, progress and results of our clinical programs and our expectations regarding our liquidity and performance, including our expense levels, and the potential impact of the COVID-19 pandemic. Forward-looking statements are only predictions and are not guarantees of future performance, and they are subject to known and unknown risks, uncertainties and other factors, including the risks described under the heading "Risk Factors" in Part I, Item IA of the Company's most recent Annual Report on Form 10-K and similar discussions contained in the other documents we file from time to time with the SEC. In light of these risks, uncertainties and other factors, the forward-looking events and circumstances described in this report may not occur and our results, levels of activity, performance or achievements could differ materially from those expressed in or implied by any forward-looking statements we make. As a result, you should not place undue reliance on any of our forward-looking statements. Forward-looking statements speak only as of the date they are made, and unless required to by law, we undertake no obligation to update or revise any forward-looking statement for any reason, including to reflect new information, future developments, actual results or changes in our expectations.

Overview

We are a late-stage immuno-oncology company focused on designing, developing and commercializing innovative, proprietary, intra-tumoral DNA-based therapeutics to stimulate and to augment anti-tumor immune responses for the treatment of cancers. Our core technology platform ImmunoPulse® is a drug-device therapeutic modality platform comprised of proprietary intratumoral electroporation ("EP") delivery devices (the "OncoSec Medical System ("OMS") Electroporation Device" or "OMS EP Device") and a proprietary DNA plasmid that triggers transient expression of target protein in cells. The OMS EP Device is designed to deliver plasmid DNA-encoded drugs directly into a solid tumor and promote an immunological response against cancer. The OMS EP Device can be adapted to treat different tumor types, and consists of an electrical pulse generator, a reusable handle and disposable applicators. Our lead product candidate is a DNA-encoded interleukin-12 ("IL-12") called tavokinogene telseplasmid ("TAVO"). The OMS EP Device is used to deliver TAVO intratumorally, with the aim of reversing the immunosuppressive microenvironment in the treated tumor. The activation of the appropriate inflammatory response can drive a systemic anti-tumor response against untreated tumors in other parts of the body. In 2017, we received Fast Track Designation and Orphan Drug Designation from the U.S. Food and Drug Administration for TAVO in metastatic melanoma, which could qualify TAVO for expedited FDA review, a rolling Biologics License Application review and certain other benefits.

Our current focus is to pursue our study of TAVO in combination with KEYTRUDA® (pembrolizumab) in melanoma and triple negative breast cancer.

Performance Outlook

We expect to use our available working capital in the near term primarily for the advancement of our existing and planned clinical programs, including performance of the KEYNOTE-695 and KEYNOTE-890 studies and, to a lesser extent, the continuation of our other clinical trials and studies. We anticipate our spending on clinical programs and the development of our next-generation OMS EP Device will continue throughout our current fiscal year, primarily in support of the KEYNOTE-695 and KEYNOTE-890 studies, while our spending on research and development programs will be prioritized, based on our focus on the KEYNOTE-695 and KEYNOTE-890 studies. We expect our cash-based general and administrative expenses to remain relatively flat in the near term, as we seek to continue to leverage internal resources and automate processes to decrease our outside services expenses. See "Results of Operations" below for more information.

Our operational and financial performance have already been affected by the impact of the COVID-19 pandemic. Our clinical trials have experienced delays in patient enrollment, potentially due to prioritization of hospital resources toward the COVID-19 pandemic or concerns among patients about participating in clinical trials during a public health emergency. The COVID-19 pandemic is also affecting the operations of government entities, such as the FDA, as well as contract research organizations, third-party manufacturers, and other third-parties upon whom we rely. The extent of the impact on our operations cannot be ascertained at this time.

Results of Operations for the Three Months Ended October 31, 2021 Compared to the Three Months Ended October 31, 2020

The unaudited financial data for the three months ended October 31, 2021 and 2020 is presented in the following table and the results of these two periods are included in the discussion thereafter.

	October 31, 2021	October 31, 2020	$ Change	% Change
Revenue	$ -	$ -	$ -	-
Expenses				
Research and development	6,645,771	9,799,361	(3,153,590)	(32)
General and administrative	3,269,723	3,240,732	28,991	1
Loss from operations	(9,915,494)	(13,040,093)	3,124,599	(24)
Other expense, net	(2,010)	(623)	(1,387)	223
Interest expense	(8,045)	(6,134)	(1,911)	31
Foreign currency exchange gain (loss), net	116,924	(176,917)	293,841	(166)
Loss before income taxes	(9,808,625)	(13,223,767)	3,415,142	(26)
Income tax expense	-	1,500	(1,500)	(100)
Net loss	$ (9,808,625)	$ (13,225,267)	$ 3,416,642	(26)

Revenue

We have not generated any revenue since our inception, and we do not anticipate generating meaningful revenue in the near term.

Research and Development Expenses

Our research and development expenses decreased by approximately $3.2 million, from $9.8 million during the three months ended October 31, 2020 to $6.6 million during the three months ended October 31, 2021. This decrease was primarily due to $3.1 million decrease in clinical trial-related costs to support our various clinical studies and costs for discovery research and product development.

General and Administrative

Our general and administrative expenses increased by less than $0.1 million, from $3.2 million during the three months ended October 31, 2020, to $3.3 million during the three months ended October 31, 2021. This increase was largely due to the following approximate increases: (i) $0.4 million in payroll costs related to the severance to the former interim CEO (ii) $0.2 million in insurance costs related to the increased D&O insurance premium and (iii) $0.1 million in consulting costs, primarily related to executive search. These increases were partially offset by a $0.7 million decrease in stock-based compensation to employees and consultants.

Other Expense, Net

Other expense, net, increased by approximately $1,000, from $1,000 for the three months ended October 31, 2020 to $2,000 for the three months ended October 31, 2021. This increase was primarily due to reduced interest income as a result of a lower return on our investments during the current period.

Foreign Currency Exchange Gain (Loss), Net

Foreign currency exchange gain (loss), net, increased by approximately $294,000 from a $177,000 loss during the three months ended October 31, 2020 to a $117,000 gain for the three months ended October 31, 2021. This increase was primarily due to unrealized foreign currency transaction gains recognized in connection with the Australian subsidiary's intercompany loan.

Liquidity and Capital Resources

Working Capital

The following table and subsequent discussion summarize our working capital as of each of the periods presented:

	At October 31, 2021	At July 31, 2021
Current assets	$ 38,690,482	$ 49,179,424
Current liabilities	6,869,950	7,961,916
Working capital	$ 31,820,532	$ 41,217,508

Current Assets

Current assets as of October 31, 2021 decreased by $10.5 million to $38.7 million, from $49.2 million as of July 31, 2021. This decrease was primarily due to cash used to support our operations during the three months ended October 31, 2021.

Current Liabilities

Current liabilities as of October 31, 2021 decreased by $1.1 million to $6.9 million, from $8.0 million as of July 31, 2021. This decrease was primarily due to a decrease in accounts payable and accrued expenses pertaining to our manufacturing and clinical research activities.

Cash Flow

Cash Used in Operating Activities

Net cash used in operating activities for the three months ended October 31, 2021 was $9.9 million, as compared to $9.7 million for the three months ended October 31, 2020. The $0.2 million increase in cash used in operating activities was primarily attributable to an increase in cash used to support our operating activities, including but not limited to, our clinical trials, R&D activities and general working capital requirements.

Cash (Used in) Provided by Financing Activities

Net cash used in financing activities was $0.4 million for the three months ended October 31, 2021, as compared to $13.4 million cash provided by financing activities for the three months ended October 31, 2020. Net cash used in financing activities during the three months ended October 31, 2021 was primarily attributable to payments on a note payable. Net proceeds during the three months ended October 31, 2020 was primarily attributable to the $13.5 million net proceeds received from the August 2020 registered direct offering.

Uses of Cash and Cash Requirements

Our primary uses of cash have been to finance clinical and research and development activities focused on the identification and discovery of new potential product candidates, the development of innovative and proprietary medical approaches for the treatment of cancer, and the design and advancement of pre-clinical and clinical trials and studies related to our pipeline of product candidates. We have also used our capital resources on general and administrative activities and building and strengthening our corporate infrastructure, programs and procedures to enable compliance with applicable federal, state and local laws and regulations.

Our primary objectives for the next 12 months are to continue the advancement of our KEYNOTE-695 and KEYNOTE-890 studies and, to a lesser extent, our other ongoing clinical trials and studies, and to continue our research and development activities for our next-generation EP device and drug discovery efforts. In addition, we expect to pursue capital-raising transactions, which could include equity or debt financings, in the near term to fund our existing and planned operations and acquire and develop additional assets and technology consistent with our business objectives as opportunities arise.

Going Concern and Management's Plans

The Company has sustained losses in all reporting periods since inception, with an accumulated deficit of approximately $262 million as of October 31, 2021. These losses are expected to continue for an extended period of time. Further, the Company has never generated any cash from its operations and does not expect to generate such cash in the near term. The aforementioned factors raise substantial doubt about the Company's ability to continue as a going concern within one year from the issuance date of the condensed consolidated financial statements. The accompanying condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset amounts or the classification of liabilities that might be necessary should the Company be unable to continue as a going concern within one year after the date the condensed consolidated financial statements are issued.

As of December 13, 2021, the Company had cash and cash equivalents of $30.2 million. Since inception, cash flows from financing activities has been the primary source of the Company's liquidity. Based on its current cash levels, the Company believes its cash resources are insufficient to meet the Company's anticipated needs for the 12 months following the date the condensed consolidated financial statements are issued.

The Company recognizes it will need to raise additional capital to continue operating its business and fund its planned operations, including research and development, clinical trials and, if regulatory approval is obtained, commercialization of its product candidates. In addition, the Company will require additional financing if it desires to in-license or acquire new assets, research and develop new compounds or new technologies and pursue related patent protection, or obtain any other intellectual property rights or other assets. There is no assurance that additional financing will be available to the Company when needed, that management will be able to obtain financing on terms acceptable to the Company, or whether the Company will become profitable and generate positive operating cash flow. The source, timing and availability of any future financing will depend principally upon market conditions, and, more specifically, on the progress of our clinical development programs. The ongoing COVID-19 pandemic has also caused volatility in the global financial markets and threatened a slowdown in the global economy, which may negatively affect our ability to raise additional capital on attractive terms or at all. If the Company is unable to raise sufficient additional funds when needed, on favorable terms or at all, the Company will not be able to continue the development of its product candidates as currently planned or at all, will need to reevaluate its planned operations and may need to delay, scale back or eliminate some or all of its development programs, reduce expenses or cease operations, any of which would have a significant negative impact on its prospects and financial condition.

Sources of Capital

We have not generated any revenue since our inception, and we do not anticipate generating meaningful revenue in the near term. Historically, we have raised the majority of the funding for our business through offerings of our common stock and warrants to purchase our common stock. If we issue equity or convertible debt securities to raise additional funds, our existing stockholders would experience further dilution, and the new equity or debt securities may have rights, preferences and privileges senior to those of our existing stockholders. If we incur debt, our fixed payment obligations, liabilities and leverage relative to our equity capitalization would increase, which could increase the cost of future capital. Further, the terms of any debt securities we issue or borrowings we incur, if available, could impose significant restrictions on our operations, such as limitations on our ability to incur additional debt or issue additional equity or other operating restrictions that could adversely affect our ability to conduct our business, and any such debt could be secured by any or all of our assets pledged as collateral. Additionally, we may incur substantial costs in pursuing future capital, including investment banking, legal and accounting fees, printing and distribution expenses and other costs.

Critical Accounting Policies

Use of Estimates

The accompanying condensed consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Such estimates include going concern, stock-based compensation, the accrual of research, product development and clinical obligations, impairment of long-lived assets, determining the Incremental Borrowing Rate for calculating Right-Of-Use ("ROU") assets and lease liabilities and accounting for income taxes, including the related valuation allowance on the deferred tax asset and uncertain tax positions. The Company bases its estimates on historical experience and on various other assumptions that it believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. On an ongoing basis, the Company reviews its estimates to ensure that they appropriately reflect changes in the business or as new information becomes available. Actual results may differ from these estimates.

Impairment of Long-Lived Assets

The Company periodically assesses the carrying value of intangible and other long-lived assets, and whenever events or changes in circumstances indicate that the carrying amount of an asset might not be recoverable. The assets are considered to be impaired if the Company determines that the carrying value may not be recoverable based upon its assessment, which includes consideration of the following events or changes in circumstances:

- the asset's ability to continue to generate income from operations and positive cash flow in future periods;
- loss of legal ownership or title to the asset(s);
- significant changes in the Company's strategic business objectives and utilization of the asset(s); and
- the impact of significant negative industry or economic trends.

If the assets are considered to be impaired, the impairment recognized is the amount by which the carrying value of the assets exceeds the fair value of the assets. Fair value is determined by the application of discounted cash flow models to project cash flows from the assets. In addition, the Company bases estimates of the useful lives and related amortization or depreciation expense on its subjective estimate of the period the assets will generate revenue or otherwise be used by it. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less selling costs. The Company also periodically reviews the lives assigned to long-lived assets to ensure that the initial estimates do not exceed any revised estimated periods from which the Company expects to realize cash flows from its assets.

Research and Development Expenses

Research and development expenses consist of costs incurred for internal projects, as well as partner-funded collaborative research and development activities. These costs include direct and research-related overhead expenses, which include salaries, stock-based compensation and other personnel-related expenses, facility costs, supplies, depreciation of facilities and laboratory equipment, as well as research consultants and the cost of funding research at universities and other research institutions, and are expensed as incurred. Costs to acquire technologies that are utilized in research and development that have no alternative future use, are expensed when incurred. In accordance with ASC 730-20, the Company accounts for upfront, non-refundable research and development payments received from a related party as a long-term liability as there has not been a substantive and genuine transfer of risk and there is a presumption that the Company is obligated to repay the related party.

Accruals for Research and Development Expenses and Clinical Trials

The Company is required to estimate its expenses resulting from its obligations under contracts with vendors, clinical research organizations and consultants and under clinical site agreements in connection with conducting clinical trials. The financial terms of these contracts vary from contract to contract and may result in payment terms that do not match the periods over which materials or services are provided under such contracts. The Company accounts for these expenses in its financial statements by matching those expenses with the period in which services are performed and efforts are expended. The Company determines accrual estimates through financial models and takes into account discussion with applicable personnel and outside service providers as to the progress of clinical trials, or the services completed. The Company makes estimates of its accrued expenses as of each balance sheet date based on the facts and circumstances known to it at that time. The Company's clinical trial accruals are dependent upon the timely and accurate reporting of contract research organizations and other third-party vendors. During the course of a clinical trial, the Company adjusts its clinical expense recognition if actual results differ from its estimates.

Equity-Based Awards

The Company grants equity-based awards (typically stock options or restricted stock units) under our stock-based compensation plan and outside of our stock-based compensation plan, with terms generally similar to the terms under our stock-based compensation plan. The Company estimates the fair value of stock option awards using the Black-Scholes option valuation model. For employees, directors and consultants, the fair value of the award is measured on the grant date. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. The Black-Scholes option valuation model requires the input of subjective assumptions, including price volatility of the underlying stock, risk-free interest rate, dividend yield, and expected life of the option. The Company estimates the fair value of restricted stock unit awards based on the closing price of the Company's common stock on the date of issuance.

Australia Research and Development Tax Credit

Our Australian, wholly-owned, subsidiary incurs research and development expenses, primarily in the course of conducting clinical trials. The Australian research and development activities qualify for the Australian government's tax credit program, which provides a 43.5% credit for qualifying research and development expenses. The tax credit does not depend on our generation of future taxable income or ongoing tax status or position. Accordingly, the credit is not considered an element of income tax accounting under ASC 740 and is recorded against qualifying research and development expenses in the Company's condensed consolidated statements of operations.

Leases

The Company determines if an arrangement is a lease at inception. Operating lease right of use ("ROU") assets represent the Company's right to use an underlying asset during the lease term, and operating lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating leases are included in ROU assets, current operating lease liabilities, and long-term operating lease liabilities on the Company's condensed consolidated balance sheets.

Lease ROU assets and lease liabilities are initially recognized based on the present value of the future minimum lease payments over the lease term at commencement date calculated using our incremental borrowing rate applicable to the lease asset, unless the implicit rate is readily determinable. ROU assets also include any lease payments made at or before lease commencement and exclude any lease incentives received. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Leases with a term of 12 months or less are not recognized on the condensed consolidated balance sheet. The Company's leases do not contain any residual value guarantees. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. The Company accounts for lease and non-lease components as a single lease component for all its leases.

Recent Accounting Pronouncements

Information regarding recent accounting pronouncements is contained in Note 2 to our condensed consolidated financial statements included in this report.

Off-Balance Sheet Arrangements

We are not party to any off-balance sheet transactions. We have no guarantees or obligations other than those which arise out of normal business operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934, as amended, or Exchange Act, is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, or the SEC, and that such information is accumulated and communicated to our management, including our Interim Principal Executive Officer and Principal Accounting Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures reflects the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

As required by Rule 13a-15(b) under the Exchange Act, our management, under the supervision and with the participation of our Interim Principal Executive Officer and our Principal Accounting Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures as of October 31, 2021. Based on such evaluation, our Interim Principal Executive Officer and Principal Accounting Officer concluded that, as of October 31, 2021, our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during our fiscal quarter ended October 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls

Our management, including our Interim Principal Executive Officer and Principal Accounting Officer, does not expect that our disclosure controls and procedures or our internal controls over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our Company have been detected.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

From time to time, we are involved in legal proceedings in the ordinary course of our business. Refer to Note 8: Commitments and Contingencies for more information on legal proceedings.

ITEM 1A. RISK FACTORS.

There have been no material changes in our risk factors from those disclosed in Part I, Item 1A to our Annual Report on Form 10-K for the fiscal year ended July 31, 2021.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

On August 2, 2021, we issued a total of 12,500 shares of our common stock to a third-party firm pursuant to a consulting agreement at a market price of $2.22 per share for services rendered.

The securities above were offered and sold without registration under the Securities Act of 1933, as amended, or the Securities Act, pursuant to the exemption provided in Section 4(a)(2) under the Securities Act as a transaction not involving a public offering as well as similar exemptions under applicable state laws, in reliance on the following facts: no general solicitation was used in the offer or sale of such shares; the recipient of such shares represented that it was acquiring the shares for investment for its own account and not with a view to or for resale in connection with any distribution thereof within the meaning of the Securities Act; the recipient of such shares had adequate access to information about us; the recipient of such shares represented that it had a preexisting business or personal relationship with us or had the capacity to protect its own interests in connection with acquiring such shares; and such shares were issued as restricted securities with restricted legends referring to the Securities Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

None.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

The following exhibits are either filed or furnished with this report:

31.1*	Certification of Chief Executive Officer pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934
31.2*	Certification of Principal Financial Officer pursuant to Rules 13a-14 and 15d-14 promulgated under the Securities Exchange Act of 1934
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instant Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ONCOSEC MEDICAL INCORPORATED

By: */s/ Robert J. DelAversano*
Robert J. DelAversano
Principal Accounting Officer & Controller
(*Interim Principal Financial Officer and Principal Accounting Officer*)

Dated: December 15, 2021

Exhibit 31.1

CERTIFICATIONS

I, Kevin Smith, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of OncoSec Medical Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

December 15, 2021

/s/ Kevin Smith

Kevin Smith

Interim Principal Executive Officer and Director

Exhibit 31.2

CERTIFICATIONS

I, Robert J. DelAversano, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of OncoSec Medical Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

December 15, 2021

/s/ Robert J. DelAversano
Robert J. DelAversano
Principal Accounting Officer & Controller
(Interim Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Kevin Smith, Interim Principal Executive Officer and Director of OncoSec Medical Incorporated (the "Company"), hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Quarterly Report on Form 10-Q of the Company for the period ended October 31, 2021 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: December 15, 2021

By: */s/ Kevin Smith*
Kevin Smith
Interim Principal Executive Officer and Director

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Robert J. DelAversano, Principal Accounting Officer and Controller (Interim Principal Financial Officer) of OncoSec Medical Incorporated (the "Company"), hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Quarterly Report on Form 10-Q of the Company for the period ended October 31, 2021 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: December 15, 2021

By: */s/ Robert J. DelAversano*
Robert J. DelAversano
Principal Accounting Officer & Controller
(*Interim Principal Financial Officer*)