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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2019

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from_____to_____

Commission file number 001-37568

PDS Biotechnology Corporation

(Exact name of registrant as specified in its charter)

Delaware	**26-4231384**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

300 Connell Drive, Suite 4000, Berkeley Heights, NJ 07922
(Address of principal executive offices)

(800) 208-3343
(Registrant's telephone number)

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a 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 Securities Exchange Act of 1934.

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 Securities Exchange Act of 1934). Yes ☐ No ☒

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.00033 per share	PDSB	Nasdaq Capital Market

The number of shares of the registrant's Common Stock, par value $0.00033 per share, outstanding as of July 25, 2019 was 5,177,487.

PDS BIOTECHNOLOGY CORPORATION

FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2019

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As previously disclosed, on March 15, 2019, PDS Biotechnology Corporation (f/k/a Edge Therapeutics, Inc.), a Delaware corporation (the "Company"), completed the merger (the "Merger") of its wholly owned subsidiary, Echos Merger Sub, ("Merger Sub"), with and into privately held PDS Biotechnology Corporation, a Delaware corporation ("Private PDS"), in accordance with the terms of the Agreement and Plan of Merger, dated as of November 23, 2018, as amended on January 24, 2019, by and among the Company, Merger Sub and Private PDS (the "Merger Agreement"). As a result of the Merger, Private PDS, the surviving company in the Merger, became a wholly-owned subsidiary of the Company. Following the Merger, the Company changed its corporate name from Edge Therapeutics, Inc. to PDS Biotechnology Corporation, and Private PDS changed its name to PDS Operating Corporation.

For accounting purposes, the Merger is treated as a "reverse acquisition" under generally accepted accounting principles in the United States ("U.S. GAAP") and Private PDS is considered the accounting acquirer. Accordingly, Private PDS's historical results of operations will replace the Company's historical results of operations for all periods prior to the Merger and, for all periods following the Merger, the results of operations of the combined company will be included in the Company's financial statements.

This quarterly report on Form 10-Q relates to the Company's three and six months period ended June 30, 2019, which includes the date of the completion of the Merger, and is therefore the Company's second periodic report that includes results of operations for the combined company, including Private PDS.

Unless the context otherwise requires, references to the "Company," the "combined company" "we," "our" or "us" in this report refer to PDS Biotechnology Corporation and its subsidiaries; references to "PDS" refer to the Company following the completion of the Merger, references to "Edge" refer to the Company prior to the completion of the Merger, references to "Private PDS" refer to privately held PDS Biotechnology Corporation prior to the completion of the Merger, and references to "PDS Operating Corporation" refer to PDS Operating Corporation, the Company's wholly-owned subsidiary following the Merger.

Except as otherwise noted, references to "common stock" in this report refer to common stock, par value $0.00033 per share, of the Company. On March 15, 2019, the Company effected a 1-for-20 reverse split of its common stock. Unless noted otherwise, any share or per share amounts in this report, the accompanying unaudited condensed consolidated financial statements and related notes give retroactive effect to both the Merger and the reverse stock split.

This report contains the following trademarks, trade names and service marks of ours: Versamune® All other trade names, trademarks and service marks appearing in this quarterly report on Form 10-Q are the property of their respective owners. We have assumed that the reader understands that all such terms are source-indicating. Accordingly, such terms appear without the trade name, trademark or service mark notice for convenience only and should not be construed as being used in a descriptive or generic sense.

This quarterly report on Form 10-Q contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and are subject to the safe harbor created by those sections. For more information, see "Part I. Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - Cautionary Note Regarding Forward-Looking Statements."

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PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

PDS BIOTECHNOLOGY CORPORATION

Condensed Consolidated Balance Sheets

	June 30, 2019 (unaudited)	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 21,734,152	$ 103,695
Prepaid expenses and other current assets	1,098,843	156,628
Total current assets	22,832,995	260,323
Property and equipment, net	368,987	29,508
Intangible assets, net	1,223,000	41,692
Right-to-use asset	1,233,894	–
Other assets	145,470	12,800
Total assets	$ 25,804,346	$ 344,323
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Current liabilities:		
Accounts payable	$ 1,853,306	$ 1,412,951
Accrued expenses	638,186	601,889
Restructuring reserve	1,283,875	–
Operating lease liability- short term	492,086	–
Total current liabilities	4,267,453	2,014,840
Noncurrent liability:		
Deferred tax liability	157,000	–
Operating lease liability- long term	774,278	–
Convertible promissory notes payable	–	30,000
STOCKHOLDERS' EQUITY		
Preferred stock, 5,000,000 shares authorized at June 30, 2019 and December 31, 2018, 0 outstanding	–	–
Common stock, $0.00033 par value, 75,000,000 shares authorized at June 30, 2019 and December 31, 2018, 5,177,487 shares and 3,417,187 shares issued and outstanding at June 30, 2019 and December 31, 2018, respectively	1,709	1,128
Additional paid-in capital	38,686,233	19,311,529
Accumulated deficit	(18,082,327)	(21,013,174)
Total stockholders' equity	20,605,615	(1,700,517)
Total liabilities and stockholders' equity	$ 25,804,346	$ 344,323

See accompanying notes to the condensed consolidated financial statements.

PDS BIOTECHNOLOGY CORPORATION

Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Operating expenses:				
Research and development expenses	$ 1,886,934	$ 168,606	$ 2,916,937	$ 369,744
General and administrative expenses	2,383,972	398,425	6,289,848	934,226
Total operating expenses	4,270,906	567,031	9,206,785	1,303,970
Loss from operations	(4,270,906)	(567,031)	(9,206,785)	(1,303,970)
Other income (expense):				
Gain on bargain purchase	209,449	–	11,939,331	–
Interest income	175,605	4	198,907	10
Interest expense	–	(804)	(606)	(1,763)
Net income (loss) and comprehensive income (loss)	(3,885,852)	(567,831)	2,930,847	(1,305,723)
Net income (loss) per share, basic	(0.75)	(0.17)	0.66	(0.41)
Net income (loss) per share, diluted	$ (0.75)	$ (0.17)	$ 0.52	$ (0.41)
Weighted average common shares outstanding, basic	5,175,837	3,338,214	4,466,025	3,170,804
Weighted average common shares outstanding, diluted	5,175,837	3,338,214	5,677,360	3,170,804

See accompanying notes to the condensed consolidated financial statements.

PDS BIOTECHNOLOGY CORPORATION

Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit)

(Unaudited)

	Common Stock		Additional	Accumulated	Total
	Shares Issued	Amount	Paid-in Capital	Deficit	Equity (Deficit)
Balance - March 31, 2018	3,333,398	$ 1,100	$ 18,555,004	$ (18,840,510)	$ (284,406)
Stock-based compensation expense	–	–	630	–	630
Issuance of common stock, net of issuance costs	7,745	3	43,997	–	44,000
Net loss	–	–	–	(567,831)	(567,831)
Balance - June 30, 2018	3,341,143	$ 1,103	$ 18,599,631	$ (19,408,341)	$ (807,607)

	Common Stock		Additional	Accumulated	Total
	Shares Issued	Amount	Paid-in Capital	Deficit	Equity (Deficit)
Balance - March 31, 2019	5,172,938	$ 1,707	$ 38,642,411	$ (14,196,475)	$ 24,447,643
Stock-based compensation expense	–	–	18,580	–	18,580
Issuance of common stock from 401K match	4,549	2	25,242	–	25,244
Net loss	–	–	–	(3,885,852)	(3,885,852)
Balance - June 30, 2019	5,177,487	$ 1,709	$ 38,686,233	$ (18,082,327)	$ 20,605,615

See accompanying notes to the condensed consolidated financial statements.

PDS BIOTECHNOLOGY CORPORATION

Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit)

(Unaudited)

	Common Stock		Additional	Accumulated	Total
	Shares Issued	Amount	Paid-in Capital	Deficit	Equity (Deficit)
Balance - December 31, 2017	3,051,538	$ 1,007	$ 17,492,083	$ (18,102,618)	$ (609,528)
Stock-based compensation expense	–	–	7,645	–	7,645
Capitalized offering costs	–	–	(44,000)	–	(44,000)
Issuance of common stock, net of issuance costs	289,605	96	801,798	–	801,894
Warrant costs associated with stock issuance	–	–	342,105	–	342,105
Net loss	–	–	–	(1,305,723)	(1,305,723)
Balance - June 30, 2018	3,341,143	$ 1,103	$ 18,599,631	$ (19,408,341)	$ (807,607)

	Common Stock		Additional	Accumulated	Total
	Shares Issued	Amount	Paid-in Capital	Deficit	Equity (Deficit)
Balance - December 31, 2018	3,417,187	$ 1,128	$ 19,311,529	$ (21,013,174)	$ (1,700,517)
Stock-based compensation expense	–	–	2,773,451	–	2,773,451
Issuance of common stock, net of issuance costs	48,930	16	749,984	–	750,000
Issuance of common stock for antidilution	97,960	32	(32)	–	–
Issuance of common stock for convertible debt	9,683	3	32,950	–	32,953
Issuance of common stock from 401K match	4,549	2	25,241	–	25,243
Equity from merger transaction	1,599,178	528	15,793,110	–	15,793,638
Net income	–	–	–	2,930,847	2,930,847
Balance - June 30, 2019	5,177,487	$ 1,709	$ 38,686,233	$ (18,082,327)	$ 20,605,615

See accompanying notes to the condensed consolidated financial statements.

PDS BIOTECHNOLOGY CORPORATION

Condensed Consolidated Statements of Cash Flows

(Unaudited)

	Six Months Ended June 30,	
	2019	2018
Cash flows from operating activities:		
Net income (loss)	$ 2,930,847	$ (1,305,723)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	2,773,451	51,642
Stock-based 401K company common match	25,244	–
Depreciation expense	62,706	14,297
Bargain purchase gain	(11,939,331)	–
Changes in assets and liabilities:		
Prepaid expenses and other assets	157,273	20,210
Accounts payable	(1,157,171)	171,960
Accrued expenses	(292,678)	227,911
Restructuring reserve	(786,396)	–
Net cash used in operating activities	(8,226,055)	(819,703)
Cash flows from investing activities:		
Cash received in reverse merger transaction	29,106,512	–
Net cash used in investing activities	29,106,512	–
Cash flows from financing activities:		
Payments for capital lease obligation	–	(7,022)
Proceeds from issuance of common stock, net of issuance costs	750,000	1,056,002
Net cash provided by financing activities	750,000	1,048,980
Net increase in cash	21,630,457	229,277
Cash and cash equivalents at beginning of period	103,695	175,884
Cash and cash equivalents at end of period	$ 21,734,152	$ 405,161
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	$ 606	$ 1,753
Supplemental cash flow information:		
Conversion of convertible notes and accrued interest into common stock	$ 32,953	$ –
Consideration in connection with reverse merger transaction	$ 15,793,638	$ –

See accompanying notes to the condensed consolidated financial statements.

PDS Biotechnology Corporation
Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1 – Nature of Operations

PDS Biotechnology Corporation, a Delaware corporation (the "Company," "PDS" or the "combined company"), is a clinical stage immuno-oncology company with a growing pipeline of clinical-stage immunotherapies to treat various early-stage and late-stage cancers, including head and neck cancer, prostate cancer, breast cancer, cervical cancer, anal cancer, and other cancers. All of PDS's products are based on the proprietary Versamune® platform technology, which activates and directs the human immune system to unleash a powerful and targeted attack against cancer cells.

On March 15, 2019, the Company, then operating as Edge Therapeutics, Inc. ("Edge"), completed its reverse merger with privately held PDS Biotechnology Corporation ("Private PDS"), pursuant to and in accordance with the terms of the Agreement and Plan of Merger, dated as of November 23, 2018, as amended on January 24, 2019, by and among the Company, Echos Merger Sub, a wholly-owned subsidiary of the Company ("Merger Sub"), and Private PDS, whereby Private PDS merged with and into Merger Sub, with Private PDS surviving as the Company's wholly-owned subsidiary (the "Merger"). In connection with and immediately following completion of the Merger, the Company effected a 1-for-20 reverse stock split (the "Reverse Stock Split") and changed its corporate name from Edge Therapeutics, Inc. to PDS Biotechnology Corporation, and Private PDS changed its name to PDS Operating Corporation.

For accounting purposes, the Merger is treated as a "reverse acquisition" under generally accepted accounting principles in the United States ("U.S. GAAP") and Private PDS is considered the accounting acquirer. Accordingly, upon consummation of the Merger, the historical financial statements of Private PDS became the Company's historical financial statements, and the historical financial statements of Private PDS are included in the comparative prior periods. See "Note 3 – Reverse Merger" for more information on the Merger. As part of the Merger, the Company acquired all of Edge's assets relating to current and future research and development.

From the Company's inception, it has devoted substantially all of its efforts to business planning, engaging regulatory, manufacturing and other technical consultants, acquiring operating assets, planning and executing clinical trials and raising capital.

Note 2 – Summary of Significant Accounting Policies

(A) Unaudited interim financial statements:

The interim balance sheet at June 30, 2019, the statements of operations and comprehensive income and loss for the three and six months ended June 30, 2019 and 2018, and cash flows for the six months ended June 30, 2019 and 2018 are unaudited. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. GAAP, and following the requirements of the Securities and Exchange Commission ("SEC") for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by U.S. GAAP can be condensed or omitted. These condensed consolidated financial statements have been prepared on the same basis as the Company's annual financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments that are necessary for a fair statement of its financial information. The results of operations for the three and six months ended June 30, 2019 are not necessarily indicative of the results to be expected for the year ending December 31, 2019 or for any other future annual or interim period. The balance sheet as of December 31, 2018 included herein was derived from the audited condensed consolidated financial statements as of that date. These condensed consolidated financial statements should be read in conjunction with the Private PDS audited financial statements and notes thereto as of and for the year ended December 31, 2018, filed by the Company with the SEC in its Current Report on Form 8-K/A on April 30, 2019.

(B) Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(C) Significant risks and uncertainties:

The Company's operations are subject to a number of factors that may affect its operating results and financial condition. Such factors include, but are not limited to: the Company's review of strategic alternatives, the Company's ability to preserve its cash resources, the Company's ability to add product candidates to its pipeline, the Company's intellectual property, competition from products manufactured and sold or being developed by other companies, the price of, and demand for, Company products if approved for sale, the Company's ability to negotiate favorable licensing or other manufacturing and marketing agreements for its products, and the Company's ability to raise capital.

The Company currently has no commercially approved products. As such, there can be no assurance that the Company's future research and development programs will be successfully commercialized. Developing and commercializing a product requires significant time and capital and is subject to regulatory review and approval as well as competition from other biotechnology and pharmaceutical companies. The Company operates in an environment of rapid change and is dependent upon the continued services of its employees and consultants and obtaining and protecting its intellectual property.

(D) Cash equivalents and concentration of cash balance:

The Company considers all highly liquid securities with a maturity weighted average of less than three months to be cash equivalents. The Company's cash and cash equivalents in bank deposit accounts, at times, may exceed federally insured limits.

(E) Research and development:

Costs incurred in connection with research and development activities are expensed as incurred. These costs include licensing fees to use certain technology in the Company's research and development projects as well as fees paid to consultants and various entities that perform certain research and testing on behalf of the Company.

Costs for certain development activities, such as clinical trials, are recognized based on an evaluation of the progress to completion of specific tasks using data, such as patient enrollment, clinical site activations or information provided by vendors on their actual costs incurred. Payments for these activities are based on the terms of the individual arrangements, which may differ from the pattern of costs incurred.

(F) Patent costs:

The Company expenses patent costs as incurred and classifies such costs as general and administrative expenses in the accompanying statements of operations and comprehensive loss.

(G) Intangibles:

The Company's intangible assets as of June 30, 2019 consist of in-process research and development ("IPR&D") intangible assets acquired as part of the reverse merger transaction on March 15, 2019. The fair value of IPR&D was preliminarily determined as of the acquisition date using a discounted cash flow method and subject to ongoing assessment within the valuation period. In determining the value of IPR&D, management considers, among other factors, the stage of completion of the projects, the technological feasibility of the projects, whether the projects have an alternative future use, and the estimated residual cash flows that could be generated from the various projects and technologies over their respective projected economic lives. The discount rate used is determined at the time of acquisition and includes a rate of return which accounts for the time value of money, as well as risk factors reflecting the economic risk that the projected cash flows may not be realized.

The Company reviews its IPR&D at least annually for possible impairment. IPR&D is reviewed for possible impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the IPR&D below their carrying values. The Company tests its IPR&D each year on October 1. The Company's IPR&D asset totaled $1.2 million at June 30, 2019.

There were no trigger events during the three months and six months ended June 30, 2019 to which an impairment analysis would be warranted.

(H) Stock-based compensation:

Pre merger, the Company measured and recognized share-based compensation expense, for both employee and director option awards, based on the grant date fair value of the awards. The Company recognized share-based compensation expense, net of estimated forfeitures, on a straight-line basis over the requisite service period of the awards, which is generally the vesting period.

The Company determined the fair value of share-based awards granted to non-employees as either the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. All issuances of equity instruments issued to non-employees as consideration for goods or services received by the Company are accounted for based on the fair value of the equity instruments issued. These awards were recorded in expense and additional paid-in capital in shareholders' equity (deficit) over the applicable service periods based on the fair value of the options at the end of each period.

The Company classified share-based compensation expense in its condensed consolidated statements of operations in the same manner in which the award recipient's payroll costs are classified or in which the award recipients' service payments are classified.

The Company estimated the fair value of employee and director share options as of the date of grant using the Black-Scholes option pricing model. The Company historically has been a private company and lacks company-specific historical and implied volatility information. Therefore, it estimated its expected share price volatility based on the historical volatility of a publicly traded set of peer companies. The expected term of the Company's share options had been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. The risk-free interest rate is determined by reference to the yield curve of a zero-coupon U.S. Treasury bond on the date of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield was based on the fact that the Company has never paid cash dividends on ordinary shares and does not expect to pay any cash dividends in the foreseeable future.

The Company also estimated the fair value of consultant and non-employee share options using the Black-Scholes option pricing model reflecting the same assumptions as applied to employee and director options in each of the reporting periods, other than the expected life, which is assumed to be the remaining contractual life of the options.

Prospectively, the Company will measure employee stock-based awards at grant-date fair value and recognize employee compensation expense on a straight-line basis over the vesting period of the award.

Determining the appropriate fair value of stock-based awards will require the input of subjective assumptions, including, for stock options, the expected life of the option, and expected stock price volatility. The Company will use the Black-Scholes option pricing model to value its stock option awards. The assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgment. As a result, if factors change and management uses different assumptions, stock-based compensation expense could be materially different for future awards.

The expected life of stock options will be estimated using the "simplified method," as the Company has limited historical information to develop reasonable expectations about future exercise patterns and employment duration for its stock options grants. The simplified method is based on the average of the vesting tranches and the contractual life of each grant. For stock price volatility, the Company will utilize comparable public companies and company specific as a basis for its expected volatility to calculate the fair value of options grants. The risk-free interest rate will be based on U.S. Treasury notes with a term approximating the expected life of the option.

(I) Common stock warrants:

The Company measures and recognizes warrants, for non-employees for the value or goods or services received or in conjunction with the issuance of a debt or equity financing issuance based on the grant date fair value of the warrant.

The Company determines the fair value of warrants granted to non-employees or investors as either the fair value of the consideration received or the fair value of the debt or equity instruments issued, whichever is more reliably measurable. All issuances of debt and equity instruments issued to investors or non-employees as consideration for goods or services received by the Company are accounted for based on the fair value of the debt and equity instruments issued.

Generally, if a warrant cannot be settled in cash by the holder or a stock settled transaction, the warrant is considered an equity transaction to the Company and has an offsetting debit to additional paid-in capital in shareholders' (deficit) equity based on the fair value of the warrant at the issuance date.

The Company estimates the fair value of warrants as of the date of grant using the Black-Scholes option pricing model as described in Stock-Based Compensation in the previous section.

In February 2019, the Company issued 48,930 shares of common stock for proceeds of $750,000. In exchange for the financing, 34,192 of warrants were issued with an exercise price of $9.87 and an expiration date of December 31, 2023.

(J) Net income (loss) per common share:

Basic net income (loss) per share attributable to common stockholders is computed by dividing net income (loss) attributable to common stockholders by the weighted-average number of common shares outstanding during the period. All participating securities are excluded from basic weighted-average common shares outstanding. In computing both basic net income (loss) per share attributable to common stockholders and diluted net income (loss) per share attributable to common stockholders, undistributed earnings are re-allocated to reflect the potential impact of dilutive securities, including stock options and warrants. Diluted net income (loss) per share attributable to common stockholders is computed by dividing net income (loss) attributable to common stockholders by the weighted-average number of common equivalent shares outstanding for the period. Diluted net income (loss) per share attributable to common stockholders includes any dilutive effect from outstanding stock options and warrants using the treasury stock method.

The common stock issuable upon the conversion or exercise of the following dilutive securities for the three months ended June 30, 2019 and as of June 30, 2018 has been excluded from the diluted net loss per share attributable to common stockholders calculation because their effect would have been antidilutive for the period presented:

	As of June 30,	
	2019	2018
Stock options to purchase Common Stock	1,418,301	513,534
Convertible promissory note	–	9,216
Warrants to purchase Common Stock	262,758	115,860
Total	1,681,059	638,610

The following is a reconciliation of the numerator (net income or loss) and the denominator (number of shares) used in the calculation of basic and diluted net income (loss) per share attributable to common stockholders:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Numerator				
Basic and diluted net income (loss)	$ (3,885,852)	$ (567,831)	$ 2,930,847	$ (1,305,723)
Denominator				
Shares used in computing basic net income (loss) per share	5,175,837	3,338,214	4,466,025	3,170,804
Shares from dilutive securities	–	–	1,211,335	–
Shares used in computing diluted net income (loss) per share	5,175,837	3,338,214	5,677,360	3,170,804
Net income (loss) per share, basic	(0.75)	(0.17)	0.66	(0.41)
Net income (loss) per share, diluted	(0.75)	(0.17)	0.52	(0.41)

(K) Accounting standards not yet adopted:

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2018-13, Fair Value Measurement (Topic 820) ("ASU 2018-13"). ASU 2018-13 modifies disclosure requirements related to fair value measurement and is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. Implementation on a prospective or retrospective basis varies by specific disclosure requirement. Early adoption is permitted. ASU 2018-13 also allows for early adoption of any removed or modified disclosures upon issuance of ASU 2018-13 while delaying adoption of the additional disclosures until their effective date. The Company is currently evaluating the potential impact of the new guidance.

In August 2018, the FASB issued ASU No. 2018-15, Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40) ("ASU 2018-15"). ASU 2018-15 reduces complexity for the accounting for costs of implementing a cloud computing service arrangement and aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal use software license). ASU 2018-15 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019, with early adoption permitted. The Company is currently evaluating the potential impact of the new guidance.

(L) Accounting standards adopted:

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) ("ASU 2016-02"), which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. The Company adopted the new lease standard, as of January 1, 2019, using the optional transition method under which comparative financial information will not be restated and continue to apply the provisions of the previous lease standard in its annual disclosures for the comparative periods. In addition, the new lease standard provides a number of optional practical expedients in transition. The Company elected the package of practical expedients. As such, the Company did not have to reassess whether expired or existing contracts are or contain a lease; did not have to reassess the lease classifications or reassess the initial direct costs associated with expired or existing leases. Furthermore, the Company did not have any leases impacted by ASC 842 on the adoption date. As part of the purchase price allocation from the reverse merger, the Company recorded a Right of Use asset and Liability of $1.4 million.

The new lease standard also provides practical expedients for an entity's ongoing accounting. The Company elected the short-term lease recognition exemption under which the Company will not recognize right-of-use ("ROU") assets or lease liabilities, and this includes not recognizing ROU assets or lease liabilities for existing short-term leases. The Company elected the practical expedient to not separate lease and non-lease components for certain classes of assets (office building).

The Company determines if an arrangement is a lease at inception. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term. Operating lease expense is recognized on a straight-line basis over the lease term, subject to any changes in the lease or expectations regarding the terms. Variable lease costs such as operating costs and property taxes are expensed as incurred.

ASU 2018-07, Improvements to Nonemployee Share Based Payment Accounting, eliminates the separate accounting model for nonemployee share-based payment awards and generally requires companies to account for share-based payment transactions with nonemployees in the same way as share-based payment transactions with employees. PDS adopted this ASU on January 1, 2019 and there was not a material impact requiring the retrospective adjustment to retained earnings on transition.

Note 3 – Liquidity

As of June 30, 2019, we had $21.7 million of cash and cash equivalents, including $29.1 million of pre-existing cash on Edge's balance sheets that we obtained as a result of the Merger. Our primary uses of cash are to fund operating expenses, primarily research and development expenditures. Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our outstanding accounts payable and accrued expenses.

On July 29, 2019, we entered into a common stock purchase agreement, see "Note 13 – Subsequent Events" for more information on the agreement.

The Company evaluated whether there are any conditions and events, considered in the aggregate, that raise substantial doubt about its ability to continue as a going concern within one year beyond the filing of this Quarterly Report on Form 10-Q. Based on such evaluation and the Company's current plans, which are subject to change, management believes that the Company's existing cash and cash equivalents as of June 30, 2019 and proceeds expected to become available through government funding programs will be sufficient to satisfy its operating cash needs for at least one year after the filing of this Quarterly Report on Form 10-Q.

We plan to continue to fund our operations and capital funding needs through equity and/or debt financings. We may also enter into government funding programs and consider selectively partnering for clinical development and commercialization. The sale of additional equity would result in additional dilution to our stockholders. Incurring debt financing would result in debt service obligations, and the instruments governing such debt could provide for operating and financing covenants that would restrict our operations. If we are unable to raise additional capital in sufficient amounts or on acceptable terms, we may be required to delay, limit, reduce, or terminate our product development or future commercialization efforts or grant rights to develop and market immunotherapies that we would otherwise prefer to develop and market ourselves. Any of these actions could harm our business, results of operations and prospects.

Note 4 – Reverse Merger

On March 15, 2019, the Company (then operating as Edge), Merger Sub and Private PDS completed the Merger in accordance with the Plan of Merger and Reorganization, dated as of November 23, 2018, as amended on January 24, 2019, pursuant to and in accordance with which Merger Sub merged with and into Private PDS, with Private PDS surviving as the Company's wholly-owned subsidiary. Immediately following completion of the Merger, the Company effected the Reverse Stock Split at a ratio of one new share for every twenty shares of its common stock then-outstanding, and changed its corporate name from Edge Therapeutics, Inc. to PDS Biotechnology Corporation, and Private PDS, now the Company's wholly-owned subsidiary, changed its name to PDS Operating Corporation. The Merger is intended to qualify for federal income tax purposes as a tax-free reorganization under the provisions of Section 368(a) of the Internal Revenue Code of 1986, as amended.

In connection with the Merger, each share of Private PDS's common stock outstanding immediately prior to the Merger was converted into 0.3262 shares (on a post-Reverse Stock Split basis) of the Company's common stock. As a result, the Company issued 3,573,760 shares of its common stock to the stockholders of Private PDS in exchange for all of the outstanding shares of common stock of Private PDS.

For accounting purposes, Private PDS is considered to be the accounting acquirer in the Merger because Private PDS's stockholders owned approximately 70% of the combined company's common stock immediately following the closing of the Merger. As the accounting acquirer, Private PDS's assets and liabilities continue to be recorded at their historical carrying amounts and the historical operations that will be reflected in the Company's financial statements will be those of Private PDS. All references in the unaudited interim condensed consolidated financial statements to the number of shares and per share amounts of the Company's common stock have been retroactively restated to reflect completion of the Merger and the Reverse Stock Split.

Purchase Price

Pursuant to the Plan of Merger and Reorganization Agreement, as amended, Edge issued to Private PDS's stockholders a number of shares of Edge's common stock representing approximately 70% of the outstanding shares of common stock of the combined company. The purchase price, which represents the consideration transferred to Edge's stockholders in the Merger is calculated based on the number of shares of common stock of the combined company that Edge's stockholders owned as of the closing of the Merger on March 15, 2019, which consists of the following:

Number of shares of the combined company to be owned by Edge security holders (1)		1,600,166
Multiplied by the price per share of Edge's common stock as of March 15, 2019	$	9.87
Purchase price (in thousands)	$	15,794

(1) The amount includes 1,576,916 shares of Edge's common stock outstanding as of March 15, 2019 plus 23,250 stock options of Edge that were in the money and vested immediately upon closing of the Merger. At closing, 753 of in-the-money options and 235 fractional shares paid out in cash to shareholders were not issued as common stock, resulting in 1,599,178 common shares issued.

Preliminary Purchase Price Allocation

The preliminary purchase price was allocated to the net assets acquired of Edge based upon their preliminary estimated fair values as of March 15, 2019. The in-process research and development asset ("IPR&D") that is recognized relates to Edge's NEWTON 2 clinical trial for EG-1962 that has not reached technological feasibility. The Company is actively looking to license out EG-1962 and has had preliminary discussions with third parties who are actively looking at the data of EG-1962. Accordingly, the IPR&D is capitalized as an indefinite-lived intangible asset and tested for impairment at least annually until it is determined that there is no future economic benefit from EG-1962. As a result of capitalizing the IPR&D, the Company recognized an indefinite life deferred tax liability. The preliminary allocation of the purchase price was based upon a preliminary valuation and the estimates and assumptions are subject to change. During the three months ended June 30, 2019, two adjustments were made to the preliminary valuation. The first was for $275,000 relating to an offer to purchase equipment that was given a valuation of $0 on the date of acquisition. The second was for $65,551 relating to Edge's bonus plan that was effective prior to the date of acquisition. In accordance with Accounting Standards Codification ("ASC") 805, Business Combinations any the excess of the fair value of the acquired net assets over the purchase price has been recognized as a bargain purchase gain in the condensed consolidated statement of operations. The Company has reassessed whether all the assets acquired and the liabilities assumed have been identified and recognized in the preliminary purchase price allocation.

The allocation of the preliminary purchase price to the net assets of Edge, based on the fair values as of March 15, 2019, is as follows:

Cash and cash equivalents	$ 29,106,513
Prepaid expense and other assets (1)	1,716,732
Right to use asset	1,384,810
Intangible assets-IPR&D	1,223,000
Total identifiable assets acquired	33,431,055
Accounts payable, accrued expenses, other liabilities	(4,595,934)
Lease liability	(945,152)
Deferred tax liability	(157,000)
Total liabilities assumed	(5,698,086)
Net identifiable assets acquired	27,732,969
Bargain purchase gain	(11,939,331)
Purchase price	$ 15,793,638

(1) The valuation of equipment held for sale was believed to be $0 at the date of acquisition based on recent sales interest. Subsequent to the acquisition date, there was an offer on the equipment for a price of $275,000, as such the Company deemed this would have been the value of the equipment if this sales offer would been available at the date of acquisition.

The fair value of the IPR&D was determined using the discounted cash flow method based on probability- adjusted cash flow success scenarios to develop EG-1962 into a commercial product, estimating the revenue and costs. The rates utilized to discount the net cash flows to the present value are commensurate with the stage of development of the projects and uncertainties in the economic estimates used in the projections.

Pro Forma Financial Information

The following pro forma consolidated results of net loss for the three months ended June 30, 2019 and 2018 assume the Merger was completed as of January 1, 2018:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Pro forma operating expenses	$ 14,388,478	$ 13,072,199	$ 19,324,357	$ 33,905,229
Pro forma net loss	(14,686,971)	(13,245,463)	(19,809,603)	(34,823,458)
Pro forma basic and diluted net loss per share	$ (2.84)	$ (2.70)	$ (4.44)	$ (7.37)

The June 30, 2019 pro forma net loss excludes the bargain purchase gain that resulted from the Merger.

Note 5 – Fair Value of Financial Instruments

There were no transfers among Levels 1, 2, or 3 during 2019 or 2018.

	Fair Value Measurements at Reporting Date Using			
	Total	Quoted Prices in Active Markets (Level 1)	Quoted Prices in Inactive Markets (Level 2)	Significant Unobservable Inputs (Level 3)
As of June 30, 2019: (unaudited)				
Cash and cash equivalents	$ 21,734,152	$ 21,734,152	$ –	$ –
As of December 31, 2018:				
Cash and cash equivalents	$ 103,695	$ 103,695	$ –	$ –

Note 6 – Intangible Assets

As of June 30, 2019, $1,223,000 was for IPR&D resulting from the Merger's preliminary purchase price allocation. See Note 4.

As of December 31, 2018, the balance of $41,692 consisted of NIH licensing fees. This balance was expensed into research and development costs during the three months ended March 31, 2019.

Note 7 – Leases

We adopted Accounting Standards Codification (ASC) Topic 842 on the date of the Merger and recognized an operating right-of-use (ROU) asset of $1.4 million and operating lease liabilities of $1.4 million at upon acquiring the lease in the reverse merger. The Company leases office space in Berkeley Heights, New Jersey which expires on November 15, 2021 under an operating lease. The Company has the option to renew the lease for five years. The Company evaluated the renewal option at the lease commencement date and determined that it will not excise the option to renew. The lease provides for an initial monthly base amount plus annual escalations through the term of the lease. In addition to the monthly base amount in the lease agreement, the Company is required to pay its proportionate share of real estate taxes and operating expenses during the lease term which are expensed as incurred. The discount rate implicit within the lease is not determinable, therefore Company estimated an incremental borrowing rate based on the information available on the date of the Merger. The discount rate used to measure the operating lease liability as of June 30, 2019 was 10.15%.

For the three and six months ended June 30, 2019, the Company's operating lease expense was $147,973 and $172,635, respectively.

As of June 30, 2019, other information related to the operating lease are as follows:

Cash paid for amounts included in measurement of lease liabilities:	
Operating cash flows for operating lease	$ 172,635
Right-of use asset obtained in exchange for new operating lease liability	$ 1,384,810
Remaining lease term - operating lease liability	2.4
Discount rate - operating lease	10.15%

Reported as of June 30, 2019	
Current portion of operating lease liability	$ 492,086
Operating leases, net of current portion	774,278
Total	$ 1,266,364

Future minimum lease payments under non-cancelable operating leases as of June 30, 2019 were as follows:

Year ended December 31,	
2019 (excluding the six months ended June 30, 2019)	$ 297,221
2020	603,371
2021	530,386
Total future minimum lease payments	1,430,978
Less imputed interest	(164,614)
Total	$ 1,266,364

Note 8 – Accrued Expenses and Restructuring Reserve

Accrued expenses and other liabilities consist of the following:

	As of June 30, 2019	As of December 31, 2018
Accrued research and development costs	$ 91,229	$ 71,329
Accrued professional fees	242,732	421,617
Accrued compensation	304,225	54,269
Accrued other	–	46,674
Accrued rent	–	8,000
Total	$ 638,186	$ 601,889

Restructuring Reserve

	As of June 30, 2019	As of December 31, 2018
Restructuring reserve (1)	$ 1,283,875	$ –
Total	$ 1,283,875	$ –

(1) Restructuring reserve relates to the severance costs incurred by Edge Therapeutics prior to the merger transaction and assumed by the Company as part of the purchase accounting, but not yet paid. The severance costs continue through September 2020. For the six months ended June 30, 2019, the Company paid $786,396 of restructuring expense which was previously recorded on Edge Therapeutics financials.

Note 9 – Convertible Promissory Note

In November 2017, the Company received $30,000 from an investor in exchange for a convertible promissory note (2017 issuances). The 2017 issuances bear interest at 7.50% per annum.

The original terms of the promissory note was amended in December 2018 and states that in the event the Company consummates a sale of the Company prior to the conversion or repayment in full of this Note, the outstanding principal amount and all accrued but unpaid interest due shall automatically convert into the numbers of shares of the Company's common stock equal to (a) the principal amount plus all accrued but unpaid interest thereon, divided by (b) $3.40, which shall be automatically issued to Holder as of immediately prior to the consummation of such Sale of the Company. This event occurred on March 15, 2019, the date of the Merger, on which 9,683 shares of common stock were issued.

Note 10 – Stock-Based Compensation

The Company has five equity compensation plans: the 2009 Amended Stock Plan, the 2010 Equity Incentive Plan, the 2012 Equity Incentive Plan, 2014 Equity Incentive Plan and the 2018 Stock Incentive Plan (the "Plans"). Originally, the Company was able to grant up to 27,410 and 54,820 shares of Common Stock as both incentive stock options ("ISOs") and nonqualified stock options ("NQs") under the 2010 Equity Incentive Plan and the 2012 Equity Incentive Plan, respectively. In 2013, the Company's stockholders approved an increase to 63,957 shares authorized for issuance under the 2010 Equity Incentive Plan. In 2014, the Board of Directors of the Company (the "Board") approved an increase to 67,520 shares authorized for issuance under the 2010 Equity Incentive Plan.

In 2014, the Company's stockholders approved the 2014 Equity Incentive Plan pursuant to which the Company may grant up to 91,367 shares as ISOs, NQs and restricted stock units ("RSUs"), subject to increases as hereafter described (the "Plan Limit"). In addition, on January 1, 2015 and each January 1 thereafter prior to the termination of the 2014 Equity Incentive Plan, pursuant to the terms of the 2014 Equity Incentive Plan, the Plan Limit was and shall be increased by the lesser of (x) 4% of the number of shares of Common Stock outstanding as of the immediately preceding December 31 and (y) such lesser number as the Board of Directors may determine in its discretion. On January 1, 2016, 2017, 2018 and 2019 the Plan Limit was increased to 152,366 shares, 210,203 shares, 271,941 shares and 323,529 shares, respectively. In March 2019, the Plan was amended and restated which removed the annual increase component and was limited to 826,292 shares.

In 2018, the Company's stockholders approved the 2018 Stock Incentive Plan pursuant to which the Company may grant up to 558,071 shares as Stock Options, (ii) Stock Appreciation Rights, (iii) Restricted Stock, (iv) Deferred Stock, (v) Stock Reload Options and/or (vi) Other Stock-Based Awards.

Pursuant to the terms of the Plans, ISOs have a term of ten years from the date of grant or such shorter term as may be provided in the option agreement. Unless specified otherwise in an individual option agreement, ISOs generally vest over a four year term and NQs generally vest over a one to five year terms. Unless terminated by the Board, the Plans shall continue to remain effective for a term of ten years or until such time as no further awards may be granted and all awards granted under the Plans are no longer outstanding.

On June 17, 2019, the Board adopted the 2019 Inducement Plan. The 2019 Inducement Plan provides for the grant of non-qualified stock options. The 2019 Inducement Plan was recommended for approval by the Compensation Committee of the Board and subsequently approved and adopted by the Board without stockholder approval pursuant to Rule 5635(c)(4) of the Nasdaq Listing Rules.

The Board has reserved 200,000 shares of the Company's common stock for issuance pursuant to non-qualified stock options granted under the 2019 Inducement Plan, and the 2019 Inducement Plan will be administered by the Compensation Committee of the Board. In accordance with Rule 5635(c)(4) of the Nasdaq Listing Rules, non-qualified stock options under the 2019 Inducement Plan may only be made to an employee who has not previously been an employee or member of the Board (or any parent or subsidiary of the Company), or following a bona fide period of non-employment by the Company (or a parent or subsidiary of the Company), if he or she is granted such non-qualified stock options in connection with his or her commencement of employment with the Company or a subsidiary and such grant is an inducement material to his or her entering into employment with the Company or such subsidiary.

The Company's stock-based compensation expense related to stock options was recognized in operating expense as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	(unaudited)		(unaudited)	
Stock-Based Compensation				
Research and development	$ 9,387	$ 43,997	$ 450,087	$ 47,216
General and administrative	9,193	630	2,323,364	4,426
Total	$ 18,580	$ 44,627	$ 2,773,451	$ 51,642

The fair value of options granted during the three and six months ended June 30, 2019 and the six months ended June 30, 2018 was estimated using the Black-Scholes option valuation model utilizing the following assumptions. There were no options granted during the three and six months ended June 30, 2018.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
	Weighted Average	Weighted Average	Weighted Average	Weighted Average
	(unaudited)		(unaudited)	
Volatility	94.43%	0.00%	88.87%	0.00%
Risk-Free Interest Rate	2.19%	0.00%	2.34%	0.00%
Expected Term in Years	6.08	–	6.17	–
Dividend Rate	0.00%	0.00%	0.00%	0.00%
Fair Value of Option on Grant Date	$ 4.77	$ –	$ 5.31	$ –

The following table summarizes the number of options outstanding and the weighted average exercise price:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life in Years	Aggregate Intrinsic Value
Options outstanding at December 31, 2018	541,117	$ 7.20		
Assumed in connection with Merger	347,697	121.52		
Granted	800,137	7.57		
Exercised	–	–		
Forfeited	(270,650)	99.13		
Options outstanding at June 30, 2019	1,418,301	$ 17.90	7.49	$ 24,059
Vested and expected to vest at June 30, 2019	1,418,301	$ 17.90	7.49	$ 24,059
Exercisable at June 30, 2019	1,007,871	$ 22.67	6.47	$ 24,059

At June 30, 2019 there was approximately $1,937,920 of unamortized stock option compensation expense, which is expected to be recognized over a remaining average vesting period of 3.86 years.

Note 11 – Income Taxes

In assessing the realizability of the net deferred tax assets, the Company considers all relevant positive and negative evidence to determine whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The realization of the gross deferred tax assets is dependent on several factors, including the generation of sufficient taxable income prior to the expiration of the net operating loss carryforwards. The Company expects to have a loss for 2019 and there will be no current income tax expense. Additionally, there was a full valuation allowance against the net deferred tax assets as of June 30, 2019 and December 31, 2018. As such, the Company recorded no income tax benefit due to realization uncertainties.

The Company's U.S. statutory rate is 21%. The primary factor impacting the effective tax rate for the three and six months ended June 30, 2019 is the anticipated full year operating loss which will require full valuation allowances against any associated net deferred tax assets.

Entities are also required to evaluate, measure, recognize and disclose any uncertain income tax provisions taken on their income tax returns. The Company has analyzed its tax positions and has concluded that as of December 31, 2018, there were no uncertain positions. The Company's U.S. federal and state net operating losses have occurred since its inception and as such, tax years subject to potential tax examination could apply from that date because the utilization of net operating losses from prior years opens the relevant year to audit by the IRS and/or state taxing authorities. The Company did not have any unrecognized tax benefits and has not accrued any interest or penalties for the three and six months ended June 30, 2019 and for the year ended December 31, 2018.

Note 12 – Commitments and Contingencies

Class Action Civil Litigation

From time to time in the ordinary course of the Company's business, the Company is subject to claims, legal proceedings and disputes.

Edge and the Edge Board were named as defendants in two individual lawsuits and two putative class action lawsuits regarding the Merger, each of which alleged that the registration statement on Form S-4 (Registration No. 333-228937) filed by Edge on December 21, 2018 omitted material information with respect to the proposed transaction, which rendered the registration statement on Form S-4 false or misleading. The case captioned Michael Condon v. Edge Therapeutics et al., case no. 2:19-cv-00152 (the "Condon Action"), was filed on January 4, 2019 in the United States District Court for the District of New Jersey. The case captioned Adam Franchi et al. v. Edge Therapeutics et al., case no. 1:19-cv-00058-UNA (the "Franchi Action"), was filed on January 9, 2019 in the United States District Court for the District of Delaware. The case captioned Jeffrey L. Prince v. Edge Therapeutics et al., case no. 1:19-cv-00280 (the "Prince Action"), was filed on January 10, 2019 in the United States District Court for the Southern District of New York. The case captioned Brian Foldenauer et al. v. Edge Therapeutics et al., case no. 1:19-cv-00280 (the "Foldenauer Action"), was filed on January 22, 2019 in the United States District Court for the District of Delaware.

The causes of action set forth in each of the Condon Action, the Franchi Action, the Prince Action and the Foldenauer Action were (i) a claim against Edge and Edge's board of directors for violations of Section 14(a) of the Exchange Act, as well as (ii) a claim against Edge's board of directors for violations of Section 20(a) of the Exchange Act. In the Franchi Action, Private PDS was also named as a defendant in respect of the claim regarding violations of Section 20(a) of the Exchange Act. In each case, the plaintiffs sought, among other things, injunctive relief, rescissory damages, and an award of attorneys' fees and expenses.

On January 18, 2019, the plaintiffs in the Prince Action filed a motion for a preliminary injunction barring any stockholder vote on the Merger until revised disclosures was made to Edge's stockholders, and withdrew the motion for a preliminary injunction on February 1, 2019.

In March 2019, Edge (and Private PDS, with respect to the Franchi Action) settled each of the aforementioned actions in their entirety, and each case was voluntarily dismissed with prejudice, as follows: (i) the Franchi Action was dismissed on March 12, 2019; (ii) the Condon Action was dismissed on April 22, 2019; and (iii) the Prince Action and the Foldenauer Action were dismissed on March 14, 2019.

Retainer/Advisory and Finders' Fee Agreements

The Company entered into several consultant agreements beginning in May 2016 for retainer fees, advisory fees and finders' fees. The fees were settled either with cash or issuance of common stock. Expenses recorded for the three and six months period ended June 30, 2018 were $181,500 and $299,000 respectively. There were no fees paid in the three and six months period ended June 30, 2019.

Employment Matters

The Company has entered into employment agreements or offer letters with each of its executive officers. The employment agreements generally provide for, among other things, salary, bonus and severance payments. The employment agreements generally provide for between 12 months and 24 months of severance benefits to be paid to an executive (as well as certain potential bonus, COBRA and equity award benefits), subject to the effectiveness of a general release of claims, if the executive terminates his or her employment for good reason or if the Company terminates the executive's employment without cause. Such severance payments may be provided for as long as 24 months in connection with a termination following a change of control. The continued provision of severance benefits is conditioned on each executive's compliance with the terms of the Company's confidentiality and invention and assignment agreement as well as his or her release of claims.

Rent

For the three and six months ended June 30, 2019 and 2018, rent was $11,400 and $15,644 and $20,300 and $31,287, respectively, for arrangements not impacted by the adoption of ASC 842.

Note 13 – Subsequent Events

On July 8, 2019, the Company entered into a lease termination agreement for its office space with its landlord effective August 31, 2019. The Company is required to pay 50% of the remaining lease payments of $665,802 over three installments on September 1, 2019, December 1, 2019 and March 1, 2020. The Company has not entered into a new lease arrangement through the date of this filing.

On July 29, 2019, the Company entered into a common stock purchase agreement (the "Aspire Purchase Agreement") pursuant to which, the Company has the right, in its sole discretion, to present Aspire Capital Fund, LLC ("Aspire Capital") with a purchase notice, directing Aspire Capital (as principal) to purchase up to 100,000 shares of the Company's common stock per business day, in an aggregate amount of up to $20.0 million of the Company's common stock (the "Purchase Shares") over the term of the Aspire Purchase Agreement at a per share price equal to the lesser of the lowest sale price of the Company's common stock on the purchase date or the arithmetic average of the three lowest closing sale prices for the Company's common stock during the ten consecutive trading days ending on the trading day immediately preceding the purchase date. The Company may sell an aggregate of 1,034,979 shares of its common stock (which represented 19.99% of the Company's outstanding shares of common stock on the date of the Aspire Purchase Agreement) without stockholder approval. The Company may sell additional shares of its common stock above the 19.99% limit provided that (i) it obtains stockholder approval or (ii) stockholder approval has not been obtained at any time the 1,034,979 share limitation is reached and at all times thereafter the average price paid for all shares issued under the Aspire Purchase Agreement, is equal to or greater than $5.76, which was the consolidated closing bid price of the Company's common stock on July 26, 2019. The minimum price at which the Company sell shares under the Aspire Purchase Agreement is $0.50. On July 29, 2019, the Company issued 100,654 shares of common stock to Aspire Capital. The Company has not issued any shares of its common stock to Aspire Capital under the Aspire Purchase Agreement, aside from the 100,654 shares that were issued to Aspire Capital as consideration for entering into the Aspire Purchase Agreement. Concurrently with the Aspire Purchase Agreement, the Company entered into a registration rights agreement with Aspire Capital (the "Registration Rights Agreement"). In accordance with the Registration Rights Agreement, the Company is obligated to file a registration statement to cover the resale of any Purchased Shares issuable to Aspire Capital under the Aspire Purchase Agreement. The Company may not sell any Purchased Shares to Aspire Capital until such registration statement is declared effective by the SEC. There is market uncertainty regarding the utilization of financing associated from the Aspire Purchase Agreement.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited interim condensed consolidated financial statements and related notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q (this "Quarterly Report") and with the audited financial statements and notes thereto of Private PDS as of and for the year ended December 31, 2018 included in our Current Report on Form 8-K/A, filed with the Securities and Exchange Commission, or SEC, on April 30, 2019. As further described in "Note 1 – Nature of Operations" and "Note 3 – Reverse Merger" in this Quarterly Report, Private PDS was determined to be the accounting acquirer in the Merger and, accordingly, the pre-Merger historical financial information presented in this Quarterly Report reflects the standalone financial statements of Private PDS and, therefore, period-over-period comparisons may not be meaningful. Except as otherwise indicated herein or as the context otherwise requires, references in this Quarterly Report to "PDS" "the Company," "we," "us" and "our" refer to PDS Biotechnology Corporation, a Delaware corporation, on a post-Merger basis, and the term "Private PDS" refers to the business of privately held PDS Biotechnology Corporation prior to completion of the Merger.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report contains forward-looking statements that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Quarterly Report, including statements regarding our future results of operations and financial position, strategy and plans, and our expectations for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described under the heading "Risk Factors" below. In light of these risks, uncertainties and assumptions, actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements in this Quarterly Report and you should not place undue reliance on these forward-looking statements.

These forward-looking statements may include, but are not limited to, statements about:

- the accuracy of estimates of our expenses, future revenue, capital requirements and our needs for additional financing;
- our ability to obtain funding for our operations in the event we determine to raise additional capital;
- our ability to retain key management personnel;
- the accuracy of our estimates regarding expenses, future revenues and capital requirements;
- our ability to maintain our listing on the Nasdaq Stock Market;
- regulatory developments in the United States and foreign countries;
- our expectations regarding the time during which we will be an emerging growth company under the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"); and
- other risks and uncertainties, including those listed under Part II, Item 1A. Risk Factors.

Any forward-looking statements in this Quarterly Report reflect our views and assumptions only as of the date that this report is signed with respect to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

We qualify all of our forward-looking statements by these cautionary statements. In addition, with respect to all of our forward-looking statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Overview

We are a clinical-stage biopharmaceutical company developing multi-dimensional cancer immunotherapies that are designed to overcome the limitations of the current approaches. PDS owns the Versamune®, T-cell activating platform, a proprietary multi-mechanism immunotherapy technology, which has been developed to encompass the attributes of the most successful immunotherapy approaches, such as checkpoint inhibitors, CAR-T cells and live-vector based vaccines, etc., while also overcoming their shortcomings.

It is well documented that the most critical attribute of an effective cancer immunotherapy is the induction of high levels of active antigen-specific CD8+ (killer) T-cells. Priming adequate levels of active CD8+ T-cells in-vivo continues to be a major obstacle facing immunotherapy. PDS0101 in its first human clinical trial confirmed the impressive preclinical study results and demonstrated the unique in-vivo induction of high levels of active HPV-specific CD8+ T-cells in humans.

We believe that the Versamune® platform has the potential to rapidly become an industry-leading immuno-oncology technology and is currently being applied to the development of a robust pipeline of valuable "new-generation, multi-functional" immunotherapies, both as single agents and as part of combination therapies with other leading immuno-oncology technologies. We expect substantial value accretion as its development-stage products successfully progress through upcoming human Phase 2B and Phase 3 clinical trials.

The unique combination of high potency and excellent safety of the Versamune® platform observed in preclinical studies appears to be corroborated in a successfully completed 12-patient Phase 1-phase 2A clinical trial. The Phase 2A human trial immune responses mirrored the strong reported T-cell responses seen in preclinical studies, which led to superior anti-tumor regression efficacy in pre-clinical head-to-head studies with leading clinical development-stage technologies. Superior anti-tumor response of PDS0101 monotherapy versus combinations of top competitors e.g. cancer vaccines + checkpoint inhibitors or chemotherapy was also demonstrated in preclinical studies. In additional preclinical studies, unique and rapid generation of a superior protective immune response has also been demonstrated by Versamune® in pandemic influenza strains.

Since our inception in 2005, we have devoted substantially all of our resources to developing our Versamune® platform, advancing preclinical programs, conducting clinical trials, manufacturing PDS0101 for clinical trials, and providing general and administrative support. We have funded our operations primarily from the issuance of common stock. We have not generated any product revenue.

We acquired an in-process research and development, or IPR&D, asset relating to Edge's (as defined below) NEWTON 2 trials. Following the discontinuation of the NEWTON 2 trial for EG-1962, Edge had ceased all research and development efforts related to EG-1962 and suspended efforts on other legacy Edge product candidates. We are currently seeking partners to continue the development of these product candidates and pursue them to commercialization.

We have never been profitable and have incurred net losses in each year since our inception, except for the six months ended June 30, 2019, during which we had net income of $2.9 million due to a bargain purchase gain of $11.9 million as a result of the Merger (as defined below). Our net losses were $2.9 million and $3.4 million for the years ended December 31, 2018 and 2017, respectively. As of June 30, 2019, we had an accumulated deficit of $18.1 million. Substantially all of our net losses have resulted from costs incurred in connection with its research and development programs and from general and administrative costs associated with these operations.

As of June 30, 2019, we had $21.7 million in cash and cash equivalents.

Our future funding requirements will depend on many factors, including the following:

- the timing and costs of our planned clinical trials;
- the timing and costs of our planned preclinical studies of its Versamune® platform;
- the outcome, timing and costs of seeking regulatory approvals;
- the terms and timing of any future collaborations, licensing, consulting or other arrangements that we may enter into;
- the amount and timing of any payments we may be required to make in connection with the licensing, filing, prosecution, maintenance, defense and enforcement of any patents or patent applications or other intellectual property rights; and
- the extent to which we in-licenses or acquires other products and technologies.

Corporate Information

We currently operate the existing business of Private PDS (as defined below) as a publicly traded company under the name PDS Biotechnology Corporation. We were incorporated as Edge Therapeutics, Inc., or Edge, on January 22, 2009. Upon closing of the Merger (as defined below), we discontinued Edge's prior business and acquired the business of PDS Biotechnology Corporation, a privately held Delaware corporation, which we refer to as Private PDS, which is a clinical-stage biopharmaceutical company developing multi-dimensional cancer immunotherapies that are designed to overcome the limitations of the current approaches.

On March 15, 2019, we completed our previously disclosed reverse merger with Private PDS, which we refer to as the Merger, pursuant to and in accordance with the terms of the Agreement and Plan of Merger, dated as of November 23, 2018, as amended on January 24, 2019, by and among Edge, Echos Merger Sub, a wholly-owned subsidiary of Edge, which we refer to as Merger Sub, and Private PDS, whereby Private PDS merged with and into Merger Sub, with Private PDS surviving as our wholly-owned subsidiary. In connection with and immediately following completion of the Merger, we effected a 1-for-20 reverse stock split, or the Reverse Stock Split, and changed our corporate name from Edge Therapeutics, Inc. to PDS Biotechnology Corporation, and Private PDS changed its name to PDS Operating Corporation. All of the outstanding stock of Private PDS was converted into shares of our common stock or canceled upon closing of the Merger.

Following the Merger, the stockholders of Private PDS effectively control the combined company, and, accordingly, Private PDS is deemed to be the accounting acquirer in the Merger. Accordingly, upon consummation of the Merger, the historical financial statements of Private PDS became our historical financial statements, and the historical financial statements of Private PDS are included in the comparative prior periods below. See "Note 3 – Reverse Merger" in the financial notes to our unaudited interim financial statements in Part I for more information on the Merger.

KEY COMPONENTS OF OUR STATEMENT OF OPERATIONS

Revenue

We have not generated any revenues from commercial product sales and do not expect to generate any such revenue in the near future. We may generate revenue in the future from a combination of research and development payments, license fees and other upfront payments or milestone payments.

Research and Development

Research and development expenses include employee-related expenses, licensing fees to use certain technology in our research and development projects, costs of acquiring, developing and manufacturing clinical trial materials, as well as fees paid to consultants and various entities that perform certain research and testing on our behalf. Costs for certain development activities, such as clinical trials, are recognized based on an evaluation of the progress to completion of specific tasks using data such as patient enrollment, clinical site activations or information provided by vendors on their actual costs incurred. Payments for these activities are based on the terms of the individual arrangements, which may differ from the pattern of costs incurred, and are reflected in the condensed consolidated financial statements as prepaid or accrued expenses. Costs incurred in connection with research and development activities are expensed as incurred.

We acquired an in-process research and development, or IPR&D, asset relating to Edge's (as defined below) NEWTON 2 trials. Following the discontinuation of the NEWTON 2 trial for EG-1962, Edge had ceased all research and development efforts related to EG-1962 and suspended efforts on other legacy Edge product candidates. We are currently seeking partners to continue the development of these product candidates and pursue them to commercialization.

We expect that our research and development expenses will increase significantly over the next several years as we advance our Versamune®-based immuno-oncology, or I-O, candidates into and through clinical trials, pursues regulatory approval of our injectable Versamune® candidates and prepare for a possible commercial launch, all of which will also require a significant investment in contract and internal manufacturing and inventory related costs.

The process of conducting human clinical trials necessary to obtain regulatory approval is costly and time consuming. We may never succeed in achieving marketing approval for our injectable I-O candidates. The probability of successful commercialization of our I-O candidates may be affected by numerous factors, including clinical data obtained in future trials, competition, manufacturing capability and commercial viability. As a result, we are unable to determine the duration and completion costs of our research and development projects or when and to what extent we will generate revenue from the commercialization and sale of any of our tablet vaccine candidates.

Results of Operations

Comparison of the Three Months Ended June 30, 2019 and 2018

The following table summarizes the results of our operations for the three months ended June 30, 2019 and 2018:

	Three Months Ended June 30,		Increase (Decrease)	
	2019	2018	$	%
	(in thousands)			
Operating expenses:				
Research and development expenses	$ 1,887	$ 169	$ 1,718	1,017%
General and administrative expenses	2,384	398	1,986	499%
Total operating expenses	4,271	567	3,704	653%
Loss from operations	(4,271)	(567)	(3,704)	653%
Other income (expense), net	209	–	209	100%
Interest income (expense), net	176	(1)	177	100%
Net loss and comprehensive loss	$ (3,886)	$ (568)	$ (3,318)	584%

Research and Development Expenses

Research and development (R&D) expenses increased to $1.9 million for the three months ended June 30, 2019 from $0.2 million for the three months ended June 30, 2018. The increase of $1.7 million in 2019 was primarily attributable to an increase in external expenses for clinical studies of $1.4 million and an increase of $0.3 million in personnel costs.

General and Administrative Expenses

General and administrative expenses increased to $2.4 million for the three months ended June 30, 2019 from $0.4 million for the three months ended June 30, 2018. The increase of $2.0 million is primarily attributable to increases in personnel costs of $0.5 million, $0.5 million in D&O insurance, $0.2 million for facilities expense, $0.2 million for professional fees, $0.3 million in legal fees and $0.3 in other operating expenses.

Other income (expense), net

Other income, net was $0.2 million during the three months ended June 30, 2019, an increase of $0.2 million as compared to other income of $0 during the three months ended June 30, 2018, due to a change in the purchase price allocation during the second quarter that resulted in a revision to the bargain purchase gain that were recognized in the period.

Interest income (expense), net

Interest income, net was $0.2 million during the three months ended June 30, 2019, an increase of $0.2 million, as compared to an expense of $(0.01) million during the three months ended June 30, 2018, due primarily to interest received on invested cash.

Comparison of the Six Months Ended June 30, 2019 and 2018

The following table summarizes the results of our operations for the six months ended June 30, 2019 and 2018:

	Six Months Ended June 30,		Increase (Decrease)	
	2019	2018	$	%
	(in thousands)			
Operating expenses:				
Research and development expenses	$ 2,917	$ 370	$ 2,547	688%
General and administrative expenses	6,290	934	5,356	573%
Total operating expenses	9,207	1,304	7,903	606%
Loss from operations	(9,207)	(1,304)	(7,903)	606%
Other income (expense), net	11,939	–	11,939	11,939
Interest (expense), net	199	(2)	201	100%
Net loss and comprehensive loss	$ 2,931	$ (1,306)	$ 4,237	(324)%

Research and Development Expenses

Research and development (R&D) expenses increased to $2.9 million for the six months ended June 30, 2019 from $0.4 million for the same period in 2018. The increase of $2.5 million was primarily attributable to an increase in external expenses for clinical studies of $1.6 million and internal R&D personnel costs of $0.4 million, non-cash stock based compensation of $0.4 and departmental costs of $0.1 million.

General and Administrative Expenses

General and administrative expenses increased to $6.3 million for the six months ended June 30, 2019 from $0.9 million for the same period in 2018. The $5.4 million increase was due to increases in personnel costs of $1.0 million, non-cash stock based compensation of $2.3 million, facilities costs of $0.3 million, D&O insurance costs of $0.6 million, legal fees of $0.7 million, professional fees of $0.4 million and $0.1 million in other operating expenses.

Other income (expense), net

Other income, net was $11.9 million during the six months ended June 30, 2019, an increase of $11.9 million as compared to other income of $0 during the six months ended June 30, 2018, due to the bargain purchase gain as a result of the Merger, representing the excess of the fair value of net assets acquired over the fair value of the common stock issued to acquire Private PDS in the Merger.

Interest income (expense), net

Interest income, net was $0.2 million during the six months ended June 30, 2019, an increase of $0.2 million, as compared to an expense of $(0.02) million during the six months ended June 30, 2018, due primarily to interest received on invested cash.

Liquidity and Capital Resources

Since inception, our operations have been financed primarily by net proceeds of $12.3 million from the sale of our common stock and $5.4 million from the issuance of convertible promissory notes. As of June 30, 2019, we had $21.7 million of cash and cash equivalents, including $29.1 million of pre-existing cash on Edge's balance sheets that we obtained as a result of the Merger. Our primary uses of cash are to fund operating expenses, primarily research and development expenditures. Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our outstanding accounts payable and accrued expenses.

The Company evaluated whether there are any conditions and events, considered in the aggregate, that raise substantial doubt about its ability to continue as a going concern within one year beyond the filing of this Quarterly Report on Form 10-Q. Based on such evaluation and the Company's current plans, which are subject to change, management believes that the Company's existing cash and cash equivalents as of June 30, 2019 and proceeds expected to become available through government funding programs will be sufficient to satisfy its operating cash needs for at least one year after the filing of this Quarterly Report on Form 10-Q.

We plan to continue to fund our operations and capital funding needs through equity and/or debt financings. We may also enter into government funding programs and consider selectively partnering for clinical development and commercialization. The sale of additional equity would result in additional dilution to our stockholders. Incurring debt financing would result in debt service obligations, and the instruments governing such debt could provide for operating and financing covenants that would restrict our operations. If we are unable to raise additional capital in sufficient amounts or on acceptable terms, we may be required to delay, limit, reduce, or terminate our product development or future commercialization efforts or grant rights to develop and market immunotherapies that we would otherwise prefer to develop and market ourselves. Any of these actions could harm our business, results of operations and prospects.

On July 29, 2019, we entered into a common stock purchase agreement, or the Aspire Purchase Agreement, pursuant to which, we have the right, in our sole discretion, to present Aspire Capital Fund, LLC, or Aspire Capital, with a purchase notice, directing Aspire Capital (as principal) to purchase up to 100,000 shares of our common stock per business day, in an aggregate amount of up to $20.0 million of our common stock, or the Purchased Shares, over the term of the Aspire Purchase Agreement at a per share price equal to the lesser of the lowest sale price of our common stock on the purchase date or the arithmetic average of the three lowest closing sale prices for our common stock during the ten consecutive trading days ending on the trading day immediately preceding the purchase date. We may sell an aggregate of 1,034,979 shares of our common stock (which represented 19.99% of the Company's outstanding shares of common stock on the date of the Aspire Purchase Agreement) without stockholder approval. We may sell additional shares of our common stock above the 19.99% limit provided that (i) we obtain stockholder approval or (ii) stockholder approval has not been obtained at any time the 1,034,979 share limitation is reached and at all times thereafter the average price paid for all shares issued under the Aspire Purchase Agreement, is equal to or greater than $5.76, which was the consolidated closing bid price of our common stock on July 26, 2019. The minimum price at which we can sell shares under the Aspire Purchase Agreement is $0.50. On July 29, 2019, we issued 100,654 shares of our common stock to Aspire Capital . We have not issued any shares of our common stock to Aspire Capital under the Aspire Purchase Agreement, aside from the 100,654 shares that were issued to Aspire Capital as consideration for entering into the Aspire Purchase Agreement. Concurrently with the Aspire Purchase Agreement, we entered into a registration rights agreement with Aspire Capital, or the Registration Rights Agreement. In accordance with the Registration Rights Agreement, we are obligated to file a registration statement to cover the resale of any Purchased Shares issuable to Aspire Capital under the Aspire Purchase Agreement. We may not sell any Purchased Shares to Aspire Capital until such registration statement is declared effective by the SEC. There is market uncertainty regarding the utilization of financing associated from the Aspire Purchase Agreement.

Cash Flows

The following table shows a summary of our cash flows for each of the periods indicated (in thousands):

	Six Months Ended June 30,	
	2019	2018
Net cash used in operating activities	$ (8,226)	$ (820)
Net cash provided by investing activities	29,106	–
Net cash provided by financing activities	750	1,049
Net increase in cash	$ 21,630	$ 229

Net Cash Used in Operating Activities

Net cash used in operating activities was $8.2 million and $0.8 million for the six months ended June 30, 2019 and 2018, respectively. The increase in cash used in operating activities of $7.4 million was primarily due to the increase of operating activities and payment of the Merger restructuring costs as compared to the prior year.

Net Cash Used in Investing Activities

Net cash used in investing activities in 2019 relates entirely to cash received in the Merger.

Net Cash (Used In) Provided by Financing Activities

Net cash provided by financing activities for the six months ended June 30, 2019 was due to the receipt of net proceeds from the issuance of common stock of $0.8 million.

Net cash provided by financing activities for the six months ended June 30, 2018 was due to the receipt of net proceeds of $1.1 million due to the issuance of common stock.

Operating Capital Requirements

To date, we have not generated any product revenue. We do not know when, or if, we will generate any product revenue and we do not expect to generate significant product revenue unless and until we obtain regulatory approval and commercialize one of our current or future tablet vaccine candidates. We anticipate that we will continue to generate losses for the foreseeable future, and we expect the losses to increase as we continue the development of, and seek regulatory approvals for, our tablet vaccine candidates, and begin to commercialize any approved vaccine candidates. We are subject to all of the risks incident in the development of new products, and may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may harm our business. We expect to incur additional costs associated with operating as a public company and anticipate that we will need substantial additional funding in connection with our continuing operations.

We believe that our existing cash and cash equivalents as of June 30, 2019 will be sufficient to meet our anticipated cash requirements for at least the next 12 months from the date of this Quarterly Report.

We have based our projections of operating capital requirements on assumptions that may prove to be incorrect and we may use all of our available capital resources sooner than we expect. Because of the numerous risks and uncertainties associated with research, development and commercialization of pharmaceutical products, we are unable to estimate the exact amount of our operating capital requirements. Our future funding requirements will depend on many factors, including, but not limited to:

- the initiation, progress, timing, costs and results of our planned clinical trials;
- the outcome, timing and cost of meeting regulatory requirements established by the U.S. Food and Drug Administration, or FDA, the European Medicines Agency, or EMA, and other comparable foreign regulatory authorities;
- the cost of filing, prosecuting, defending and enforcing our patent claims and other intellectual property rights;
- the cost of defending potential intellectual property disputes, including patent infringement actions brought by third parties against us now or in the future;
- the effect of competing technological and market developments;
- the cost of establishing sales, marketing and distribution capabilities in regions where we choose to commercialize our tablet vaccines on our own; and
- the initiation, progress, timing and results of our commercialization of our tablet vaccine candidates, if approved, for commercial sale.

Please see the section titled “Risk Factors” elsewhere in the Quarterly Report for additional risks associated with our operations.

Contractual Obligations and Commitments

The following is a summary of our contractual obligations as of the date indicated:

As of June 30, 2019	Total	Less than one year	1-3 Years	3-5 Years	More than 5 Years
			(in thousands)		
Operating lease obligations	$ 1,433	$ 600	$ 833	$ –	$ –
Milestone payments	550	110	220	220	–
Total contractual obligations	$ 1,983	$ 710	$ 1,053	$ 220	$ –

The table above does not include (a) any milestone payments related to contingent events which may become payable to third parties under our license agreements as the timing and likelihood of such payments are not known, or (b) contracts that are entered into in the ordinary course of business which are not material in the aggregate in any period presented above.

Purchase Commitments

We have no material non-cancelable purchase commitments with service providers as we have generally contracted on a cancelable, purchase order basis.

Critical Accounting Polices and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenue generated and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We consider our critical accounting policies and estimates to be related to stock-based compensation and IPR&D. There have been no material changes to our critical accounting policies and estimates during the six months ended June 30, 2019 from those disclosed in our audited financial statements for the year ended December 31, 2018, which we filed with the Securities and Exchange Commission in our Current Report on Form 8-K/A on April 30, 2019.

Off-balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The primary objectives of our investment activities are to ensure liquidity and to preserve principal, while at the same time maximizing the income we receive from our cash and marketable securities without significantly increasing risk. As of June 30, 2019, we had cash equivalents of $21.7 million that were held in a non-interest-bearing money operating account and an institutional U.S. Treasury money market fund. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates. Due to the short-term maturities of our cash equivalents and the low risk profile of our investments, we do not believe that an immediate 100 basis point change in interest rates would have a material effect on the fair market value of our cash equivalents. To minimize the risk in the future, we intend to maintain our portfolio of cash equivalents and short-term investments in institutional market funds that are comprised of U.S. Treasury and Treasury backed repurchase agreements.

ITEM 4: CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

An evaluation was carried out, under the supervision of and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15 (e)) under the Securities Exchange Act of 1934, or the Exchange Act, as of the end of the period covered by this report. Based on such evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures are effective to ensure that the information required to be disclosed by us in the reports we file or submit under the Exchange Act was recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Changes in Internal Control over Financial Reporting

We are currently integrating our pre-Merger business into the pre-established internal control framework of Edge Therapeutics through the acquisition, including internal controls and information systems. This work began upon completion of the Merger in March 2019 and will continue throughout calendar year 2019. Edge Therapeutics was previously subject to the provisions of the Sarbanes-Oxley Act of 2002, as amended ("SOX"), whereas PDS Biotechnology Corporation, which prior to the Merger was a private, non-reporting operating company was not. The Company has an appropriate structure for internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this report.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time in the ordinary course of our business, we are subject to claims, legal proceedings and disputes.

Edge and the Edge Board were named as defendants in two individual lawsuits and two putative class action lawsuits regarding the Merger, each of which alleged that the registration statement on Form S-4 (Registration No. 333-228937) filed by Edge on December 21, 2018 omitted material information with respect to the proposed transaction, which rendered the registration statement on Form S-4 false or misleading. The case captioned Michael Condon v. Edge Therapeutics et al., case no. 2:19-cv-00152, or the Condon Action, was filed on January 4, 2019 in the United States District Court for the District of New Jersey. The case captioned Adam Franchi et al. v. Edge Therapeutics et al., case no. 1:19-cv-00058-UNA, or the Franchi Action, was filed on January 9, 2019 in the United States District Court for the District of Delaware. The case captioned Jeffrey L. Prince v. Edge Therapeutics et al., case no. 1:19-cv-00280, or the Prince Action, was filed on January 10, 2019 in the United States District Court for the Southern District of New York. The case captioned Brian Foldenauer et al. v. Edge Therapeutics et al., case no. 1:19-cv-00280, or the Foldenauer Action, was filed on January 22, 2019 in the United States District Court for the District of Delaware.

The causes of action set forth in each of the Condon Action, the Franchi Action, the Prince Action and the Foldenauer Action were (i) a claim against Edge and Edge's board of directors for violations of Section 14(a) of the Exchange Act, as well as (ii) a claim against Edge's board of directors for violations of Section 20(a) of the Exchange Act. In the Franchi Action, Private PDS was also named as a defendant in respect of the claim regarding violations of Section 20(a) of the Exchange Act. In each case, the plaintiffs sought, among other things, injunctive relief, rescissory damages, and an award of attorneys' fees and expenses.

On January 18, 2019, the plaintiffs in the Prince Action filed a motion for a preliminary injunction barring any stockholder vote on the Merger until revised disclosures was made to Edge's stockholders, and withdrew the motion for a preliminary injunction on February 1, 2019.

In March 2019, Edge (and Private PDS, with respect to the Franchi Action) settled each of the aforementioned actions in their entirety, and each case was voluntarily dismissed with prejudice, as follows: (i) the Franchi Action was dismissed on March 12, 2019; (ii) the Condon Action was dismissed on April 22, 2019; and (iii) the Prince Action and the Foldenauer Action were dismissed on March 14, 2019.

ITEM 1A. RISK FACTORS

Any investment in our business involves a high degree of risk. Before making an investment decision, you should carefully consider the information we include in this Quarterly Report on Form 10-Q, including our unaudited interim condensed consolidated financial statements and accompanying notes, and the additional information in the other reports we file with the Securities and Exchange Commission. These risks may result in material harm to our business and our financial condition and results of operations. In this event, the market price of our common stock may decline and you could lose part or all of your investment. The risk factors set forth below contain material changes from, or additions to, the risk factors previously disclosed and included in our Quarterly Report on Form 10-Q for the three months ended March 31, 2019.

Risks Related to Our Business, Financial Position and Capital Requirements

We have incurred significant losses since our inception and expect to continue to incur significant losses for the foreseeable future and may never achieve or maintain profitability.

We have never generated any product revenues and expect to continue to incur substantial and increasing losses as we continue to develop PDS0101 and other Versamune® based Products. PDS0101 has not been approved for marketing in the United States and may never receive such approval. As a result, we are uncertain when or if we will achieve profitability and, if so, whether we will be able to sustain it. Our ability to generate revenue and achieve profitability is dependent on our ability to complete development, obtain necessary regulatory approvals, and have PDS0101 manufactured and successfully marketed. We cannot assure you that we will be profitable even if we successfully commercialize PDS0101 or other Versamune® Products. If we successfully obtain regulatory approval to market PDS0101, our revenues will be dependent, in part, upon, the size of the markets in the territories for which regulatory approval is received, the number of competitors in such markets for the approved indication, and the price at which we can offer PDS0101. If the indication approved by regulatory authorities is narrower than we expect, or the treatment population is narrowed by competition, physician choice or treatment guidelines, we may not generate significant revenue from sales of PDS0101, even if approved. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. If we fail to become and remain profitable the market price of our common stock and our ability to raise capital and continue operations will be adversely affected.

We expect research and development expenses to increase significantly for PDS0101 and other Versamune® Products. In addition, even if we obtain regulatory approval, significant sales and marketing expenses will be required to commercialize PDS0101. As a result, we expect to continue to incur significant and increasing operating losses and negative cash flows for the foreseeable future. These losses have had and will continue to have an adverse effect on our financial position and working capital. As of June 30, 2019, we had an accumulated deficit of $18.1 million. In July 2019, we entered into a common stock purchase agreement, or the Aspire Purchase Agreement, with Aspire Capital, which provides that, upon the terms and subject to the conditions and limitations set forth therein, at our discretion, Aspire Capital is committed to purchase up to an aggregate of $20.0 million of shares of our common stock, tor the Purchased Shares, over the 30-month term of the Aspire Purchase Agreement. The minimum price at which we can sell shares under the Aspire Purchase Agreement is $0.50. Concurrently with the Aspire Purchase Agreement, we entered into a registration rights agreement with Aspire Capital, or the Registration Rights Agreement. In accordance with the Registration Rights Agreement, we are obligated to file a registration statement to cover the resale of any Purchased Shares issuable to Aspire Capital under the Aspire Purchase Agreement. We may not sell any shares of our common stock to Aspire Capital until such registration statement is declared effective by the SEC. Further, our use of the Aspire Purchase Agreement is subject to certain additional limitations set forth elsewhere in this report. As such, our ability to use the Aspire Purchase Agreement to raise capital is uncertain.

Raising additional funds by issuing securities, including through the Aspire Purchase Agreement, may cause dilution to existing stockholders, and raising funds through lending and licensing arrangements may restrict our operations or require us to relinquish proprietary rights.

We expect that significant additional capital will be needed in the future to continue our planned operations. Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity offerings, including through the Aspire Purchase Agreement (assuming all conditions for the issuance of the Purchased Shares under the Aspire Purchase Agreement are satisfied), debt financings, strategic alliances and license and development agreements in connection with any collaborations. We do not currently have any committed external source of funds, aside from the Aspire Purchase Agreement (assuming all conditions for issuance of Purchased Shares under the Aspire Purchase Agreement are satisfied). To the extent that we raise additional capital by issuing equity securities, our existing stockholders' ownership may experience substantial dilution, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, declaring dividends, creating liens, redeeming our stock or making investments.

If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or Versamune® Products or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, or through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties on acceptable terms, we may be required to delay, limit, reduce or terminate our PDS0101 development or future commercialization efforts or grant rights to develop and market other Versamune® Products that we would otherwise develop and market.

We will need to expand our organization, and may experience difficulties in managing this growth, which could disrupt operations.

Our future financial performance and our ability to commercialize PDS0101 and compete effectively will depend, in part, on our ability to effectively manage any future growth. As of June 30, 2019, we had 14 employees and 5 consultants. We expect to hire additional employees for our managerial, clinical, scientific and engineering, operational, manufacturing, sales and marketing teams. We may have operational difficulties in connection with identifying, hiring and integrating new personnel. Future growth would impose significant additional responsibilities on our management, including the need to identify, recruit, maintain, motivate and integrate additional employees, consultants and contractors. Also, our management may need to divert a disproportionate amount of our attention away from our day-to-day activities and devote a substantial amount of time to managing these growth activities. We may not be able to effectively manage the expansion of our operations, which may result in weaknesses in our infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Our expected growth could require significant capital expenditures and may divert financial resources from other projects, such as the development of PDS0101. If we are unable to effectively manage our growth, our expenses may increase more than expected, our ability to generate and/or grow revenues could be reduced, and we may not be able to implement our business strategy.

Many of the other pharmaceutical companies that we compete against for qualified personnel and consultants have greater financial and other resources, different risk profiles and a longer history in the industry than us. They also may provide more diverse opportunities and better chances for career advancement. Some of these characteristics may be more appealing to high-quality candidates and consultants than what it has to offer. If we are unable to continue to attract and retain high-quality personnel and consultants, the rate and success at which we can select and develop PDS0101 and our business will be limited.

Risks Related to Clinical Development, Regulatory Approval and Commercialization

We will not be able to commercialize our product candidates if our preclinical studies do not produce successful results and/or our clinical trials do not demonstrate the safety and efficacy of our product candidates.

Our product candidates are susceptible to the risks of failure inherent at any stage of product development, including the occurrence of unexpected or unacceptable adverse events or the failure to demonstrate efficacy in clinical trials. Clinical development is expensive and can take many years to complete, and its outcome is inherently uncertain.

The results of preclinical studies, preliminary study results, and early clinical trials of our product candidates may not be predictive of the results of later-stage clinical trials. Our product candidates may not perform as we expect, may ultimately have a different or no impact on tumors, may have a different mechanism of action than we expect in humans, and may not ultimately prove to be safe and effective.

Preliminary and final results from preclinical studies and early stage trials, and trials in compounds that we believe are similar to ours, may not be representative of results that are found in larger, controlled, blinded, and longer-term studies. Product candidates may fail at any stage of preclinical or clinical development. Product candidates may fail to show the desired safety and efficacy traits even if they have progressed through preclinical studies or initial clinical trials. Preclinical studies and clinical trials may also reveal unfavorable product candidate characteristics, including safety concerns. A number of companies in the biopharmaceutical industry have suffered significant setbacks in clinical trials, notwithstanding promising results in earlier preclinical studies or clinical trials or promising mechanisms of action. In some instances, there can be significant variability in safety or efficacy results between different clinical trials of the same product candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the clinical trial protocols and the rate of dropout among clinical trial participants. Moreover, should there be an issue with the design of a clinical trial, our results may be impacted. We may not discover such a flaw until the clinical trial is at an advanced stage.

We may also experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to receive marketing approval or commercialize our product candidates. There may be regulatory questions or disagreements regarding interpretations of data and results at any stage. For example FDA or comparable foreign regulatory authorities may disagree with our study design, including endpoints, or our interpretation of data from preclinical studies and clinical trials or find that a product candidate's benefits do not outweigh its safety risks.

We rely, and intend to continue to rely, on third parties to conduct our clinical trials and perform some of our research and preclinical studies. If these third parties do not satisfactorily carry out their contractual duties, fail to comply with applicable regulatory requirements or do not meet expected deadlines, our development programs may be delayed or subject to increased costs or we may be unable to obtain regulatory approval, each of which may have an adverse effect on our business, financial condition, results of operations and prospects.

There is no guarantee that any such CROs, clinical trial investigators or other third parties on which we rely will devote adequate time and resources to our development activities or perform as contractually required. If any of these third parties fail to meet expected deadlines, adhere to our clinical protocols or meet regulatory requirements, otherwise perform in a substandard manner, or terminate their engagements with us, the timelines for our development programs may be extended or delayed or our development activities may be suspended or terminated. If our clinical trial site terminates for any reason, we may experience the loss of follow-up information on subjects enrolled in such clinical trial unless we are able to transfer those subjects to another qualified clinical trial site, which may be difficult or impossible. In addition, certain of our scientific advisors or consultants who receive compensation from us are clinical trial investigators for our clinical trial. Although we believe our existing relationships are within the FDA's guidelines, if these relationships and any related compensation result in perceived or actual conflicts of interest, or the FDA concludes that the financial relationship may have affected the interpretation of the trial, the integrity of the data generated at the applicable clinical trial site may be questioned and the utility of the clinical trial itself may be jeopardized, which could result in the delay or rejection of any marketing application we submit by the FDA. Any such delay or rejection could prevent us from commercializing PDS0101 or any other product candidates.

General Market Risk Factors

Because the Merger resulted in an ownership change under Section 382 of the Code for Edge, pre-merger U.S. net operating loss carryforwards and certain other tax attributes will be subject to limitations.

As of December 31, 2018, prior to completion of the Merger, Edge had federal and state net operating loss carryforwards, or NOLs, of $128.6 million and $27.1 million, respectively, due to prior period losses. If a corporation undergoes an "ownership change" within the meaning of Section 382 of the Code, the corporation's U.S. net operating loss carryforwards and certain other tax attributes arising from before the ownership change are subject to limitations on use after the ownership change. In general, an ownership change occurs if there is a cumulative change in the corporation's equity ownership by certain stockholders that exceeds fifty percentage points over a rolling three-year period. Similar rules may apply under state and foreign tax laws. We believe that Edge may have already undergone one or more ownership changes prior to the Merger. However, the Merger also resulted in an ownership change for Edge and, accordingly, Edge's U.S. net operating loss carryforwards and certain other tax attributes available to us are subject to limitations on their use.

Future sales of shares by existing stockholders could cause our stock price to decline.

If our existing stockholders sell, or indicate an intention to sell, substantial amounts of our common stock in the public market after certain legal restrictions on resale lapse, the trading price of our common stock could decline. As of June 30, 2019, we had 5,177,487 shares of common stock outstanding. Approximately 3,360,000 of such shares are freely tradable, without restriction, in the public market. Approximately 1,817,000 of such shares of common stock are held by directors, executive officers and other affiliates and will be subject to volume limitations under Rule 144 under the Securities Act and various vesting agreements.

Ownership of our common stock is highly concentrated, which may prevent our stockholders from influencing significant corporate decisions and may result in conflicts of interest that could cause our stock price to decline.

Our executive officers and directors and their affiliates beneficially own or control approximately 31% of the outstanding shares of our common stock as of June 30, 2019. Accordingly, these executive officers, directors and their affiliates, acting as a group, will have substantial influence over the outcome of corporate actions requiring stockholder approval, including the election of directors, any merger, consolidation or sale of all or substantially all of our assets or any other significant corporate transactions. These stockholders may also delay or prevent a change of control of our company, even if such a change of control would benefit our other stockholders. The significant concentration of stock ownership may adversely affect the trading price of our common stock due to investors' perception that conflicts of interest may exist or arise.

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

Sales of Unregistered Securities

There were no unregistered sales of the Company's equity securities during the quarter ended June 30, 2019.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

A list of exhibits filed with this Quarterly Report or incorporated herein by reference is set forth in the Exhibit Index immediately preceding the signature page of this report and is incorporated into this Item 6 by reference.

Index

EXHIBIT INDEX

Exhibit Number	Exhibit Description
10.1	Employment Agreement, dated October 11, 2018, by and between PDS Biotechnology Corporation and Frank K. Bedu-Addo (filed as Exhibit 10.19 to the Company's Registration Statement on Form S-4 (File No. 333-228937) on December 21, 2018, and incorporated by reference herein).
10.2	Consulting Services Agreement, dated December 15, 2014, by and between PDS Biotechnology Corporation and Gregory Freitag (filed as Exhibit 10.20 to the Company's Registration Statement on Form S-4 (File No. 333-228937) on December 21, 2018, and incorporated by reference herein).
10.3	Consulting Services Agreement, dated December 15, 2014, by and between PDS Biotechnology Corporation and DeLyle Bloomquist (filed as Exhibit 10.21 to the Company's Registration Statement on Form S-4 (File No. 333-228937) on December 21, 2018, and incorporated by reference herein).
10.4	Offer Letter, dated September 21, 2018, by and between PDS Biotechnology Corporation and Lauren Wood, MD. (filed as Exhibit 10.22 to the Company's Registration Statement on Form S-4 (File No. 333-228937) on December 21, 2018, and incorporated by reference herein).
10.5	Consulting Services Agreement, dated March 26, 2015, by and between PDS Biotechnology Corporation and Gregory Conn (filed as Exhibit 10.23 to the Company's Registration Statement on Form S-4 (File No. 333-228937) on December 21, 2018, and incorporated by reference herein).
10.6	Clinical Trial Collaboration and Supply Agreement, dated May 19, 2017, by and between PDS Biotechnology Corporation and MSD International GmbH (filed as Exhibit 10.24 to the Company's Registration Statement on Form S-4/A (File No. 333-228937) on January 25, 2019, and incorporated by reference herein).
10.7	Patent License Agreement, dated January 5, 2015, by and between PDS Biotechnology Corporation and National Institutes of Health, as amended by First Amendment, dated August 5, 2015 (filed as Exhibit 10.25 to the Company's Registration Statement on Form S-4/A (File No. 333-228937) on January 25, 2019, and incorporated by reference herein).
10.8	Cost Reimbursement Agreement, dated November 1, 2015, by and between PDS Biotechnology Corporation and University of Kentucky Research Foundation (filed as Exhibit 10.26 to the Company's Registration Statement on Form S-4/A (File No. 333-228937) on January 25, 2019, and incorporated by reference herein).
10.9	Cost Reimbursement Agreement, dated November 1, 2015, by and between PDS Biotechnology Corporation and University of Kentucky Research Foundation (filed as Exhibit 10.27 to the Company's Registration Statement on Form S-4/A (File No. 333-228937) on January 25, 2019, and incorporated by reference herein).
10.10	Public Health Service Cooperative Research & Development Agreement for Intramural-PHS Clinical Research, dated effective as of February 2, 2015, by and between the National Cancer Institute and PDS Biotechnology Corporation (filed as Exhibit 10.28 to the Company's Registration Statement on Form S-4/A (File No. 333-228937) on January 25, 2019, and incorporated by reference herein).
10.11	DOTAP Chloride Enantiomer License Agreement effective November 1, 2008, between Merck Eprova AG and PDS Biotechnology Corporation (filed as Exhibit 10.29 to the Company's Registration Statement on Form S-4/A (File No. 333-228937) on January 25, 2019, and incorporated by reference herein).
10.12	Employment Agreement, effective June 1, 2019, by and between PDS Biotechnology Corporation and Gregory Conn.
10.13	Offer Letter, dated February 1, 2019, by and between PDS Biotechnology Corporation and Lauren V. Wood, M.D.
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1 *	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
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 (furnished herewith).
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

* The certifications furnished in Exhibit 32.1 and Exhibit 32.2 hereto are deemed to accompany this Quarterly Report and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates it by reference.

SIGNATURES

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

PDS Biotechnology Corporation

August 1, 2019 By: /s/ Frank Bedu-Addo
Frank Bedu-Addo
President and Chief Executive Officer
(Principal Executive Officer)

August 1, 2019 By: /s/ Andrew Saik
Andrew Saik
Chief Financial Officer
(Principal Financial and Accounting Officer)

EMPLOYMENT AGREEMENT

This Employment Agreement (this "**Agreement**") is effective as of June 1, 2019 (the "**Effective Date**") by and between Greg Conn ("**Executive**") and PDS Biotechnology Corporation, a Delaware corporation (the "**Company**") and supersedes any prior employment-related agreement or agreements between the Company and Executive. Unless the context otherwise requires, all references to a designated section refers to the designated provision of this Agreement.

Statement of Agreement:

FOR AND IN CONSIDERATION of the mutual promises and covenants set forth herein, each of the Company and Executive hereby agrees to the employment of Executive on the following terms and conditions and, except to the extent specifically superseded by this Agreement, subject to all of the Company's policies and procedures regarding its employees:

I. POSITION

Pursuant to the terms and conditions of this Agreement, Executive will be employed as the Company's Chief Scientific Officer reporting to the Company's Chief Executive Officer. Executive agrees to devote all of Executive's working time, attention and energies to the Company and while Executive remains employed, not engage in any other business activity that is in conflict with Executive's duties and obligations to the Company. Executive agrees that Executive will not be employed by, or provide services to, any other person or entity without the prior written consent of the Company's Board of Directors (the "**Board**").

Executive's employment under the terms of this Agreement commenced on the Effective Date.

II. COMPENSATION

A. ***Base Salary***

Executive's base salary will be $290,000 per year (the "**Base Salary**"). The Board will, within every six (6) month period, review Executive's salary and options grants, as described in Section C below, and future increases in compensation, if any, will be made by the Board in its sole and absolute discretion. At the beginning of every calendar year executive and CEO will agree on the number of months to be spent by the Executive at PDS and salary adjusted accordingly. A minimum of 9 months a year, including vacation will be spent at PDS.

B. ***Performance-Based Annual Bonus.***

Executive shall be entitled to an annual performance-based cash incentive bonus (the "**Bonus**") in an amount up to 30 percent of the Base Salary (the "**Long Term Incentive Pay**"). The Bonus shall be earned and paid in accordance with the Company's performance-based incentive compensation plan (the "**Incentive Plan**"). After the completion of each applicable performance year, the Board or, if so directed, the Compensation Committee shall review the achievement of any performance goals by Executive and determine the amount of the Long-Term Incentive Pay earned by Executive based upon Executive's achievement of certain performance goals and the amount of time Executive has spent physically located at the chief executive office of the Company. The Long-Term Incentive Pay shall be payable provided that the Long-Term Incentive Pay shall be paid by a date no later than a date that allows Executive to defer such payment into a non-qualified deferred compensation arrangement if Executive so elects.

C. ***Equity Awards***

Stock Options. Subject to approval by the Board, on a date determined by the board, Executive may be granted an option (the "**Option**") to purchase that number of shares of Company common stock determined by dividing (i) *dollar value of options by* (ii) the fair value of Option or the per share Black-Scholes value of the Option, determined as of the date of grant based upon the closing trading price per share of the Company's common stock as of the date of grant, or the share price based on a recent equity raise, and such other variables as determined by the Company that are consistent with the Company's financial reporting. The Option shall vest and become exercisable as determined by the Board, subject to Executive's continuous service to the Company through the applicable vesting date. The Option shall otherwise be subject to the terms of the plan pursuant to which it is granted and/or an option agreement to be entered into between Executive and the Company. As previously approved by the board, you will be granted the option to purchase 40,000 shares of PDS Biotechnology's common stock under the PDS Biotechnology stock option plan. The terms of this grant shall be subject to and governed by PDS Biotechnology's stock plan and a stock option agreement between you and PDS Biotechnology. The exercise price of the options will be at fair market value on the date of grant which will be your first day of employment.

Restricted Stock Units. Subject to approval by the Board, on the date determined in accordance with the Company's established policy Executive may be granted an award of that number of restricted stock units (the "**RSUs**") with a vesting schedule determined by the Company's board of directors.

Performance Restricted Stock Units. Subject to approval by the Board, on the date determined in accordance with the Company's established policy Executive may be granted an award of that number of restricted stock units (the "**Performance RSUs**") with a vesting schedule determined the Company's board of directors.

D. ***Benefits***

As a Company employee, Executive will accrue time off under the Company's vacation program or any Paid Time Off (PTO) program that is or will be instituted.

Executive will be eligible to participate in the Company's employee benefit plans (including medical, dental, vision and 401(k) plans), subject to eligibility requirements and the requirements of such plans. Company reserves the right to modify or terminate benefits from time to time as it deems necessary or appropriate.

E. ***Cause; Termination by Executive Without Good Reason***

In the event Executive's employment is terminated (i) by the Company for Cause (as defined below) or (ii) by the Executive without Good Reason (as defined below), the Company shall, at such times as provided in this Agreement, pay Executive all earned, but unpaid amounts of the Base Salary, if any, to which the Executive was entitled as of the date of such termination and any Bonus earned for a calendar year ended on or before the date of such termination. In addition, the Company shall, within thirty (30) days of the date of such termination, pay to Executive or his estate in a lump sum all other amounts owed to Executive, and reimburse Executive for all reasonable and documented expenses so long as Executive has followed the reimbursement procedures set forth by the Company.

F. ***Delay of Certain Termination Payments.***

If Executive is a Specified Employee at the Termination Date, payments of benefits under this Agreement with respect to a Termination Date that constitute Deferred Compensation may not be paid before the date that is six months after the Date of Termination to the extent required under Treas. Reg. §1.409A-3(i)(2) or, if earlier, the date of death of Executive. At the end of the six-month period described in the preceding sentence, amounts that could not be paid by reason of the limitation in this Section 3.4 shall be paid on the first day of the seventh month following the Termination Date. For purposes of this Agreement, (i) the term "**Specified Employee**" shall be defined in accordance with Treas. Reg. §1.409A-1(i) (which generally applies only when the stock of the Company is publicly traded) and such rules as may be established by the Board or its delegate from time to time, and (ii) the Termination Date will in all events be the date on which occurs the Executive's "separation from service" as that term is defined in Treas. Reg. §1.409A-1(h).

III. RESTRICTIVE COVENANTS

A. ***Acknowledgements***

Executive expressly acknowledges that: (a) Executive is the beneficial owner of Company equity; (b) the Company would not be willing to enter into this Agreement without the covenants of this Section III; (c) the covenants of this Section III hereof are supported by good and adequate consideration; (d) the geographic scope of the covenants of Section III hereof is reasonable and necessary; (e) the duration, geography and activities precluded by the covenants set forth in Section III hereof are reasonable and necessary to protect the legitimate business interests of the Company.

B. ***Restrictive Covenants***

Without the prior written consent of the Company, Executive shall not, directly or indirectly:

(a) **No Unauthorized Competing Concern**. (1) During the term of Executive's employment, either alone or as a member of a partnership or association, or as an officer, director, advisor, consultant, agent; or employee of any other organization, be engaged in or concerned with any other duties or pursuits requiring Executive's active personal services that will conflict with Executive's ability or objectivity in performing Executive's obligations under this Agreement; and (2) for a period of 6 months thereafter, either alone or in any such capacity be engaged in, or concerned with duties or pursuits requiring Executive's active personal services in the operation of any company in competition with the business of the Company or any of its active business segments. For this purpose, competition with the business of the Company includes specifically companies that primarily develop cancer vaccines for HPV-related cancer;

(b) **No Disloyal Act**. During the term of Executive's employment, take any action regarding the Company, its operations or property, that in good faith Executive knows or should reasonably know is opposed to the best interests of the Company;

(c) **No Unauthorized Usurpation of Company Opportunity**. During the term of Executive's employment, take advantage of any Company opportunity without first offering the opportunity with full disclosure of material facts to the Company and receiving notice that the Company has declined such opportunity. For this purpose, "**Company opportunity**" means any opportunity to engage in a business activity: (1) of which Executive becomes aware (A) by virtue of Executive's relationship with, or in connection with performing functions in the business of, or in using facilities or other resources of the Company, and (B) under circumstances that should reasonably lead Executive to believe that the person offering the opportunity expects it to be offered to the Company; or (2) which Executive knows is closely related to a business in which the Company is engaged or expected to engage;

(d) **No Unauthorized Disclosure**. During the term of Executive's employment and thereafter, make or cause to be made any unauthorized disclosure or other use of any confidential information regarding the Company or any of its activities and operations, except to the extent reasonably necessary or appropriate in connection with the performance by Executive of Executive's authority and responsibility under this Agreement or as may be legally required; provided, however, that nothing herein contained shall preclude the use or disclosure of any information known generally to the public (other than as a result of disclosure by Executive in violation of this Section.

(e) **Non-Solicitation of Employees**. During the Applicable Period and for one (1) year thereafter, Executive shall not, either on Executive's own account or for any other Person (including, without limitation, through any existing or future Affiliate or any other Person with whom Executive is associated in any of the capacities described in Section III(B)(1) above), directly or indirectly without the express prior written or electronic consent of the Board:

a. solicit or recruit the employment or services of any person, whether as an employee, officer, director, agent, consultant or independent contractor, who is, or was within 12 months preceding the date of solicitation or hiring (as applicable), an employee or service provider of the Company, or knowingly induce or knowingly attempt to induce any such employee or service provider to terminate his or her employment or service, as applicable, or breach his or her employment or service agreement, as applicable, if any, with the Company; or

b. encourage any such individual to change such individual's relationship with the Company in a manner adverse to the Company.

(f) **Non-Solicitation of Customers; Non Interference**. During the Applicable Period and for one (1) year thereafter, Executive shall not, either on Executive's own account or for any other Person (including, without limitation, through any existing or future Affiliate or any other Person with whom Executive is associated in any of the capacities described in Section III(B)(1) above), directly or indirectly solicit, cause in any way, or knowingly encourage any Covered Customer (defined below) or Covered Vendor (defined below) to cease doing business in whole or in part or to reduce or divert or otherwise interfere with or impair his, her or its business relationship with the Company with respect to the Business.

(g) **Agreement Not to Disparage**

Executive agrees that, during the Applicable Period, Executive will not, in any such case directly or indirectly, disparage any member of the Company Group, including any owner, stockholder, director, officer, employee, partner, member, consultant, advisor, contractor or agent of any member of the Company Group, in any way that could adversely affect the goodwill, reputation or business relationships of the Company Group with the public generally, or with any of their contacts in connection with the Business. The Company agrees that, during the Applicable Period, the Company will not, in any such case directly or indirectly, disparage Executive in any way that could adversely affect the reputation of the Executive.

C. ***Injunctive Relief***

Executive acknowledges that Executive has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon Executive pursuant to Section III hereof. Executive agrees that each of the restraints contained herein are necessary for the protection of the goodwill, confidential information of the Company and other legitimate interests of the Company Group; that each and every one of these restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints, individually or in the aggregate, will not prevent Executive from obtaining other suitable employment during the period in which Executive is bound by such restraints. Executive further acknowledges that, were Executive to breach any of the covenants contained in Section III hereof, the damage to the Company Group would be irreparable. Executive therefore agrees that the Company Group, in addition to any other remedies available to them, shall be entitled to seek and obtain injunctive relief against any breach or threatened breach by Executive of any of said covenants, without having to post bond. Executive further agrees that Executive shall not plead adequacy of any relief at law available to the Company or its successors or assigns (as applicable) (including monetary damages) as a defense to any petition, claim or motion for preliminary or final injunctive relief to enforce any provision of this Agreement. Executive and the Company agree that it is their intention that all of the restraints imposed under the Agreement hereof be enforced in accordance with their terms to the maximum extent possible under applicable law. Executive and the Company further agree that, in the event that any provision hereof shall be determined by any court of competent jurisdiction to be unenforceable for any reason (including, but not limited to, by reason of its being extended over too great a time, too large a geographic area or too great a range of activities), such provision shall be deemed to be modified, a new enforceable term shall be deemed to be provided, or such court shall reform such provision, such that the intent of Executive and the Company in agreeing to the provisions of this Agreement will not be impaired and the provision will be enforceable to the maximum extent permitted by applicable law. In the event of any dispute or controversy arising out of or relating to or seeking to enforce this Agreement, the prevailing party in such action shall be entitled to recover from the other party all reasonable costs and expenses of the action, including reasonable attorneys' fees and reasonable costs incurred in bringing and prosecuting or defending such action and/or enforcing any judgment, order, ruling or award granted therein, all of which shall be deemed to have accrued on the commencement of such action and shall be paid whether or not such action is prosecuted to a decision.

D. ***Conflicting Agreements***

Executive hereby represents and warrants that the execution of this Agreement and the performance of Executive's obligations hereunder will not breach or be in conflict with any other agreement to which Executive is a party or is bound (including without limitation any noncompetition obligations in any agreement between Executive and the Company restricting Executive's activities after the termination of such Company employment), and that Executive is not subject to any covenants against competition or similar restrictions or any court order or other legal obligation or limitation that would affect the performance of Executive's duties hereunder.

E. ***Separate Covenants.***

The parties expressly agree that the character, duration and geographical scope of this Agreement are reasonable in light of the circumstances as they exist on the date upon which this Agreement has been executed. However, should a determination nonetheless be made by a court of competent jurisdiction at a later date that the character, duration or geographical scope of this Agreement is unreasonable in light of the circumstances as they then exist, then it is the intention and the agreement of the parties hereto that this Agreement shall be construed by the court in such a manner as to impose only those restrictions on Executive's conduct that may be enforceable under applicable law, to the fullest extent of such enforceability to assure the Company Group of the intended benefit of this Agreement. If, in any judicial proceeding, a court shall refuse to enforce all of the separate covenants deemed included herein because, taken together, they are more extensive than necessary to assure the Company of the intended benefit of this Agreement, it is expressly understood and agreed among the parties hereto that those of such covenants that, if eliminated, would permit the remaining separate covenants to be enforced in such proceeding shall, for the purpose of such proceeding, be deemed eliminated from the provisions hereof.

IV. DEFINITIONS

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with such first Person and also, in the case of the Company only, any Person in which the Company has a 20% or more direct or indirect equity interest.

"**Applicable Period**" means the period commencing on the Effective Date through the date Executive's employment with the Company terminates for any reason.

"**Business**" means the business of PDS Biotechnology Corporation.

"**Cause**" means termination based upon Executive's (i) willful breach or willful neglect of his duties and responsibilities, (ii) conviction of or a plea of no contest with respect to a felony occurring on or after the execution of this Agreement, (iii) material breach of this Agreement, (iv) acts of fraud, dishonesty, misappropriation, or embezzlement, or (v) willful failure to comply with the Board's reasonable orders or directives consistent with Executive's position; provided, however, that in the case of any act or failure to act described in clauses (i), (iii), or (v) above, such act or failure to act will not constitute Cause if, within ten (10) days after notice of such act or failure to act is given to Executive by the Company, Executive has corrected such act or failure to act (if it is capable of correction).

"**Company Group**" means the Company or any of its existing or future Affiliates.

"**Covered Customer**" means any and all customers who are then, or during the immediately preceding twelve months were, customers of the Company Group with whom Executive has dealt or had more than casual contact in connection with the Business, along with all bona fide prospective clients.

"**Covered Vendor**" means any and all vendors of the Company Group with whom Executive has dealt or had more than casual contact in connection with the Business.

"**Good Reason**" means termination based upon the Company's material breach of this Agreement, including without limitation a reduction of Executive's salary or benefits or a material reduction in the Executive's duties or authority (including a change in title), which breach is not cured by the Company within ten (10) days after notice of such breach is given by Executive, or the Company's relocation of Executive's principal place of employment to a location more than fifty (50) miles from Executive's residence at such time.

"**Person**" means an individual, a corporation, partnership, limited liability company, association, trust, unincorporated organization, or other legal entity or organization, or a government body.

V. MISCELLANEOUS

A. *Section 409A*

It is the intent of the parties that all severance and other payments and benefits under this Agreement comply with Section 409A or are exempt therefrom, and any ambiguities herein will be interpreted so that such payments and benefits so comply or are exempt. For all purposes of this Agreement, references to Executive's "termination of employment" will be deemed to refer to Executive's "separation from service" within the meaning of Section 409A.

For purposes of this Agreement, "Section 409A" will mean Section 409A of the Internal Revenue Code, as amended, and any regulations and other guidance promulgated thereunder and any applicable state law equivalent.

B. *Other Employment Matters*

Executive shall disclose to the Company any and all agreements relating to Executive's prior employment that may affect Executive's eligibility to be employed by the Company or limit the manner in which Executive may be employed. Unless Executive has informed the Company otherwise in writing, it is the Company's understanding that any such agreements will not prevent Executive from performing the duties of Executive's position and Executive represents that such is the case. Moreover, Executive agrees that, during the term of Executive's employment with the Company, Executive will devote Executive's full business efforts and time to the Company and Executive will not engage in any other employment, occupation, consulting or other business activity that conflict with Executive's obligations to the Company.

If Executive serves on the board of directors of any other company or entity, Executive shall provide the Company with a list of such companies or entities. If the Board reasonably deems such companies or entities to be competitors, customers or suppliers or Executive's service on such board to otherwise represent a conflict of interest with Executive's obligations to the Company, Executive will be required to resign Executive's directorship with such companies or entities at the reasonable request of the Board. Executive agrees not to bring any third party confidential information to the Company, including that of Executive's former employers, and that in performing Executive's duties for the Company, Executive will not in any way utilize any such information.

As a Company employee, Executive will be expected to follow the Company's policies and procedures.

C. ***Arbitration***

Any and all disputes that arise out of Executive's employment or the terms of this Agreement shall be resolved through final and binding arbitration, as specified herein. This shall include, without limitation, disputes relating to this Agreement, Executive's employment by the Company or the termination thereof, the stock options and other compensation and benefits granted to Executive, claims for breach of contract or breach of the covenant of good faith and fair dealing, and any claims for discrimination or other claims under any federal, state, or local law or regulation concerning in any way Executive's employment with the Company or its termination. The only claims not covered by this Section are (i) claims for benefits under the workers' compensation laws or claims for unemployment insurance, and (ii) claims for alleged breach of any provision of Executive's PHA, or otherwise that related to the Company's intellectual property or confidential information. Binding arbitration will be conducted in New York County, New York, in accordance with JAMS Rules for Resolution of Employment disputes then in effect. Each party will bear its own attorneys' fees, unless otherwise permitted by law and so determined by the arbitrator. The arbitration shall be instead of any civil litigation. The arbitrator's written decision shall set forth the essential findings upon which the decision and award is based, shall be final and binding and subject to judicial review by Executive and the Company only as required by law, and shall be enforceable by any court having jurisdiction thereof.

D. ***Entire Agreement; Modification; Governing Law***

This Agreement and the documents incorporated herein by reference, specifically including any preexisting obligation of the Company toward the Executive with regards to compensation, option or other equity grants for periods after the Effective Date (together, the "**Documents**") set forth the terms of Executive's employment with the Company and supersede and extinguish any prior or concurrent representations or agreements including, but not limited to any representations made during Executive's recruitment, interviews or pre-employment negotiations, whether written or oral. This Agreement may not be modified or amended except by a written agreement signed by an authorized representative of the Board. This Agreement will be governed by the internal substantive laws, but not the choice of law rules, of the State of Delaware. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable, or void, this Agreement will continue in full force and effect without such provision.

E. ***Severability***

Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but such invalid, illegal or unenforceable provision will be reformed, construed and enforced in such jurisdiction so as to render it valid, legal, and enforceable consistent with the intent of the parties insofar as possible.

F. ***Counterparts***

This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement. Signatures transmitted via facsimile will be deemed the equivalent of originals.

G. ***Headings and Construction***

The headings of the sections hereof are inserted for convenience only and will not be deemed to constitute a part hereof or to affect the meaning thereof. For purposes of construction of this Agreement, any ambiguities shall not be construed against either party as the drafter.

H. ***Successors and Assigns***

This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive, the Company and their respective successors, assigns, heirs, executors and administrators, except that Executive may not assign any of his duties hereunder and Executive may not assign any of his rights hereunder without the prior written or electronic consent of the Company.

I. ***Attorney Fees***

If either party hereto brings any action to enforce his or its rights hereunder, the prevailing party in any such action will be entitled to recover his or its reasonable attorneys' fees and reasonable costs incurred in connection with such action.

[Signature Page Follows]

In Witness Whereof, the parties have executed this Agreement on the date or dates set forth below.

COMPANY

By: /s/ Frank Bedu-Addo Date: 6/25/19

Name: Frank Bedu-Addo
Title: Chief Executive Officer

EXECUTIVE

Date: 6/25/19

/s/ Gregory Conn

Name: Gregory Conn

Exhibit 10.13

February 1, 2019

Lauren V. Wood, MD
5101 Danbury Road
Bethesda, MD 20814-2817

Dear Lauren:

On behalf of PDS Biotechnology Corporation (the "Company"), I am pleased to offer you employment as Chief Medical Officer ("CMO") of the Company.

The start date of your employment with the Company has been mutually agreed upon between you and Frank K. Bedu-Addo, the Chief Executive Officer ("CEO") of the Company to be February 1, 2019. The full-time offer is also contingent on satisfactory background and reference checks. The purpose of this letter is to summarize the key terms of your employment with the Company should you accept our offer.

If you accept this offer, and the conditions of this offer are satisfied, this letter and the written agreements referenced in this letter will comprise the complete agreement between you and the Company regarding the terms and conditions of your at-will employment.

As CMO, you will be responsible for overseeing all the company's clinical development operations and regulatory filings, reporting to the CEO.

1. COMPENSATION.

(a) Base Salary. Upon full-time employment at the Company following the successful closing of the impending corporate financing, you will be paid an annual base salary. Your annual base salary if the company remains privately held will be two-hundred and ninety thousand dollars ($290,000 US), payable in accordance with the Company's customary payroll practices. If the company becomes listed on a United States stock exchange your annual base salary will be three-hundred and twenty thousand dollars ($320,000 US), payable in accordance with the Company's customary payroll practices. Your base salary for the year ending December 31, 2019 shall be prorated based upon your time as a full-time employee. Your salary will be subject to an annual review by the CEO and the board of directors of the Company (the "Board") in accordance with the Company's compensation policies. Naturally, your compensation, including base salary and any bonus earned, is contingent upon your continued employment with the Company and will be paid as earned in accordance with Company policy and procedures.

(b) Annual Bonus. For the year beginning January 1, 2019, and for each full year of full-time employment with the Company that begins thereafter, you are eligible to receive a discretionary annual bonus, as determined by the Board in its sole discretion based on the performance of the Company for the year, and provided you are employed by the Company on the bonus payment date. You will be eligible to earn an annual bonus up to thirty percent (30%) of your annual base salary for the year, based on criteria determined between you and the CEO. Any annual bonus earned for a fiscal year shall be paid following the end of the fiscal year (which runs from January through December) and no later than March 15 of such following year.

(c) Compensatory Equity Grant.

(i) Upon your conversion to full-time employment following the successful closing of the impending corporate financing, you will receive options for the purchase of one hundred and ninety-two thousand, two hundred and sixty-eight (192,268) shares of the Company's common stock, which represents approximately one and a half percent (1.5%) of the outstanding shares of the Company's common stock, on a fully-diluted basis, as of the date of this offer. Any option grants made to you shall vest as described in Section 1(c)(ii) below. The exercise price per share of common stock shall be based on the fair market value of common stock as of the date of each grant, as determined by the Board in its sole discretion.

(ii) Any option grant to you shall vest over a three (3) year period, with one thirty-sixth (1/36th) of such grant vesting on each month following such grant, subject in each case to your continued employment with the Company. All option grants shall be granted under, and in accordance with the terms of, the Company's equity compensation plan. All option grants pursuant to this offer letter shall be memorialized through a grant agreement containing such customary terms as are determined by the Board in its sole discretion. Nothing in this offer letter precludes the Company from amending or terminating any equity compensation plan or program after the date hereof.

(iii) All option grants made to you may be subject to customary redemption, right of first refusal, and tag/drag rights, as determined by the Board in its sole discretion.

(iv) The vesting of any grants made pursuant to this offer letter shall accelerate in the event of a change in control of the Company. The definition of change in control shall be a customary definition determined by the Board in its sole discretion, and shall not, for example, include transactions such as an IPO or a financing.

2. BENEFITS. You will be entitled to receive four (4) weeks of paid vacation each year, according to the Company's vacation policy. Your paid vacation for the 2019 fiscal year shall be prorated based on your actual period of full-time employment during 2019.

You will be eligible for medical benefits provided by the Company.

3. OTHER TERMS AND CONDITIONS OF EMPLOYMENT.

(a) This offer is contingent upon your execution of our standard Proprietary Information, Inventions, Non-Competition and Non-Solicitation Agreement, which is attached hereto as Exhibit A.

(b) Your employment with the Company is subject to your providing proof of your eligibility to work in the United States. If we do not already have it, you must supply us with a completed Employment Verification Form (1-9 attached) with required original (photocopies cannot be accepted) supporting documents, including a social security card and a driver's license, birth certificate or U.S. Passport.

(c) If we do not already have the form in our file, you will be required to complete and return a W-9 federal tax withholding form so that we can process your first pay period. In preparing your W-9, remember to write your name exactly as it appears on your social security card or work visa.

(d) Although we sincerely hope that your employment with the Company will be mutually satisfying, your employment with the Company is at-will. This means that your employment with the Company can be terminated by the Company for any reason, with or without cause, and without prior notice. This also means that you may terminate your employment with the Company at any time upon proper notice (at least 2 weeks). Although the Company has no present intention to do so, it necessarily reserves the right to terminate, amend or modify all human resources policies and benefits programs described herein without notice.

(e) While you are employed by the Company, you will be expected to devote your full working time, energy, skill and experience to the performance of your duties, which may be redefined or modified by the Company from time to time.

(f) Without the express consent of the Board, you shall have no apparent or implied authority to pledge the credit of the Company, to bind the Company under any contract, note, mortgage or other agreement outside the ordinary course of Company's business, to release or discharge any debt due the Company, or to sell, mortgage, transfer or otherwise dispose of any assets of the Company.

(g) This letter agreement will be governed by the laws of the State of Delaware.

4. PRIOR EMPLOYMENT. You have represented to us that you are under no contractual obligation to refrain from working for a competitor of any prior employer. Nonetheless, during your prior employment, you may have had access to trade secrets or proprietary information of your prior employer that may continue to be of value to your prior employer. That information remains the property of your prior employer. Consequently, you must be particularly careful not to disclose, and hereby agree not to disclose, your prior employer's trade secrets or proprietary information to anyone within the Company, or to use those trade secrets and proprietary information in the course of your duties with the Company. You further agree to immediately return to your prior employer any of its property that is currently in your possession and refrain from bringing any such property onto the Company's premises. You hereby agree to indemnify the Company for any and all third-party claims arising out of, or in connection with, any misrepresentation or violation of this Section 4.

If you agree with the terms and conditions of this offer letter, please indicate below by signing and dating both original copies of this letter in the spaces provided and return an executed copy to me. This offer is expressly contingent upon your satisfactory completion of the obligations described above, including the processes described in the immediately prior sentence.

We are very much looking forward to having you join our team.

Please note that this Agreement, supersedes all prior or existing contracts and agreements, written and oral, between the parties.

Sincerely,

/s/ Frank K. Bedu-Addo, Ph.D.
Frank K. Bedu-Addo, Ph.D.

The above terms are accepted and approved:

/s/ Lauren V. Wood
(signature)

Dated: February 8, 2019

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Frank Bedu-Addo, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PDS Biotechnology Corporation for the period ended June 30, 2019;

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 condensed consolidated 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 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 condensed consolidated 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 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 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.

Dated: August 1, 2019

/s/ Frank Bedu-Addo
Frank Bedu-Addo
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Andrew Saik, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PDS Biotechnology Corporation for the period ended June 30, 2019;

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 condensed consolidated 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 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 condensed consolidated 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 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 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.

Dated: August 1, 2019

/s/ Andrew Saik
Andrew Saik
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report of PDS Biotechnology Corporation (the "Company"), on Form 10-Q for the quarter ended June 30, 2019 (the "Report"), I, Frank Bedu-Addo, President and Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 that:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; 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: August 1, 2019

/s/ Frank Bedu-Addo
Frank Bedu-Addo
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report of PDS Biotechnology Corporation (the "Company"), on Form 10-Q for the quarter ended June 30, 2019 (the "Report"), I, Andrew Saik, Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002 that:

(1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; 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: August 1, 2019

/s/ Andrew Saik
Andrew Saik
Chief Financial Officer
(Principal Financial Officer)