

SOLIGENIX, INC.

Form S-1

November 05, 2012

As filed with the Securities and Exchange Commission on November 5, 2012.

Registration No.

---

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

---

FORM S-1  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

---

SOLIGENIX, INC.  
(Exact name of registrant as specified in its charter)

---

Delaware	2834	41-1505029
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

---

Soligenix, Inc.  
29 Emmons Drive, Suite C-10  
Princeton, New Jersey 08540  
(609) 538-8200

(Address, including zip code, and telephone number, including area code,  
of registrant's principal executive offices)

Christopher J. Schaber, Ph.D.  
President and Chief Executive Officer  
Soligenix, Inc.  
29 Emmons Drive, Suite C-10  
Princeton, New Jersey 08540  
(609) 538-8200

(Name, address, including zip code, and telephone number,  
including area code, of agent for service)

---

with copies to:  
Leslie J. Croland, Esq.

Edgar Filing: SOLIGENIX, INC. - Form S-1

Edwards Wildman Palmer LLP  
525 Okeechobee Blvd., Suite 1600  
West Palm Beach, Florida 33401  
(561) 833-7700

---

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date hereof.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

---

---

Table of Content

## CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price	Amount of registration fee(1)
Units, each unit consisting of one share of Common Stock, \$0.001 par value, and a warrant to purchase up to an additional _____ share of Common Stock	\$ 7,000,000	\$ 955
Common Stock included in the Units	\$ —	\$ —
Warrants included in the Units	\$ —	— (3)
Common Stock issuable upon exercise of the warrants included in the Units (2)	\$ —	— (3)
Series A Junior Participating Preferred Stock Purchase Rights (4)		
Total	\$ 7,000,000	\$ 955

(1) Calculated pursuant to Rule 457(o) on the basis of the maximum aggregate offering price of all of the securities to be registered.

(2) Pursuant to Rule 416, the securities being registered hereunder include such indeterminate number of additional shares of common stock as may be issuable upon exercise of warrants registered hereunder as a result of stock splits, stock dividends, or similar transactions.

(3) No fee required pursuant to Rule 457(g).

(4) This registration statement also covers the Preferred Share Purchase Rights issuable in accordance with the Rights Agreement, dated June 22, 2007, between the Registrant and American Stock Transfer & Trust Company, as Rights Agent, which are presently attached to and trade with the Registrant's common stock.

---

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

---

Table of Content

The information in this prospectus is not complete and may be changed. The Selling Stockholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED NOVEMBER 5, 2012

PROSPECTUS

SOLIGENIX, INC.

UP TO \_\_\_\_\_ UNITS, EACH CONSISTING OF  
ONE SHARE OF COMMON STOCK AND  
WARRANTS TO PURCHASE UP TO AN ADDITIONAL \_\_\_\_\_ SHARE OF COMMON STOCK

We are offering up to \_\_\_\_\_ units (each a “Unit” and collectively the “Units”), each Unit consisting of one share of our common stock and a warrant to purchase up to an additional \_\_\_\_\_ share of our common stock. The warrants entitle holders to purchase one share of our common stock for each \_\_\_\_\_ warrants they hold at a price equal to \_\_\_\_\_% of the price of each Unit. The Units will separate immediately and the common stock and warrants will be issued separately and the common stock will trade separately. We are not required to sell any specific dollar amount or number of Units, but will use our best efforts to sell all of the Units being offered. The offering expires on the earlier of (i) the date upon which all of the Units being offered have been sold, or (ii) March 31, 2013. We and the placement agent may, upon request of any investor in this offering, sell Units to such investors that exclude the warrants, provided that the sale of Units that exclude such warrants shall be at the same offering price per Unit as all other investors.

Our common stock is presently listed on the OTCQB under the symbol “SNGX”. OTCQB securities are quoted on OTC Market Group's quotation and trading system. We do not intend to apply for listing of the warrants on any securities exchange. On October 31, 2012, the last quoted sale price of our common stock as reported on the OTCQB was \$0.44 per share.

INVESTING IN THE OFFERED SECURITIES INVOLVES RISKS, INCLUDING THOSE SET FORTH IN THE “RISK FACTORS” SECTION OF THIS PROSPECTUS BEGINNING ON PAGE 5.

	Per Unit	Total
Offering Price per Unit	\$ _____	\$ _____
Placement Agent's Fees	\$ _____	\$ _____
Offering Proceeds before expenses	\$ _____	\$ _____

\_\_\_\_\_ has agreed to act as our placement agent in connection with this offering. In addition, we or the placement agent may engage one or more sub placement agents or selected dealers. The placement agent is not purchasing the securities offered by us, and is not required to sell any specific number or dollar amount of Units, but will assist us in this offering on a “best efforts” basis. We have agreed to pay the placement agent a cash fee equal to \_\_\_% of the gross proceeds of the offering of Units by us, as well as “placement agent warrants” to purchase shares of our common stock equal to \_\_\_\_\_% of the aggregate number of shares of common stock included in Units sold in the offering. The placement agent warrants will have terms substantially similar to the warrants included in Units offered hereby. We estimate the total expenses of this offering, excluding the placement agent fees, will be approximately \$\_\_\_\_\_. Because there is no minimum offering amount required as a condition to closing in this offering, the actual public offering amount, placement agent fees, and proceeds to us, if any, are not presently determinable and may be

substantially less than the total maximum offering amounts set forth above. See “Plan of Distribution” beginning on page 46 of this prospectus for more information on this offering and the placement agent arrangements.

---

Table of Content

This offering will terminate on March 31, 2013, unless the offering is fully subscribed before that date or we decide to terminate the offering prior to that date. In either event, the offering may be closed without further notice to you. All costs associated with the registration will be borne by us.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The Units stock may be sold directly by us to investors, through our placement agent or to or through underwriters or dealers. See "Plan of Distribution". If any underwriters are involved in the sale of any Units in respect of which this prospectus is being delivered, the names of such underwriters and any applicable commissions or discounts will be set forth in a prospectus supplement. The net proceeds we expect to receive from such sale also will be set forth in a prospectus supplement.

Brokers or dealers effecting transactions in these Units should confirm that the Units are registered under the applicable state law or that an exemption from registration is available.

Soligenix, Inc.  
29 Emmons Drive, Suite C-10  
Princeton, New Jersey 08540  
(609) 538-8200

The date of this prospectus is \_\_\_\_\_, 2012

---

Table of Content

## Table of Contents

<u>FORWARD-LOOKING STATEMENTS</u>	1
<u>PROSPECTUS SUMMARY</u>	2
<u>RISK FACTORS</u>	5
<u>USE OF PROCEEDS</u>	12
<u>DILUTION</u>	12
<u>BUSINESS</u>	14
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION</u>	29
<u>DIRECTORS AND EXECUTIVE OFFICERS</u>	36
<u>EXECUTIVE COMPENSATION</u>	39
<u>SECURITY OWNERSHIP OF PRINCIPAL STOCKHOLDERS AND MANAGEMENT</u>	44
<u>TRANSACTIONS WITH RELATED PERSONS, PROMOTERS AND CERTAIN CONTROL PERSONS</u>	46
<u>PLAN OF DISTRIBUTION</u>	47
<u>DESCRIPTION OF SECURITIES</u>	48
<u>MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS</u>	50
<u>DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES</u>	51
<u>EXPERTS</u>	51
<u>LEGAL MATTERS</u>	51
<u>AVAILABLE INFORMATION</u>	51
<u>INDEX TO FINANCIAL STATEMENTS</u>	

You should rely only on the information contained or incorporated by reference in this prospectus and in any accompanying prospectus supplement. We have not authorized anyone to provide you with different information.

We have not authorized the placement agent or any underwriters, brokers or dealers to make an offer of the Units in any jurisdiction where the offer is not permitted.

You should not assume that the information in this prospectus or prospectus supplement is accurate as of any date other than the date on the front of this prospectus.

Table of Content

FORWARD-LOOKING STATEMENTS

The information contained in this prospectus, including the information incorporated by reference into this prospectus, includes forward-looking statements. These forward-looking statements are often identified by words such as "may," "will," "expect," "intend," "anticipate," "believe," "estimate," "continue," "plan" and similar expressions. These statements involve estimates, assumptions and uncertainties that could cause actual results to differ materially from those expressed for the reasons described in this prospectus. You should not place undue reliance on these forward-looking statements.

You should be aware that our actual results could differ materially from those contained in the forward-looking statements due to a number of factors, including:

- our dependence on the expertise, effort, priorities and contractual obligations of third parties in the clinical trials, manufacturing, marketing, sales and distribution of our products;
- significant uncertainty inherent in developing vaccines against bioterror threats, and manufacturing and conducting preclinical and clinical trials of vaccines;
- our ability to obtain regulatory approvals;
- uncertainty as to whether our technologies will be safe and effective;
- our ability to obtain future financing or funds when needed;
- that product development and commercialization efforts will be reduced or discontinued due to difficulties or delays in clinical trials or a lack of progress or positive results from research and development efforts;
- our ability to successfully obtain further grants and awards from the U.S. Government and other countries, and maintenance of our existing grants;
- our ability to enter into any biodefense procurement contracts with the U.S. Government or other countries;
- our ability to patent, register and protect our technology from challenge and our products from competition;
- maintenance or expansion of our license agreements with our current licensors;
- changes in healthcare regulation;
- changes in the needs of biodefense procurement agencies;
- maintenance of a successful business strategy;
- the possibility that our products under development may not gain market acceptance; and
- that others may develop technologies or products superior to our products.

You should also consider carefully the statements under "Risk Factors" and other sections of this prospectus, which address additional factors that could cause our actual results to differ from those set forth in the forward-looking statements and could materially and adversely affect our business, operating results and financial condition. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the applicable cautionary statements.

The forward-looking statements speak only as of the date on which they are made, and, except to the extent required by federal securities laws, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.



Table of Content

PROSPECTUS SUMMARY

SOLIGENIX, INC.

UP TO \_\_\_\_\_ UNITS, EACH CONSISTING OF  
ONE SHARE OF COMMON STOCK AND  
WARRANTS TO PURCHASE UP TO AN ADDITIONAL \_\_\_\_\_ SHARE OF COMMON STOCK

About this Prospectus

This summary highlights certain information appearing elsewhere in this prospectus. For a more complete understanding of this offering, you should read the entire prospectus carefully, including the risk factors and the financial statements. References in this prospectus to “we,” “us,” “our,” “Company” and “Soligenix” refer to Soligenix, Inc. You should read both this prospectus and any prospectus supplement together with additional information described below under the heading “Where You Can Find More Information”.

About our Company

Soligenix, Inc. was incorporated in Delaware in 1987. We are a development stage biopharmaceutical company that is focused on developing products to treat serious gastrointestinal diseases where there remains an unmet medical need, as well as developing several biodefense vaccines and therapeutics. We maintain two active business segments: BioTherapeutics and Vaccines/BioDefense.

Our BioTherapeutics business segment intends to develop oral beclomethasone dipropionate (oral BDP) for indications such as pediatric Crohn’s disease and acute radiation enteritis. Our Vaccines/BioDefense business segment includes active development programs for RiVax™, our ricin toxin vaccine, and VeloThrax™, our anthrax vaccine, and OrbeShield™, our gastrointestinal acute radiation syndrome (“GI ARS”) therapeutic. The advanced development of our vaccine programs is currently supported by our heat stabilization technology, known as ThermoVax™, under existing and on-going government grant funding.

An outline of our business strategy follows:

- Initiate a Phase 1/2 clinical trial of oral BDP, known as SGX203, in pediatric Crohn’s disease;
- Evaluate the effectiveness of orBec®/Oral BDP in other therapeutic indications involving inflammatory conditions of the gastrointestinal (“GI”) tract such as prevention of acute radiation enteritis and treatment of chronic GI GVHD;
- Develop RiVax™ and VeloThrax™ in combination with our proprietary vaccine heat stabilization technology, known as ThermoVax™, to develop new heat stable vaccines in biodefense and infectious diseases with the potential to collaborate and/or partner with other companies in these areas;
- Continue to apply for and secure additional government funding for each of our BioTherapeutics and Vaccines/BioDefense programs through grants, contracts and/or procurements;
- Acquire or in-license new clinical-stage compounds for development; and
- Explore other business development and acquisition strategies.

Table of Content

The following tables summarize the products that we currently are developing:

## BioTherapeutic Products

Soligenix Product	Therapeutic Indication	Stage of Development
SGX203	Pediatric Crohn's disease	Phase 1/2 clinical program planned
SGX201	Acute Radiation Enteritis	Phase 1/2 trial complete; safety and preliminary efficacy demonstrated
orBec®	Treatment of Chronic GI GVHD	Phase 2 trial planned
LPM™ Leuprolide	Endometriosis and Prostate Cancer	Pre-clinical

## Vaccine Thermostability Platform

Soligenix Product	Indication	Stage of Development
ThermoVax™	Thermostability of aluminum adjuvanted vaccines	Pre-clinical

## Vaccines/BioDefense Products

Soligenix Product	Indication	Stage of Development
RiVax™	Vaccine against Ricin Toxin Poisoning	Phase 1B trial enrollment complete; safety and neutralizing antibodies for protection demonstrated
VeloThrax™	Vaccine against Anthrax Poisoning	Pre-clinical
OrbeShield™	Therapeutic against GI ARS	Follow-on pre-clinical study planned; Initial pre-clinical study complete; successful protection in canines

## Summary of the Offering

**Securities Offered** Up to \_\_\_\_\_ Units. Each Unit will consist of one share of our common stock and a warrant to purchase up to an additional \_\_\_\_\_ shares of our common stock. Units may be issued and sold in one or more closings up to the termination date, March 31, 2013.

**Offering Price** \$\_\_\_\_\_ per Unit.

**Description of Warrants** The warrants will be exercisable at any time during the period commencing after the date of closing and ending on the fifth anniversary of the closing date at an exercise price per share equal to \_\_\_\_\_% of the price of each Unit. We and the placement agent may, upon request of any investor in this offering, sell Units to such investors that exclude the warrants, provided that the sale of Units that exclude such warrants shall be at the same offering price per Unit as all other investors.

Common Stock Outstanding \_\_\_\_\_ shares.  
Prior to the Offering

- 3 -

---

Table of Content

Common Stock Outstanding After the Offering	_____ shares, which does not include _____ shares of common stock issuable upon exercise of the warrants included in the offered Units.
Over-Allotment Option	The placement agent will have a 30-day option to arrange for the sale of up to an additional _____% of the total Units sold (consisting of _____ shares and warrants to purchase _____ shares of common stock) to cover over-allotments.
Use of Proceeds	We expect to use the proceeds received from the offering to further develop our products and product candidates and for general working capital purposes.
OTCQB Symbol	SNGX
Risk Factors	See “Risk Factors” beginning on page 5 and the other information in this prospectus for a discussion of the factors you should consider before you decide to invest in the Units.

The total number of shares of our common stock outstanding as of October 31, 2012 was 11,160,513, which excludes the following:

129,711 shares of common stock reserved for future issuance under our equity incentive plans. As of October 31, 2012, there were options to purchase 1,475,224 shares of our common stock outstanding under our equity incentive plans with a weighted average exercise price of \$3.22 per share;

2,576,341 shares of common stock issuable upon exercise of outstanding warrants as of October 31, 2012 with a weighted average exercise price of \$4.32 per share; and

\_\_\_\_\_ shares of common stock that will be issuable upon exercise of warrants at an exercise price of \$\_\_\_\_\_ per share sold as part of the Units in this offering.

All information in this prospectus assumes the placement agent does not sell any Units contained in the over-allotment option.

Table of Content

RISK FACTORS

You should carefully consider the risks, uncertainties and other factors described below before you decide whether to buy shares of our common stock. Any of the factors could materially and adversely affect our business, financial condition, operating results and prospects and could negatively impact the market price of our common stock. Below are the significant risks and uncertainties of which we are aware. Additional risks and uncertainties that we do not yet know of, or that we currently think are immaterial, may also impair our business operations. You should also refer to the other information contained in and incorporated by reference into this prospectus, including our financial statements and the related notes.

Risks Related to our Business

We have had significant losses and anticipate future losses; if additional funding cannot be obtained, we may reduce or discontinue our product development and commercialization efforts.

We have experienced significant losses since inception and have a significant accumulated deficit. We expect to incur additional operating losses in the future and expect our cumulative losses to increase. As of September 30, 2012, we have approximately \$3.7 million in cash available. Based on our projected budgetary needs and funding from existing grants over the next two years, we expect to be able to maintain the current level of our operations into the fourth quarter of 2013.

We have sufficient funds through our existing biodefense grant facilities from the National Institute of Allergy and Infectious Diseases (“NIAID”), a division of the National Institutes of Health (“NIH”), to finance our biodefense projects for the next several years. In September 2009, we received a NIAID grant for approximately \$9.4 million for the development of our biodefense programs and recently received an additional NIAID Small Business Innovation and Research (“SBIR”) grant for \$600,000. Our biodefense grants have an overhead component that allows us an agency-approved percentage over our incurred costs. We estimate that the overhead component, which is approximately 21% above our subcontracted expenses, will finance some fixed costs for direct employees working on the grants and other administrative costs.

Our products are positioned for or are currently in clinical trials, and we have not yet generated any significant revenues from sales or licensing of them. From inception through September 2012, we have expended approximately \$45.0 million developing our current product candidates for pre-clinical research and development and clinical trials, and we currently expect to spend at least \$2 million over the next two years in connection with the development of our therapeutic and vaccine products, licenses, employment agreements, and consulting agreements. Unless and until we are able to generate sales or licensing revenue from one of our product candidates, we will require additional funding to meet these commitments, sustain our research and development efforts, provide for future clinical trials, and continue our operations. There can be no assurance we can raise such funds. If additional funds are raised through the issuance of equity securities, stockholders may experience dilution of their ownership interests, and the newly issued securities may have rights superior to those of the common stock. If additional funds are raised by the issuance of debt, we may be subject to limitations on our operations. If we cannot raise such additional funds, we may have to delay or stop some or all of our drug development programs.

If we are unsuccessful in developing our products, our ability to generate revenues will be significantly impaired.

To be profitable, our organization must, along with corporate partners and collaborators, successfully research, develop and commercialize our technologies or product candidates. Our current product candidates are in various stages of clinical and pre-clinical development and will require significant further funding, research, development, pre-clinical and/or clinical testing, regulatory approval and commercialization, and are subject to the risks of failure

inherent in the development of products based on innovative or novel technologies. Specifically, each of the following is possible with respect to any of our product candidates:

we may not be able to maintain our current research and development schedules;

we may be unsuccessful in our efforts to secure profitable procurement contracts from the U.S. government or others for our biodefense products;

Table of Content

we may encounter problems in clinical trials; or  
the technology or product may be found to be ineffective or unsafe.

If any of the risks set forth above occur, or if we are unable to obtain the necessary regulatory approvals as discussed below, we may not be able to successfully develop our technologies and product candidates and our business will be seriously harmed. Furthermore, for reasons including those set forth below, we may be unable to commercialize or receive royalties from the sale of any other technology we develop, even if it is shown to be effective, if:

- it is not economical or the market for the product does not develop or diminishes;
- we are not able to enter into or maintain arrangements or collaborations to manufacture and/or market the product;
- the product is not eligible for third-party reimbursement from government or private insurers;
- others hold proprietary rights that preclude us from commercializing the product;
- we are not able to manufacture the product reliably;
- others have brought to market similar or superior products; or
- the product has undesirable or unintended side effects that prevent or limit its commercial use.

Our business is subject to extensive governmental regulation, which can be costly, time consuming and subjects us to unanticipated delays.

Our business is subject to very stringent U.S., federal, foreign, state and local government laws and regulations, including the Federal Food, Drug and Cosmetic Act, the Environmental Protection Act, the Occupational Safety and Health Act, and state and local counterparts to these acts. These laws and regulations may be amended, additional laws and regulations may be enacted, and the policies of the FDA and other regulatory agencies may change.

The regulatory process applicable to our products requires pre-clinical and clinical testing of any product to establish its safety and efficacy. This testing can take many years and require the expenditure of substantial capital and other resources. For example, our confirmatory Phase 3 clinical trial for orBec® in the treatment of acute gastrointestinal Graft-versus-Host disease (“GI GVHD”) was stopped on September 15, 2011 at the recommendation of an independent Data Safety Monitoring Board (“DSMB”) as it was highly unlikely to achieve the predetermined end point of efficacy based on the interim results. Although no safety concerns were raised by the DSMB, preliminary findings indicated that there were no significant differences between the orBec® group and placebo group for the primary endpoint or for the pre-specified secondary endpoints. Given the outcome of the Phase 3 study, the Company terminated the development of orBec® for the treatment of acute GI GVHD. Although we hope to obtain FDA approval for orBec® in a similar indication of treatment of chronic GI GVHD, there can be no assurances that the FDA will ever approve orBec® for market launch.

We may not be able to obtain, or we may experience difficulties and delays in obtaining, necessary domestic and foreign governmental clearances and approvals to market a product. Also, even if regulatory approval of a product is granted, that approval may entail limitations on the indicated uses for which the product may be marketed.

Following any regulatory approval, a marketed product and its manufacturer are subject to continual regulatory review. Later discovery of problems with a product or manufacturer may result in restrictions on such product or manufacturer. These restrictions may include withdrawal of the marketing approval for the product. Furthermore, the advertising, promotion and export, among other things, of a product are subject to extensive regulation by governmental authorities in the U.S. and other countries. If we fail to comply with applicable regulatory requirements, we may be subject to fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and/or criminal prosecution.

There may be unforeseen challenges in developing our biodefense products.

For development of biodefense vaccines and therapeutics, the FDA has instituted policies that are expected to result in accelerated approval. This includes approval for commercial use using the results of animal efficacy trials, rather than efficacy trials in humans. However, we will still have to establish that the vaccines we are developing are safe in humans at doses that are correlated with the beneficial effect in animals. Such clinical trials will also have to be completed in distinct populations that are subject to the countermeasures; for instance, the very young and the very old, and in pregnant women, if the countermeasure is to be licensed for civilian use. Other agencies will have an influence over the risk benefit scenarios for deploying the countermeasures and in establishing the number of doses utilized in the Strategic National Stockpile. We may not be able to sufficiently demonstrate the animal correlation to the satisfaction of the FDA, as these correlates are difficult to establish and are often unclear. Invocation of the animal rule may raise issues of confidence in the model systems even if the models have been validated. For many of the biological threats, the animal models are not available and we may have to develop the animal models, a time-consuming research effort. There are few historical precedents, or recent precedents, for the development of new countermeasure for bioterrorism agents. Despite the Animal Rule, the FDA may require large clinical trials to establish safety and immunogenicity before licensure and it may require safety and immunogenicity trials in additional populations. Approval of biodefense products may be subject to post-marketing studies, and could be restricted in use in only certain populations. The government's biodefense priorities can change, which could adversely affect the commercial opportunity for the products we are developing.



Table of Content

We will be dependent on government funding, which is inherently uncertain, for the success of our biodefense operations.

We are subject to risks specifically associated with operating in the biodefense industry, which is a new and unproven business area. We do not anticipate that a significant commercial market will develop for our biodefense products. Because we anticipate that the principal potential purchasers of these products, as well as potential sources of research and development funds, will be the U.S. government and governmental agencies, the success of our biodefense division will be dependent in large part upon government spending decisions. The funding of government programs is dependent on budgetary limitations, congressional appropriations and administrative allotment of funds, all of which are inherently uncertain and may be affected by changes in U.S. government policies resulting from various political and military developments. Our successful receipt of government funding is also dependant on our ability to adhere to the terms and provisions of the original grant documents and other regulations.

If the parties we depend on for supplying our drug substance raw materials and certain manufacturing-related services do not timely supply these products and services, it may delay or impair our ability to develop, manufacture and market our products. We do not have or are anticipating having internal manufacturing capabilities.

We rely on suppliers for our drug substance raw materials and third parties for certain manufacturing-related services to produce material that meets appropriate content, quality and stability standards, which material will be used in clinical trials of our products and, after approval, for commercial distribution. To succeed, clinical trials require adequate supplies of drug substance and drug product, which may be difficult or uneconomical to procure or manufacture. We and our suppliers and vendors may not be able to (i) produce our drug substance or drug product to appropriate standards for use in clinical studies, (ii) perform under any definitive manufacturing, supply or service agreements with us or (iii) remain in business for a sufficient time to successfully produce and market our product candidates. If we do not maintain important manufacturing and service relationships, we may fail to find a replacement supplier or required vendor or develop our own manufacturing capabilities which could delay or impair our ability to obtain regulatory approval for our products and substantially increase our costs or deplete profit margins, if any. If we do find replacement manufacturers and vendors, we may not be able to enter into agreements with them on terms and conditions favorable to us and, there could be a substantial delay before a new facility could be qualified and registered with the FDA and foreign regulatory authorities.

The manufacture of our products is a highly exacting process, and if we or one of our materials suppliers encounter problems manufacturing our products, our business could suffer.

The FDA and foreign regulators require manufacturers to register manufacturing facilities. The FDA and foreign regulators also inspect these facilities to confirm compliance with current Good Manufacturing Practice (“cGMP”) or similar requirements that the FDA or foreign regulators establish. We, or our materials suppliers, may face manufacturing or quality control problems causing product production and shipment delays or a situation where we or the supplier may not be able to maintain compliance with the FDA’s cGMP requirements, or those of foreign regulators, necessary to continue manufacturing our drug substance. Any failure to comply with cGMP requirements or other FDA or foreign regulatory requirements could adversely affect our clinical research activities and our ability to market and develop our products.

Table of Content

We do not have sales and marketing experience and our lack of experience may restrict our success in commercializing some of our product candidates.

We do not have experience in marketing or selling pharmaceutical products whether in the U.S. or internationally. Although we have a collaboration agreement with Sigma-Tau Pharmaceuticals, Inc. (“Sigma-Tau”) for the sales and marketing of orBec® in North America and Europe, we may be unable to establish additional satisfactory arrangements for marketing, sales and distribution capabilities necessary to commercialize and gain market acceptance for orBec® or our other product candidates. In addition, Sigma-Tau may not be able to effectively commercialize orBec® if it is approved. To obtain the expertise necessary to successfully market and sell orBec®, or any other product, potentially will require the development of our own commercial infrastructure and/or collaborative commercial arrangements and partnerships. Our ability to make that investment and also execute our current operating plan is dependent on numerous factors, including, the performance of third party collaborators with whom we may contract.

Our products, if approved, may not be commercially viable due to change in health care practice and third party reimbursement limitations.

Recent initiatives to reduce the federal deficit and to change health care delivery are increasing cost-containment efforts. We anticipate that Congress, state legislatures and the private sector will continue to review and assess alternative benefits, controls on health care spending through limitations on the growth of private health insurance premiums and Medicare and Medicaid spending, price controls on pharmaceuticals, and other fundamental changes to the health care delivery system. Any changes of this type could negatively impact the commercial viability of our products, if approved. Our ability to successfully commercialize our product candidates, if they are approved, will depend in part on the extent to which appropriate reimbursement codes and authorized cost reimbursement levels of these products and related treatment are obtained from governmental authorities, private health insurers and other organizations, such as health maintenance organizations. In the absence of national Medicare coverage determination, local contractors that administer the Medicare program may make their own coverage decisions. Any of our product candidates, if approved and when commercially available, may not be included within the then current Medicare coverage determination or the coverage determination of state Medicaid programs, private insurance companies or other health care providers. In addition, third-party payers are increasingly challenging the necessity and prices charged for medical products, treatments and services.

Federal and/or state health care reform initiatives could negatively affect our business.

The availability of reimbursement by governmental and other third-party payers affects the market for any pharmaceutical product. These third-party payers continually attempt to contain or reduce the costs of healthcare. There have been a number of legislative and regulatory proposals to change the healthcare system and further proposals are likely. Medicare's policies may decrease the market for our products. Significant uncertainty exists with respect to the reimbursement status of newly approved healthcare products.

In addition, third-party payers are increasingly challenging the price and cost-effectiveness of medical products and services. Once approved, we might not be able to sell our products profitably or recoup the value of our investment in product development if reimbursement is unavailable or limited in scope, particularly for product candidates addressing small patient populations.

In addition, in some foreign countries, the proposed pricing for a drug must be approved before it may be lawfully marketed. The requirements governing drug pricing vary widely from country to country. We expect that there will continue to be a number of U.S. federal and state proposals to implement governmental pricing controls. While we cannot predict whether such legislative or regulatory proposals will be adopted, the adoption of such proposals could

have a material adverse effect on our business, financial condition and profitability.

On July 15, 2008, the Medicare Improvements for Patients and Providers Act of 2008 became law with a number of Medicare and Medicaid reforms to establish a bundled Medicare payment rate that includes services and drug/labs that are currently separately billed. Bundling initiatives that have been implemented in other healthcare settings have occasionally resulted in lower utilization of services that had not previously been a part of the bundled payment. We cannot speculate on the potential sales impact to orBec® based on the new rule.

- 8 -

---

## Table of Content

We may not be able to retain rights licensed to us by third parties to commercialize key products or to develop the third party relationships we need to develop, manufacture and market our products.

We currently rely on license agreements from the University of Texas Southwestern Medical Center, Harvard University, the University of Colorado, and George B. McDonald, MD for the rights to commercialize key product candidates. We may not be able to retain the rights granted under these agreements or negotiate additional agreements on reasonable terms, or at all.

Furthermore, we currently have very limited product development capabilities and no manufacturing, marketing or sales capabilities. For us to research, develop and test our product candidates, we need to contract or partner with outside researchers, in most cases with or through those parties that did the original research and from whom we have licensed the technologies. If products are successfully developed and approved for commercialization, then we will need to enter into additional collaboration and other agreements with third parties to manufacture and market our products. We may not be able to induce the third parties to enter into these agreements, and, even if we are able to do so, the terms of these agreements may not be favorable to us. Our inability to enter into these agreements could delay or preclude the development, manufacture and/or marketing of some of our product candidates or could significantly increase the costs of doing so. In the future, we may grant to our development partners rights to license and commercialize pharmaceutical and related products developed under the agreements with them, and these rights may limit our flexibility in considering alternatives for the commercialization of these products. Furthermore, third-party manufacturers or suppliers may not be able to meet our needs with respect to timing, quantity and quality for the products.

Additionally, if we do not enter into relationships with additional third parties for the marketing of our products, if and when they are approved and ready for commercialization, we would have to build our own sales force. If our collaboration agreement with Sigma-Tau were to be terminated, we would need to establish and build our own sales force in North America and Europe or enter into an agreement for the commercialization of orBec® with another company. Development of an effective sales force in any part of the world would require significant financial resources, time and expertise. We may not be able to obtain the financing necessary to establish a sales force in a timely or cost effective manner, if at all, and any sales force we are able to establish may not be capable of generating demand for our product candidates, if they are approved.

We may suffer product and other liability claims; we maintain only limited product liability insurance, which may not be sufficient.

The clinical testing, manufacture and sale of our products involves an inherent risk that human subjects in clinical testing or consumers of our products may suffer serious bodily injury or death due to side effects, allergic reactions or other unintended negative reactions to our products. As a result, product and other liability claims may be brought against us. We currently have clinical trial and product liability insurance with limits of liability of \$5 million, which may not be sufficient to cover our potential liabilities. Because liability insurance is expensive and difficult to obtain, we may not be able to maintain existing insurance or obtain additional liability insurance on acceptable terms or with adequate coverage against potential liabilities. Furthermore, if any claims are brought against us, even if we are fully covered by insurance, we may suffer harm such as adverse publicity.

We may not be able to compete successfully with our competitors in the biotechnology industry.

The biotechnology industry is intensely competitive, subject to rapid change and sensitive to new product introductions or enhancements. Most of our existing competitors have greater financial resources, larger technical staffs, and larger research budgets than we have, as well as greater experience in developing products and conducting clinical trials. Our competition is particularly intense in the gastroenterology and transplant areas and is also intense in

the therapeutic area of inflammatory bowel diseases. We face intense competition in the biodefense area from various public and private companies and universities as well as governmental agencies, such as the U.S. Army, which may have their own proprietary technologies that may directly compete with our technologies. In addition, there may be other companies that are currently developing competitive technologies and products or that may in the future develop technologies and products that are comparable or superior to our technologies and products. We may not be able to compete successfully with our existing and future competitors.

Table of Content

We may be unable to commercialize our products if we are unable to protect our proprietary rights, and we may be liable for significant costs and damages if we face a claim of intellectual property infringement by a third party.

Our success depends in part on our ability to obtain and maintain patents, protect trade secrets and operate without infringing upon the proprietary rights of others. In the absence of patent and trade secret protection, competitors may adversely affect our business by independently developing and marketing substantially equivalent or superior products and technology, possibly at lower prices. We could also incur substantial costs in litigation and suffer diversion of attention of technical and management personnel if we are required to defend ourselves in intellectual property infringement suits brought by third parties, with or without merit, or if we are required to initiate litigation against others to protect or assert our intellectual property rights. Moreover, any such litigation may not be resolved in our favor.

Although we and our licensors have filed various patent applications covering the uses of our product candidates, patents may not be issued from the patent applications already filed or from applications that we might file in the future. Moreover, the patent position of companies in the pharmaceutical industry generally involves complex legal and factual questions, and recently has been the subject of much litigation. Any patents we have obtained, or may obtain in the future, may be challenged, invalidated or circumvented. To date, no consistent policy has been developed in the U.S. Patent and Trademark Office regarding the breadth of claims allowed in biotechnology patents.

In addition, because patent applications in the U.S. are maintained in secrecy until patents issue, and because publication of discoveries in the scientific or patent literature often lags behind actual discoveries, we cannot be certain that we and our licensors are the first creators of inventions covered by any licensed patent applications or patents or that we or they are the first to file. The Patent and Trademark Office may commence interference proceedings involving patents or patent applications, in which the question of first inventorship is contested. Accordingly, the patents owned or licensed to us may not be valid or may not afford us protection against competitors with similar technology, and the patent applications licensed to us may not result in the issuance of patents.

It is also possible that our patented technologies may infringe on patents or other rights owned by others, licenses to which may not be available to us. We may not be successful in our efforts to obtain a license under such patent on terms favorable to us, if at all. We may have to alter our products or processes, pay licensing fees or cease activities altogether because of patent rights of third parties.

In addition to the products for which we have patents or have filed patent applications, we rely upon unpatented proprietary technology and may not be able to meaningfully protect our rights with regard to that unpatented proprietary technology. Furthermore, to the extent that consultants, key employees or other third parties apply technological information developed by them or by others to any of our proposed projects, disputes may arise as to the proprietary rights to this information, which may not be resolved in our favor.

Our business could be harmed if we fail to retain our current personnel or if they are unable to effectively run our business.

We currently have only 9 employees and we depend upon these employees to manage the day-to-day activities of our business. Because we have such limited personnel, the loss of any of them or our inability to attract and retain other qualified employees in a timely manner would likely have a negative impact on our operations. We will not be successful if our management team cannot effectively manage and operate our business.

## Table of Content

Instability and volatility in the financial markets could have a negative impact on our business, financial condition, results of operations, and cash flows.

During recent months, there has been substantial volatility and a decline in financial markets due at least in part to the deteriorating global economic environment. In addition, there has been substantial uncertainty in the capital markets and access to additional financing is uncertain. Moreover, customer spending habits may be adversely affected by the current economic crisis. These conditions could have an adverse effect on our industry and business, including our financial condition, results of operations, and cash flows.

To the extent that we do not generate sufficient cash from operations, we may need to issue stock or incur indebtedness to finance our plans for growth. Recent turmoil in the credit markets and the potential impact on the liquidity of major financial institutions may have an adverse effect on our ability to fund our business strategy through borrowings, under either existing or newly created instruments in the public or private markets on terms we believe to be reasonable, if at all.

### Risks Related to our Common Stock

Our common stock price is highly volatile.

The market price of our common stock, like that of many other research and development public pharmaceutical and biotechnology companies, has been highly volatile and may continue to be so in the future due to a wide variety of factors, including:

- announcements by us or others of results of pre-clinical testing and clinical trials;
- announcements of technological innovations, more important bio-threats or new commercial therapeutic products by us, our collaborative partners or our present or potential competitors;
- our quarterly operating results and performance;
- developments or disputes concerning patents or other proprietary rights;
- acquisitions;
- litigation and government proceedings;
- adverse legislation;
- changes in government regulations;
- our available working capital;
- economic and other external factors; and
- general market conditions.

Since January 1, 2012, the closing stock price (split adjusted) has fluctuated between a high of \$0.80 per share to a low of \$0.23 per share. As of October 31, 2012, our common stock closed at \$0.44 per share. The fluctuation in the price of our common stock has sometimes been unrelated or disproportionate to our operating performance. In addition, potential dilutive effects of future sales of shares of common stock by the Company, as well as the potential sale of common stock by the holders of warrants and options, could have an adverse effect on the market price of our shares.

Our common stock trades on the Over-the-Counter Bulletin Board.

Our common stock trades on the OTCQB under the symbol "SNGX." The OTCQB is a decentralized market regulated by the Financial Industry Regulatory Authority in which securities are traded via an electronic quotation system that serves more than 3,000 companies. On the OTCQB, securities are traded by a network of brokers or dealers who carry inventories of securities to facilitate the buy and sell orders of investors, rather than providing the order matchmaking

service seen in specialist exchanges. OTCQB securities include national, regional, and foreign equity issues. Companies traded on the OTCQB must be current in their reports filed with the Securities and Exchange Commission (“SEC”) and other regulatory authorities.

- 11 -

---



## Table of Content

If our common stock is not listed on a national exchange or market, the trading market for our common stock may become illiquid. Our common stock is subject to the penny stock rules of the SEC, which generally are applicable to equity securities with a price of less than \$5.00 per share, other than securities registered on certain national securities exchanges provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. The penny stock rules require a broker-dealer, before a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document prepared by the SEC that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with bid and ask quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. In addition, the penny stock rules require that, before a transaction in a penny stock that is not otherwise exempt from such rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. As a result of these requirements, our common stock could be priced at a lower price and our stockholders could find it more difficult to sell their shares.

Shareholders may suffer substantial dilution related to issued stock warrants and options.

We have a number of agreements or obligations that may result in dilution to investors. These include:

warrants to purchase a total of approximately 2,576,341 shares of our common stock at a current weighted average exercise price of approximately \$4.32; and  
options to purchase approximately 1,475,224 shares of our common stock at a current weighted average exercise price of approximately \$3.22.

To the extent that warrants or options are exercised, our stockholders will experience dilution and our stock price may decrease.

Our shares of common stock are thinly traded, so stockholders may be unable to sell at or near ask prices or at all if they need to sell shares to raise money or otherwise desire to liquidate their shares.

Our common stock has from time to time been "thinly-traded," meaning that the number of persons interested in purchasing our common stock at or near ask prices at any given time may be relatively small or non-existent. This situation is attributable to a number of factors, including the fact that we are a small company that is relatively unknown to stock analysts, stock brokers, institutional investors and others in the investment community that generate or influence sales volume, and that even if we came to the attention of such persons, they tend to be risk-averse and would be reluctant to follow an unproven company such as ours or purchase or recommend the purchase of our shares until such time as we become more seasoned and viable. As a consequence, there may be periods of several days or more when trading activity in our shares is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. We cannot give stockholders any assurance that a broader or more active public trading market for our common shares will develop or be sustained, or that current trading levels will be sustained.

## USE OF PROCEEDS

We estimate that we will receive up to \$\_\_\_\_\_ in net proceeds from the sale of Units in this offering, based on an assumed price of \$\_\_\_\_\_ per Unit and after deducting estimated placement agent fees and estimated offering expenses payable by us. We will use the net proceeds from this offering to further develop our products and product candidates and for working capital and other general corporate purposes.

DILUTION

If you purchase Units in this offering, and assuming no value is attributed to the warrants, your interest will be diluted immediately to the extent of the difference between the assumed public offering price of \$\_\_\_\_\_ per Unit and the as adjusted net tangible book value per share of our common stock immediately following this offering.

Our net tangible book value as of September 30, 2012 was approximately \$3.1 million, or approximately \$0.28 per share. Net tangible book value per share represents our total tangible assets less total tangible liabilities, divided by the number of shares of common stock outstanding as of September 30, 2012.

- 12 -

---

Table of Content

Net tangible book value dilution per Unit to new investors represents the difference between the amount per Unit paid by purchasers in this offering and the as adjusted net tangible book value per share of common stock immediately after completion of this offering, assuming that no value is attributed to the warrants. After giving effect to our sale of up to \_\_\_\_\_ Units in this offering at an assumed public offering price of \$\_\_\_\_\_ per Unit, and after deducting the placement agent commissions and estimated offering expenses, our as adjusted net tangible book value as of September 30, 2012 would have been \$\_\_\_\_\_ million, or \$\_\_\_\_\_ per share. This represents an immediate increase in net tangible book value of \$\_\_\_\_\_ per share to existing stockholders and an immediate dilution in net tangible book value of \$\_\_\_\_\_ per Unit to purchasers of Units in this offering, as illustrated in the following table:

Assumed public offering price per Unit	\$ _____
Net tangible book value per share as of September 30, 2012	\$0.28
Increase in net tangible book value per Unit attributable to new investors	\$ _____
Adjusted net tangible book value per share as of September 30, 2012, after giving effect to the offering	\$ _____
Dilution per Unit to new investors in the offering	\$ _____

The above discussion and tables do not include the following:

129,711 shares of common stock reserved for future issuance under our equity incentive plans. As of October 31, 2012, there were options to purchase 1,475,224 shares of our common stock outstanding under our equity incentive plans with a weighted average exercise price of \$3.22 per share;  
 2,576,341 shares of common stock issuable upon exercise of outstanding warrants as of October 31, 2012 with a weighted average exercise price of \$4.32 per share; and  
 \_\_\_\_\_ shares of common stock that will be issuable upon exercise of warrants at an exercise price of \$\_\_\_\_\_ per share sold as part of the Units in this offering.

Table of Content

## BUSINESS

## Our Business Overview

Soligenix, Inc. was incorporated in Delaware in 1987. We are a development stage biopharmaceutical company that is focused on developing products to treat serious gastrointestinal diseases where there remains an unmet medical need, as well as developing several biodefense vaccines and therapeutics. We maintain two active business segments: BioTherapeutics and Vaccines/BioDefense.

Our BioTherapeutics business segment intends to develop oral beclomethasone dipropionate (oral BDP) for indications such as pediatric Crohn's disease and acute radiation enteritis. Our Vaccines/BioDefense business segment includes active development programs for RiVax™, our ricin toxin vaccine, and VeloThrax™, our anthrax vaccine, and OrbeShield™, our gastrointestinal acute radiation syndrome ("GI ARS") therapeutic. The advanced development of our vaccine programs is currently supported by our heat stabilization technology, known as ThermoVax™, under existing and on-going government grant funding.

An outline of our business strategy follows:

- Initiate a Phase 1/2 clinical trial of oral BDP, known as SGX203, in pediatric Crohn's disease;
- Evaluate the effectiveness of orBec®/Oral BDP in other therapeutic indications involving inflammatory conditions of the gastrointestinal ("GI") tract such as prevention of acute radiation enteritis and treatment of chronic GI GVHD;
- Develop RiVax™ and VeloThrax™ in combination with our proprietary vaccine heat stabilization technology, known as ThermoVax™, to develop new heat stable vaccines in biodefense and infectious diseases with the potential to collaborate and/or partner with other companies in these areas;
- Continue to apply for and secure additional government funding for each of our BioTherapeutics and Vaccines/BioDefense programs through grants, contracts and/or procurements;
- Acquire or in-license new clinical-stage compounds for development; and
- Explore other business development and acquisition strategies.

Our principal executive offices are located at 29 Emmons Drive, Suite C-10, Princeton, New Jersey 08540 and our telephone number is (609) 538-8200.

## Our Products in Development

The following tables summarize the products that we currently are developing:

## BioTherapeutic Products

Soligenix Product	Therapeutic Indication	Stage of Development
SGX203	Pediatric Crohn's disease	Phase 1/2 clinical program planned
SGX201	Acute Radiation Enteritis	Phase 1/2 trial complete; safety and preliminary efficacy demonstrated
orBec®	Treatment of Chronic GI GVHD	Phase 2 trial planned
LPM™ Leuprolide		Pre-clinical

Endometriosis and Prostate  
Cancer

- 14 -

---

Table of Content

## Vaccine Thermostability Platform

Soligenix Product	Indication	Stage of Development
ThermoVax™	Thermostability of aluminum adjuvanted vaccines	Pre-clinical

## Vaccines/BioDefense Products

Soligenix Product	Indication	Stage of Development
RiVax™	Vaccine against Ricin Toxin Poisoning	Phase 1B trial enrollment complete; safety and neutralizing antibodies for protection demonstrated
VeloThrax™	Vaccine against Anthrax Poisoning	Pre-clinical
OrbeShield™	Therapeutic against GI ARS	Follow-on pre-clinical study planned; Initial pre-clinical study complete; successful protection in canines

## BioTherapeutics Overview

## orBec® and Oral BDP

orBec®/oral BDP represents a first-of-its-kind oral, locally acting therapy tailored to treat gastrointestinal inflammation. BDP has been marketed in the U.S. and worldwide since the early 1970s as the active pharmaceutical ingredient in a nasal spray and in a metered-dose inhaler for the treatment of patients with allergic rhinitis and asthma. orBec®/oral BDP is specifically formulated for oral administration as a single product consisting of two tablets. One tablet is intended to release BDP in the upper sections of the GI tract and the other tablet is intended to release BDP in the lower sections of the GI tract.

In addition to issued patents and pending worldwide patent applications held by or exclusively licensed to us, orBec®/oral BDP would benefit from orphan drug designations in the U.S. and in Europe. Orphan drug designations provide for 7 and 10 years of market exclusivity upon approval in the U.S. and Europe, respectively.

## Commercialization and Market

On February 11, 2009, we entered into a collaboration and supply agreement with Sigma-Tau for the commercialization of orBec®/oral BDP. Sigma-Tau is a pharmaceutical company that develops novel therapies for the unmet needs of patients with rare diseases. Pursuant to this agreement, Sigma-Tau has an exclusive license to commercialize orBec®/oral BDP in the U.S., Canada and Mexico (“the Territory”). Sigma-Tau is obligated to make payments upon the attainment of significant milestones, as set forth in the agreement. Total remaining milestone payments due from Sigma-Tau for orBec®/oral BDP under the agreement could reach up to \$9 million. Sigma-Tau will pay us a 35% royalty (Soligenix to provide finished drug product) on net sales in the Territory as well as pay for commercialization expenses, including launch activities.

The Collaboration and Supply Agreement with Sigma-Tau expires on a country-by-country basis on the later of: (i) 10 years after the date of the first commercial sale of orBec®/oral BDP by Sigma-Tau in such country; or (ii) the expiration of the last to expire of the Company’s patents and patent applications relating to orBec®/oral BDP in such country. Upon the expiration of the initial term, on a country-by-country basis, the agreement is automatically

renewed for periods of five years. During such renewal periods, we and Sigma-Tau have the right to terminate the agreement for convenience upon six months and 18 months, respectively, prior written notice. If we terminate the agreement for convenience, we are required to transfer to Sigma-Tau or its designee, for no consideration, the U.S. Food and Drug Administration (“the FDA”) and European Medicines Agency (“EMA”) authorizations which are necessary for the marketing, use, distribution and sale of orBec®/oral BDP and all relevant data and know-how necessary to manufacture and commercialize orBec®/oral BDP in the country and grant to Sigma-Tau a royalty-free, fully paid, perpetual and irrevocable license, with the right to sublicense, to all trademarks and such know-how.

## Table of Content

Either party may terminate the agreement: (i) in the event the other party breaches any material obligation; or (ii) upon the initiation of a proceeding in bankruptcy (voluntary or involuntary), reorganization, dissolution, liquidation or similar proceeding or occurrence. We also have the right to terminate the agreement in the event that Sigma-Tau challenges or assists any third party in the challenge of the validity of any of our patents or patent applications relating to orBec®/oral BDP.

Upon termination other than for breach by Sigma-Tau, Sigma-Tau has the right to process and sell its inventory for a period of three months following the date of termination, subject to the payment of the amounts owed under the agreement, to us and continued compliance with the terms of the agreement.

On July 28, 2011, we announced the expansion and amendment of our North American licensing partnership with Sigma-Tau for the development and commercialization of orBec®/oral BDP into the “European Territory” (as defined in the amendment). Pursuant to this amendment, we received an up-front non-refundable payment of \$5 million and granted Sigma-Tau an exclusive license to commercialize orBec®/oral BDP in the European territory. The amendment requires Sigma-Tau to make additional payments to us in the aggregate amount of \$11 million upon the achievement of certain milestones. The amendment also requires Sigma-Tau to pay us a 40% royalty (Soligenix to provide finished drug product) on net sales in the European Territory and pay for all commercialization expenses, including launch activities.

We believe the potential worldwide market for orBec®/oral BDP is in excess of \$500 million for all GI applications, namely, Crohn’s disease, radiation enteritis, GI ARS, and GVHD.

### Future Potential Indications of orBec® and Oral BDP

Based on its pharmacological characteristics, orBec®/oral BDP may have utility in treating other conditions of the gastrointestinal tract having an inflammatory component. We have an issued U.S. patent 8,263,582 claiming the use of oral BDP as a method of treating inflammatory disorders, including Crohn’s disease, of the gastrointestinal tract and an issued U.S. patent 6,096,731 claiming the use of oral BDP as a method for preventing and treating the tissue damage that is associated with both GI GVHD following HCT, as well as GVHD which also occurs following organ allograft transplantation. We also have European Patent EP 1392321 claiming the use of topically active corticosteroids in orally administered dosage forms that act concurrently to treat inflammation in the upper and lower gastrointestinal tract and European patent EP 1830857 claiming oral BDP in conjunction with a short duration of high-dose prednisone with a rapid taper for the reduction of mortality associated with GVHD and leukemia. We are planning for/pursuing development programs in the treatment of pediatric Crohn’s disease, acute radiation enteritis, chronic GI GVHD and GI ARS pending further grant funding. We are exploring the possibility of testing oral BDP (the active ingredient in orBec®) for local inflammation associated with Ulcerative Colitis, among other indications.

### SGX203 – Oral BDP for Treating Pediatric Crohn’s Disease

SGX203 is a two tablet delivery system of BDP specifically designed for oral use that allows for delivery of immediate and delayed release BDP throughout the small bowel and the colon. The FDA has awarded SGX203 Orphan Drug Designation for the treatment of pediatric Crohn's disease. We plan to initiate a Phase 2 clinical trial in pediatric Crohn’s disease in 2012.

### About Pediatric Crohn's Disease

Crohn's disease is an ongoing disorder that causes inflammation of the GI tract. Crohn's disease can affect any area of the GI tract, from the mouth to the anus, but it most commonly affects the lower part of the small intestine, called the ileum. The swelling caused by the disease extends deep into the lining of the affected organ. The swelling can induce



pain and can make the intestines empty frequently, resulting in diarrhea. Because the symptoms of Crohn's disease are similar to other intestinal disorders, such as irritable bowel syndrome and ulcerative colitis, it can be difficult to diagnose. People of Ashkenazy Jewish heritage have an increased risk of developing Crohn's disease.

- 16 -

---

## Table of Content

Crohn's disease can appear at any age, but it is most often diagnosed in adults in their 20s and 30s. However, approximately 30% of people with Crohn's disease develop symptoms before 20 years of age. Pediatric Crohn's disease is a subpopulation of approximately 80,000 patients in the United States. Crohn's disease tends to be both severe and extensive in the pediatric population and a relatively high proportion (25-40%) of pediatric Crohn's patients have involvement of their upper gastrointestinal tract.

Crohn's disease presents special challenges for children and teens. In addition to bothersome and often painful symptoms, the disease can stunt growth, delay puberty, and weaken bones. Crohn's disease symptoms may sometimes prevent a child from participating in enjoyable activities. The emotional and psychological issues of living with a chronic disease can be especially difficult for young people.

### SGX201 - Oral BDP for Preventing Acute Radiation Enteritis

SGX201 is a delayed-release formulation of BDP specifically designed for oral use. We recently completed a Phase 1/2 clinical trial testing SGX201 in prevention of acute radiation enteritis. Patients with rectal cancer scheduled to undergo concurrent radiation and chemotherapy prior to surgery were randomized to one of four dose groups. The objectives of the study were to evaluate the safety and maximal tolerated dose of escalating doses of SGX201, as well as the preliminary efficacy of SGX201 for prevention of signs and symptoms of acute radiation enteritis. The study demonstrated that oral administration of SGX201 was safe and well tolerated across all four dose groups. There was also evidence of a potential dose response with respect to diarrhea, nausea and vomiting and the assessment of enteritis according to National Cancer Institute ("NCI") Common Terminology Criteria for Adverse Events for selected gastrointestinal events. In addition, the incidence of diarrhea was lower than that seen in recent published historical control data in this patient population. This program was supported in part by a \$500,000 two-year SBIR grant awarded by the NIH. These data are currently under review with our Radiation Enteritis medical advisory board to determine potential next steps forward with the clinical development program.

We have received "Fast Track" designation from the FDA for SGX201 for radiation enteritis. Fast Track is a designation that the FDA reserves for a drug intended to treat a serious or life-threatening condition and one that demonstrates the potential to address an unmet medical need for the condition. Fast track designation is designed to facilitate the development and expedite the review of new drugs. For instance, should events warrant, we will be eligible to submit a New Drug Application ("NDA") for SGX201 on a rolling basis, permitting the FDA to review sections of the NDA prior to receiving the complete submission. Additionally, NDAs for Fast Track development programs ordinarily will be eligible for priority review, which implies an abbreviated review time of six months.

### About Acute Radiation Enteritis

External radiation therapy is used to treat most types of cancer, including cancer of the bladder, uterine, cervix, rectum, prostate, and vagina. During delivery of treatment, some level of radiation will also be delivered to healthy tissue, including the bowel, leading to acute and chronic toxicities. The large and small bowels are very sensitive to radiation and the larger the dose of radiation the greater the damage to normal bowel tissue. Radiation enteritis is a condition in which the lining of the bowel becomes swollen and inflamed during or after radiation therapy to the abdomen, pelvis, or rectum. Most tumors in the abdomen and pelvis need large doses, and almost all patients receiving radiation to the abdomen, pelvis, or rectum will show signs of acute enteritis.

Patients with acute enteritis may have nausea, vomiting, abdominal pain and bleeding, among other symptoms. Some patients may develop dehydration and require hospitalization. With diarrhea, the gastrointestinal tract does not function normally, and nutrients such as fat, lactose, bile salts, and vitamin B12 are not well absorbed.

Symptoms will usually resolve within 2-6 weeks after therapy has ceased. Radiation enteritis is often not a self-limited illness, as over 80% of patients who receive abdominal radiation therapy complain of a persistent change in bowel habits. Moreover, acute radiation injury increases the risk of development of chronic radiation enteropathy, and overall 5% to 15% of the patients who receive abdominal or pelvic irradiation will develop chronic radiation enteritis.

- 17 -

---

## Table of Content

There are over 100,000 patients annually in the U.S. who receive abdominal or pelvic external beam radiation treatment for cancer, and these patients are at risk of developing acute and chronic radiation enteritis.

### orBec® – Oral BDP for Treating Chronic Gastrointestinal Graft-versus-Host disease (GI GVHD)

orBec® is a two tablet delivery system of BDP specifically designed for oral use that allows for delivery of immediate and delayed release BDP to treat the gastrointestinal manifestation of chronic GVHD, the organ system where GVHD is most frequently encountered and highly problematic. orBec® is intended to reduce the need for systemic immunosuppressive drugs such as prednisone to treat chronic GI GVHD. The active ingredient in orBec® is BDP, a highly potent, topically active corticosteroid that has a local effect on inflamed tissue. BDP has been marketed in the US and worldwide since the early 1970s as the active pharmaceutical ingredient in a nasal spray and in a metered-dose inhaler for the treatment of patients with allergic rhinitis and asthma. In September 2012, we received a \$300,000 two-year SBIR grant awarded by the NIH to support a Phase 2 study.

orBec® has been awarded orphan drug designations in the U.S. and in Europe for the treatment of GI GVHD.

### About Chronic GVHD

GVHD is a major complication of allogeneic hematopoietic cell transplantation. GVHD is an inflammatory disease initiated by T cells in the donor graft that recognize histocompatibility and other tissue antigens of the host, and is mediated by a variety of effector cells and inflammatory cytokines. GVHD presents in both acute and chronic forms. The symptoms of chronic GVHD typically present at between 100 days and three years post-transplant.

Chronic GVHD has features resembling autoimmune and other immunologic disorders such as scleroderma, Sjögren syndrome, primary biliary cirrhosis, wasting syndrome, bronchiolitis obliterans, immune cytopenias and chronic immunodeficiency. The manifestations of chronic GVHD may be restricted to a single organ or tissue or may be widespread. Chronic GVHD can lead to debilitating consequences, e.g., joint contractures, loss of sight, end-stage lung disease, or mortality resulting from profound chronic immune suppression leading to recurrent or life-threatening infections.

Treatment of chronic GVHD is a challenge because it can be refractory to frontline immunosuppression. High-dose systemic corticosteroids are used with some success but carry significant toxicity. The risks of prolonged immunosuppression include local and disseminated infections, Epstein-Barr virus associated lymphoproliferative disease, hypothalamic-pituitary-adrenal (“HPA”) axis suppression, myopathy, glucose intolerance, neuropsychiatric disease and bone demineralization.

### LPM™ – Leuprolide for Treating Endometriosis and Prostate Cancer

Our Lipid Polymer Micelle (“LPM™”) oral drug delivery system is a proprietary platform technology designed to allow for the oral administration of peptide drugs that are water-soluble but poorly permeable through the gastrointestinal tract. We have previously demonstrated in pre-clinical animal models that the LPM™ technology is adaptable to oral delivery of peptide drugs and that high systemic levels after intestinal absorption can be achieved with the peptide hormone drug leuprolide. The LPM™ system utilizes a lipid based delivery system that can incorporate the peptide of interest in a thermodynamically stable configuration called a “reverse micelle” that, through oral administration, can promote intestinal absorption. Reverse micelles are structures that form when certain classes of lipids come in contact with small amounts of water. This results in a drug delivery system in which a stable clear dispersion of the water soluble drug can be evenly dispersed within the lipid phase. LPM™ is thought to promote intestinal absorption due to the ability of the micelles to open up small channels through the epithelial layer of the intestines that allow only molecules of a certain dimension to pass through while excluding extremely large molecules such as bacteria and

viruses. The reverse micelles also structurally prevent the rapid inactivation of peptides by enzymes in the upper gastrointestinal tract via a non-specific enzyme inhibition by surfactant(s) in the formulation.

In pre-clinical studies, the LPM™ delivery technology significantly enhanced the ability of leuprolide to pass through the intestinal epithelium in comparison to leuprolide alone. Leuprolide is a synthetic peptide agonist of gonadotropin releasing hormone, which is used in the treatment of prostate cancer in men and endometriosis in women. Leuprolide exhibits poor intestinal absorption from an aqueous solution with the oral bioavailability being less than 5%. Utilizing LPM™ in rats and dogs, the bioavailability of leuprolide averaged 30% compared to 2.2% for the control oral solution. Based on these promising pre-clinical data, we anticipate preparing for a Phase 1 study in humans to confirm these findings, pending further funding.

## Table of Content

An oral version of leuprolide may provide a significant advantage over the currently marketed “depot” formulations. Leuprolide is one of the most widely used anti-cancer agents for advanced prostate cancer in men. Injectable forms of leuprolide marketed under trade names such as Lupron® and Eligard® had worldwide annual sales of more than \$1 billion in recent years. Injectable leuprolide is also widely used in non-cancer indications, such as endometriosis in women (a common condition in which cells normally found in the uterus become implanted in other areas of the body), uterine fibroids in women (noncancerous growths in the uterus) and central precocious puberty in children (a condition causing children to enter puberty too soon). Leuprolide is currently available only in injectable, injectable depot and subcutaneous implant routes of delivery which limits its use and utility.

## Vaccines/BioDefense Overview

### ThermoVax™ – Thermostability Technology

Soligenix’s thermostability technology, ThermoVax™, is a novel method of rendering aluminum salt (known colloquially as Alum) adjuvanted vaccines stable at elevated temperatures. Alum is the most widely employed adjuvant technology in the vaccine industry. The value of ThermoVax™ lies in its potential ability to eliminate the need for cold-chain production, transportation, and storage for Alum adjuvanted vaccines. This would relieve companies of the high costs of producing and maintaining vaccines under refrigerated conditions. The World Health Organization (“WHO”) reports that 50% of all vaccines around the world are wasted due to thermostability issues. This is due to the fact that most Alum adjuvanted vaccines need to be maintained at between 2 and 8 degrees Celsius (“C”) and even brief excursions from this temperature range (especially below freezing) usually necessitates the destruction of the product or the initiation of costly stability programs specific for the vaccine lots in question. The savings realized from the elimination of cold chain costs and related product losses would in turn significantly increase the profitability of vaccine products. Elimination of the cold chain would also further facilitate the use of these vaccines in the lesser developed parts of the world. On the Vaccines/BioDefense side, ThermoVax™ has the potential to facilitate easier storage and distribution of strategic national stockpile vaccines in emergency settings.

Initial proof-of-concept preclinical studies with ThermoVax™ indicate that it is able to produce stable vaccine formulations using adjuvants, protein immunogens, and other components that ordinarily would not withstand long temperature variations exceeding customary refrigerated storage conditions. These studies were conducted with Soligenix’s aluminum-adjuvanted ricin toxin vaccine, RiVax™, made under precise lyophilization conditions using excipients that aid in maintaining native protein structure of the ricin A chain, the immunogenic compound of the vaccine. When RiVax™ was kept at 40 degrees C for over three months, all of the animals vaccinated with the lyophilized RiVax™ vaccine developed potent and high titer neutralizing antibodies. Confirmatory results have extended the stability to more than three months when the vaccine is kept at 40 degrees C. In contrast, animals that were vaccinated with the liquid RiVax™ vaccine kept at 40 degrees C did not develop neutralizing antibodies and were not protected against ricin exposure. The ricin A chain is extremely sensitive to temperature and rapidly loses the ability to induce neutralizing antibodies when exposed to temperatures higher than 8 degrees C.

Near term progress with ThermoVax™ will allow Soligenix to seek out potential partnerships with companies marketing FDA/ex-U.S. health authority approved Alum adjuvanted vaccines that are interested in eliminating the need for cold chain for their products. ThermoVax™ will further enable Soligenix to expand its vaccine development expertise beyond biodefense into the infectious disease space and also has the potential to allow for the development of multivalent vaccines (e.g., combination ricin-anthrax vaccine).

ThermoVax™ is the subject of U.S. patent application number 60/896,429 filed on March 22, 2007 entitled “Method of Preparing an Immunologically-Active Adjuvant-Bound Dried Vaccine Composition.” This patent and its corresponding foreign filings are pending and licensed to Soligenix by the University of Colorado and they address the use of adjuvants in conjunction with vaccines that are formulated to resist thermal inactivation. The license agreement covers

thermostable vaccines for biodefense as well as other potential vaccine indications.

- 19 -

---

## Table of Content

### RiVax™ – Ricin Toxin Vaccine

RiVax™ is our proprietary vaccine developed to protect against exposure to ricin toxin, and is the first ricin. With RiVax™, Soligenix is a world leader in ricin toxin vaccine research. The immunogen in RiVax™ induces a protective immune response in animal models of ricin exposure and functionally active antibodies in humans. The immunogen consists of a genetically inactivated subunit ricin A chain that is enzymatically inactive and lacks residual toxicity of the holotoxin. One Phase 1 human clinical trial was completed, and a second trial is currently being conducted. The development of RiVax™ has been sponsored through a series of overlapping challenge grants, UC1, and cooperative grants, U01, from the NIH, granted to Soligenix and to the University of Texas Southwestern Medical Center (“UTSW”) where the vaccine originated. The second clinical trial is being supported by a grant from the FDA's Office of Orphan Products to UTSW. Soligenix and UTSW have collectively received approximately \$15 million in grant funding from the NIH for RiVax™. Results of the first Phase 1 human trial of RiVax™ established that the immunogen was safe and induced antibodies anticipated to protect humans from ricin exposure. The antibodies generated from vaccination, concentrated and purified, were capable of conferring immunity passively to recipient animals, indicating that the vaccine was capable of inducing functionally active antibodies in humans. The outcome of the study was published in the Proceedings of the National Academy of Sciences (Vitetta et al., 2006, PNAS, 105:2268-2273). The second trial, sponsored by UTSW, is currently evaluating a more potent formulation of RiVax™ that contains a conventional adjuvant (salts of aluminum), anticipated to result in higher antibody titers of longer duration in human subjects. This trial is expected to complete in the 2H 2012. Soligenix has adapted the original manufacturing process for the immunogen contained in RiVax™ for large scale manufacturing and is further establishing correlates of the human immune response in non-human primates.

RiVax™ is the subject of three issued U.S. patent numbers 6,566,500, 6,960,652, and 7,829,668, all entitled "Compositions and methods for modifying toxic effects of proteinaceous compounds." This patent family includes composition of matter claims for the modified ricin toxin A chain which is the immunogen contained in RiVax™, and issued in 2003, 2005 and 2010 respectively. The initial filing date of these patents is March 2000 and they are expected to expire in March 2020. The issued patents contain claims that describe alteration of sequences within the ricin A chain that affect vascular leak, one of the deadly toxicities caused by ricin toxin. Another U.S. patent number 7,175,848 entitled “Ricin A chain mutants lacking enzymatic activity as vaccines to protect against aerosolized ricin,” was filed in October of 2000 and is expected to expire in October 2020. RiVax™ has also been granted Orphan Drug Designation by the FDA for the prevention of ricin intoxication.

### About Ricin Toxin

Ricin toxin can be cheaply and easily produced, is stable over long periods of time, is toxic by several routes of exposure and thus has the potential to be used as a biological weapon against military and/or civilian targets. As a bioterrorism agent, ricin could be disseminated as an aerosol, by injection, or as a food supply contaminant. The potential use of ricin toxin as a biological weapon of mass destruction has been highlighted in a Federal Bureau of Investigation Bioterror report released in November 2007 entitled Terrorism 2002-2005, which states that “Ricin and the bacterial agent anthrax are emerging as the most prevalent agents involved in WMD investigations” ([http://www.fbi.gov/stats-services/publications/terrorism-2002-2005/terror02\\_05.pdf](http://www.fbi.gov/stats-services/publications/terrorism-2002-2005/terror02_05.pdf)). The Centers for Disease Control (“CDC”) has classified ricin toxin as a Category B biological agent. Ricin works by first binding to glycoproteins found on the exterior of a cell, and then entering the cell and inhibiting protein synthesis leading to cell death. Once exposed to ricin toxin, there is no effective therapy available to reverse the course of the toxin. Currently, there is no FDA approved vaccine to protect against the possibility of ricin toxin being used in a terrorist attack, or its use as a weapon on the battlefield, nor is there a known antidote for ricin toxin exposure.

### VeloThrax™ – Anthrax Vaccine



VeloThrax™ is Soligenix's newly acquired proprietary vaccine based on a recombinant Protective Antigen (rPA) derivative intended for use against anthrax. Soligenix has entered into an exclusive license option with Harvard College to license VeloThrax™ (also known as DNI for dominant negative inhibitor). VeloThrax™ is a translocation-deficient mutant of PA with double mutations of K397D and D425K that impede the conformational changes necessary for endosomal membrane translocation into the cell cytoplasm. In the absence of that PA translocation step, anthrax toxin trafficking and function cease. VeloThrax™ is also considered a more immunogenic candidate than native rPA. This apparent increase in immunogenicity suggests that the DNI rPA is processed and presented to the immune system more efficiently by cellular antigen processing pathways, which is consistent with known properties of the molecule.

## Table of Content

DNI versions of rPA such as VeloThrax™ are also capable of inducing antibodies that neutralize the activity of the anthrax toxin complex. Unlike fully-functional rPA, VeloThrax™ might be given to a patient post-exposure without risk of enhancing intoxication during an infection, although clinical tests involving intravenous administration of potentially therapeutic levels of DNI rPA resulted in serious adverse events and so further development of this product as a therapeutic biological for blocking the effects of infection by B. anthracis was discontinued. Soligenix intends to test VeloThrax™ at a 1,000 fold lower dose than previously tested for an intramuscular or intradermal vaccine.

Initial development work on VeloThrax™ has begun and will be conducted pursuant to Soligenix's \$9.4 million NIAID grant enabling development of thermo-stable ricin and anthrax vaccines. VeloThrax™'s greater immunogenicity could lead to a vaccine that can be administered in the fewest possible doses to induce the highest level of toxin neutralizing antibodies. Utilizing ThermoVax™, Soligenix believes that it will be able to develop VeloThrax™ into a vaccine with an improved stability profile, an issue that has proven challenging in the development of other anthrax vaccines. Extended stability at ambient temperatures would be a significant improvement for stockpiled vaccines and one which is not expected from conventional vaccines. Further, a large-scale, cGMP production methodology has already been completed. Assuming long-term stability can be met; VeloThrax™ could be stockpiled for general prophylactic as well as a post exposure use.

The overall objective of the VeloThrax™ program is to rapidly and efficiently develop a next generation anthrax vaccine which combines a well established, safe and relatively low risk vaccine development and dosing approach with targeted, proven innovative strategies. VeloThrax™ will potentially be a combination of a stable, readily manufactured mutant rPA subunit antigen with next generation, clinically compatible adjuvants from Infectious Disease Research Institute ("IDRI") which have been demonstrated to enhance potency and reduce the time and number of vaccine doses required to achieve protective titer using a variety of vaccine antigens. This blend of proven yet innovative technologies will provide the Public Health Emergency Medical Countermeasures Enterprise ("PHEMCE") and the Department of Defense ("DoD") with a safe and stable alternative to the existing licensed anthrax vaccine product. Soligenix also proposes to adapt newly developed glassification technology (initially developed under an ongoing NIAID grant to stabilize exceptionally unstable ricin toxin/adjuvant formulations) to enable a thermostable, dried, single vial, pre-formulated adjuvanted rPA vaccine which is suitable for both long term storage and field use without typical cold chain constraints.

## About Anthrax

Anthrax is an acute infectious disease that is easily transmitted to humans by environmentally durable spores that are produced by *Bacillus anthracis*. Because the spores are robust and contagious, anthrax is considered a Category A bioterror threat. Anthrax infection can occur in three forms: cutaneous (skin), inhalation, and gastrointestinal. Inhaled spores can cause a rapidly progressing form of anthrax since the spores are transported to lymph nodes near the lungs where they germinate, releasing vegetative bacteria into the bloodstream. Bacteria synthesize a complex series of toxin components that make up anthrax toxin, resulting in overwhelming toxemia that causes shock and organ failure. Treatment of anthrax involves long-term antibiotic therapy, since ungerminated spores can lie dormant in the lungs for up to 60 days. Only a few inhaled spores can cause inhalational anthrax. Once the toxin has entered the bloodstream, antibiotics are ineffective, and only toxin-specific therapy is effective. Passively transferred antibodies can neutralize anthrax toxins and can be used post-exposure in conjunction with antibiotics. Because of the long residence time of spores in the lung, it is possible to vaccinate post-exposure, but the onset of neutralizing antibodies must occur during the period of antibiotic therapy.

## OrbeShield™ – Oral BDP for Gastrointestinal Acute Radiation Syndrome (GI ARS)

OrbeShield™ (an oral immediate and delayed release formulation of the topically active corticosteroid BDP) is being developed for the treatment of GI ARS. Corticosteroids are the best understood and most widely used class of

anti-inflammatory drugs. BDP is a corticosteroid with predominantly topical activity that is approved for use in asthma, psoriasis and allergic rhinitis.

- 21 -

---

## Table of Content

OrbeShield™ has demonstrated positive preclinical results in a canine GI ARS model which indicate that dogs treated with OrbeShield™ demonstrated statistically significant ( $p=0.04$ ) improvement in survival with dosing at either 2 hours or 24 hours after exposure to lethal doses of total body irradiation (“TBI”) when compared to control dogs. OrbeShield™ appears to significantly mitigate the damage to the GI epithelium caused by exposure to high doses of radiation using a well-established canine model of GI ARS.

The GI tract is highly sensitive to ionizing radiation and the destruction of epithelial tissue is one of the first effects of radiation exposure. The rapid loss of epithelial cells leads to inflammation and infection that are often the primary cause of death in acute radiation injury. This concept of GI damage also applies to clinical setting of oncology, where high doses of radiation cannot be administered effectively to the abdomen because radiation is very toxic to the intestines. This is the same type of toxicity that occurs in radiation-induced GI ARS. As a result, there is a dual avenue of development for Soligenix, and OrbeShield™ is potentially a “dual use” compound, a desirable characteristic which is a specific priority of Biomedical Advanced Research and Development Authority (“BARDA”) for ARS and other medical countermeasure indications.

The application of OrbeShield™ to acute GI ARS originated from other programs for oral BDP and is based on the properties of BDP to act locally in the GI to modulate local inflammation and epithelial cellular apoptosis. Development of OrbeShield™ for GI ARS is a natural extension of Soligenix’s radiation enteritis clinical program with SGX201. Killing cancer cells with radiation therapy or chemotherapy must be done in ways that minimize toxicity to the rest of the body, but often leads to an inflammatory condition in the GI tract when administered in that general vicinity. In most radiation scenarios, injury to the hematopoietic (blood) system and GI tract are the main determinants of survival.

Previously, development of OrbeShield™ had been largely supported by a \$1 million NIH grant to Soligenix’s academic partner, the Fred Hutchinson Cancer Research Center. In July 2012, the Company received a SBIR grant from NIAID of approximately \$600,000 to support further preclinical development of OrbeShield™ for the treatment of acute GI ARS.

### About GI ARS

The potential occurrence of industrial radiation accidents and the threat of terrorist events involving radioactive material mandate the development and implementation of effective treatments of radiation injury. The GI tract is highly sensitive to radiation damage. Substantial injury to the GI tract after radiation exposure results in death. In most radiation scenarios, injury to the hematopoietic system and gastrointestinal tract are the main determinants of survival. There is an urgent need to develop specific countermeasures against the lethality caused by intestinal exposure to radiation and against the pathophysiological manifestations of radiation-induced gastrointestinal injury.

### The Drug Approval Process

Before marketing, each of our products must undergo an extensive regulatory approval process conducted by the FDA and applicable agencies in other countries. Testing, manufacturing, commercialization, advertising, promotion, export and marketing, among other things, of the proposed products are subject to extensive regulation by government authorities in the U.S. and other countries. All products must go through a series of tests, including advanced human clinical trials, which the FDA is allowed to suspend as it deems necessary to protect the safety of patients.

Our products will require regulatory clearance by the FDA and by comparable agencies in other countries, prior to commercialization. The nature and extent of regulation differs with respect to different products. In order to test, produce and market certain therapeutic products in the U.S., mandatory procedures and safety standards, approval

processes, manufacturing and marketing practices established by the FDA must be satisfied.

An IND application is required before human clinical testing in the U.S. of a new drug compound or biological product can commence. The IND application includes results of pre-clinical animal studies evaluating the safety and efficacy of the drug and a detailed description of the clinical investigations to be undertaken.

- 22 -

---

## Table of Content

Clinical trials are normally done in three phases, although the phases may overlap. Phase 1 trials are smaller trials concerned primarily with metabolism and pharmacologic actions of the drug and with the safety of the product. Phase 2 trials are designed primarily to demonstrate effectiveness and safety in treating the disease or condition for which the product is indicated. These trials typically explore various doses and regimens. Phase 3 trials are expanded clinical trials intended to gather additional information on safety and effectiveness needed to clarify the product's benefit-risk relationship and generate information for proper labeling of the drug, among other things. The FDA receives reports on the progress of each phase of clinical testing and may require the modification, suspension or termination of clinical trials if an unwarranted risk is presented to patients. When data is required from long-term use of a drug following its approval and initial marketing, the FDA can require Phase 4, or post-marketing, studies to be conducted.

With certain exceptions, once successful clinical testing is completed, the sponsor can submit an NDA for approval of a drug. The process of completing clinical trials for a new drug is likely to take a number of years and require the expenditure of substantial resources. Furthermore, the FDA or any foreign health authority may not grant an approval on a timely basis, if at all. The FDA may deny the approval of an NDA, in its sole discretion, if it determines that its regulatory criteria have not been satisfied or may require additional testing or information. Among the conditions for marketing approval is the requirement that the prospective manufacturer's quality control and manufacturing procedures conform to good manufacturing practice regulations. In complying with standards contained in these regulations, manufacturers must continue to expend time, money and effort in the area of production, quality control and quality assurance to ensure full technical compliance. Manufacturing facilities, both foreign and domestic, also are subject to inspections by, or under the authority of, the FDA and by other federal, state, local or foreign agencies.

Even after initial FDA or foreign health authority approval has been obtained, further studies, including Phase 4 post-marketing studies, may be required to provide additional data on safety and will be required to gain approval for the marketing of a product as a treatment for clinical indications other than those for which the product was initially tested. Also, the FDA or foreign regulatory authority will require post-marketing reporting to monitor the side effects of the drug. Results of post-marketing programs may limit or expand the further marketing of the products. Further, if there are any modifications to the drug, including any change in indication, manufacturing process, labeling or manufacturing facility, an application seeking approval of such changes will likely be required to be submitted to the FDA or foreign regulatory authority.

In the U.S., the Federal Food, Drug, and Cosmetic Act, the Public Health Service Act, the Federal Trade Commission Act, and other federal and state statutes and regulations govern or influence the research, testing, manufacture, safety, labeling, storage, record keeping, approval, advertising and promotion of drug, biological, medical device and food products. Noncompliance with applicable requirements can result in, among other things, fines, recall or seizure of products, refusal to permit products to be imported into the U.S., refusal of the government to approve product approval applications or to allow the Company to enter into government supply contracts, withdrawal of previously approved applications and criminal prosecution. The FDA may also assess civil penalties for violations of the Federal Food, Drug, and Cosmetic Act involving medical devices.

For the development of biodefense vaccines, such as RiVax™, the FDA has instituted policies that are expected to result in shorter pathways to market. This potentially includes approval for commercial use utilizing the results of animal efficacy trials, rather than efficacy trials in humans. However, the Company will still have to establish that the vaccine and countermeasures it is developing are safe in humans at doses that are correlated with the beneficial effect in animals. Such clinical trials will also have to be completed in distinct populations that are subject to the countermeasures; for instance, the very young and the very old, and in pregnant women, if the countermeasure is to be licensed for civilian use. Other agencies will have an influence over the benefit-risk scenarios for deploying the countermeasures and in establishing the number of doses utilized in the Strategic National Stockpile. We may not be able to sufficiently demonstrate the animal correlation to the satisfaction of the FDA, as these correlates are difficult to establish and are often unclear. Invocation of the animal rule may raise issues of confidence in the model systems

even if the models have been validated. For many of the biological threats, the animal models are not available and the Company may have to develop the animal models, a time-consuming research effort. There are few historical precedents, or recent precedents, for the development of new countermeasure for bioterrorism agents. Despite the Animal Rule, the FDA may require large clinical trials to establish safety and immunogenicity before licensure and it may require safety and immunogenicity trials in additional populations. Approval of biodefense products may be subject to post-marketing studies, and could be restricted in use in only certain populations.

- 23 -

---

## Table of Content

### Marketing Strategies

Pursuant to the collaboration and supply agreement with Sigma-Tau, we granted an exclusive license to Sigma-Tau to commercialize orBec® in the U.S., Canada, Mexico and Europe.

We have had and are having strategic discussions with a number of pharmaceutical companies regarding the partnering or sale of our biodefense vaccine products. We may market our biodefense vaccine products directly to government agencies. We believe that both military and civilian health authorities of the U.S. and other countries will increase their stockpiling of therapeutics and vaccines to treat and prevent diseases and conditions that could ensue following a bioterrorism attack.

### Competition

Our competitors are pharmaceutical and biotechnology companies, most of whom have considerably greater financial, technical, and marketing resources than we currently have. Another source of competing technologies is universities and other research institutions, including the U.S. Army Medical Research Institute of Infectious Diseases, and we face competition from other companies to acquire rights to those technologies.

### Oral BDP Competition

There are currently 41 compounds either on the market or in clinical development for Crohn's disease of which 14 are biologics, 6 immunomodulators, 3 cell-based therapies, 2 steroids, 2 anti-inflammatory, 2 5-ASAs, 1 antibiotic, and 11 other that are unclassified. In the U.S., there are 24 compounds on market or in development including 4 compounds in Phase 3.

There are 4 compounds currently in development or on the market specifically for pediatric Crohn's disease. Of these, Remicade (infliximab) is the only compound currently with an indication in pediatric Crohn's disease. There are two other marketed biologics, Cimzia (certolizumab) and Tysabri (natalizumab), in Phase 2 for pediatric Crohn's. Entocort (budesonide) is also currently in Phase 3 trials in pediatric Crohn's disease. We believe that SGX203's unique release characteristics, intended to deliver topically active therapy to both the upper and lower gastrointestinal systems, should make SGX203 an attractive alternative to existing therapies for inflammatory diseases of the gastrointestinal tract.

Competition is also intense in the gastroenterology and transplant areas. Companies are attempting to develop technologies to treat GVHD by suppressing the immune system through various mechanisms. Some companies, including Osiris, Abgenix, and PDL BioPharma, Inc., are developing monoclonal antibodies to treat GVHD. Novartis, Medimmune, and Ariad are developing both gene therapy products and small molecules to treat GVHD. All of these products are in various stages of development. Kiadis Pharma is also developing products for the treatment of GVHD. In addition, there are investigator-sponsored clinical trials exploring the use of approved drugs such as Enbrel®, which has been approved by the FDA for the treatment of rheumatoid arthritis, in the treatment of GVHD.

Additionally, Chiesi Pharmaceuticals markets in certain countries in Europe a delayed-release oral formulation of beclomethasone dipropionate, the active ingredient of orBec®, called CLIPPER™ for ulcerative colitis.

### ThermoVax™ Competition

Multiple groups and companies are working to address the unmet need of vaccine thermostability using a variety of technologies. In addition, both non-governmental organizations such as the Bill and Melinda Gates Foundation and PATH, as well as academic organizations such as the Kansas University Macromolecular and Vaccine Stabilization



Center have programs designed to advance technologies which may address this need.

- 24 -

---

## Table of Content

The majority of stabilization technologies currently being developed involve mixing vaccine antigen +/- adjuvant with various proprietary excipients or co-factors that either serve to stabilize the vaccine or biological product in a liquid or dried (lyophilized) form. Examples of these approaches include the use of various plant-derived sugars and macromolecules being developed by companies such as Stabilitech and synthetic polymers such as Pluronic F127 (Endo Pharmaceuticals under Gates Foundation funding). VBI (Variation Biotechnologies, Inc) intends to employ a lipid system (resembling liposomes) to stabilize viral antigens, including virus-like particles (VLPs), and apply it to a conventional influenza vaccine among others

Other approaches involve process variations to freeze-dry live virus vaccines. For example, PaxVax intends to employ a spray drying technology in concert with enteric coating to achieve formulations for room temperature stability of live virus vaccines using adenovirus vectors. VBI has the capacity to utilize their proprietary stabilization technology for a number of vaccines (as a co-development service, similar to the business model being developed by Stabilitech), whereas PaxVax is applying the technology to their own proprietary vaccine development programs. Stabilitech uses combinations of excipients, which include glassifying sugars similar to the ThermoVax™ technology, and variations in drying cycles during lyophilization, as does the ThermoVax™ technology. Another Soligenix competitor, Endo Pharmaceuticals is working to identify Pluronic polymer-based formulations that stabilize measles and hepatitis B vaccines from -10°C to 45°C.

Additionally, companies like Pharmathene, Panacea Biotech, and Compass Biotech are developing proprietary vaccines with the application of some form of stabilization technology.

## Vaccines/BioDefense Competition

We face competition in the area of biodefense product development from various public and private companies, universities and governmental agencies, such as the U.S. Army, some of whom may have their own proprietary technologies which may directly compete with our technologies.

The currently available anthrax vaccine known as BioThrax® (Anthrax Vaccine Adsorbed or AVA) marketed by Emergent BioSolutions, Inc. was developed nearly 50 years ago from a culture filtrate derived from anthrax bacteria. Consequently, it contains a number of different proteins, some of which are believed to potentially contribute to the adverse events that have been reported in the literature (up to 7-8% serious adverse events) and which prompted agencies like the Institute of Medicine to recommend adoption of newer and safer anthrax vaccines. BioThrax® is FDA approved for the prevention of anthrax infection, but requires five doses over a period of eighteen months to achieve protective immunity.

With respect to the development of PA-based vaccines and therapeutics such as VeloThrax™, there are a number of other companies in preclinical and clinical development including Emergent, Pharmathene, Dynavax, Panacea Biotech, Paxvax, Elusys, and Pfenex.

Cangene is currently developing an anthrax immune globulin therapeutic based on plasma collected from military personnel who have been vaccinated with BioThrax®. Human Genome Sciences is developing a monoclonal antibody to Bacillus anthracis, referred to as ABthrax™, as a post-exposure therapeutic for anthrax infection. Elusys Therapeutics is developing a monoclonal antibody to Bacillus anthracis, known as Anthim™, as a pre-exposure and post-exposure prophylaxis against anthrax infection, as well as an active treatment of disease. Pharmathene and Medarex are collaborating to develop a human antibody to anthrax, known as Valortim™. Bavarian Nordic is developing a multivalent combination vaccine against both anthrax and smallpox.

The only potential competition to RiVax™ is being developed by the U.S. Army Medical Research Institute of Infectious Diseases (USAMRIID), the DoD's lead laboratory for medical research to counter biological threats.

Development of this product, known as RVEc™, is proceeding under a program led by Dr. Len Smith, who has been working for many years to develop a ricin vaccine candidate. Similar to RiVax™, RVEc™ has been shown to be fully protective in mice exposed to lethal doses of ricin toxin by the aerosol route. Further studies, in both rabbits and nonhuman primates, were successfully conducted to evaluate RVEc™'s safety as well as its immunogenicity.

- 25 -

---

## Table of Content

In the area of radiation-protective antidotes such as OrbeShield™, various companies, such as Cleveland Biolabs, Aeolus Pharmaceuticals, Boulder Biotechnology, RxBio, Inc., Exponential Biotherapies Inc., Osiris Therapeutics, Inc., ImmuneRegen BioSciences, Inc., Neumedicines, Inc., Cellerant Therapeutics, Onconova Therapeutics, Inc., Araim Pharmaceuticals, Inc., EVA Pharmaceuticals, Terapio, Cangene Corporation, Humanetics Corporation and the University of Arkansas Medical Sciences Center are developing biopharmaceutical products that may directly compete with OrbeShield™, even though their approaches to such treatment are different.

Only RxBio and the University of Arkansas have programs specifically for GI ARS. RxBio's Rx100 is a stem cell protectant designed as a single dose (oral or injection) which has shown promise in nonhuman primate studies. Pasireotide, a drug in development by Novartis for Cushing's disease, is being developed at the University of Arkansas to protect the intestine by reducing pancreatic secretions that exacerbate intestinal inflammation.

### Patents and Other Proprietary Rights

Our goal is to obtain, maintain and enforce patent protection for our products, formulations, processes, methods and other proprietary technologies, preserve our trade secrets, and operate without infringing on the proprietary rights of other parties, both in the U.S. and in other countries. Our policy is to actively seek to obtain, where appropriate, the broadest intellectual property protection possible for our product candidates, proprietary information and proprietary technology through a combination of contractual arrangements and patents, both in the U.S. and elsewhere in the world.

We also depend upon the skills, knowledge and experience of our scientific and technical personnel, as well as that of our advisors, consultants and other contractors, none of which is patentable. To help protect our proprietary knowledge and experience that is not patentable, and for inventions for which patents may be difficult to enforce, we rely on trade secret protection and confidentiality agreements to protect our interests. To this end, we require all employees, consultants, advisors and other contractors to enter into confidentiality agreements, which prohibit the disclosure of confidential information and, where applicable, require disclosure and assignment to us of the ideas, developments, discoveries and inventions important to our business.

We are the exclusive licensee of issued U.S. patents 8,263,582 and 6,096,731 that cover the use of oral BDP for treating inflammatory disorders of the gastrointestinal tract and the prevention and treatment of GI GVHD, respectively. We also have European patent EP 1392321 claiming the use of topically active corticosteroids in orally administered dosage forms that act concurrently to treat inflammation in the upper and lower gastrointestinal tract and European patent EP 1830857 claiming oral BDP in conjunction with a short duration of high-dose prednisone with a rapid taper for the reduction of mortality associated with GVHD and leukemia.

In addition to issued and pending patents, we also have "Orphan Drug" designations for SGX203 in the U.S. for pediatric Crohn's disease, and for orBec® in the U.S. and Europe for GI GVHD. Our Orphan Drug designations provide for seven years of post approval marketing exclusivity in the U.S. and ten years exclusivity in Europe. We have pending patent applications for this indication that, if granted, may extend our anticipated marketing exclusivity beyond the seven year post-approval exclusivity provided by the Orphan Drug Act of 1983.

### orBec®/Oral BDP License Agreement

On November 24, 1998, the Company, known at the time as Enteron Pharmaceuticals, Inc. ("Enteron") and George B. McDonald ("Dr. McDonald") entered into an exclusive license agreement for the rights to intellectual property, including know-how, relating to orBec®/oral BDP. The Company has an exclusive license to commercially exploit the covered products worldwide, subject to Dr. McDonald's right to make and use the technology for research purposes and the U.S. Government's right to use the technology for government purposes. In consideration for the license, the

Company has paid to Dr. McDonald a license fee in the amount of \$20,000 and is required to (i) reimburse Dr. McDonald for certain out-of-pocket expenses incurred by Dr. McDonald in connection with the patent applications and issued patents, (ii) pay Dr. McDonald a milestone payment in the amount of \$300,000; (iii) issue Dr. McDonald shares of common stock equal to 8% of the Company's outstanding common stock as of November 24, 1998, with certain anti-dilution protection, and (iv) pay Dr. McDonald royalty payments equal to 6% of net sales of the covered products.

- 26 -

---

## Table of Content

Additionally, in the event that the Company sublicenses its rights under this license agreement, the Company will be required to pay Dr. McDonald 25% of any sublicense fees and royalty payments paid by the sublicense to the Company.

The term of this agreement expires upon the expiration of the licensed patent applications or patents. After five years from the date of the agreement, Dr. McDonald has the right to terminate this agreement in its entirety or to terminate exclusivity under the agreement if the Company or its sublicense has not commercialized or are not actively attempting to commercialize a covered product.

Additionally, the agreement terminates: (i) automatically upon the Company becoming insolvent; (ii) upon 30 days notice, if the Company breaches any obligation under the agreement without curing such breach during the notice period; and (iii) upon 90 days notice by the Company. After any termination, the Company will have the right to sell its inventory for a period not to exceed three months following the date of termination, subject to the payment of the amounts owed under the agreement.

On July 26, 2011, the Company, Enteron, and Dr. McDonald entered into an amendment to their exclusive license agreement. Under the license agreement, Dr. McDonald would have been entitled to receive (i) \$1,250,000 upon the closing of the July 26, 2011 amendment executed by the Company and Sigma-Tau; and (ii) \$250,000 upon an approval of orBec® by the EMEA. Pursuant to the amendment, the Company agreed to pay Dr. McDonald (i) \$612,500 in cash and \$400,000 in common stock of the Company (based upon the closing price of the Company's common stock on July 26, 2011) upon the closing of the amendment between the Company and Sigma-Tau and (ii) \$400,000 in cash upon an approval of orBec® by the EMEA.

### ThermoVax™ License Agreement

On September 1, 2009, we executed a worldwide exclusive option to license patent applications with the University of Colorado ("UC") for ThermoVax™ which is the subject of U.S. patent application number 60/896,429 filed on March 22, 2007 entitled "Method of Preparing an Immunologically-Active Adjuvant-Bound Dried Vaccine Composition." This patent and its corresponding foreign filings are pending and licensed to Soligenix by the UC and they address the use of adjuvants in conjunction with vaccines that are formulated to resist thermal inactivation. The license agreement also covers thermostable vaccines for biodefense as well as other potential vaccine indications. In addition, Soligenix in conjunction with UC, filed a provisional patent application number 61/487,206 on May 17, 2011 entitled: "Thermostable Vaccine Compositions and Methods of Preparing Same."

### RiVax™ License Agreement

In January 2003, we executed a worldwide exclusive option to license patent applications with University of Texas Southwestern Medical Center ("UTSW") for the nasal, pulmonary and oral uses of a non-toxic ricin vaccine. In June 2004, we entered into a license agreement with UTSW for the injectable rights to the ricin vaccine and, in October 2004, we negotiated the remaining oral rights to the ricin vaccine. Our license obligates us to pay \$50,000 in annual license fees. Through this license, we have rights to the issued patent number 7,175,848 entitled "Ricin A chain mutants lacking enzymatic activity as vaccines to protect against aerosolized ricin." This patent includes methods of use and composition claims for RiVax™.

### VeloThrax™ License Option Agreement

In December of 2011, we optioned a license to the VeloThrax™ patent from the President and Fellows of Harvard College. VeloThrax™ is the subject of U.S. patent No. 7,037,503, issued on May 2, 2006 and entitled, "Compounds and Methods for the Treatment and Prevention of Bacterial Infection", along with any reissue, renewal, reexamination,

substitution or extension thereof. The PCT application patent was filed in May 2001 and will expire in May 2021 (barring any patent term extensions).

#### Research and Development Expenditure

We spent approximately \$6.3 million and \$6.0 million in the years ended December 31, 2011 and 2010, respectively, on research and development. The amounts we spent on research and development per product during the years ended December 31, 2011 and 2010 are set forth in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this prospectus.

Table of Content

Employees

As of October 31, 2012, we had 9 full-time employees, 4 of whom are MDs/PhDs.

Properties

We currently lease approximately 5,250 square feet of office space at 29 Emmons Drive, Suite C-10, Princeton, New Jersey 08540. This office space currently serves as our corporate headquarters. On February 7, 2012, we entered into a lease agreement through March 31, 2015 for our existing office space. The rent for the first 12 months is approximately \$8,000 per month, or approximately \$18.25 per square foot on an annualized basis. This rent increases to approximately \$8,310 per month, or approximately \$19.00 per square foot on an annualized basis, for the remaining 24 months. Our office space is sufficient to satisfy our current needs.

Legal Proceedings

From time to time, we are a party to claims and legal proceedings arising in the ordinary course of business. Our management evaluates our exposure to these claims and proceedings individually and in the aggregate and allocates additional monies for potential losses on such litigation if it is possible to estimate the amount of loss and if the amount of the loss is probable.



## Table of Content

### MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion and analysis provides information that we believe is relevant to an assessment and understanding of our results of operation and financial condition. You should read this analysis in conjunction with our audited consolidated financial statements and related notes and our unaudited consolidated interim financial statements and their notes. This discussion and analysis contains statements of a forward-looking nature relating to future events or our future financial performance. These statements are only predictions, and actual events or results may differ materially. In evaluating such statements, you should carefully consider the various factors identified in this prospectus, which could cause actual results to differ materially from those expressed in, or implied by, any forward-looking statements, including those set forth in "Risk Factors" in this prospectus. See "Forward-Looking Statements."

#### Our Business Overview

Soligenix, Inc. was incorporated in Delaware in 1987. We are a development stage biopharmaceutical company that is focused on developing products to treat serious gastrointestinal diseases where there remains an unmet medical need, as well as developing several biodefense vaccines and therapeutics. We maintain two active business segments: BioTherapeutics and Vaccines/BioDefense.

Our BioTherapeutics business segment intends to develop oral beclomethasone dipropionate (oral BDP) for indications such as pediatric Crohn's disease and acute radiation enteritis. Our Vaccines/BioDefense business segment includes active development programs for RiVax™, our ricin toxin vaccine, and VeloThrax™, our anthrax vaccine, and OrbeShield™, our gastrointestinal acute radiation syndrome ("GI ARS") therapeutic. The advanced development of our vaccine programs is currently supported by our heat stabilization technology, known as ThermoVax™, under existing and on-going government grant funding.

An outline of our business strategy follows:

- Initiate a Phase 1/2 clinical trial of oral BDP, known as SGX203, in pediatric Crohn's disease;
- Evaluate the effectiveness of orBec®/Oral BDP in other therapeutic indications involving inflammatory conditions of the gastrointestinal ("GI") tract such as prevention of acute radiation enteritis and treatment of chronic GI GVHD;
- Develop RiVax™ and VeloThrax™ in combination with our proprietary vaccine heat stabilization technology, known as ThermoVax™, to develop new heat stable vaccines in biodefense and infectious diseases with the potential to collaborate and/or partner with other companies in these areas;
- Continue to apply for and secure additional government funding for each of our BioTherapeutics and Vaccines/BioDefense programs through grants, contracts and/or procurements;
- Acquire or in-license new clinical-stage compounds for development; and
- Explore other business development and acquisition strategies.

#### Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the U.S. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses, and related disclosure of contingent assets and liabilities. We evaluate these estimates and judgments on an on-going basis.



## Table of Content

### Intangible Assets

One of the most significant estimates or judgments that we make is whether to capitalize or expense patent and license costs. We make this judgment based on whether the technology has alternative future uses, as defined in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 730, Research and Development. Based on this consideration, we capitalized payments made to legal firms that are engaged in filing and protecting rights to intellectual property and rights for our current products in both the domestic and international markets. We believe that patent rights are one of our most valuable assets. Patents and patent applications are key components of intellectual property, especially in the early stage of product development, as their purchase and maintenance gives us access to key product development rights from our academic and industrial partners. These rights can also be sold or sub-licensed as part of our strategy to partner our products at each stage of development as the intangible assets have alternative future use. The legal costs incurred for these patents consist of work associated with filing new patents designed to protect, preserve, maintain and perhaps extending the lives of the patents. We capitalize such costs and amortize intangibles over their expected useful life, generally a period of 11 to 16 years.

These intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or if the underlying program is no longer being pursued. If the sum of the expected undiscounted cash flows is less than the carrying value of the related asset or group of assets, a loss is recognized for the difference between the fair value and carrying value of the related asset or group of assets.

### Research and Development Costs

Research and development costs are charged to expense when incurred in accordance with FASB ASC 730, Research and Development. Research and development includes costs such as clinical trial expenses, contracted research and license agreement fees with no alternative future use, supplies and materials, salaries stock based compensation, employee benefits, equipment depreciation and allocation of various corporate costs. Purchased in-process research and development expense represents the value assigned or paid for acquired research and development for which there is no alternative future use as of the date of acquisition.

### Revenue Recognition

Principally our revenues are generated from NIH grants and revenues from licensing activities and the achievement of licensing milestones (in prior periods). Recording of revenue is applied in accordance with FASB ASC 605, Revenue Recognition, ASC 605-25 and/or Accounting Standard Update, ASU, 2009-13, Revenue Recognition – Multiple Element Arrangements. The revenue from NIH grants is based upon subcontractor costs and internal costs incurred that are specifically covered by the grants, plus a facilities and administrative rate that provides funding for overhead expenses. These revenues are recognized when expenses have been incurred by subcontractors or when we incur internal expenses that are related to the grant. Licensing and associated milestone revenues are recorded when earned.

### Accounting for Warrants

We considered FASB ASC 815, Evaluating Whether an Instrument is Considered Indexed to an Entity’s Own Stock, which provides guidance for determining whether an equity-linked financial instrument (or embedded feature) issued by an entity is indexed to the entity’s stock, and therefore, qualifying for the first part of the scope exception in paragraph 815-10-15. We evaluated the warrants’ provisions and determined that they were indexed to our own stock and therefore to be accounted for as an equity instrument for the six months ended June 30, 2012 and 2011.

### Stock-Based Compensation

From time to time, we issue restricted shares of common stock to vendors and consultants as compensation for services performed. These shares are typically issued as restricted stock, unless issued to non-affiliates under the 2005 Equity Incentive Plan, where the stock may be issued as unrestricted. The restricted stock can only have the restrictive legend removed if the shares underlying the certificate are sold pursuant to an effective registration statement, which we must file and have approved by the SEC, if the shares underlying the certificate are sold pursuant to Rule 144, provided certain conditions are satisfied, or if the shares are sold pursuant to another exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act").

- 30 -

---

## Table of Content

We determine stock-based compensation expense for options, warrants and shares of common stock granted to non-employees in accordance with FASB ASC 718, Stock Compensation, and FASB ASC 505-50, Equity-Based Payments to Non-Employees, and represents the fair value of the consideration received, or the fair value of the equity instruments issued, whichever may be more reliably measured. For options that vest over future periods, the fair value of options granted to non-employees is amortized as the options vest. The option's price is remeasured using the Black-Scholes model at the end of each quarterly reporting period. Stock-based compensation expense recognized during the period is based on the value of the portion of share-based payment awards that is ultimately expected to vest during the period.

## Material Changes in Results of Operations

### Three and Six Months Ended June 30, 2012 Compared to 2011

For the three months ended June 30, 2012, we had a net loss of \$979,878 as compared to a net loss of \$1,931,317 for the same period in the prior year, representing a decrease in the net loss of \$951,439 or 49%. For the six months ended June 30, 2012, we had a net loss of \$2,418,633 as compared to a net loss of \$3,651,728 for the same period in the prior year, representing a decrease of \$1,233,095 or 34%.

For the three and six months ended June 30, 2012, revenues and associated costs related to NIH grants awarded supported development of our thermostable vaccines and orBec®. For the three months ended June 30, 2012, we had revenues of \$762,851 as compared to \$405,820 for the same period in the prior year, representing an increase of \$357,031 or 88%. For the six months ended June 30, 2012, we had revenues of \$1,410,269 as compared to \$1,213,825 for the same period in the prior year, representing an increase of \$196,444 or 16%. The increases in revenues during both periods were a result of increases in NIH grant drawdowns and the associated development work underlying them.

We incurred costs related to those revenues for the three months ended June 30, 2012 and 2011 of \$616,330 and \$349,511, respectively, representing an increase of \$266,819. For the six months ended June 30, 2012, costs related to revenues were \$1,172,901 as compared to \$903,548 for the same period in the prior year, representing an increase of \$269,353, or 30%. These costs relate to payments made to subcontractors in connection with research performed pursuant to the grants. The increases are due to work performed on the NIH grants discussed above.

Our gross profit for the three months ended June 30, 2012 was \$146,521 as compared to \$56,309 for the same period in 2011, representing an increase of \$90,212 or 160%. The increase in gross profit is directly related to the increase in grant revenue. For the six months ended June 30, 2012, gross profit was \$237,368 as compared to \$310,277 for the same period in the prior year representing a decrease of \$72,909 or 23%. The decrease in gross profit is primarily related to the reimbursement in first quarter 2011 of certain salary costs.

Research and development expenses decreased by \$1,012,742 to \$500,980 for the three months ended June 30, 2012 as compared to \$1,513,722 for the same period in 2011. The significant decrease is a result of the discontinuation of the confirmatory Phase 3 clinical trial of orBec® for the treatment of acute GI GVHD. For the six months ended June 30, 2012, research and development expenses were \$1,377,774 compared to \$2,886,526 for the same period in 2011, reflecting a spending decrease of \$1,508,752 related to the discontinued Phase 3 orBec® clinical trial.

General and administrative expenses increased by \$151,841, or 32%, to \$627,218 for the three months ended June 30, 2012, as compared to \$475,377 for the same period in 2011. For the six months ended June 30, 2012, general and administrative expenses was \$1,282,261 representing an increase of \$202,874, or 19% compared to \$1,079,387 for the same period in 2011. These increases are primarily attributable to a greater share of allocated salaries to general administrative resulting from a reduction in the number of specifically identifiable research and development

programs.

Year Ended December 31, 2011 Compared to 2010

For the year ended December 31, 2011, we had a net loss of \$2,378,594 as compared to a net loss of \$7,386,579 for the prior year, representing a decreased loss of \$5,007,985 or 68%. This decrease in the net loss is primarily attributable to the receipt of \$5,000,000 from Sigma-Tau as payment on the execution of our expanded license agreement into the European territory (the "Sigma-Tau Agreement") offset by increased spending of \$286,211 in research and development for the year ended December 31, 2011 over 2010 related to the conduct of the confirmatory Phase 3 clinical trial of orBec® for the treatment of acute GI GVHD. For the year ended December 31, 2011, there was a slight increase in general and administrative expenses of \$40,930.

- 31 -

---

## Table of Content

For the year ended December 31, 2011, revenues and associated costs relate to NIH grants awarded in support of the development of ThermoVax™ as well as our ricin toxin vaccine, orBec® and the Sigma-Tau Agreement. For the year ended December 31, 2011, we had revenues of \$7,662,822 as compared to \$1,947,628 for the prior year, representing an increase of \$5,715,194. The increased revenues were a result of \$5,000,000 received relating to the Sigma-Tau Agreement and increases in NIH drawdowns and the associated development work underlying them.

We incurred costs related to that revenue in the year ended December 31, 2011 and 2010 of \$2,108,228 and \$1,638,402, respectively, representing an increase of \$469,826, or 29%. These costs primarily relate to payments made to subcontractors in connection with research performed pursuant to grants. The cost changes are due to work performed on the NIH grant revenues discussed above.

Our gross profit for the year ended December 31, 2011 was \$5,554,594 as compared to \$309,226 for the prior year, representing an increase of \$5,245,368. This increase is almost entirely due to the Sigma-Tau Agreement and increase in grant revenues discussed above and a 2011 reimbursement of certain period salary costs which there is no current period cost. Excluding the license revenue associated with the Sigma-Tau Agreement, gross profit would have been \$554,594 for the year ended December 31, 2011.

Research and development spending increased by \$286,211, or 5%, to \$6,272,616 for the year ended December 31, 2011 as compared to \$5,986,405 for the prior year. This increase is primarily related to the conduct of the confirmatory Phase 3 clinical trial of orBec® for the treatment of acute GI GVHD.

General and administrative expenses slightly increased by \$40,930, or 2%, to \$2,242,172 for the year ended December 31, 2011, as compared to \$2,201,242 for the prior year.

Net interest income (expense) for the year ended December 31, 2011 was \$7,444 as compared to \$11,332 for the prior year, representing a decrease of \$3,888, or 34%. This decrease was due to substantially lower interest rates earned on cash balances in 2011 versus the prior year.

Other income (expense) for the year ended December 31, 2010 included \$234,700 of proceeds, net of transaction costs, from grants in response to an application submitted for qualified investments in qualifying therapeutic discovery projects under Section 48D of the Internal Revenue Code. The qualifying therapeutic discovery project program was not renewed in 2011.

During the year ended December 31, 2011, in accordance with the State of New Jersey's Technology Business Tax Certificate Program, which allowed certain high technology and biotechnology companies to sell unused net operating loss ("NOL") carryforwards to other New Jersey-based corporate taxpayers based in New Jersey, we sold New Jersey NOL carryforwards, resulting in the recognition of \$574,157 of income tax benefit, net of transaction costs. There can be no assurance as to the continuation or magnitude of this program in future years.

## Business Segments

We maintain two active business segments for the year ended December 31, 2011 and December 31, 2010: Vaccines/BioDefense and BioTherapeutics.

Revenues for the Vaccines/BioDefense business segment for the year ended December 31, 2011 were \$2,010,234 as compared to \$1,441,228 for the year ended December 31, 2010, representing an increase of \$569,006 or 39%. This increase is primarily attributed to NIH grant revenue for work towards our ThermoVax™ vaccine technology. Revenues for the BioTherapeutics business segment for the year ended December 31, 2011 were \$5,652,588 as compared to \$506,400 for the year ended December 31, 2010, representing an increase of \$5,146,188. This significant increase is a

result of \$5,000,000 received relating to the Sigma-Tau Agreement.

- 32 -

---



## Table of Content

Loss from operations for the Vaccines/BioDefense business segment for the year ended December 31, 2011 was \$154,395 as compared to \$1,204,824 for the year ended December 31, 2010, representing a decreased loss of \$1,050,429. This decrease is primarily attributed to NIH grant revenue for work towards our ThermoVax™ vaccine technology and a 2011 reimbursement of certain period salary costs which there is no current period cost. In 2010 we took a one time patent write-off cost of \$378,501 in connection to the return of the botulinum toxic vaccine to Thomas Jefferson University. Loss from operations for the BioTherapeutics business segment for the year ended December 31, 2011 was \$1,278,156 as compared to \$5,018,090 for the year ended December 31, 2010, representing a decrease of \$3,739,934. This decreased loss is primarily attributed to the \$5,000,000 received relating to the Sigma-Tau Agreement offset by the conduct of the confirmatory Phase 3 clinical trial of orBec® in 2011.

Amortization and depreciation expense for the Vaccines/BioDefense business segment for the year ended December 31, 2011 was \$42,640 as compared to \$36,843 for the year ended December 31, 2010, representing an increase of \$5,797, or 16%, primarily related to newly capitalized patent costs in 2011. Amortization and depreciation expense for the BioTherapeutics business segment for the year ended December 31, 2011 was \$181,213 as compared to \$146,832 for the year ended December 31, 2010, representing an increase of \$34,381, or 23%, primarily related to newly capitalized patent costs in 2011.

## Financial Condition and Liquidity

### Cash and Working Capital

As of June 30, 2012, we had cash and cash equivalents of \$4,431,288 as compared to \$5,996,668 as of December 31, 2011, representing a decrease of \$1,565,380 or 26%. As of June 30, 2012, we had working capital of \$3,629,811 as compared to working capital of \$5,696,444 as of December 31, 2011, representing a decrease of \$2,066,633 or 36%. The decrease in cash and working capital was primarily the result of cash used in operating activities over the six month period. For the six months ended June 30, 2012, our cash used in operating activities was \$1,560,625.

Based on the Company's current rate of cash outflows, cash on hand, proceeds from its grant-funded programs, reductions in headcount and expected proceeds from the State of New Jersey Technology Business Tax Certificate Transfer Program, management believes that its current cash will be sufficient to meet its anticipated cash needs for working capital and capital expenditures into the fourth quarter of 2013.

Our plans with respect to our liquidity management include, but are not limited to, the following:

We have instituted a cost reduction plan which has reduced headcount and will continue to reduce costs wherever possible.

We have approximately \$5.0 million in active grant funding still available to support our associated research programs into 2014. We plan to submit additional grant applications for further support of these programs with various funding agencies.

We have continued to use equity instruments to provide a portion of the compensation due to vendors and collaboration partners and expect to continue to do so for the foreseeable future.

We will pursue sales of Net Operating Losses ("NOL") sales in the State of New Jersey, pursuant to its Technology Business Tax Certificate Transfer Program. Based on the receipt of \$574,157 in proceeds from the sale of NJ NOL in 2011, the Company expects to participate in the program during 2012 and beyond; and

We may seek additional capital in the private and/or public equity markets to continue our operations, respond to competitive pressures, develop new products and services, and to support new strategic partnerships. We are currently evaluating additional equity financing opportunities and may execute them when appropriate. However, there can be no assurances that we can consummate such a transaction, or consummate a transaction at favorable pricing.

### Reverse Stock Split

On February 1, 2012, we completed a reverse stock split of its issued and outstanding shares of common stock at a ratio of 1-for-20, whereby, every 20 shares of our common stock was exchanged for one share of our common stock. Our common stock began trading on the OTCQB on a reverse split basis on February 2, 2012. All share and per share data have been restated to reflect this reverse stock split.

- 33 -

---

Table of Content

## Expenditures

Under our budget and based upon our existing product development agreements and license agreements pursuant to letters of intent and option agreements, we expect our total research and development expenditures for the next 12 months to be approximately \$3.3 million before any grant reimbursements, of which \$1.3 million relates to the BioTherapeutics business and \$2.0 million relates to the Vaccines/BioDefense business. We anticipate grant revenues in the next 12 months of approximately \$2.1 million to offset research and development expenses, primarily for the development of our ThermoVax™ vaccine technology, and very limited contribution to the wind down costs of the Phase 3 clinical trial of orBec® in the treatment of acute GI GVHD.

The table below details our costs for research and development by program and amounts reimbursed under grants for the six months ended June 30:

	2012	2011
Research & Development Expenses		
orBec®	\$ 516,982	\$ 1,713,193
RiVax™ and thermostable vaccines	743,918	845,916
Oraprine™	-	1,500
LPM™-Leuprolide and Other	116,874	325,917
Total	\$ 1,377,774	\$ 2,886,526
Reimbursed under Grants		
orBec®	\$ 98,828	\$ 328,503
RiVax™ and thermostable vaccines	1,074,073	575,045
Total	1,172,901	903,548
Grand Total	\$ 2,550,675	\$ 3,790,074

## Effects of Inflation and Foreign Currency Fluctuations

We do not believe that inflation or foreign currency fluctuations significantly affected our financial position and results of operations as of and for the years ended December 31, 2011 or 2010.

## Contractual Obligations

The Company has commitments of approximately \$365,000 as of June 30, 2012 relating to several licensing agreements with consultants and universities, which upon clinical or commercialization success may require the payment of milestones and/or royalties if and when achieved. However, there can be no assurance that clinical or commercialization success will occur.

On February 7, 2012, we entered into a lease agreement through March 31, 2015 for our existing office space. The rent for the first 12 months is approximately \$8,000 per month, or approximately \$18.25 per square foot on an annualized basis. This rent increases to approximately \$8,310 per month, or approximately \$19.00 per square foot on an annualized basis, for the remaining 24 months.

In February 2007, the Company's Board of Directors authorized the issuance of the following shares to Dr. Schaber, and Dr. Brey and certain other employees and a consultant, upon the completion of a transaction, or series or a combination of related transactions negotiated by our Board of Directors whereby, directly or indirectly, a majority of our capital stock or a majority of its assets are transferred from us and/or our stockholders to a third party: 50,000

common shares to Dr. Schaber; and 10,000 common shares to Dr. Brey. The employment agreement with Dr. Schaber has been amended to reflect this obligation.

- 34 -

---

Table of Content

Employees with employment contracts have severance agreements that will provide separation benefits from the Company if they are involuntarily separated from employment. On February 15, 2012, Mr. Myrianthopoulos' employment agreement was terminated. However, he continues to serve the Company as a consultant on business development and other related matters.

As a result of the above agreements, the Company has future contractual obligations over the next five years as follows:

Year	Research and Development	Property and Other Leases	Severance	Total
2012	\$ 65,000	\$ 50,802	\$ 37,795	\$ 153,597
2013	75,000	104,559	-	179,559
2014	75,000	101,198	-	176,198
2015	75,000	24,938	-	99,938
2016	75,000	-	-	75,000
Total	\$ 365,000	\$ 281,497	\$ 37,795	\$ 684,292

Table of Content

## DIRECTORS AND EXECUTIVE OFFICERS

The table below contains information regarding the current members of the Board of Directors and executive officers. The ages of individuals are provided as of October 31, 2012:

Name	Age	Position
Christopher J. Schaber, PhD	46	Chairman of the Board, Chief Executive Officer and President
Keith L. Brownlie, CPA	60	Director
Gregg A. Lapointe, CPA	53	Director
Robert J. Rubin, MD	66	Director
Jerome Zeldis, MD, PhD	62	Director
Robert N. Brey, PhD	62	Chief Scientific Officer and Senior Vice President
Kevin J. Horgan, MD	53	Chief Medical Officer and Senior Vice President
Joseph M. Warusz, CPA	56	Vice President of Finance, Acting Chief Financial Officer and Corporate Secretary

Christopher J. Schaber, PhD has over 23 years of experience in the pharmaceutical and biotechnology industry. Dr. Schaber has been our President and Chief Executive Officer and a director since August 2006. He was appointed Chairman of the Board on October 8, 2009. He also serves on the board of directors of the Biotechnology Council of New Jersey (“BioNJ”) since January 2009, and is a member of the corporate councils of both the National Organization for Rare Diseases (“NORD”) and the American Society for Blood and Marrow Transplantation (“ASBMT”) since October 2009 and July 2009, respectively. Prior to joining Soligenix, Dr. Schaber served from 1998 to 2006 as Executive Vice President and Chief Operating Officer of Discovery Laboratories, Inc., where he was responsible for overall pipeline development and key areas of commercial operations, including regulatory affairs, quality control and assurance, manufacturing and distribution, pre-clinical and clinical research, and medical affairs, as well as coordination of commercial launch preparation activities. During his tenure at Discovery Laboratories, Inc., Dr. Schaber played a significant role in raising over \$150 million through both public offerings and private placements. From 1996 to 1998, Dr. Schaber was a co-founder of Acute Therapeutics, Inc., and served as its Vice President of Regulatory Compliance and Drug Development. From 1994 to 1996, Dr. Schaber was employed by Ohmeda PPD, Inc., as Worldwide Director of Regulatory Affairs and Operations. From 1989 to 1994, Dr. Schaber held a variety of regulatory, development and operations positions with The Liposome Company, Inc., and Elkins-Sinn Inc., a division of Wyeth-Ayerst Laboratories. Dr. Schaber received his BA degree from Western Maryland College, his MS degree in Pharmaceutics from Temple University School of Pharmacy and his PhD degree in Pharmaceutical Sciences from the Union Graduate School. Dr. Schaber was selected to serve as a member of our Board of Directors because of his extensive experience in drug development and pharmaceutical operations, including his experience as an executive senior officer with our Company and Discovery Laboratories, Inc., and as a member of the board of directors of BioNJ; because of his proven ability to raise funds and provide access to capital; and because of his advanced degrees in science and business.

Keith L. Brownlie, CPA has been a director since June 2011. Mr. Brownlie currently serves as a member of the Board of Directors of Epicept Corporation, a publicly traded, specialty pharmaceutical company focused on the clinical development and commercialization of pharmaceutical products for the treatment of cancer and pain, a position he has held since April 2011. Mr. Brownlie also serves on the Board of Directors of RXi Pharmaceuticals Corporation, a publicly traded, biotechnology company focused on discovering, developing and commercializing innovative therapies addressing major unmet medical needs using RNAi-targeted technologies, a position he has held since June 2012. From 1974 to 2010, Mr. Brownlie worked with the accounting firm of Ernst & Young LLP where he served as audit partner for numerous public companies and was the Life Sciences Industry Leader for the New York metro area

where he was involved with over 100 public and private financings and M&A transactions. Mr. Brownlie received a BS in Accounting from Lehigh University and is a Certified Public Accountant in the state of New Jersey. Mr. Brownlie co-founded the New Jersey Entrepreneur of the Year Program and was Vice President and Trustee of the New Jersey Society of CPAs. In addition, he served as accounting advisor to the board of the Biotechnology Council of New Jersey.

- 36 -

---

Table of Content

Gregg Lapointe, CPA has been a director since March 2009. Mr. Lapointe has served on the Board of Directors of the Pharmaceuticals Research and Manufacturers of America (“PhRMA”) and SciClone Pharmaceuticals, Inc., and has been a member of the Corporate Council of NORD for several years. He previously served in varying roles for Sigma-Tau Pharmaceuticals, Inc., a private biopharmaceutical company, from September 2001 through March 2012, including Chief Operating Officer from November 2003 to April 2008 and Chief Executive Officer from April 2008 to March 2012. From May, 1996 to August, 2001, he served as Vice President of Operations and Vice President, Controller of AstenJohnson, Inc. (formerly JWI Inc.). Prior to that, Mr. Lapointe spent several years in the Canadian medical products industry in both distribution and manufacturing. Mr. Lapointe began his career at Price Waterhouse. Mr. Lapointe received his B.A. degree in Commerce from Concordia University in Montreal, Canada, a graduate diploma in Accountancy from McGill University and his M.B.A. degree from Duke University. He is a C.P.A. in the state of Illinois and a Chartered Accountant in Ontario, Canada. Mr. Lapointe was selected to serve as a member of our Board of Directors because of his significant experience in the areas of global strategic planning and implementation, business development, corporate finance, and acquisitions, and his experience as an executive officer and board member in the pharmaceutical medical products industries.

Robert J. Rubin, MD has been a director since October 2009. Dr. Rubin has also been a clinical professor of medicine at Georgetown University since 1995. From 1987 to 2001, he was president of the Lewin Group (purchased by Quintiles Transnational Corp. in 1996), an international health policy and management consulting firm. From 1994 to 1996, Dr. Rubin served as Medical Director of ValueRx, a pharmaceutical benefits company. From 1992 to 1996, Dr. Rubin served as President of Lewin-VHI, a health care consulting company. From 1987 to 1992, he served as President of Lewin-ICF, a health care consulting company. From 1984 to 1987, Dr. Rubin served as a principal of ICF, Inc., a health care consulting company. From 1981 to 1984, Dr. Rubin served as the Assistant Secretary for Planning and Evaluation at the Department of Health and Human Services and as the Assistant Surgeon General in the United States Public Health Service. Dr. Rubin has served on the Board of CardioNet, Inc. since 2007. He is a board certified nephrologist and internist. Dr. Rubin received an undergraduate degree in Political Science from Williams College and his medical degree from Cornell University Medical College. Dr. Rubin was selected to serve as a member of our Board of Directors because of his vast experience in the health care industry, including his experience as a nephrologist, internist, clinical professor of medicine and Assistant Surgeon General, and his business experience in the pharmaceutical industry.

Jerome Zeldis, MD, PhD has been a director since June 2011. Dr. Zeldis is currently Chief Executive Officer of Celgene Global Health and Chief Medical Officer of Celgene Corporation, a publicly traded, fully integrated biopharmaceutical company, where he has been employed since 1997. From September 1994 to February 1997, Dr. Zeldis worked at Sandoz Research Institute and the Janssen Research Institute in both clinical research and medical development. He has been a board member of several biotechnology companies and is currently on the boards of the NJ Chapter of the Arthritis Foundation, the Castleman’s Disease Organization and PTC Therapeutics. Additionally, he has served as Assistant Professor of Medicine at the Harvard Medical School (from July 1987 to September 1988), Associate Professor of Medicine at University of California, Davis from (September 1988 to September 1994), Clinical Associate Professor of Medicine at Cornell Medical School (January 1995 to December 2003) and Professor of Clinical Medicine at the Robert Wood Johnson Medical School (July 1998 to June 2010). Dr. Zeldis received a BA and an MS from Brown University, and an M Phil, an MD, and a PhD in Molecular Biophysics and Biochemistry from Yale University. Dr. Zeldis trained in Internal Medicine at the UCLA Center for the Health Sciences and in Gastroenterology at the Massachusetts General Hospital and Harvard Medical School. He has published 116 peer reviewed articles and 24 reviews, book chapters, and editorials.

Robert N. Brey, PhD has been with the Company since January 1996 and is currently our Chief Scientific Officer and Senior Vice President. He has also held the positions of Vice President Vaccine Development and Vice President of Research and Development. He also has held Scientific, Management and Project Management positions in the Lederle-Praxis division of American Cyanamid, now a division of Wyeth, in which he participated in the successful



development of a vaccine for Haemophilus influenza meningitis, and a vaccine for pneumonia. While at Lederle-Praxis, Dr. Brey was Manager of Molecular Biology Research for vaccines and Project Manager for development of oral vaccines from 1985 through 1993. From 1993 through 1994, Dr. Brey served as Director of Research and Development of Vaxcel, in which he was responsible for developing adjuvant technology and formulations for improved vaccines. From 1994 through 1996, Dr. Brey established an independent consulting group, Vaccine Design Group, to identify and develop novel vaccine technologies and platforms. Before entering into drug and vaccine delivery, he held senior scientific positions at Genex Corporation from 1982 through 1986. Dr. Brey received a B.S. degree in Biology from Trinity College in Hartford, Connecticut, his PhD degree in Microbiology from the University of Virginia and performed postdoctoral studies at MIT with Nobel Laureate Salvador Luria.

Table of Content

Kevin J. Horgan, MD has been with the Company since January 2011 and is currently our Chief Medical Officer. Dr. Horgan is a board-certified gastroenterologist with more than 25 years academic and pharmaceutical experience. He has conducted research in cellular immunology and has experience in the care of patients with inflammatory bowel disease, including graft-versus-host disease (GVHD). Prior to joining Soligenix, Dr. Horgan served from 1997 to 2005 as Senior Director of Clinical Research at Merck & Co., Inc., where he led the development of the first neurokinin-1 receptor antagonist, EMEND®, which was approved for the prevention of chemotherapy-induced nausea and vomiting. From 2006 to 2008, he was Vice President of Clinical Immunology at Centocor Ortho Biotech Inc., where he designed and conducted gastroenterology clinical studies for new compounds and indications including REMICADE™. From 2008 until joining Soligenix, Dr. Horgan was Head of Internal Medicine Research and Development in medical imaging with specific focus on oncology and neuroscience with GE Healthcare (a unit of General Electric Company). Dr. Horgan received his medical degree from University College, Cork, Ireland and completed training in internal medicine with Queen Elizabeth Hospital, Birmingham, United Kingdom and Johns Hopkins Hospital, Baltimore, MD, followed by an immunology research fellowship with the National Cancer Institute in Bethesda, MD. His research on human T-cell differentiation, activation and migration with emphasis on integrin adhesion molecules provided a framework for subsequent validation of three therapeutic targets. Dr. Horgan then did a fellowship in gastroenterology with University of California at Los Angeles and was then an Assistant Professor of Medicine there, where his research focus was gastrointestinal inflammatory disorders.

Joseph M. Warusz, CPA has more than 28 years of financial management experience in public and private life science companies as well as large pharma. Prior to joining Soligenix on June 1, 2011 as Vice President of Administration and Controller, he held senior financial positions with Amicus Therapeutics, Inc., Orchid Cellmark, Inc., and NexMed, Inc., as well as consulting assignments at Ardea BioSciences, Inc., and NovaDel Pharma, Inc., all R&D-focused companies in the biotechnology and specialty pharmaceuticals arenas. On February 15, 2012, he was appointed Acting Chief Financial Officer of the Company. Prior to 1998, Mr. Warusz also held management positions in financial analysis, accounting, reporting and auditing at Bristol-Myers Squibb and Peat Marwick Main & Company. He received his BS in accounting and MBA in finance at Drexel University and is a Certified Public Accountant.

Table of Content

## EXECUTIVE COMPENSATION

## Summary Compensation

The following table contains information concerning the compensation paid during each of the two years ended December 31, 2011 to our Chief Executive Officer and each of the four other most highly compensated executive officers during 2011 (collectively, the “Named Executive Officers”).

Name	Position	Year	Salary	Bonus	Option Awards	All Other Compensation	Total
Christopher J. Schaber 1	CEO & President	2011	\$ 370,000	\$ 50,000	\$ 68,400	\$ 35,529	\$ 523,929
		2010	\$ 350,981	\$ 100,000	\$ 408,908	\$ 27,529	\$ 887,419
Evan Myrianthopoulos 2	Former CFO & Senior VP	2011	\$ 242,500	\$ 25,000	\$ 34,200	\$ 35,529	\$ 337,229
		2010	\$ 230,723	\$ 50,000	\$ 195,161	\$ 27,677	\$ 503,561
Robert N. Brey 3	CSO & Senior VP	2011	\$ 210,000	\$ 13,000	\$ 19,950	\$ 21,853	\$ 264,803
		2010	\$ 210,000	\$ 40,000	\$ 157,987	\$ 11,955	\$ 419,942
Kevin J. Horgan 4	CMO & Senior VP	2011	\$ 281,589	\$ 16,000	\$ 203,575	\$ 22,543	\$ 523,707
Joseph M. Warusz 5	Acting CFO & VP	2011	\$ 104,028	\$ 7,000	\$ 152,620	\$ 19,627	\$ 283,275

- 1 Dr. Schaber deferred payment of his 2010 annual bonus of \$100,000 until January 15, 2011 and his 2011 annual bonus of \$50,000 until January 15, 2012. Option award figures include the value of common stock option awards at grant date as calculated under FASB ASC 718. Other compensation represents health insurance costs paid by the Company.
- 2 Mr. Myrianthopoulos deferred payment of his 2010 annual bonus of \$50,000 until January 15, 2011 and his 2011 annual bonus of \$25,000 until January 15, 2012. Option award figures include the value of common stock option awards at grant date as calculated under FASB ASC 718. Other compensation represents health insurance costs paid by the Company. On February 15, 2012, Mr. Myrianthopoulos’ employment agreement with the Company was terminated.
- 3 Dr. Brey deferred payment of his 2010 annual bonus of \$40,000 until January 15, 2011 and his 2011 annual bonus of \$13,000 until January 15, 2012. Option award figures include the value of common stock option awards at grant date as calculated under FASB ASC 718. Other compensation represents health insurance costs paid by the Company.
- 4 Dr. Horgan deferred payment of his 2011 annual bonus of \$13,000 until January 15, 2012. Option award figures include the value of common stock option awards at grant

date as calculated under FASB ASC 718. Other compensation represents health insurance costs paid by the Company.

- 5 Mr. Warusz deferred payment of his 2011 annual bonus of \$7,000 until January 15, 2012. Option award figures include the value of common stock option awards at grant date as calculated under FASB ASC 718. Other compensation represents health insurance costs paid by the Company. Mr. Warusz served as Vice President and Controller from May 2011 until February 15, 2012, when he became Acting Chief Financial Officer and Vice President Finance.

Table of Content

Employment and Severance Agreements

In August 2006, we entered into a three-year employment agreement with Christopher J. Schaber, Ph.D. Pursuant to this employment agreement, we agreed to pay Dr. Schaber a base salary of \$300,000 per year and a minimum annual bonus of \$100,000. This employment agreement was renewed in December 27, 2007 for an additional term of three years. We agreed to issue him options to purchase 125,000 shares of our common stock, with one third immediately vesting and the remainder vesting over three years. Upon termination without “Just Cause” as defined by this agreement, we would pay Dr. Schaber nine months of severance, as well as any accrued bonuses, accrued vacation, and we would provide health insurance and life insurance benefits for Dr. Schaber and his dependants for nine months following such termination. No unvested options shall vest beyond the termination date. Dr. Schaber’s monetary compensation (base salary of \$300,000 and bonus of \$100,000) remained unchanged from 2006 with the 2007 renewal. Upon a change in control of the Company due to merger or acquisition, all of Dr. Schaber’s options shall become fully vested, and be exercisable for a period of five years after such change in control (unless they would have expired sooner pursuant to their terms). In the event of his death during the term of the agreement, all of his unvested options shall immediately vest and remain exercisable for the remainder of their term and become the property of Dr. Schaber’s immediate family. This agreement automatically renewed in December 2010 for an additional term of three years.

In December 2004, we entered into a three-year employment agreement with Evan Myriantopoulos. Pursuant to this employment agreement we agreed to pay Mr. Myriantopoulos a base salary of \$185,000 per year. After one year of service Mr. Myriantopoulos would be entitled to a minimum annual bonus of \$50,000. This employment agreement was renewed on December 27, 2007 for an additional term of three years. We agreed to issue him options to purchase 25,000 shares of our common stock, with the options vesting over three years. Upon termination without “Just Cause” as defined by this agreement, we would pay Mr. Myriantopoulos six months of severance subject to set off, as well as any unpaid bonuses and accrued vacation. No unvested options were to vest beyond the termination date. Mr. Myriantopoulos also received 7,500 options, vested immediately when he was hired in November 2004, as President and Acting Chief Executive Officer. Mr. Myriantopoulos’ monetary compensation (base salary of \$200,000 and bonus of \$50,000) remained unchanged from 2006 with the 2007 renewal. Upon a change in control of the Company due to merger or acquisition, all of Mr. Myriantopoulos’ options shall become fully vested, and be exercisable for a period of three years after such change in control (unless they would have expired sooner pursuant to their terms). In the event of his death during the term of the agreement, all of his unvested options shall immediately vest and remain exercisable for the remainder of their term and become property of Mr. Myriantopoulos’ immediate family. This employment agreement was amended on January 4, 2011, extending his employment for an additional two years, and thereafter the term of employment automatically renews for a period of two years, unless the Company or Mr. Myriantopoulos deliver three months notice of an election not to renew the term. On February 15, 2012, Mr. Myriantopoulos’ employment agreement was terminated, however he continued to serve as a member of our Board of Directors until June 21, 2012. As set forth in the employment agreement, we paid Mr. Myriantopoulos six months of severance, accrued bonus and vacation as well as provided insurance benefits during the term of his severance. In connection with the termination of Mr. Myriantopoulos’ employment agreement, we accelerated the vesting of options to purchase 53,908 shares of common stock and Mr. Myriantopoulos forfeited options to purchase 72,500 shares of common stock, resulting in Mr. Myriantopoulos holding vested options to purchase 192,500 shares of common stock with expiration dates ranging from November 14, 2012 to November 30, 2021. Mr. Myriantopoulos continues to serve the Company as a business development and financial consultant.

On March 27, 2009, the Compensation Committee approved the increase in salaries for Dr. Schaber to \$350,000 and Mr. Myriantopoulos to \$230,000.

On June 22, 2011, the Compensation Committee approved the increase in salaries for Dr. Schaber to \$390,000 and Mr. Myriantopoulos to \$255,000. Additionally, their fixed minimum annual bonus payable was eliminated and revised to an annual targeted bonus of their respective annual base salary. Dr. Schaber and Mr. Myriantopoulos

targeted bonus is 40% and 30%, respectively.

In January 2011, we entered into a two-year employment agreement with Dr. Kevin J. Horgan. Pursuant to this employment agreement we agreed to pay Dr. Horgan a base salary of \$290,000 per year, a one-time signing bonus of \$15,000 and a targeted annual bonus of 30% of base salary. We agreed to issue him options to purchase 62,500 shares of our common stock, with one third immediately vesting and the remainder vesting over three years. Upon termination without “Just Cause” as defined by this agreement, we would pay Dr. Horgan six months of severance, as well as any accrued bonuses, accrued vacation, and we would provide health insurance benefits for Dr. Horgan and his dependants. No unvested options shall vest beyond the termination date.

- 40 -

---

Table of Content

We do not currently have an employment agreement with Dr. Robert N. Brey, our Chief Scientific Officer and Senior Vice President. Dr. Brey's compensation is determined by our Board of Directors and our Compensation Committee.

In May 2011, we entered into a one-year employment agreement with Mr. Joseph M. Warusz, our Acting Chief Financial Officer, Vice President Finance and Chief Accounting Officer. Pursuant to the agreement, we have agreed to pay Mr. Warusz \$175,000 per year and a targeted annual bonus of 20% of base salary. We also agreed to issue him options to purchase 40,000 shares of our common stock with one-third immediately vesting and the remainder vesting over three years. Upon termination without "Just Cause", as defined in this agreement, we would pay Mr. Warusz three months of severance, accrued bonuses and vacation, and health insurance benefits. No unvested options vest beyond the termination date. On December 1, 2011, the Compensation Committee increased the salary of Mr. Warusz to \$180,000.

In February 2007, our Board of Directors authorized the issuance of the following number of shares to each of Dr. Schaber and Dr. Brey immediately prior to the completion of a transaction, or series or a combination of related transactions negotiated by our Board of Directors whereby, directly or indirectly, a majority of our capital stock or a majority of our assets are transferred from the Company and/or our stockholders to a third party: 50,000 common shares to Dr. Schaber and 10,000 common shares to Dr. Brey. The amended agreement with Dr. Schaber includes our obligation to issue such shares to him if such event occurs.

## Outstanding Equity Awards at Fiscal Year-End

The following table contains information concerning unexercised options, stock that has not vested, and equity incentive plan awards for the Named Executive Officers outstanding at December 31, 2011 as adjusted for the reverse stock split of 1-for-20 effective February 1, 2012. We have never issued Stock Appreciation Rights.

Name	Number of Securities Underlying Unexercised Options (#)		Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date
	Exercisable	Unexercisable	Unearned		
Christopher J. Schaber	125,000	-	-	\$ 5.40	8/28/2016
	45,000	-	-	\$ 9.40	8/9/2017
	140,000	-	-	\$ 1.20	12/17/2018
	61,875	48,125	48,125	\$ 4.64	6/30/2020
	30,000	90,000	90,000	\$ 0.64	11/30/2021
Evan Myrianthopoulos	7,500	-	-	\$ 7.00	11/14/2012
	2,500	-	-	\$ 18.00	9/15/2013
	2,500	-	-	\$ 11.60	6/11/2014
	7,500	-	-	\$ 9.40	11/10/2014
	25,000	-	-	\$ 9.80	12/13/2014
	20,000	-	-	\$ 7.00	5/10/2016
	27,500	-	-	\$ 9.40	8/9/2017
	60,000	-	-	\$ 1.20	12/17/2018
29,531	22,969	22,969	\$ 4.64	6/30/2020	

Edgar Filing: SOLIGENIX, INC. - Form S-1

	15,000	45,000	45,000	\$	0.64	11/30/2021
Robert N. Brey	30,000	-	-	\$	6.60	5/10/2016
	10,000	-	-	\$	9.40	8/9/2017
	40,000	-	-	\$	1.20	12/17/2018
	23,906	18,594	18,594	\$	4.64	6/30/2020
	8,750	26,250	26,250	\$	0.64	11/30/2021
Kevin J. Horgan	27,344	35,156	35,156	\$	3.44	1/30/2021
	15,000	45,000	45,000	\$	0.64	11/30/2021
Joseph M. Warusz	15,000	25,000	25,000	\$	4.10	5/30/2021
	7,500	22,500	22,500	\$	0.64	11/30/2021

- 41 -



Table of Content

## Compensation of Directors

The following table contains information concerning the compensation of the non-employee directors during the fiscal year ended December 31, 2011.

Name	Fees		Total
	Earned Paid in Cash 1	Option Awards 2	
Keith Brownlie	\$ 9,245	\$ 46,944	\$ 56,189
Gregg A. Lapointe	\$ 26,497	\$ 30,001	\$ 56,498
Robert J. Rubin	\$ 29,746	\$ 30,001	\$ 59,747
Jerome Zeldis	\$ 5,495	\$ 46,944	\$ 52,439

- Directors who are compensated as full-time employees receive no additional compensation for service on our Board of Directors. For calendar year 2011 and through June 21, 2012, each independent director who was not a full-time employee was paid \$20,000, on a prorated basis, for his or her service on our Board of Directors, the chair of our Audit Committee was paid \$15,000, on a prorated basis, and the chairs of our Compensation and Nominating Committees were paid \$10,000, on a prorated basis. Additionally, for calendar year 2011, non-chair Audit Committee members were paid \$7,500, on a prorated basis, and non-chair Compensation Committee and Nominating Committee members were paid \$5,000, on a prorated basis. Following June 21, 2012, compensation for service on our Board of Directors will be increased to \$35,000, on a prorated basis, for each independent director who is not a full-time employee. The compensation for service as a chair or a member of the committees of the Board during 2012 will remain the same as for calendar year 2011. This compensation is paid quarterly, in arrears.
- For calendar year 2011 and through June 21, 2012, members of our Board of Directors who were not full-time employees (i) received an initial grant of fully vested options to purchase 15,000 shares of common stock and (ii) upon re-election to the Board of Directors, received stock options with a value of \$30,000 based upon the Black Scholes valuation method, which options vest at the rate of 25% per quarter, commencing with the first quarter after each annual meeting of stockholders. Following June 21, 2012, members of our Board of Directors who are not full-time employees (i) will receive an initial grant of fully vested options to purchase 15,000 shares of common stock and (ii) upon re-election to the Board, will receive stock options to purchase 25,000 shares of common stock, which options vest at the rate of 25% per quarter, commencing with the first quarter after June 21, 2012. Future compensation will be evaluated on an annual basis by the Compensation Committee and the Board of Directors.

Table of Content

Stock Ownership Policy

In April 2012, our Board of Directors adopted a stock ownership policy applicable to our non-employee directors to strengthen the link between director and stockholder interests. Pursuant to the stock ownership policy, each non-employee director is required to hold a minimum ownership position in the common stock equal to the annual cash compensation paid for service on the Board of Directors, exclusive of cash compensation paid for service as a chair or member of any committees of the Board of Directors.

Stock counted toward the ownership requirement includes common stock held by the director, unvested and vested restricted stock, and all shares of common stock beneficially owned by the director held in a trust and by a spouse and/or minor children of the director. The policy provides that the ownership requirement must be attained within three years after the later of June 21, 2012 and the date a director is first elected or appointed to the Board of Directors. To monitor progress toward meeting the requirement, the Nominating Committee will review director ownership levels at the end of March of each year. Non-employee directors are prohibited from selling any shares of common stock unless such director is in compliance with the stock ownership policy. A copy of our director compensation and stock ownership policy is publicly available on our website at [www.soligenix.com](http://www.soligenix.com) under the "Investors" section.

Table of Content

## SECURITY OWNERSHIP OF PRINCIPAL STOCKHOLDERS AND MANAGEMENT

The table below provides information regarding the beneficial ownership of the common stock as of October 31, 2012 of (1) each person or entity who owns beneficially 5% or more of the shares of our outstanding common stock, (2) each of our directors and nominees for director, (3) each of the Named Executive Officers, and (4) our directors and executive officers as a group. Except as otherwise indicated, and subject to applicable community property laws, we believe the persons named in the table have sole voting and investment power with respect to all shares of common stock held by them.

Name of Beneficial Owner	Shares of Common Stock Beneficially Owned**	Percent of Class
Paolo Cavazza 1	3,379,958	29.12%
Claudio Cavazza (deceased) 2	3,068,465	26.64%
Sigma-Tau Pharmaceuticals, Inc. 3	3,068,464	26.64%
Christopher J. Schaber 4	511,509	4.40%
Gregg A. Lapointe 5	126,386	1.12%
Robert N. Brey 6	132,031	1.17%
Robert J. Rubin 7	64,099	*
Joseph Warusz 8	40,000	*
Kevin J. Horgan 9	72,967	*
Keith Brownlie 10	27,500	*
Jerry Zeldis 11	27,500	*
All directors and executive officers as a group (8 persons)	1,001,992	8.31%

- 1 Includes (a) 2,711,392 shares of common stock and warrants to purchase 357,072 shares of common stock exercisable within 60 days of October 31, 2012 held by Sigma-Tau Pharmaceuticals, Inc., (b) 164,146 shares of common stock and warrants to purchase 87,854 shares held by Sinaf SA, and (c) 119,078 shares held by Mr. Paolo Cavazza. Sigma-Tau Pharmaceuticals, Inc. is a direct wholly-owned subsidiary of Sigma-Tau America S.A., which is a direct wholly-owned subsidiary of Sigma-Tau International S.A., which is a direct wholly-owned subsidiary of Sigma-Tau Finanziaria S.p.A. Mr. Paolo Cavazza directly and indirectly owns 38% of Sigma-Tau Finanziaria S.p.A. Sinaf SA is an indirect wholly owned subsidiary of Aptafin S.p.A., which is owned by Mr. Paolo Cavazza and members of his family. Accordingly, Mr. Paolo Cavazza may be deemed to beneficially own the shares beneficially owned by Sigma-Tau Pharmaceuticals, Inc. and Sinaf SA. Mr. Paolo Cavazza's address is Via Tesserte, 10, Lugano, Switzerland.
- 2 Includes 2,711,392 shares of common stock and warrants to purchase 357,073 shares of common stock exercisable within 60 days of October 31, 2012 held by Sigma-Tau Pharmaceuticals, Inc. Sigma-Tau Pharmaceuticals, Inc. is a direct wholly-owned subsidiary of Sigma-Tau America S.A., which is a direct wholly-owned subsidiary of Sigma-Tau International S.A., which is a direct wholly-owned subsidiary of Sigma-Tau Finanziaria S.p.A. Mr. Claudio Cavazza directly and indirectly owned 57% of Sigma-Tau Finanziaria S.p.A. Accordingly, Mr. Claudio Cavazza may have been deemed to beneficially own the shares beneficially owned by Sigma-Tau Pharmaceuticals, Inc. Mr. Claudio Cavazza's address was Via Sudafrica, 20, Rome,

Italy 00144. The address of Sigma-Tau Pharmaceuticals, Inc. is c/o Sigma-Tau Pharmaceuticals, Inc., 9841 Washingtonian Boulevard, Suite 500, Gaithersburg, Maryland 20878.

- 3 Includes 2,280,963 shares of common stock and warrants to purchase 98,815 shares of common stock exercisable within 60 days of October 31, 2012. The amount does not include 77,344 shares of common stock held by Paolo Cavazza, one of the principal owners of Sigma-Tau. The address of Sigma-Tau Pharmaceuticals, Inc. is 9841 Washingtonian Boulevard, Suite 500, Gaithersburg, Maryland 20878.
- 4 Includes 50,158 shares of common stock owned by Dr. Schaber, options to purchase 459,375 shares of common stock exercisable within 60 days of October 31, 2012, and warrants to purchase 1,976 shares of common stock exercisable within 60 days of October 31, 2012. The address of Dr. Schaber is c/o Soligenix, 29 Emmons Drive, Suite C-10, Princeton, New Jersey 08540.
- 5 Includes 48,781 shares of common stock, options to purchase 48,337 shares of common stock exercisable within 60 days of October 31, 2012, and warrants to purchase 29,268 shares of common stock exercisable within 60 days of October 31, 2012. The address of Mr. Lapointe is c/o Soligenix, 29 Emmons Drive, Suite C-10, Princeton, New Jersey 08540.

Table of Content

- 6 Includes options to purchase 132,031 shares of common stock exercisable within 60 days of October 31, 2012. The address of Dr. Brey is c/o Soligenix, 29 Emmons Drive, Suite C-10, Princeton, New Jersey 08540.
- 7 Includes 12,195 shares of common stock, options to purchase 44,587 shares of common stock exercisable within 60 days of October 31, 2012, and warrants to purchase 7,317 shares of common stock exercisable within 60 days of October 31, 2012. The address of Dr. Rubin is c/o Soligenix, 29 Emmons Drive, Suite C-10, Princeton, New Jersey 08540.
- 8 Includes options to purchase 40,000 shares of common stock owned by Mr. Warusz exercisable within 60 days of October 31, 2012. The address of Mr. Warusz is c/o Soligenix, 29 Emmons Drive, Suite C-10, Princeton, New Jersey 08540.
- 9 Includes options to purchase 72,967 shares of common stock owned by Dr. Horgan exercisable within 60 days of October 31, 2012. The address of Dr. Horgan is c/o Soligenix, 29 Emmons Drive, Suite C-10, Princeton, New Jersey 08540.
- 10 Includes options to purchase 27,500 shares of common stock exercisable within 60 days of October 31, 2012. The address of Mr. Brownlie is c/o Soligenix, 29 Emmons Drive, Suite C-10, Princeton, New Jersey 08540.
- 14 Includes options to purchase 27,500 shares of common stock exercisable within 60 days of October 31, 2012. The address of Mr. Zeldis is c/o Soligenix, 29 Emmons Drive, Suite C-10, Princeton, New Jersey 08540.

\* Indicates less than 1%.

\*\* Beneficial ownership is determined in accordance with the rules of the SEC. Shares of common stock subject to options or warrants currently exercisable or exercisable within 60 days of October 31, 2012 are deemed outstanding for computing the percentage ownership of the stockholder holding the options or warrants, but are not deemed outstanding for computing the percentage ownership of any other stockholder. Percentage of ownership is based on 11,160,513 shares of common stock outstanding as of October 31, 2012.

Table of Content

## Equity Compensation Plan Information

In December 2005, our Board of Directors approved the 2005 Plan, which was approved by stockholders on December 29, 2005. In September 2007, our stockholders approved an amendment to the 2005 Plan to increase the maximum number of shares of our common stock available for issuance under the plan by 500,000 shares, bringing the total shares reserved for issuance under the plan to 1,000,000 shares. In September 2010, our stockholders approved a second amendment to the 2005 Plan to increase the maximum number of shares of our common stock available for issuance under the plan by 750,000 shares, bringing the total shares reserved for issuance under the plan to 1,750,000 shares. The following table provides information as of December 31, 2011 with respect to options outstanding under our 1995 Amended and Restated Omnibus Incentive Plan and our 2005 Plan. All share numbers in this paragraph and in the following table have been adjusted for the 1-for-20 reverse stock split effective February 1, 2012.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders <sup>1</sup>	1,095,242	\$ 4.41	129,711
Equity compensation plans not approved by security holders	-	-	-
Total	1,095,242	\$ 4.41	129,711

<sup>1</sup> Includes our 1995 Amended and Restated Omnibus Incentive Plan and our 2005 Plan. Our 1995 Amended and Restated Omnibus Incentive Plan expired in 2005 and thus no securities remain available for future issuance under that plan.

**TRANSACTIONS WITH RELATED  
PERSONS, PROMOTERS AND CERTAIN CONTROL PERSONS**

## Related Party Transactions

Other than the employment agreements, compensation paid to our directors and our collaboration and supply agreement with Sigma-Tau, we did not engage in any transactions with related parties since January 1, 2010. For a discussion of our employment agreements and compensation paid to our directors, see “Executive Compensation.” For a discussion of our collaboration and supply agreement with Sigma-Tau, see “Business – BioTherapeutics Overview – orBec® and oral BDP – Commercialization and Market.”

## Director Independence

The Board of Directors has determined that Keith Brownlie, Gregg Lapointe, Dr. Robert Rubin and Dr. Jerome Zeldis are “independent” as such term is defined by the applicable listing standards of Nasdaq. Our Board of Directors based this determination primarily on a review of the responses of the Directors to questionnaires regarding their employment, affiliations and family and other relationships.

- 46 -

---

Table of Content

PLAN OF DISTRIBUTION

We are offering up to \_\_\_\_\_ Units, to be issued in one or more closings, each consisting of one share of common stock and warrants to purchase an additional \_\_\_\_\_ share of common stock for \$\_\_\_\_\_ per Unit with aggregate gross proceeds of \$\_\_\_\_\_. Pursuant to an engagement letter agreement, we engaged \_\_\_\_\_ as our placement agent for this offering. \_\_\_\_\_ is not purchasing or selling any Units, nor are they required to arrange for the purchase and sale of any specific number or dollar amount of Units, other than to use their “best efforts” to arrange for the sale of Units by us. Therefore, we may not sell the entire amount of Units being offered. Additionally, we and the placement agent may, upon request of any investor in this offering, sell Units to such investors that exclude the warrants, provided that the sale of Units that exclude such warrants shall be at the same offering price per Unit as all other investors.

Upon the completion of all closings of the offering, we will pay the placement agent a cash transaction fee equal to \_\_\_\_\_% of the gross proceeds to us from the sale of the Units in the offering. In addition, we agreed to grant the placement agent a warrant to purchase a number of shares of our common stock equal to \_\_\_\_\_% of the number of Units sold by us in the offering. The compensation warrants will have the same terms as the warrants issued to the public in the offering and will be subject to FINRA Rule 5110(g)(1) in that for a period of six months after the issuance date of the compensation warrants (which shall not be earlier than the closing date of the offering pursuant to which the compensation warrants are being issued), neither the compensation warrants nor any warrant shares issued upon exercise of the compensation warrants shall be (A) sold, transferred, assigned, pledged, or hypothecated, or (B) the subject of any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the securities by any person for a period of 180 days immediately following the date of effectiveness or commencement of sales of the offering pursuant to which the compensation warrants are being issued, except the transfer of any security as permitted by FINRA rules.

The placement agent may be deemed to be an underwriter within the meaning of Section 2(a)(11) of the Securities Act and any commissions received by it and any profit realized on the sale of the securities by them while acting as principal might be deemed to be underwriting discounts or commissions under the Securities Act. The placement agent would be required to comply with the requirements of the Securities Act and the Securities Exchange Act of 1934, as amended (the “Exchange Act”), including, without limitation, Rule 10b-5 and Regulation M under the Exchange Act. These rules and regulations may limit the timing of purchases and sales of shares of common stock and warrants to purchase shares of common stock by the placement agent. Under these rules and regulations, the placement agent may not (i) engage in any stabilization activity in connection with our securities; and (ii) bid for or purchase any of our securities or attempt to induce any person to purchase any of our securities, other than as permitted under the Exchange Act, until they have completed their participation in the distribution.

The placement agent agreement provides that we will indemnify the placement agent against specified liabilities, including liabilities under the Securities Act. We have been advised that, in the opinion of the Securities and Exchange Commission, indemnification for liabilities under the Securities Act is against public policy as expressed in the Securities Act and is therefore unenforceable. The placement agent agreement also provides that the agreement may be terminated by either party upon thirty (30) days prior written notice.



Table of Content

DESCRIPTION OF SECURITIES

Our authorized capital stock consists of 50,250,000 shares of capital stock, of which 50,000,000 shares are common stock, par value \$0.001 per share, 225,000 shares are preferred stock, of which 10,000 are Series B Convertible Preferred Stock, par value \$0.05 per share, 10,000 shares are Series C Convertible Preferred Stock, par value \$0.05 per share, and 5,000 are Series A Junior Participating Preferred Stock, par value \$0.001 per share. As of October 31, 2012, there were issued and outstanding 11,160,513 shares of common stock, options to purchase 1,475,224 shares of common stock and warrants to purchase 2,576,341 shares of common stock. The amount outstanding does not include the \_\_\_\_\_ shares of common stock or the \_\_\_\_\_ shares of common stock underlying to warrants to be included in the \_\_\_\_\_ Units.

Common Stock

Holders of our common stock are entitled to one vote for each share held in the election of directors and in all other matters to be voted on by the stockholders. There is no cumulative voting in the election of directors. Holders of common stock are entitled to receive dividends as may be declared from time to time by our board of directors out of funds legally available therefor. In the event of liquidation, dissolution or winding up of the corporation, holders of common stock are to share in all assets remaining after the payment of liabilities. Holders of common stock have no pre-emptive or conversion rights and are not subject to further calls or assessments. There are no redemption or sinking fund provisions applicable to the common stock. The rights of the holders of the common stock are subject to any rights that may be fixed for holders of preferred stock. All of the outstanding shares of common stock are fully paid and non-assessable.

Preferred Stock

Our Certificate of Incorporation authorizes the issuance of 225,000 shares of preferred stock with designations, rights, and preferences as may be determined from time to time by the board of directors. The board of directors is empowered, without stockholder approval, to designate and issue additional series of preferred stock with dividend, liquidation, conversion, voting or other rights, including the right to issue convertible securities with no limitations on conversion, which could adversely affect the voting power or other rights of the holders of our common stock, substantially dilute a common stockholder's interest and depress the price of our common stock.

No shares of the Series B Convertible Preferred Stock, the Series C Convertible Preferred Stock or the Series A Junior Participating Preferred Stock are outstanding.

Anti-Takeover Provisions

Provisions in our Certificate of Incorporation, by-laws and stockholder rights plan may discourage certain types of transactions involving an actual or potential change of control of the Company which might be beneficial to us or our security holders.

As noted above, our Certificate of Incorporation permits our board of directors to issue shares of any class or series of preferred stock in the future without stockholder approval and upon such terms as our board of directors may determine. The rights of the holders of common stock will be subject to, and may be adversely affected by, the rights of the holders of any class or series of preferred stock that may be issued in the future.

Our bylaws generally provide that any board vacancy, including a vacancy resulting from an increase in the authorized number of directors, may be filled by a majority of the directors, even if less than a quorum.

Additionally, our bylaws provide that stockholders must provide timely notice in writing to bring business before an annual meeting of shareholders or to nominate candidates for election as directors at an annual meeting of shareholders. Notice for an annual meeting is timely if our Secretary receives the written notice not less than 45 days and no more than 75 days prior to the anniversary of the date that we mailed proxy materials for the preceding year's annual meeting. However, if the date of the annual meeting is advanced more than thirty (30) days prior to, or delayed by more than thirty (30) days after, the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be delivered not later than the close of business on the later of (i) the 90th day prior to such annual meeting or (ii) the 10th day following the day on which public announcement of the date of such annual meeting is first made. Our bylaws also specify the form and content of a shareholder's notice. These provisions may prevent shareholders from bringing matters before an annual meeting of shareholders or from making nominations for directors at an annual meeting of shareholders.

Table of Content

Shareholder Rights Plan

On June 22, 2007, our board of directors declared a dividend of one preferred share purchase right for each outstanding share of common stock. Each Right entitles the registered holder to purchase one one-thousandth of a share of our Series A Junior Participating Preferred Stock at a price of \$3.70 per one one-thousandth of a share, subject to certain adjustments. Initially, the rights are not exercisable, but become exercisable upon the earlier of (i) 10 days following a public announcement that a person or group of affiliated or associated persons, with certain exceptions, has acquired beneficial ownership of 15% or more of the then outstanding common stock or (ii) 10 business days following the commencement of, or announcement of an intention to make, a tender offer or exchange offer the consummation of which would result in the beneficial ownership by a person or group of 15% or more of such outstanding common stock.

Our board may redeem all of the rights for \$0.001 per right at any time before the earlier of (i) the time the rights become exercisable or (ii) July 1, 2017, the date the rights expire.

If the board declares or pays dividends on common stock, the holders of the Series A Junior Participating Preferred Stock would be entitled to receive a per share dividend payment of 1,000 times the dividend declared per share of common stock. In the event we make a distribution on the common stock, the holders of the Series A Junior Participating Preferred Stock will be entitled to a per share distribution, in like kind, of 1,000 times such distribution made per share of common stock. In the event of any merger, consolidation or other transaction in which shares of common stock are exchanged, each share of Series A Junior Participating Preferred Stock will be entitled to receive 1,000 times the amount received per share of common stock. These rights are protected by customary antidilution provisions.

Upon any liquidation, dissolution or winding up, no distribution may be made to the holders of shares of stock ranking junior to the Series A Junior Participating Preferred Stock unless the holders of the Series A Junior Participating Preferred Stock have received the greater of (i) \$3.70 per one one-thousandth share plus an amount equal to accrued and unpaid dividends and distributions thereon, and (ii) an amount equal to 1,000 times the aggregate amount to be distributed per share to holders of common stock. Further, no distribution may be made to the holders of stock ranking on a parity upon liquidation, dissolution or winding up with the Series A Junior Participating Preferred Stock, unless distributions are made ratably on the Series A Junior Participating Preferred Stock and all other shares of such parity stock in proportion to the total amounts to which the holders of the Series A Junior Participating Preferred Stock are entitled above and to which the holders of such parity shares are entitled.

The holders of the Series A Junior Participating Preferred Stock will have 1,000 votes per share of Series A Junior Participating Preferred Stock on all matters submitted to a vote of our stockholders, including the election of directors.

Table of Content

## MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our common stock is quoted on the OTCQB under the symbol "SNGX." The following table sets forth, as adjusted for the reverse stock split of 1-for-20 effective February 1, 2012, for the periods indicated, the high and low sales prices per share of our common stock as reported by the OTC Market Group.

Period	Price Range	
	High	Low
Year Ended December 31, 2010:		
First Quarter	\$ 5.80	\$ 4.60
Second Quarter	\$ 6.00	\$ 4.80
Third Quarter	\$ 5.20	\$ 3.60
Fourth Quarter	\$ 4.60	\$ 3.00
Year Ended December 31, 2011:		
First Quarter	\$ 4.40	\$ 3.20
Second Quarter	\$ 5.20	\$ 3.60
Third Quarter	\$ 6.80	\$ 0.80
Fourth Quarter	\$ 1.00	\$ 0.60
Year Ending December 31, 2012:		
First Quarter	\$ 1.01	\$ 0.44
Second Quarter	\$ 0.53	\$ 0.23
Third Quarter	\$ 0.55	\$ 0.26

As of October 31, 2012, the last reported price of our common stock quoted on the OTCQB was \$0.44 per share. The OTCQB prices set forth above represent inter-dealer quotations, without adjustment for retail mark-up, mark-down or commission, and may not represent the prices of actual transactions. As of October 31, 2012, we have approximately 950 stockholders of record of our common stock.

## Dividends

We have never declared nor paid any cash dividends, and currently intend to retain all our cash and any earnings for use in our business and, therefore, do not anticipate paying any cash dividends in the foreseeable future. Any future determination to pay cash dividends will be at the discretion of the Board of Directors and will be dependent upon our consolidated financial condition, results of operations, capital requirements and such other factors as the Board of Directors deems relevant.

Table of Content

DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Section 102(b)(7) of the Delaware General Corporation Law allows companies to limit the personal liability of its directors to the company or its stockholders for monetary damages for breach of a fiduciary duty. Article IX of the Company's Certificate of Incorporation, as amended, provides for the limitation of personal liability of the directors of the Company as follows:

"A Director of the Corporation shall have no personal liability to the Corporation or its stockholders for monetary damages for breach of his fiduciary duty as a Director; provided, however, this Article shall not eliminate or limit the liability of a Director (i) for any breach of the Director's duty of loyalty to the Corporation or its stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) for the unlawful payment of dividends or unlawful stock repurchases under Section 174 of the General Corporation Law of the State of Delaware; or (iv) for any transaction from which the Director derived an improper personal benefit. If the General Corporation Law is amended after approval by the stockholders of this Article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended."

Article VIII of the Company's Bylaws, as amended and restated, provide for indemnification of directors and officers to the fullest extent permitted by the Delaware General Corporation Law.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling the registrant pursuant to the foregoing provisions, the registrant has been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Act and is therefore unenforceable.

EXPERTS

The consolidated balance sheets of Soligenix, Inc. as of December 31, 2011 and 2010 and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2011 have been audited by EisnerAmper LLP, independent registered public accounting firm, as stated in their report which is incorporated herein, in reliance on the report of such firm given upon their authority as experts in accounting and auditing.

The independent registered public accounting firm named above has no interest in the prospectus.

LEGAL MATTERS

The validity of the shares of our common stock offered hereby will be passed upon by the law firm of Edwards Wildman Palmer LLP, West Palm Beach, Florida.

AVAILABLE INFORMATION

We have filed with the Securities and Exchange Commission, Washington, D.C. 20549, under the Securities Act of 1933, a registration statement on Form S-1 relating to the Units offered hereby. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules thereto. For further information with respect to our company and the Units we are offering by this prospectus, you should refer to the registration statement, including the exhibits and schedules thereto. You may inspect a copy of the registration statement without charge at the Public Reference Section of the Securities and Exchange Commission at Room 1024, 450 Fifth Street,

N.W., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the Securities and Exchange Commission. The Securities and Exchange Commission also maintains an Internet site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Securities and Exchange Commission. The Securities and Exchange Commission's World Wide Web address is <http://www.sec.gov>.

Table of Content

Statements contained in this prospectus as to the contents of any contract or other document that we have filed as an exhibit to the registration statement are qualified in their entirety by reference to the exhibits for a complete statement of their terms and conditions.

We file periodic reports, proxy statements and other information with the Securities and Exchange Commission in accordance with requirements of the Exchange Act. These periodic reports, proxy statements and other information are available for inspection and copying at the regional offices, public reference facilities and Internet site of the Securities and Exchange Commission referred to above. We make available through our website, free of charge, copies of these reports as soon as reasonably practicable after we electronically file or furnish them to the Securities and Exchange Commission. Our website is located at <http://www.soligenix.com>. You can also request copies of such documents, free of charge, by contacting the company at (609) 538-8200 or sending an email to [info@soligenix.com](mailto:info@soligenix.com).

Information contained on our website is not a prospectus and does not constitute a part of this prospectus.

You should rely only on the information contained in or incorporated by reference or provided in this prospectus. We have not authorized anyone else to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume the information in this prospectus is accurate as of any date other than the date on the front of this prospectus.

Table of Content

INDEX TO FINANCIAL STATEMENTS  
SOLIGENIX, INC. AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS

Table of Contents

	Page
Financial Statements for the Quarter Ended June 30, 2012 (unaudited)	
<u>Consolidated Balance Sheets as of June 30, 2012 and December 31, 2011</u>	F-1
<u>Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2012 and 2011</u>	F-2
<u>Consolidated Statements of Changes in Shareholders' Equity for the Six Months Ended June 30, 2012</u>	F-3
<u>Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2012 and 2011</u>	F-4
<u>Notes to Financial Statements</u>	F-5
Financial Statements - December 31, 2011 and 2010	
<u>Consolidated Balance Sheets as of December 31, 2011 and 2010</u>	F-13
<u>Consolidated Statements of Operations for the Years Ended December 31, 2011 and 2010</u>	F-14
<u>Consolidated Statements of Changes in Shareholders' Equity for the Years Ended December 31, 2011 and 2010</u>	F-15
<u>Consolidated Statements of Cash Flows for the Years Ended December 31, 2011 and 2010</u>	F-16
<u>Notes to Financial Statements</u>	F-17
<u>Report of Independent Registered Public Accounting Firm</u>	F-29

---



Table of ContentSoligenix, Inc. and Subsidiaries  
Consolidated Balance Sheets

	June 30, 2012 (Unaudited)	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,431,288	\$ 5,996,668
Grants receivable	239,599	362,473
Other receivable	-	574,157
Prepaid expenses	249,978	195,762
Total current assets	4,920,865	7,129,060
Office furniture and equipment, net	16,223	15,032
Intangible assets, net	974,377	1,079,566
Total assets	\$ 5,911,465	\$ 8,223,658
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	\$ 1,219,568	\$ 1,303,555
Accrued compensation	71,486	129,061
Total current liabilities	1,291,054	1,432,616
Commitments and contingencies		
Shareholders' equity:		
Preferred stock; 250,000 shares authorized; none issued or outstanding	-	-
Common stock, \$.001 par value; 50,000,000 shares and 20,000,000 in 2011 authorized; 11,132,544 shares and 11,105,532 shares issued and outstanding in 2012 and 2011, respectively	11,133	11,106
Additional paid-in capital	125,145,284	124,897,309
Accumulated deficit	(120,536,006)	(118,117,373)
Total shareholders' equity	4,620,411	6,791,042
Total liabilities and shareholders' equity	\$ 5,911,465	\$ 8,223,658

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

Table of Content

Soligenix, Inc. and Subsidiaries  
 Consolidated Statements of Operations  
 For the Three and Six Months Ended June 30, 2012 and 2011  
 (Unaudited)

	Three Months Ended June		Six Months Ended June 30,	
	2012	30, 2011	2012	2011
Revenues, principally from grants	\$ 762,851	\$ 405,820	\$ 1,410,269	\$ 1,213,825
Cost of revenues	(616,330)	(349,511)	(1,172,901)	(903,548)
Gross profit	146,521	56,309	237,368	310,277
Operating expenses:				
Research and development	500,980	1,513,722	1,377,774	2,886,526
General and administrative	627,218	475,377	1,282,261	1,079,387
Total operating expenses	1,128,198	1,989,099	2,660,035	3,965,913
Loss from operations	(981,677)	(1,932,790)	(2,422,667)	(3,655,636)
Other income:				
Interest income, net	1,799	1,473	4,034	3,908
Net loss	\$ (979,878)	\$ (1,931,317)	\$ (2,418,633)	\$ (3,651,728)
Basic and diluted net loss per share	\$ (0.09)	\$ (0.18)	\$ (0.22)	\$ (0.34)
Basic and diluted weighted average common shares outstanding	11,124,359	10,899,902	11,121,814	10,871,249

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

Table of Content

Soligenix, Inc. and Subsidiaries  
 Consolidated Statements of Changes in Shareholders' Equity  
 For the Six Months Ended June 30, 2012  
 (Unaudited)

	Common Stock Shares	Par Value	Additional Paid-In Capital	Accumulated Deficit	Total
Balance, December 31, 2011	11,105,532	\$ 11,106	\$ 124,897,309	\$ (118,117,373)	\$ 6,791,042
Issuance of restricted common stock to employee	16,667	17	9,983	-	10,000
Issuance of common stock to vendor	10,345	10	2,990	-	3,000
Stock-based compensation expense	-	-	235,002	-	235,002
Net loss	-	-	-	(2,418,633)	(2,418,633)
Balance, June 30, 2012	11,132,544	\$ 11,133	\$ 125,145,284	\$ (120,536,006)	\$ 4,620,411

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

Table of Content

Soligenix, Inc. and Subsidiaries  
Consolidated Statements of Cash Flows  
For the Six Months Ended June 30,  
(Unaudited)

	2012	2011
Operating activities:		
Net loss	\$ (2,418,633)	\$ (3,651,728)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization and depreciation	108,753	105,443
Common stock or warrants issued in exchange for services	3,000	11,184
Restricted Stock issued to employee	10,000	-
Stock-based compensation	235,002	388,636
Change in operating assets and liabilities:		
Grants receivable	122,874	(215,773)
Other receivable	574,157	247,542
Prepaid expenses	(54,216)	95,859
Accounts payable	(83,987)	(300,201)
Accrued compensation	(57,575)	(187,279)
Total adjustments	858,008	145,411
Net cash used in operating activities	(1,560,625)	(3,506,317)
Investing activities:		
Acquisition of intangible assets	-	(112,398)
Purchase of office equipment	(4,755)	-
Net cash used in investing activities	(4,755)	(112,398)
Financing activities:		
Proceeds from sale of common stock pursuant to equity line	-	255,000
Proceeds from exercise of options and warrants	-	68,750
Net cash provided by financing activities	-	323,750
Net decrease in cash and cash equivalents	(1,565,380)	(3,294,965)
Cash and cash equivalents at beginning of period	5,996,668	7,451,714
Cash and cash equivalents at end of period	\$ 4,431,288	\$ 4,156,749

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

Table of Content

Soligenix, Inc.  
Notes to Consolidated Financial Statements

Note 1. Nature of Business

Basis of Presentation

Soligenix, Inc. was incorporated in Delaware in 1987. We are a development stage biopharmaceutical company that is focused on developing products to treat serious gastrointestinal diseases where there remains an unmet medical need, as well as developing several biodefense vaccines and therapeutics. We maintain two active business segments: BioTherapeutics and Vaccines/BioDefense.

Our BioTherapeutics business segment intends to develop oral beclomethasone dipropionate (oral BDP) for indications such as pediatric Crohn's disease and acute radiation enteritis. Our Vaccines/BioDefense business segment includes active development programs for RiVax™, our ricin toxin vaccine, and VeloThrax™, our anthrax vaccine, and OrbeShield™, our gastrointestinal acute radiation syndrome ("GI ARS") therapeutic. The advanced development of our vaccine programs is currently supported by our heat stabilization technology, known as ThermoVax™, under existing and on-going government grant funding.

The Company generates revenues primarily from the National Institutes of Health (the "NIH") under four active grants and could generate license fees from Sigma-Tau by achieving certain milestones.

The Company is subject to risks common to companies in the biotechnology industry including, but not limited to, development of new technological innovations, dependence on key personnel, protections of proprietary technology, compliance with FDA regulations, litigation, and product liability.

Liquidity

As of June 30, 2012, the Company had cash and cash equivalents of \$4,431,288 as compared to \$5,996,668 as of December 31, 2011, representing a decrease of \$1,565,380 or 26%. As of June 30, 2012, the Company had working capital of \$3,629,811 as compared to working capital of \$5,696,444 as of December 31, 2011, representing a decrease of \$2,066,633 or 36%. The decrease in cash and working capital was primarily the result of cash used in operating activities over the six month period. For the six months ended June 30, 2012, the Company's cash used in operating activities was \$1,560,625 as compared to \$3,506,317 for the same period in 2011, representing a decrease of \$1,945,692. The decrease is primarily related to the termination of the Company's pivotal phase 3 trial with Orbec® for the treatment of acute GI GVHD.

An outline of our business strategy follows:

- Initiate a Phase 1/2 clinical trial of oral BDP, known as SGX203, in pediatric Crohn's disease;
- Evaluate the effectiveness of orBec®/Oral BDP in other therapeutic indications involving inflammatory conditions of the gastrointestinal ("GI") tract such as prevention of acute radiation enteritis and treatment of chronic GI GVHD;
- Develop RiVax™ and VeloThrax™ in combination with our proprietary vaccine heat stabilization technology, known as ThermoVax™, to develop new heat stable vaccines in biodefense and infectious diseases with the potential to collaborate and/or partner with other companies in these areas;
- Continue to apply for and secure additional government funding for each of our BioTherapeutics and Vaccines/BioDefense programs through grants, contracts and/or procurements;
- Acquire or in-license new clinical-stage compounds for development; and

Explore other business development and acquisition strategies.

Based on the Company's current rate of cash outflows, cash on hand, proceeds from its grant-funded programs, reductions in headcount and expected proceeds from the State of New Jersey Technology Business Tax Certificate Transfer Program, management believes that its current cash will be sufficient to meet its anticipated cash needs for working capital and capital expenditures into the fourth quarter of 2013.

F-5

---

## Table of Content

The Company's plans with respect to its liquidity management include the following:

The Company has instituted a cost reduction plan which has reduced headcount and will continue to reduce costs wherever possible.

The Company has approximately \$5.0 million in active grant funding still available to support its associated research programs into 2014. The Company plans to submit additional grant applications for further support of its programs with various funding agencies.

The Company has continued to use equity instruments to provide a portion of the compensation due to vendors and collaboration partners and expects to continue to do so for the foreseeable future.

The Company will pursue sales of Net Operating Losses ("NOL") in the State of New Jersey, pursuant to its Technology Business Tax Certificate Transfer Program. Based on the receipt of \$574,157 in proceeds from the sale of NJ NOL in 2011, the Company expects to participate in the program during 2012 and beyond; and

The Company may seek additional capital in the private and/or public equity markets to continue its operations, respond to competitive pressures, develop new products and services, and to support new strategic partnerships. The Company is currently evaluating additional equity financing opportunities and may execute them when appropriate. However, there can be no assurances that the Company can consummate such a transaction, or consummate a transaction at favorable pricing.

## Reverse Stock Split

On February 1, 2012, the Company completed a reverse stock split of its issued and outstanding shares of common stock at a ratio of 1-for-20, whereby, every 20 shares of its common stock was exchanged for one share of its common stock. Its common stock began trading on the OTCQB on a reverse split basis on February 2, 2012. All share and per share data have been restated to reflect this reverse stock split.

## Note 2. Summary of Significant Accounting Policies

### Principles of Consolidation

The consolidated financial statements include Soligenix, Inc., and its wholly and majority owned subsidiaries. All significant intercompany accounts and transactions have been eliminated as a result of consolidation.

### Operating Segments

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated on a regular basis by the chief operating decision maker, or decision making group, in deciding how to allocate resources to an individual segment and in assessing the performance of the segment. The Company divides its operations into two operating segments: BioTherapeutics and Vaccines/BioDefense.

### Grants Receivable

Grants receivable consist of unbilled amounts due from various grants from the NIH for costs incurred prior to the period end under reimbursement contracts. The amounts were billed to the NIH in the month subsequent to period end and collected shortly thereafter. The Company considers the grants receivable to be fully collectible. Accordingly, no allowance for doubtful amounts has been established. If amounts become uncollectible, they are charged to operations.

### Intangible Assets

One of the most significant estimates or judgments that the Company makes is whether to capitalize or expense patent and license costs. The Company makes this judgment based on whether the technology has alternative future uses, as defined in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 730, Research and Development. Based on this consideration, the Company capitalizes payments made to legal firms that are engaged in filing and protecting rights to intellectual property and rights for its current products in both the domestic and international markets. The Company believes that patent rights are one of its most valuable assets. Patents and patent applications are a key component of intellectual property, especially in the early stage of product development, as their purchase and maintenance gives the Company access to key product development rights from Soligenix’s academic and industrial partners. These rights can also be sold or sub-licensed as part of its strategy to partner its products at each stage of development as the intangible assets have alternative future use. The legal costs incurred for these patents consist of work associated with filing new patents and perhaps extending the lives of the patents. The Company capitalizes such costs and amortizes intangibles over their expected useful life – generally a period of 11 to 16 years.

F-6

---



## Table of Content

The Company did not incur any capitalized patent related costs during the six months ended June 30, 2012; the Company capitalized \$112,398 in patent related costs during the six months ended June 30, 2011.

### Impairment of Long-Lived Assets

Office furniture, equipment and intangible assets are reviewed and evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company recognizes impairment of long-lived assets in the event the net book value of such assets exceeds the estimated future undiscounted cash flows attributable to such assets. If the sum of the expected undiscounted cash flows is less than the carrying value of the related asset or group of assets, a loss is recognized for the difference between the fair value and the carrying value of the related asset or group of assets. Such analyses necessarily involve significant judgment.

The Company did not record any impairment of long-lived assets for the six months ended June 30, 2012 or 2011.

### Fair Value of Financial Instruments

Accounting principles generally accepted in the U.S. require that fair values be disclosed for the Company's financial instruments. The carrying amounts of the Company's financial instruments, which include grants receivable and current liabilities, are considered to be representative of their respective fair values.

### Revenue Recognition

Principally all of the Company's revenues are generated from NIH grants and revenues from licensing activities and the achievement of licensing milestones (in prior periods). Recording of revenue is applied in accordance with FASB ASC 605, Revenue Recognition, ASC 605-25 and/or Accounting Standard Update, ASU, 2009-13, Revenue Recognition – Multiple Element Arrangements. The revenue from NIH grants is based upon subcontractor costs and internal costs incurred that are specifically covered by the grants, plus a facilities and administrative rate that provides funding for overhead expenses. These revenues are recognized when expenses have been incurred by subcontractors or when the Company incurs internal expenses that are related to the grant. Licensing and associated milestone revenues are recorded when earned.

### Research and Development Costs

Research and development costs are charged to expense when incurred in accordance with FASB ASC 730, Research and Development. Research and development includes costs such as clinical trial expenses, contracted research and license agreement fees with no alternative future use, supplies and materials, salaries stock based compensation, employee benefits, equipment depreciation and allocation of various corporate costs. Purchased in-process research and development expense represents the value assigned or paid for acquired research and development for which there is no alternative future use as of the date of acquisition.

### Stock-Based Compensation

From time to time, the Company issues restricted shares of common stock to vendors and consultants as compensation for services performed. Stock-based compensation expense recognized during the period is based on the fair value of the portion of share-based payment awards that is ultimately expected to vest during the period. Typically these instruments vest upon issuance and therefore the entire stock compensation expense is recognized upon issuance to the vendors and/or consultants.

Stock options are issued with an exercise price equal to the market price on the date of issuance. Stock options issued to directors upon re-election vest quarterly for a period of one year (new director issuances are fully vested upon issuance). Stock options issued to employees vest 25% immediately as of the grant date, then 25% each subsequent year for a period of three years. Stock options vest over each three month period from the date of issuance to the end of the three year period. These options have a ten year life for as long as the individuals remain employees or directors. In general when an employee or director terminates their position the options will expire within three months, unless otherwise extended by the Board.

F-7

---

## Table of Content

Stock compensation expense for options, warrants and shares of common stock granted to non-employees has been determined in accordance with FASB ASC 718, Stock Compensation, and FASB ASC 505-50, Equity-Based Payments to Non-Employees, and represents the fair value of the consideration received, or the fair value of the equity instruments issued, whichever may be more reliably measured. For options that vest over future periods, the fair value of options granted to non-employee directors is amortized as the options vest. The option's price is re-measured using the Black-Scholes model at the end of each three month reporting period.

The fair value of options in accordance with FASB ASC 718, Stock Compensation, was estimated using the Black-Scholes option-pricing model and the following weighted-average assumptions:

- a dividend yield of 0%;
- an expected life of 4 years;
- volatility of 160% and 123% for 2012 and 2011, respectively;
- forfeitures at a rate of 12%; and
- risk-free interest rates of 0.51% and 1.21% in 2012 and 2011, respectively.

The Company estimates these values based on the assumptions that have been historically available. The fair value of options granted is estimated on the date of each grant using the Black-Scholes option pricing model and is then amortized ratably over the option's vesting periods, which approximates the service period.

## Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is established when it is more likely than not that all or a portion of a deferred tax asset will not be realized. A review of all available positive and negative evidence is considered, including the Company's current and past performance, the market environment in which the Company operates, the utilization of past tax credits, and the length of carryback and carryforward periods. Deferred tax assets and liabilities are measured utilizing tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. No current or deferred income taxes have been provided through June 30, 2012 due to the net operating losses incurred by the Company since its inception. The Company recognizes accrued interest and penalties associated with uncertain tax positions, if any, as part of income tax expense. There were no tax related interest and penalties recorded for 2012 and 2011. Additionally, the Company has not recorded an asset for unrecognized tax benefits or a liability for uncertain tax positions at June 30, 2012 or 2011. The income tax returns for 2009, 2010 and 2011 are subject to examination by the Internal Revenue Service ("IRS") and other various taxing authorities, generally for three years after they were filed.

## Earnings Per Share

Basic earnings per share ("EPS") excludes dilution and is computed by dividing income (loss) available to common stockholders by the weighted-average number of common shares outstanding for the period as adjusted for the 1-for-20 reverse stock split effective February 1, 2012. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that shared in the earnings of the entity. Since there is a significant number of options and warrants outstanding, fluctuations in the actual market price can have a variety of results for each period presented. No options or warrants were included in the 2012 and 2011 computations of diluted earnings per share because their effect would be anti-dilutive as a result of losses or options and warrants for which the strike price exceeds the quoted market value at period end.

Shares issuable upon the exercise of options and warrants outstanding at June 30, 2012 and 2011 were 1,596,898 and 1,376,084 shares issuable upon the exercise of outstanding stock options, and 2,576,341 and 2,707,819 shares issuable upon the exercise of outstanding warrants, respectively. The weighted average exercise price of the Company's stock options and warrants outstanding at June 30, 2012 were \$3.50 and \$4.32 per share, respectively. The weighted average exercise price of the Company's stock options and warrants outstanding at June 30, 2011 were \$4.80 and \$4.40 per share, respectively.

#### Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions such as the fair value of warrants, stock options and recovery of the useful life of intangibles that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

F-8

---

Table of Content

## Note 3. Intangible Assets

The following is a summary of intangible assets which consists of licenses and patents:

	Weighted Average Amortization Period (years)	Cost	Accumulated Amortization	Net Book Value
June 30, 2012				
Licenses	8.2	\$ 462,234	\$ 238,288	\$ 223,946
Patents	3.1	1,893,185	1,142,754	750,431
Total	4.1	\$ 2,355,419	\$ 1,381,042	\$ 974,377
December 31, 2011				
Licenses	8.7	\$ 462,234	\$ 224,708	\$ 237,526
Patents	3.3	1,893,185	1,051,145	842,040
Total	4.4	\$ 2,355,419	\$ 1,275,853	\$ 1,079,566

Amortization expense was \$49,534 and \$52,208 for the three months ended June 30, 2012 and 2011, respectively and \$105,189 and \$101,845 for the six months ended June 30, 2012 and 2011, respectively.

Based on the balance of licenses and patents at June 30, 2012, the expected annual amortization expense for each of the succeeding five years is estimated to be as follows:

	Amortization Expense
2012	\$ 222,800
2013	\$ 222,800
2014	\$ 222,800
2015	\$ 222,800
2016	\$ 83,200

License fees and royalty payments are expensed annually if incurred, as the Company does not attribute any future benefits other than within that period.

## Note 4. Income Taxes

At June 30, 2012, the Company had NOLs of approximately \$76,000,000 for federal tax purposes and approximately \$19,000,000 of New Jersey NOL carry forwards remaining after the sale of unused NOL carry forwards, portions of which are currently expiring each year until 2031. In addition, the Company had \$3,462,000 of various tax credits that started expiring in December 2011 and will continue to expire until 2030. The Company may be able to utilize its NOLs to reduce future federal and state income tax liabilities. However, these NOLs are subject to various limitations under Internal Revenue Code ("IRC") Section 382. IRC Section 382 limits the use of NOLs to the extent there has been an ownership change of more than 50 percentage points. In addition, the NOL carryforwards are subject to examination by the taxing authority and could be adjusted or disallowed due to such exams. Although the Company has not undergone an IRC Section 382 analysis, it is likely that the utilization of the NOLs may be substantially limited.

The Company and one or more of its subsidiaries files income tax returns in the U.S. Federal jurisdiction, and various state and local jurisdictions. The Company is no longer subject to Federal income tax assessment for years before 2008 and 2007 for New Jersey income tax assessment. However, since the Company has incurred net operating losses in every tax year since inception, all its income tax returns are subject to examination by the Internal Revenue Service and state authorities for purposes of determining the amount of net operating loss carryforward that can be used to reduce taxable income.

F-9

---

Table of Content

The Company has no tax provision for the three and six month periods ended June 30, 2012 and 2011 due to losses and full valuation allowances against net deferred tax assets.

Note 5. Shareholders' Equity

Preferred Stock

The Company has 250,000 shares of preferred stock authorized, none of which are issued or outstanding.

Common Stock

On June 21, 2012, the Company's shareholders approved the Second Amended and Restated Certificate of Incorporation to increase the number of authorized shares of common stock from 20,000,000 to 50,000,000.

The following items represent transactions in the Company's common stock for the three months ended June 30, 2012:

In June 2012, the Company issued 10,345 shares of common stock as part of consideration for services performed. The fair value of such shares was \$3,000 and was recognized as an expense in the quarter ended June 30, 2012.

Note 6. Commitments and Contingencies

The Company has commitments of approximately \$365,000 at June 30, 2012 to several licensing agreements with consultants and universities, which upon clinical or commercialization success may require the payment of milestones and/or royalties if and when achieved. However, there can be no assurance that clinical or commercialization success will occur.

On February 7, 2012, the Company entered into a lease agreement through March 31, 2015 for existing office space. The rent for the first 12 months is approximately \$8,000 per month, or approximately \$18.25 per square foot. This rent increases to approximately \$8,310 per month, or approximately \$19.00 per square foot, for the remaining 24 months. Rent expense is recognized on a straight-line basis.

In February 2007, the Company's Board of Directors authorized the issuance of the following number of shares to each of Dr. Schaber and Dr. Brey immediately prior to the completion of a transaction, or series or a combination of related transactions negotiated by its Board of Directors whereby, directly or indirectly, a majority of its capital stock or a majority of its assets are transferred from the Company and/or its stockholders to a third party: 50,000 common shares to Dr. Schaber; and 10,000 common shares to Dr. Brey. The amended agreement with Dr. Schaber includes its obligation to issue such shares if such event occurs.

Employees with employment contracts have severance agreements that will provide separation benefits from the Company if they are involuntarily separated from employment. On February 15, 2012, Mr. Myrianthopoulos' employment agreement was terminated. The Company recognized an expense of \$95,625 at March 31, 2012 and at June 30, 2012 there is \$37,795 of severance and healthcare benefits due to Mr. Myrianthopoulos.

As a result of the above agreements, the Company has future contractual obligations over the next five years as follows:

Year	Research and Development	Property and Other Leases	Severance	Total
------	-----------------------------	------------------------------	-----------	-------

Edgar Filing: SOLIGENIX, INC. - Form S-1

2012	\$	65,000	\$	50,802	\$	37,795	\$	153,597
2013		75,000		104,559		-		179,559
2014		75,000		101,198		-		176,198
2015		75,000		24,938		-		99,938
2016		75,000		-		-		75,000
Total	\$	365,000	\$	281,497	\$	37,795	\$	684,292

F-10

---



Table of Content

## Note 7. Subsequent Event

On July 17, 2012, the Company announced receiving a Small Business Innovation Research (“SBIR”) grant from the National Institute of Allergy and Infectious Diseases (“NIAID”) to further support preclinical development of OrbeShield™ as a treatment for GI ARS. This will provide the Company with approximately \$600,000 over a two-year period to conduct the study.

## Note 8. Business Segments

The Company maintains two active business segments: BioTherapeutics and Vaccines/BioDefense. Each segment includes an element of overhead costs specifically associated with its operations, with its corporate shared services group responsible for support functions generic to both operating segments.

	Three Months Ended June 30,	
	2012	2011
Revenues, Principally from Grants		
Vaccines/BioDefense	\$ 710,237	\$ 335,029
BioTherapeutics	52,614	70,791
Total	\$ 762,851	\$ 405,820
Loss from Operations		
Vaccines/BioDefense	\$ (2,144)	\$ (67,425)
BioTherapeutics	(481,817)	(1,663,402)
Corporate	(497,716)	(201,963)
Total	\$ (981,677)	\$ (1,932,790)
Amortization and Depreciation Expense		
Vaccines/BioDefense	\$ 24,954	\$ 10,183
BioTherapeutics	25,892	43,290
Corporate	562	542
Total	\$ 51,408	\$ 54,015
Interest Income, Net		
Corporate	\$ 1,799	\$ 1,473
Stock-Based Compensation		
Vaccines/BioDefense	\$ 2,130	\$ 18,416
BioTherapeutics	56,194	188,255
Corporate	59,064	25,198
Total	\$ 117,388	\$ 231,869

Table of Content

	Six Months Ended June 30,	
	2012	2011
Revenues, Principally from Grants		
Vaccines/BioDefense	\$ 1,307,842	\$ 871,615
BioTherapeutics	102,427	342,210
Total	\$ 1,410,269	\$ 1,213,825
Income (Loss) from Operations		
Vaccines/BioDefense	\$ (130,509)	\$ 52
BioTherapeutics	(1,207,859)	(3,044,729)
Corporate	(1,084,299)	(610,959)
Total	\$ (2,422,667)	\$ (3,655,636)
Amortization and Depreciation Expense		
Vaccines/BioDefense	\$ 52,951	\$ 19,872
BioTherapeutics	54,733	84,491
Corporate	1,069	1,080
Total	\$ 108,753	\$ 105,443
Interest Income, Net		
Corporate	\$ 4,034	\$ 3,908
Stock-Based Compensation		
Vaccines/BioDefense	\$ 4,260	\$ 36,832
BioTherapeutics	112,614	286,508
Corporate	118,128	65,296
Total	\$ 235,002	\$ 388,636
	As of	As of
	June 30,	December
	2012	31,
		2011
Identifiable Assets		
Vaccines/BioDefense	\$ 557,211	\$ 689,266
BioTherapeutics	658,593	753,767
Corporate	4,695,661	6,780,625
Total	\$ 5,911,465	\$ 8,223,658

Table of Content

Soligenix, Inc. and Subsidiaries  
Consolidated Balance Sheets  
As of December 31,

	2011	2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,996,668	\$ 7,451,714
Grants receivable	362,473	120,787
Taxes receivable	574,157	251,864
Prepaid expenses	195,762	187,494
Total current assets	7,129,060	8,011,859
Office furniture and equipment, net	15,032	20,699
Intangible assets, net	1,079,566	1,235,989
Total assets	\$ 8,223,658	\$ 9,268,547
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	\$ 1,303,555	\$ 1,674,175
Accrued compensation	129,061	236,581
Total current liabilities	1,432,616	1,910,756
Commitments and contingencies		
Shareholders' equity:		
Preferred stock; 250,000 shares authorized; none issued or outstanding	-	-
Common stock, \$.001 par value; 20,000,000 shares authorized; 11,105,532 shares and 10,813,087 shares issued and outstanding in 2012 and 2011, respectively (1)	11,106	10,813
Additional paid-in capital (1)	124,897,309	123,085,757
Accumulated deficit	(118,117,373)	(115,738,779)
Total shareholders' equity	6,791,042	7,357,791
Total liabilities and shareholders' equity	\$ 8,223,658	\$ 9,268,547

(1) Adjusted to reflect the reverse stock split of 1-for-20 effective February 1, 2012.

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

Table of Content

Soligenix, Inc. and Subsidiaries  
Consolidated Statements of Operations  
For the Years Ended December 31,

	2011	2010
Revenues:		
License revenue	\$ 5,000,000	\$ -
Grant revenue	2,662,822	1,947,628
Total revenues	7,662,822	1,947,628
Cost of grant revenues	(2,108,228)	(1,638,402)
Gross profit	5,554,594	309,226
Operating expenses:		
Research and development	6,272,616	5,986,405
General and administrative	2,242,173	2,201,242
Total operating expenses	8,514,789	8,187,647
Loss from operations	(2,960,195)	(7,878,421)
Other income (expense):		
Interest income	7,444	12,074
Interest expense	-	(742)
Other income, principally proceeds from QTDP grant	-	234,700
Total other income	7,444	246,032
Net loss before income taxes	(2,952,751)	(7,632,389)
Income tax benefit	574,157	245,810
Net loss	\$ (2,378,594)	\$ (7,386,579)
Basic and diluted net loss per share (1)	\$ (0.22)	\$ (0.73)
Basic and diluted weighted average common shares outstanding (1)	10,957,676	10,120,324

(1) Adjusted to reflect the reverse stock split of 1-for-20 effective February 1, 2012.

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

Table of Content

Soligenix, Inc. and Subsidiaries  
Consolidated Statements of Changes in Shareholders' Equity  
For the Years Ended December 31, 2011 and 2010

	Common Stock Shares (1)	Par Value (1)	Additional Paid-In Capital (1)	Accumulated Deficit	Total
Balance, December 31, 2009	9,284,109	9,284	116,517,142	(108,352,200)	8,174,226
Issuance of common stock pursuant to private placements, net of \$224,421 in expenses	1,440,068	1,440	5,678,416	-	5,679,856
Fair value of common stock warrants to vendors	-	-	67,052	-	67,052
Issuance of common stock pursuant to Fusion equity line	14,705	15	69,985	-	70,000
Issuance of common stock to vendors	20,161	20	104,818	-	104,838
Issuance of common stock for option and warrant exercises	54,044	54	76,799	-	76,853
Stock-based compensation expense	-	-	571,545	-	571,545
Net loss	-	-	-	(7,386,579)	(7,386,579)
Balance, December 31, 2010	10,813,087	\$ 10,813	\$ 123,085,757	\$ (115,738,779)	\$ 7,357,791
Issuance of common stock from collaboration agreement	66,890	67	399,933	-	400,000
Issuance of common stock pursuant to Fusion equity line	90,789	91	354,909	-	355,000
Issuance of common stock to vendors	29,297	29	14,971	-	15,000
Issuance of common stock to employee as severance	25,625	26	20,474	-	20,500
Issuance of common stock for option and warrant exercises	79,844	80	253,533	-	253,613
Fair value of common stock warrants to vendors	-	-	11,184	-	11,184
Settlement of broker fees associated with 2010 financing	-	-	40,743	-	40,743
Stock-based compensation expense	-	-	715,805	-	715,805
Net loss	-	-	-	(2,378,594)	(2,378,594)
Balance, December 31, 2011	11,105,532	\$ 11,106	\$ 124,897,309	\$ (118,117,373)	\$ 6,791,042

(1) Adjusted to reflect the reverse stock split of 1-for-20 effective February 1, 2012.

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

Table of Content

Soligenix, Inc. and Subsidiaries  
Consolidated Statements of Cash Flows  
For the Years Ended December 31,

	2011	2010
Operating activities:		
Net loss	\$ (2,378,594)	\$ (7,386,579)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization and depreciation	226,027	185,696
Common stock issued for amended license agreement	400,000	-
Common stock issued to former employee	20,500	-
Common stock or warrants issued in exchange for services	26,184	171,890
Stock-based compensation	715,805	571,545
Capitalized patent write-off	88,727	378,501
Change in operating assets and liabilities:		
Grants receivable	(241,686)	(97,155)
Taxes receivable	(322,293)	(251,864)
Inventory	-	42,865
Prepaid expenses	(8,268)	(46,181)
Accounts payable	(370,620)	829,318
Accrued compensation	(107,520)	(128,618)
Total adjustments	426,856	1,655,997
Net cash used in operating activities	(1,951,738)	(5,730,582)
Investing activities:		
Acquisition of intangible assets	(151,086)	(330,163)
Purchase of office equipment	(1,578)	(6,261)
Net cash used in investing activities	(152,664)	(336,424)
Financing activities:		
Net proceeds from sale of common stock	-	5,679,856
Settlement of Broker Fees associated with 2010 Financing	40,743	-
Proceeds from sale of common stock pursuant to equity line	355,000	70,000
Proceeds from exercise of options and warrants	253,613	76,853
Net cash provided by financing activities	649,356	5,826,709
Net decrease in cash and cash equivalents	(1,455,046)	(240,297)
Cash and cash equivalents at beginning of period	7,451,714	7,692,011
Cash and cash equivalents at end of period	\$ 5,996,668	\$ 7,451,714
Supplemental information:		
Cash paid for state income taxes	\$ 2,750	\$ 2,853
Shares retired	\$ -	\$ 43

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



Table of Content

Soligenix, Inc. and Subsidiaries  
Notes to Consolidated Financial Statements

Note 1. Nature of Business

Basis of Presentation

Soligenix, Inc. was incorporated in Delaware in 1987. We are a development stage biopharmaceutical company that is focused on developing products to treat serious gastrointestinal diseases where there remains an unmet medical need, as well as developing several biodefense vaccines and therapeutics. We maintain two active business segments: BioTherapeutics and Vaccines/BioDefense.

Our BioTherapeutics business segment intends to develop oral beclomethasone dipropionate (oral BDP) for indications such as pediatric Crohn's disease and acute radiation enteritis. Our Vaccines/BioDefense business segment includes active development programs for RiVax™, our ricin toxin vaccine, and VeloThrax™, our anthrax vaccine, and OrbeShield™, our gastrointestinal acute radiation syndrome ("GI ARS") therapeutic. The advanced development of our vaccine programs is currently supported by our heat stabilization technology, known as ThermoVax™, under existing and on-going government grant funding.

The Company generates revenues primarily from the National Institutes of Health (the "NIH") under four active grants and could generate license fees from Sigma-Tau by achieving certain milestones.

The Company is subject to risks common to companies in the biotechnology industry including, but not limited to, development of new technological innovations, dependence on key personnel, protections of proprietary technology, compliance with FDA regulations, litigation, and product liability.

The Company generates revenues primarily from the National Institutes of Health (the "NIH") under four active grants and could generate license fees from Sigma-Tau by achieving certain milestones.

The Company is subject to risks common to companies in the biotechnology industry including, but not limited to, development of new technological innovations, dependence on key personnel, protections of proprietary technology, compliance with FDA regulations, litigation, and product liability.

Liquidity

As of December 31, 2011, the Company had cash and cash equivalents of \$5,996,668 as compared to \$7,451,714 as of December 31, 2010, representing a decrease of \$1,455,046 or 20%. As of December 31, 2011, the Company had working capital of \$5,696,444 as compared to working capital of \$6,101,103 as of December 31, 2010, representing a decrease of \$404,659 or 7%. The decrease in working capital was the result of the cash used in operating and investing activities over the period, offset by the proceeds of \$5,000,000 received from the Sigma-Tau Agreement in July 2011, as well as option exercise proceeds and proceeds from the sale of stock under the Fusion equity line. For the year ended December 31, 2011, the Company's cash used in operating activities was \$1,951,738, as compared to \$5,730,582 for the same period in 2010, representing a decrease of \$3,778,884. This decrease was attributable to the Company's receipt of \$5,000,000 relating to the execution of an expanded license agreement with Sigma-Tau for the European territory offset by expenditures to the conduct of the confirmatory Phase 3 clinical trial of orBec® in the treatment of acute gastrointestinal Graft-versus-Host disease ("GI GVHD"). Based on the Company's current rate of cash outflows, cash on hand and proceeds from its grant programs, and proceeds from the State of New Jersey Technology Business Tax Certificate Transfer Program, management believes that its current cash will be sufficient to meet the anticipated cash needs for working capital and capital expenditures into the fourth quarter of 2013.



An outline of management's business strategy follows:

Initiate a Phase 1/2 clinical trial of oral BDP, known as SGX203, in pediatric Crohn's disease;  
Evaluate the effectiveness of orBec®/Oral BDP in other therapeutic indications involving inflammatory conditions of the gastrointestinal ("GI") tract such as prevention of acute radiation enteritis and treatment of chronic GI GVHD;  
Develop RiVax™ and VeloThrax™ in combination with our proprietary vaccine heat stabilization technology, known as ThermoVax™, to develop new heat stable vaccines in biodefense and infectious diseases with the potential to collaborate and/or partner with other companies in these areas;  
Continue to apply for and secure additional government funding for each of our BioTherapeutics and Vaccines/BioDefense programs through grants, contracts and/or procurements;  
Acquire or in-license new clinical-stage compounds for development; and  
Explore other business development and acquisition strategies.

F-17

---

## Table of Content

The Company's plans with respect to its liquidity management include, but are not limited to, the following:

The Company has instituted a cost reduction plan which has reduced headcount and will continue to reduce costs wherever possible.

The Company has approximately \$3.8 million in active grant funding still available to support its associated research programs through 2013 and beyond. The Company plans to submit additional grant applications for further support of its programs with various funding agencies.

The Company has continued to use equity instruments to provide a portion of the compensation due to vendors and collaboration partners and expects to continue to do so for the foreseeable future.

The Company will pursue Net Operating Losses ("NOLs") sales in the State of New Jersey pursuant to its Technology Business Tax Certificate Transfer Program. Based on the receipt of \$574,157 in proceeds pursuant to NOLs sales in 2011, the Company expects to participate in the program during 2012 and beyond; and

The Company may seek additional capital in the private and/or public equity markets to continue its operations, respond to competitive pressures, develop new products and services, and to support new strategic partnerships. The Company is currently evaluating additional equity financing opportunities and may execute them when appropriate. However, there can be no assurances that the Company can consummate such a transaction, or consummate a transaction at favorable pricing.

## Reverse Stock Split

On February 1, 2012, the Company completed a reverse stock split of its issued and outstanding shares of common stock at a ratio of 1-for-20, whereby, once effective, every 20 shares of its common stock was exchanged for one share of its common stock. Its common stock began trading on the OTCQB on a reverse split basis at the market opening on February 2, 2012. All share and per share data have been restated to reflect this reverse stock split.

## Note 2. Summary of Significant Accounting Policies

### Principles of Consolidation

The consolidated financial statements include Soligenix, Inc., and its wholly and majority owned subsidiaries. All significant intercompany accounts and transactions have been eliminated as a result of consolidation.

### Operating Segments

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated on a regular basis by the chief operating decision maker, or decision making group, in deciding how to allocate resources to an individual segment and in assessing the performance of the segment. The Company divides its operations into two operating segments: BioTherapeutics and Vaccines/BioDefense.

### Grants Receivable

Grants receivable consist of unbilled amounts due from various grants from the NIH for costs incurred prior to the period end under reimbursement contracts. The amounts were billed to the NIH in the month subsequent to period end and collected shortly thereafter. The Company considers the grants receivable to be fully collectible. Accordingly, no allowance for doubtful amounts has been established. If amounts become uncollectible, they are charged to operations.



## Table of Content

### Intangible Assets

One of the most significant estimates or judgments that the Company makes is whether to capitalize or expense patent and license costs. The Company makes this judgment based on whether the technology has alternative future uses, as defined in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 730, Research and Development. Based on this consideration, the Company capitalizes payments made to legal firms that are engaged in filing and protecting rights to intellectual property and rights for its current products in both the domestic and international markets. The Company believes that patent rights are one of its most valuable assets. Patents and patent applications are a key component of intellectual property, especially in the early stage of product development, as their purchase and maintenance gives the Company access to key product development rights from Soligenix’s academic and industrial partners. These rights can also be sold or sub-licensed as part of its strategy to partner its products at each stage of development as the intangible assets have alternative future use. The legal costs incurred for these patents consist of work associated with filing new patents and perhaps extending the lives of the patents. The Company capitalizes such costs and amortizes intangibles over their expected useful life – generally a period of 11 to 16 years.

The Company capitalized \$151,086 and \$330,163 in patent related costs during the years ended December 31, 2011 and 2010, respectively.

During the year ended December 31, 2011, the Company incurred an \$88,727 patent write off cost due to abandonment of patents related to azathioprine. During December 31, 2010, the Company incurred \$378,501 in a patent write off cost related to its return of the botulinum toxin vaccine license and abandonment of related patents. These costs are reflected in research and development expense in the consolidated statement of operations.

### Impairment of Long-Lived Assets

Office furniture and equipment and intangible assets are evaluated and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Company recognizes impairment of long-lived assets in the event the net book value of such assets exceeds the estimated future undiscounted cash flows attributable to such assets. If the sum of the expected undiscounted cash flows is less than the carrying value of the related asset or group of assets, a loss is recognized for the difference between the fair value and the carrying value of the related asset or group of assets. Such analyses necessarily involve significant judgment.

The Company did not record any impairment of long-lived assets for the years ended December 31, 2011 or 2010, except for the patent write-offs discussed in Note 3.

### Fair Value of Financial Instruments

Accounting principles generally accepted in the U.S. require that fair values be disclosed for the Company’s financial instruments. The carrying amounts of the Company’s financial instruments, which include grants receivable and current liabilities, are considered to be representative of their respective fair values.

### Revenue Recognition

Principally the Company’s revenues are generated from NIH grants and revenues from licensing activities and the achievement of licensing milestones (in prior periods). Recording of revenue is applied in accordance with FASB ASC 605, Revenue Recognition, ASC 605-25 and/or Accounting Standard Update, ASU, 2009-13, Revenue Recognition – Multiple Element Arrangements. The revenue from NIH grants is based upon subcontractor costs and internal costs incurred that are specifically covered by the grants, plus a facilities and administrative rate that provides

funding for overhead expenses. These revenues are recognized when expenses have been incurred by subcontractors or when the Company incurs internal expenses that are related to the grant.

Licensing and associated milestone revenues are recorded when earned. On September 15, 2011, as a result of stopping the confirmatory Phase 3 clinical trial as well as no future clinical development or performance obligations associated with the Sigma-Tau Agreement, the Company recognized license revenue of \$5,000,000 relating to the execution of an expanded license agreement with Sigma-Tau for the European territory.

#### Research and Development Costs

Research and development costs are charged to expense when incurred in accordance with FASB ASC 730, Research and Development. Research and development includes costs such as clinical trial expenses, contracted research and license agreement fees with no alternative future use, supplies and materials, salaries stock based compensation, employee benefits, equipment depreciation and allocation of various corporate costs. Purchased in-process research and development expense represents the value assigned or paid for acquired research and development for which there is no alternative future use as of the date of acquisition.

## Table of Content

### Stock-Based Compensation

From time to time, the Company issues restricted shares of common stock to vendors and consultants as compensation for services performed. Stock-based compensation expense recognized during the period is based on the fair value of the portion of share-based payment awards that is ultimately expected to vest during the period. Typically these instruments vest upon issuance and therefore the entire stock compensation expense is recognized upon issuance to the vendors and/or consultants.

Stock options are issued with an exercise price equal to the market price on the date of issuance. Stock options issued to directors upon re-election vest quarterly for a period of one year (new director issuances are fully vested upon issuance). Stock options issued to employees vest 25% immediately as of the grant date, then 25% each subsequent year for a period of three years. Stock options vest over each three month period from the date of issuance to the end of the three year period. These options have a ten year life for as long as the individuals remain employees or directors. In general when an employee or director terminates their position the options will expire within three months, unless otherwise extended by the Board.

Stock compensation expense for options, warrants and shares of common stock granted to non-employees has been determined in accordance with FASB ASC 718, Stock Compensation, and FASB ASC 505-50, Equity-Based Payments to Non-Employees, and represents the fair value of the consideration received, or the fair value of the equity instruments issued, whichever may be more reliably measured. For options that vest over future periods, the fair value of options granted to non-employee directors is amortized as the options vest. The option's price is re-measured using the Black-Scholes model at the end of each three month reporting period.

The fair value of options in accordance with FASB ASC 718, Stock Compensation, was estimated using the Black-Scholes option-pricing model and the following weighted-average assumptions:

- a dividend yield of 0%;
- an expected life of 4 years;
- volatilities ranging from 123% to 160% and 127% to 129% for 2011 and 2010, respectively;
- forfeitures at a rate of 12%; and
- risk-free interest rates of 0.69% and 1.47% to 0.77% to 1.91% in 2011 and 2010, respectively.

The Company estimates these values based on the assumptions that have been historically available. The fair value of each option grant made during 2011 and 2010 was estimated on the date of each grant using the Black-Scholes option pricing model and amortized ratably over the option's vesting periods, which approximates the service period.

### Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is established when it is more likely than not that all or a portion of a deferred tax asset will not be realized. A review of all available positive and negative evidence is considered, including the Company's current and past performance, the market environment in which the Company operates, the utilization of past tax credits, and the length of carryback and carryforward periods. Deferred tax assets and liabilities are measured utilizing tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. No current or deferred income taxes have been provided through December 31, 2011 due to the net operating losses incurred by the Company since its inception. The Company recognizes accrued interest and penalties associated with uncertain tax positions, if any, as part of income tax expense. There were no tax related interest and penalties recorded for 2011 and 2010. Additionally, the Company has not recorded an asset for unrecognized tax benefits or a

liability for uncertain tax positions at December 31, 2011 and 2010. The income tax returns for 2008, 2009 and 2010 are subject to examination by the IRS and other various taxing authorities, generally for three years after they were filed.

#### Earnings Per Share

Basic earnings per share (“EPS”) excludes dilution and is computed by dividing income (loss) available to common stockholders by the weighted-average number of common shares outstanding for the period, as adjusted for the reverse stock split of 1-for-20 effective February 1, 2012. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that shared in the earnings of the entity. Since there is a significant number of options and warrants outstanding, fluctuations in the actual market price can have a variety of results for each period presented. No options and warrants were included in the 2011 and 2010 computations of diluted earnings per share because their effect would be anti-dilutive as a result of losses or options and warrants for which the strike price exceeds the quoted market value at period end.

Table of Content

	For the Year Ended December 31, 2011			For the Year Ended December 31, 2010		
	Net Loss	Shares	EPS	Net Loss	Shares	EPS
Basic & Diluted EPS	(2,378,594)	10,957,676	\$ (0.22)	\$ (7,386,579)	10,120,324	\$ (0.73)

Share issuable upon the exercise of options and warrants outstanding at December 31, 2011 and 2010 were 1,544,242 and 1,308,052 shares issuable upon the exercise of options, and 2,701,569 and 2,703,819 shares issuable upon the exercise of warrants, respectively. The weighted average exercise price of the Company's stock options and warrants outstanding at December 31, 2011 were \$3.75 and \$4.04 per share, respectively. No options and warrants were included in the 2011 and 2010 computations of diluted earnings per share because their effect would be anti-dilutive as a result of losses in each of those years.

## Use of Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions such as the fair value of warrants, stock options and recovery of the useful life of intangibles that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

## New Accounting Pronouncements

In April 2010, the FASB issued Accounting Standards Update ("ASU") 2010-12, Accounting for Certain Tax Effects of the 2010 Health Care Reform Acts, which clarifies the effect, if any, that the different signing dates of the Patient Protection and Affordable Care Act (signed March 23, 2010) and the Health Care and Education Reconciliation Act of 2010 (signed March 30, 2010). ASU 2010-12 became effective for the Company upon issuance. The adoption of the standard did not have any impact on the Company's consolidated financial statements.

In April 2010, the FASB issued Accounting Standards Update ("ASU") 2010-17, Revenue Recognition—Milestone Method (Topic 605) - Milestone Method of Revenue Recognition - a consensus of the FASB Emerging Issues Task Force, which provides guidance to vendors on the criteria that should be met for determining whether the milestone method of revenue recognition is appropriate. A vendor can recognize consideration that is contingent upon achievement of a milestone in its entirety as revenue in the period in which the milestone is achieved only if the milestone meets all of the following criteria to be considered substantive. Determining whether a milestone is substantive is a matter of judgment made at the inception of the arrangement. To be considered substantive, the following criteria must be met. The consideration earned by achieving the milestone should:

Be commensurate with either of the following:

- m The vendor's performance to achieve the milestone
- m The enhancement of the value of the item delivered as a result of a specific outcome resulting from the vendor's performance to achieve the milestone

Relate solely to past performance

Be reasonable relative to all deliverables and payment terms in the arrangement

A milestone should be considered substantive in its entirety. An arrangement may include more than one milestone, and each milestone should be evaluated separately to determine whether the milestone is substantive. A vendor's decision to use the milestone method of revenue recognition for transactions within the scope of ASU 2010-17 is a policy election, and certain disclosures are required for each arrangement that includes milestone consideration accounted for in accordance with ASU 2010-17. Other proportional revenue recognition methods also may be applied



as long as the application of those other methods does not result in the recognition of consideration in its entirety in the period the milestone is achieved.

The amendments in ASU 2010-17 were effective on a prospective basis for milestones achieved in fiscal years, and interim periods within those years, beginning on or after June 15, 2010 and had no impact to the Company upon adoption.

F-21

---

Table of Content

## Note 3. Intangible Assets

The following is a summary of intangible assets which consists of licenses and patents:

	Weighted Average Amortization period (years)	Cost	Accumulated Amortization	Net Book Value
December 31, 2011				
Licenses	8.72	\$ 462,234	\$ 224,708	\$ 237,526
Patents	3.3	1,893,185	1,051,145	842,040
Total	4.4	\$ 2,355,419	\$ 1,275,853	\$ 1,079,566
December 31, 2010				
Licenses	9.7	\$ 462,234	\$ 197,469	\$ 264,765
Patents	4.2	1,912,784	941,560	971,224
Total	5.3	\$ 2,375,018	\$ 1,139,029	\$ 1,235,989

Amortization expense was \$218,782 and \$178,962 in 2011 and 2010, respectively.

During the year ended December 31, 2011, the Company incurred an \$88,727 patent write off cost due to abandonment of patents related to azathioprine. During December 31, 2010, the Company incurred \$378,501 in a patent write off cost related to its return of the botulinum toxin vaccine license and abandonment of related patents. These costs are reflected in research and development expense in the consolidated statement of operations.

Based on the balance of licenses and patents at December 31, 2011, the annual amortization expense for each of the succeeding five years is estimated to be as follows:

Year	Amortization Expense
2012	\$ 223,200
2013	\$ 223,200
2014	\$ 223,200
2015	\$ 223,200
2016	\$ 223,200

License fees and royalty payments are expensed annually as incurred as the Company does not attribute any future benefits other than within that period.

## Note 4. Income Taxes

Deferred tax assets consisted of the following as of December 31:

	2011	2010
Net operating loss carry forwards	\$ 26,001,000	\$ 26,294,000
Orphan drug and research and development credit carry forwards	2,818,000	3,462,000
Other	1,615,000	1,796,000
Total	30,434,000	31,552,000
Valuation allowance	(30,434,000)	(31,552,000)

Net deferred tax assets	\$	-	\$	-
-------------------------	----	---	----	---

At December 31, 2011, the Company had net operating loss carry forwards (“NOLs”) of approximately \$75,900,000 for federal tax purposes and approximately \$2,350,000 of New Jersey net operating loss carry forwards remaining after the sale of unused net operating loss carry forwards, portions of which are currently expiring each year until 2030. In addition, the Company had \$2,818,000 of various tax credits that start expiring from 2012 to 2031. The Company may be able to utilize their NOLs to reduce future federal and state income tax liabilities. However, these NOLs are subject to various limitations under Internal Revenue Code (“IRC”) Section 382. IRC Section 382 limits the use of NOLs to the extent there has been an ownership change of more than 50 percentage points. In addition, the NOL carryforwards are subject to examination by the taxing authority and could be adjusted or disallowed due to such exams. Although the Company has not undergone an IRC Section 382 analysis, it is likely that the utilization of the NOLs may be substantially limited.

F-22

---

Table of Content

The Company and one or more of its subsidiaries files income tax returns in the U.S. Federal jurisdiction, and various state and local jurisdictions. The Company is no longer subject to Federal income tax assessment for years before 2007 and 2006 for New Jersey income tax assessment. However, since the Company has incurred net operating losses in every tax year since inception, all its income tax returns are subject to examination by the Internal Revenue Service and state authorities for purposes of determining the amount of net operating loss carryforward that can be used to reduce taxable income.

The net change in the valuation allowance for the year ended December 31, 2011 and December 31, 2010 was a decrease of approximately \$1,115,000 and increase of \$1,652,000, respectively, resulting primarily from net operating losses expiring and generated. As a result of the Company's continuing tax losses, the Company has recorded a full valuation allowance against a net deferred tax asset.

Reconciliations of the difference between income tax benefit computed at the federal and state statutory tax rates and the provision for income tax benefit for the years ended December 31, 2011 and 2010 was as follows:

	2011	2010
Income tax loss at federal statutory rate	(34.00)%	(34.00)%
State tax benefits, plus sale of NJ NOLs, net of federal benefit	(6.00)	(6.50)
Subtotal	(40.00)	(40.50)
Valuation allowance	20.56	37.28
Provision for income taxes (benefit)	(19.44)%	(3.22)%

The Company follows FASB ASC 740-10, Uncertainty in Income Taxes.

The Company recognizes interest and penalties associated with uncertain tax positions as a component of income tax expense. The Company does not expect that there will be any amounts of unrecognized tax benefits in the next 12 months. This standard prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The adoption did not have an effect on the consolidated financial statements.

In November 2010, the Company received \$234,700 of cash proceeds, net of transaction costs, from grants in response to an application submitted for qualified investments in qualifying therapeutic discovery projects under Section 48D of the Internal Revenue Code, which is included in Other Income (Expense) for the year ended December 31, 2010.

During the year ended December 31, 2011 and 2010, in accordance with the State of New Jersey's Technology Business Tax Certificate Program, which allowed certain high technology and biotechnology companies to sell unused net operating loss carryforwards to other New Jersey-based corporate taxpayers based in New Jersey, the Company sold New Jersey net operating loss carryforwards, resulting in the recognition of \$574,157 and \$245,810 of income tax benefit, net of transaction costs, respectively. There can be no assurance as to the continuation or magnitude of this program in future.

#### Note 5. Shareholders' Equity

##### Preferred Stock

The Company has 250,000 shares of preferred stock authorized, none of which are issued or outstanding.



## Table of Content

### Common Stock

The following items represent transactions in the Company's common stock for the year ended December 31, 2011:

In sixteen separate transactions during 2011, the Company issued an aggregate of 90,789 shares of common stock under its existing Fusion Capital equity facility. The Company received an aggregate of \$355,000 in proceeds which approximated the shares' fair market value on the date of issuance.

As a result of stock option exercises, 79,844 shares were issued during 2011. The Company received an aggregate of \$253,613 in proceeds from these exercises.

As a result of granting Sigma-Tau an exclusive license to commercialize orBec® in the European territory, the Company amended the license agreement with Dr. George McDonald and issued 66,890 shares of Company stock in lieu of \$400,000 cash obligation. Stock price used for share calculation was \$5.98, closing price at July 29, 2011.

In December 2011, the Company issued 25,625 shares of common stock as part of an employee's severance from the Company.

In December 2011, the Company issued 29,297 shares of common stock as part of consideration for services performed.

The following items represent transactions in the Company's common stock for the year ended December 31, 2010:

In sixteen separate transactions during 2011, the Company issued an aggregate of 90,789 shares of common stock under its existing Fusion Capital equity facility. The Company received an aggregate of \$355,000 in proceeds which approximated the shares' fair market value on the date of issuance.

As a result of stock option exercises, 79,844 shares were issued during 2011. The Company received an aggregate of \$253,613 in proceeds from these exercises.

As a result of granting Sigma-Tau an exclusive license to commercialize orBec® in the European territory, the Company amended the license agreement with Dr. George McDonald and issued 66,890 shares of Company stock in lieu of \$400,000 cash obligation. Stock price used for share calculation was \$5.98, closing price at July 29, 2011.

In December 2011, the Company issued 25,625 shares of common stock as part of an employee's severance from the Company.

In December 2011, the Company issued 29,297 shares of common stock as part of consideration for services performed.

### Warrants

During 2011, the Company issued warrants to purchase 4,750 shares of common stock to consultants in exchange for their services. During 2010, in addition to warrants issued above in the June private placement, the Company issued warrants to purchase 27,000 shares of common stock to consultants in exchange for their services. Expense charges of \$11,184 and \$67,052 were recorded during the years ended December 31, 2011 and 2010, respectively, as a result of these issuances which represented the estimated fair value of the services provided.

### Equity Line

In February 2008, the Company entered into a common stock purchase agreement with Fusion Capital Fund II, LLC ("Fusion Capital"). The Fusion Capital equity facility allows the Company to require Fusion Capital to purchase between \$80,000 and \$1.0 million of the Company's common stock every two business days, up to an aggregate of \$8.0 million over approximately a 25-month period depending on certain conditions, including the quoted market price of the Company's common stock on such date. As part of the agreement, the Company issued Fusion Capital

63,750 shares of common stock as a commitment fee. In connection with the execution of the common stock purchase agreement, Fusion Capital made an initial purchase of 138,889 common shares and received a four year warrant to purchase 69,445 shares of common stock for \$4.40 per share, representing an aggregate price of \$500,000. The Company issued an additional 3,750 shares of common stock as a commitment fee in connection with this \$500,000 purchase.

F-24

---

Table of Content

If the Company's stock price exceeds \$3.00, then the amount required to be purchased may be increased under certain conditions as the price of the Company's common stock increases. The Company cannot require Fusion Capital to purchase any shares of the Company's common stock on any trading days that the market price of the Company's common stock is less than \$2.00 per share. Furthermore, for each additional purchase by Fusion, additional commitment shares in commensurate amounts up to a total of 63,750 shares will be issued based upon the relative proportion of purchases compared to the total commitment maximum of 925,000 shares. The total issuance of common stock related to commitment shares for 2008 was 68,456 shares, which were issued to Fusion Capital and consisted of 63,750 shares as a commitment fee, 3,750 shares as a commitment fee for the \$500,000 invested, and 957 shares for the commitment fee shares on the equity line draws totaling \$127,500.

During the year ended December 31, 2011 and 2010, the Company issued 90,789 and 14,705 shares of common stock, respectively, under the Fusion Capital equity facility. In connection with these issuances the Company received \$355,000 and \$70,000, respectively, in proceeds which approximated the shares' fair market value on the dates of issuance.

The Fusion equity line expired in October 2011.

Note 6. Stock Option Plans and Warrants to Purchase Common Stock

Stock Option Plans

The Amended and Restated 1995 Omnibus Plan is divided into four separate equity programs:

- 1) the Discretionary Option Grant Program, under which eligible persons may, at the discretion of the Plan Administrator, be granted options to purchase shares of common stock,
- 2) the Salary Investment Option Grant Program, under which eligible employees may elect to have a portion of their base salary invested each year in options to purchase shares of common stock,
- 3) the Automatic Option Grant Program, under which eligible nonemployee Board members will automatically receive options at periodic intervals to purchase shares of common stock, and
- 4) the Director Fee Option Grant Program, under which non-employee Board members may elect to have all, or any portion, of their annual retainer fee otherwise payable in cash applied to a special option grant.

The 2005 Equity Incentive Plan ("2005 Plan") is divided into four separate equity programs:

- 1) the Discretionary Option Grant Program, under which eligible persons may, at the discretion of the Plan Administrator, be issued common stock or granted options to purchase shares of common stock,
- 2) the Salary Investment Option Grant Program, under which eligible employees may elect to have a portion of their base salary invested each year in options to purchase shares of common stock,
- 3) the Automatic Option Grant Program, under which eligible nonemployee Board members will automatically receive options at periodic intervals to purchase shares of common stock, and
- 4) the Director Fee Option Grant Program, under which non-employee Board members may elect to have all, or any portion, of their annual retainer fee



otherwise payable in cash applied to a special option grant.

In addition, under the 2005 Plan, the Board may elect to pay certain consultants, directors, and employees in common stock. The 2005 Plan was amended in September 2007 to increase the number of options available under the plan to 1,000,000 and again in 2010 to increase the number of shares under the plan to 1,750,000.

The table below only accounts for transactions occurring as part of the amended 2005 Equity Incentive Plan.

	December 31,	
	2011	2010
Shares available for grant at beginning of year	396,223	22,742
Increase in shares available for the plan	-	750,000
Options granted	(523,344)	(439,625)
Options forfeited or expired	187,813	63,106
Shares available for grant at end of year	60,692	396,223

Table of Content

The total option activity for the 1995 plan and the amended 2005 plan for the years ended December 31, 2011 and 2010 was as follows:

	Options	Weighted Average Options Exercise Price
Balance at December 31, 2009	965,581	4.78
Granted	439,625	4.55
Exercised	(34,044)	1.38
Forfeited	(63,106)	3.90
Balance at December 31, 2010	1,308,056	\$ 4.84
Granted	523,344	1.68
Exercised	(79,844)	3.18
Forfeited	(207,314)	1.88
Balance at December 31, 2011	1,544,242	\$ 3.75

The Company awarded 523,344 and 439,625 stock options to new employees and new and existing Board members during in 2011 and 2010, respectively. Of the 2011 grants, 352,500 stock options were issued to employees on December 1, 2011 under the 2005 Equity Incentive Plan. Expense of \$715,805 was recorded for the year ended December 31, 2011, which represent fair value of the options.

The weighted-average exercise price, by price range, for outstanding options to purchase common stock at December 31, 2011 was:

Price Range	Weighted Average Remaining Contractual Life in Years	Outstanding Options	Exercisable Options
\$0.64-\$2.20	8.6	638,300	373,925
\$2.80-\$4.10	8.7	263,657	182,922
\$4.64-\$8.60	6.8	483,531	379,641
\$9.40-\$11.60	4.8	150,000	150,000
\$14.80-\$25.60	1.7	8,754	8,754
Total	7.7	1,544,242	1,095,242

The Company's share-based compensation for the years ended December 31, 2011 and 2010 was \$715,805 and \$571,545, respectively. At December 31, 2011, the total compensation cost for stock options not yet recognized was approximately \$781,365 and will be expensed over the next three years.

## Warrants to Purchase Common stock

Warrant activity for the years ended December 31, 2011 and 2010 was as follows:

Warrants	Weighted Average Warrant Exercise Price
----------	---

Edgar Filing: SOLIGENIX, INC. - Form S-1

Balance at December 31, 2009	2,123,644	\$	4.81
Granted	950,014		5.59
Exercised	(20,000)		1.50
Expired	(349,839)		19.85
Balance at December 31, 2010	2,703,819	\$	4.40
Granted	4,750		3.85
Exercised	-		-
Expired	(7,000)		0.66
Balance at December 31, 2011	2,701,569	\$	4.40

F-26

---

Table of Content

During 2011, the Company issued warrants to purchase 4,750 shares of common stock, with exercise prices ranging from \$3.80 to \$3.96, to consultants in exchange for their services. Expense charges of \$11,184 were recorded to reflect these issuances.

The weighted-average exercise price, by price range, for outstanding warrants at December 31, 2010 was:

Price Range	Weighted Average Remaining Contractual Life in Years	Outstanding Warrants	Exercisable Warrants
\$2.00-\$2.20	2.1	52,500	52,500
\$2.80-\$2.80	2.1	1,095,702	1,095,702
\$3.80-\$4.40	0.4	111,972	111,972
\$5.00-\$6.20	3.2	1,413,389	1,413,389
\$11.80-\$11.80	0.1	28,005	28,005
Total	2.6	2,701,568	2,701,568

During 2012, warrants to purchase approximately 138,228 shares of the Company's common stock will expire.

## Note 7. Concentrations

At December 31, 2011 and 2010, the Company had deposits in major financial institutions that exceeded the amount under protection by the Securities Investor Protection Corporation ("SIPC"). Currently, the Company is covered up to \$1,000,000 by the SIPC. The excess amounts at December 31, 2011 and 2010 were \$4,996,668 and \$6,451,714, respectively.

## Note 8. Commitments and Contingencies

The Company has commitments of approximately \$80,000 as of December 31, 2011 in connection with an agreement with Numoda Corporation for electronic data capture in connection with its confirmatory Phase 3 clinical trial of orBec® in the treatment of acute GI GVHD that began in September 2009 and was stopped for futility in September 2011. Additionally, there are several licensing agreements with consultants and universities, which upon clinical or commercialization success may require the payment of milestones and/or royalties if and when achieved. However, there can be no assurance that clinical or commercialization success will occur.

On April 1, 2009, the Company entered into a sub-lease agreement through March 31, 2012 for office space in Princeton, New Jersey. The Company was required to provide 4 months of rent as a security deposit. The rent for the first 18 months was approximately \$7,500 per month, or \$17.00 per square foot. This rent increased to approximately \$7,650 per month, or \$17.50 per square foot, for the remaining 18 months. The Company records rent on a straight line basis. On February 7, 2012, the Company entered into a lease agreement through March 31, 2015 for existing office space. The rent for the first 12 months is approximately \$8,000 per month, or approximately \$18.25 per square foot. This rent increases to approximately \$8,310 per month, or approximately \$19.00 per square foot, for the remaining 24 months.

In February 2007, the Company's Board of Directors authorized the issuance of the following number of shares to each of Dr. Schaber and Dr. Brey immediately prior to the completion of a transaction, or series or a combination of related transactions negotiated by its Board of Directors whereby, directly or indirectly, a majority of its capital stock or a majority of its assets are transferred from the Company and/or its stockholders to a third party: 50,000 common shares to Dr. Schaber and 10,000 common shares to Dr. Brey. The amended agreement with Dr. Schaber includes its obligation to issue such shares if such event occurs.

Employees with employment contracts have severance agreements that will provide separation benefits from the Company if they are involuntarily separated from employment. On February 15, 2012, Mr. Myriantopoulos' employment agreement was terminated. However, he continues to serve the Company as a consultant on business development and other related matters.

F-27

---

Table of Content

As a result of the above agreements, the Company has future contractual obligations over the next five years as follows:

Year	Research and Development	Property and Other Leases	Severance	Total
2012	\$ 235,000	\$ 100,621	\$ 154,362	\$ 489,983
2013	75,000	104,559	-	179,559
2014	75,000	101,198	-	176,198
2015	75,000	24,938	-	99,938
2016	75,000	-	-	75,000
Total	\$ 535,000	\$ 331,316	\$ 154,362	\$ 1,020,678

## Note 9. Operating Segments

The Company maintains two active operating segments: BioTherapeutics and Vaccines/BioDefense. Each segment includes an element of overhead costs specifically associated with its operations, with its corporate shared services group responsible for support functions generic to both operating segments.

	For the Year Ended December 31,	
	2011	2010
<b>Revenues</b>		
Vaccines/BioDefense	\$ 2,010,234	\$ 1,441,228
BioTherapeutics 1	5,652,588	506,400
Total	\$ 7,662,822	\$ 1,947,628
<b>Loss from Operations</b>		
Vaccines/BioDefense	\$ (154,395)	\$ (1,204,824)
BioTherapeutics	(1,278,156)	(5,018,090)
Corporate	(1,527,644)	(1,655,507)
Total	\$ (2,960,195)	\$ (7,878,421)
<b>Amortization and Depreciation Expense</b>		
Vaccines/BioDefense	\$ 42,640	\$ 36,843
BioTherapeutics	181,213	146,832
Corporate	2,174	2,021
Total	\$ 226,027	\$ 185,696
<b>Interest Income</b>		
Corporate	\$ 7,444	\$ 12,074
<b>Stock-Based Compensation</b>		
Vaccines/BioDefense	\$ 78,622	\$ 106,842
BioTherapeutics	426,666	195,252
Corporate	210,517	269,451
Total	\$ 715,805	\$ 571,545
	As of December 31,	
	2011	2010

Identifiable Assets			
Vaccines/BioDefense		\$ 689,266	\$ 480,995
BioTherapeutics		753,767	927,973
Corporate		6,780,625	7,859,579
	Total	\$ 8,223,658	\$ 9,268,547

1 BioTherapeutics revenues for 2011 include the receipt of a \$5 million licensing fee from Sigma-Tau in July 2011.

F-28

---

Table of Content

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of Soligenix, Inc.,

We have audited the accompanying consolidated balance sheets of Soligenix, Inc. and subsidiaries (the “Company”) as of December 31, 2011 and 2010, and the related consolidated statements of operations, changes in shareholders' equity and cash flows for each of the years in the two-year period ended December 31, 2011. The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Soligenix, Inc. and subsidiaries as of December 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for each of the years in the two-year period ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

/s/ EisnerAmper LLP

Edison, New Jersey  
March 26, 2012

F-29

---



Table of Content

## PART II

## INFORMATION NOT REQUIRED IN PROSPECTUS

## ITEM Other Expenses of Issuance and Distribution.

13.

The following table sets forth the estimated costs and expenses of the Registrant in connection with the offering described in the registration statement. All of the amounts shown are estimated except for the Securities and Exchange Commission (the "SEC") registration fee.

SEC registration fee	\$955
Legal fees and expenses	\$15,000
Accounting fees and expenses	\$5,000
Miscellaneous	\$1,000
<b>TOTAL</b>	<b>\$21,955</b>

## ITEM Indemnification of Directors and Officers.

14.

Section 145(a) of the Delaware General Corporation Law provides, in general, that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), because he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section 145(b) of the Delaware General Corporation Law provides, in general, that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor because the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made with respect to any claim, issue or matter as to which he or she shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, he or she is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or other adjudicating court shall deem proper.

Section 145(g) of the Delaware General Corporation Law provides, in general, that a corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the corporation would have

the power to indemnify the person against such liability under Section 145 of the Delaware General Corporation Law.

Section 102(b)(7) of the Delaware General Corporation Law grants the Registrant the power to limit the personal liability of its directors to the Registrant or its stockholders for monetary damages for breach of a fiduciary duty. Article X of the Registrant's Certificate of Incorporation, as amended, provides for the limitation of personal liability of the directors of the Registrant as follows:

II-1

---

Table of Content

"A Director of the Corporation shall have no personal liability to the corporation or its stockholders for monetary damages for breach of his fiduciary duty as a Director; provided, however, this Article shall not eliminate or limit the liability of a Director (i) for any breach of the Director's duty of loyalty to the Corporation or its stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) for the unlawful payment of dividends or unlawful stock repurchases under Section 174 of the General Corporation Law of the State of Delaware; or (iv) for any transaction from which the Director derived an improper personal benefit. If the General Corporation Law is amended after approval by the stockholders of this Article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended."

Article VIII of the Registrant's Bylaws, as amended and restated, provide for indemnification of directors and officers to the fullest extent permitted by Section 145 of the Delaware General Corporation Law.

The Registrant has a directors' and officers' liability insurance policy.

The above discussion is qualified in its entirety by reference to the Registrant's Certificate of Incorporation and Bylaws.

ITEM Recent Sales of Unregistered Securities.

15.

In January 2010, the Registrant issued 20,161 shares of the Registrant's common stock pursuant to the Common Stock Purchase Agreement dated February 11, 2009 with its clinical trials management partner, Numoda Corporation. The shares were priced at the then current 5-day average market price of \$5.00 per share. The issuance of the shares was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended, as a transaction not involving a public offering.

In five separate transactions during 2010, the Registrant issued an aggregate of 14,705 shares of common stock under its existing Fusion Capital equity facility. The Registrant received an aggregate of \$70,000 in proceeds which approximated the shares' fair market value on the date of issuance. The issuance of the shares was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended, as a transaction not involving a public offering.

On June 18, 2010, the Registrant completed a private placement in which it issued 1,440,068 shares of common stock and warrants to purchase up to 864,040 shares of common stock, resulting in aggregate proceeds of \$5,904,277. Excluding investment proceeds from Sigma-Tau Pharmaceuticals, Inc. and certain other investors, the Registrant paid an aggregate placement agent/finder's fee to three different entities for up to five percent of the balance of the offering proceeds. The shares of common stock and warrants were issued in transactions exempt from registration under the Securities Act, in reliance upon Rule 506 of Regulation D under Section 4(2) of the Securities Act, as transactions not involving a public offering.

In sixteen separate transactions during the year ended December 31, 2011, the Registrant issued an aggregate of 90,789 shares of common stock under the common stock purchase agreement with Fusion Capital. The purchase price was calculated in accordance with the formula set forth in the purchase agreement. The Registrant received an aggregate of \$355,000 in proceeds which approximated the shares' fair market value on the dates of issuance. The issuance of the shares was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended, as a transaction not involving a public offering.

On July 26, 2011, as a result of granting Sigma-Tau an exclusive license to commercialize orBec® in the European Territory, the Registrant amended the license agreement with Dr. George McDonald and issued 66,890 shares of common stock in lieu of a \$400,000 cash obligation. The purchase price was based upon the closing price of \$5.98 on July 26, 2011. The issuance of the shares was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended, as a transaction not involving a public offering.

On November 10, 2011, the Registrant issued 25,625 shares of common stock in connection with an employee's severance from the Registrant. The closing price of the Registrant's common stock on November 10, 2011 was \$0.80 per share. The issuance of the shares was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended, as a transaction not involving a public offering.

II-2

---

Table of Content

On December 19, 2011, the Registrant issued 29,297 shares of its common stock to a consultant as partial consideration for services rendered. The closing price of the Registrant's common stock on December 19, 2011 was \$0.53 per share. The issuance of the shares was exempt from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended, as a transaction not involving a public offering.

ITEM Exhibits.

16.

- 2.1 Agreement and Plan of Merger, dated May 10, 2006 by and among the Company, Corporate Technology Development, Inc., Enteron Pharmaceuticals, Inc. and CTD Acquisition, Inc. (incorporated by reference to Exhibit 2.1 included in our Registration Statement on Form SB-2 (File No. 333-133975) filed on May 10, 2006).
- 3.1 Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 included in our Quarterly Report on Form 10-QSB, as amended, for the fiscal quarter ended September 30, 2003).
- 3.2 Second Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 included in our current report on Form 8-K filed on June 22, 2012).
- 3.3 By-laws (incorporated by reference to Exhibit 3.1 included in our Quarterly Report on Form 10-QSB, as amended, for the fiscal quarter ended June 30, 2003).
- 4.1 Form of Right Certificate (incorporated by reference to Exhibit 4.2 included in our current report on Form 8-K filed on June 22, 2007).
- 4.2 Form of Warrant issued to each investor in the January 2009 private placement (incorporated by reference to Exhibit 4.18 included in our Registration Statement on Form S-1 (File No. 333-149239) filed on February 14, 2008).
- 4.3 Form of Warrant issued to each investor in the September 2009 private placement (incorporated by reference to Exhibit 10.2 included in our current report on Form 8-K filed on September 29, 2009).
- 4.4 Warrant dated April 19, 2010, issued to Fusion Capital Fund II, LLC (incorporated by reference to Exhibit 4.10 included in our Post-Effective Amendment to Registration Statement on Form S-1 filed on April 20, 2010).
- 4.5 Form of Common Stock Purchase Warrant issued to each investor in the June 2010 private placement (incorporated by reference to Exhibit 10.2 included in our current report on Form 8-K filed on June 18, 2010).
- 5.1 Opinion of Edwards Angell Palmer & Dodge LLP. \*\*\*
- 10.1 Amended and Restated 1995 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 included in our Quarterly Report on Form 10-QSB, as amended, for the fiscal quarter ended September 30, 2003). \*\*
- 10.2 License Agreement between the Company and the University of Texas Southwestern Medical Center (incorporated by reference to Exhibit 10.9 included in our Annual Report on Form 10-KSB filed March 30, 2004, as amended, for the fiscal year ended December 31, 2004).

- 10.3 License Agreement between the Company and Thomas Jefferson University (incorporated by reference to Exhibit 10.9 included in our Annual Report on Form 10-KSB, as amended, for the fiscal year ended December 31, 2004).
- 10.4 License Agreement between the Company and the University of Texas Medical Branch (incorporated by reference to Exhibit 10.10 included in our Annual Report on Form 10-KSB, as amended, for the fiscal year ended December 31, 2004).
- 10.5 Consulting Agreement between the Company and Lance Simpson of Thomas Jefferson University. (incorporated by reference to Exhibit 10.43 included in our Annual Report on Form 10-KSB as amended for the fiscal year ended December 31, 2002).

II-3

---

Table of Content

10.6	2005 Equity Incentive Plan (incorporated by reference to Appendix D to our Proxy Statement filed December 12, 2005). **
10.7	Form S-8 Registration of Stock Options Plan dated December 30, 2005 (incorporated by reference to our registration statement on Form S-8 filed on December 30, 2005).
10.8	Letter of Intent dated January 3, 2007 by and between the Company and Sigma-Tau Pharmaceuticals, Inc. (incorporated by reference to Exhibit 10.1 included in our current report on Form 8-K filed on January 4, 2007).
10.9	Letter from Sigma-Tau Pharmaceuticals, Inc. dated February 21, 2007 (incorporated by reference to Exhibit 10.1 included in our current report on Form 8-K filed on February 23, 2007).
10.10	Letter dated May 3, 2007 between the Company and Sigma-Tau Pharmaceuticals, Inc. (incorporated by reference to Exhibit 10.1 included in our current report on Form 8-K filed on May 4, 2007).
10.11	Employment Agreement dated December 27, 2007, between Christopher J. Schaber, PhD and the Company (incorporated by reference to Exhibit 10.30 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008). **
10.12	Employment Agreement dated December 27, 2007, between Evan Myrianthopoulos and the Company (incorporated by reference to Exhibit 10.31 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008). **
10.13	Common Stock Purchase Agreement dated February 14, 2008, between the Company and Fusion Capital Fund II, LLC (incorporated by reference to Exhibit 10.35 included in our Registration Statement on Form S-1 filed on February 14, 2008).
10.14	Registration Rights Agreement dated February 14, 2008, between the Company and Fusion Capital Fund II, LLC (incorporated by reference to Exhibit 10.35 included in our Registration Statement on Form S-1 (File No. 333-149239) filed on February 14, 2008).
10.15	Letter dated December 1, 2008, between the Company and Sigma-Tau Pharmaceuticals, Inc. (incorporated by reference to Exhibit 10.1 included in our current report on Form 8-K filed on December 1, 2008).
10.16	Exclusive License Agreement dated November 24, 1998, between Enteron Pharmaceuticals, Inc. and George B. McDonald, MD and amendments (incorporated by reference to Exhibit 10.42 included in our Registration Statement on Form S-1 (File No. 333-157322) filed on February 13, 2009).
10.17	Collaboration and Supply Agreement dated February 11, 2009, between the Company and Sigma-Tau Pharmaceuticals, Inc. (incorporated by reference to Exhibit 10.43 included in our Registration Statement on Form S-1 (File No. 333-157322) filed on February 13, 2009). †
10.18	Sublease Agreement dated April 1, 2009, between the Company and BioWa, Inc. (incorporated by reference to Exhibit 10.43 included in our Registration Statement on Form S-1/A (File No. 333-157322) filed on April 14, 2009).
10.19	

First Amendment to Common Stock Purchase Agreement dated April 19, 2010 between the Company and Fusion Capital Fund II, LLC (incorporated by reference to Exhibit 10.34 included in our Post-Effective Amendment to Registration Statement on Form S-1 (File No. 333-149239) filed on April 20, 2010).

10.20 Amendment to Employment Agreement dated as of January 4, 2011, between Soligenix, Inc. and Evan Myriantopoulos (incorporated by reference to Exhibit 10.1 included in our current report on Form 8-K filed on January 6, 2011). \*\*



Table of Content

- 10.21 Employment Agreement dated as of January 31, 2011 between Kevin Horgan, M.D., and Soligenix, Inc. (incorporated by reference to Exhibit 10.1 included in our current report on Form 8-K filed on February 2, 2011). \*\*
- 10.22 Employment Agreement dated as of May 31, 2011, between Joseph M. Warusz and Soligenix, Inc. (incorporated by reference to Exhibit 10.1 of our current report on Form 8-K filed on May 31, 2011).\*\*
- 10.23 First Amendment to Employment Agreement dated as of July 12, 2011, between Soligenix, Inc. and Christopher J. Schaber, PhD (incorporated by reference to Exhibit 10.1 of our current report on Form 8-K filed on July 14, 2011).\*\*
- 10.24 Second Amendment to Employment Agreement dated as of July 12, 2011, between Soligenix, Inc. and Evan Myriantopoulos (incorporated by reference to Exhibit 10.2 of our current report on Form 8-K filed on July 14, 2011).\*\*
- 10.25 Amendment to the Collaboration and Supply Agreement dated July 26, 2011, between Sigma-Tau Pharmaceuticals, Inc. and Soligenix, Inc. (incorporated by reference to Exhibit 10.1 of our current report on Form 8-K filed on July 28, 2011).
- 10.26 Amendment to the Exclusive License Agreement dated as of July 26, 2011, between George McDonald, MD and Soligenix, Inc. (incorporated by reference to Exhibit 10.2 of our current report on Form 8-K filed on July 28, 2011).
- 10.27 Lease Agreement dated as of February 7, 2012, between CPP II, LLC and Soligenix, Inc. (incorporated by reference to Exhibit 10.40 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011).
- 10.28 Separation Agreement dated February 15, 2012, between Evan Myriantopoulos and Soligenix, Inc. \*
- 10.29 First Amendment to Separation Agreement dated July 2, 2012, between Evan Myriantopoulos and Soligenix, Inc. \*
- 10.30 Form of Securities Purchase Agreement. \*\*\*
- 10.31 Form of Warrant. \*\*\*
- 21.1 Subsidiaries of the Company. \*
- 23.1 Consent of EisnerAmper LLP. \*
- 23.2 Edwards Angell Palmer & Dodge LLC (contained in the opinion filed as Exhibit 5.1 hereto). \*\*\*

---

\* Filed herewith.

\*\* Indicates management contract or compensatory plan.

\*\*\*To be filed by amendment.

† Portions of this exhibit have been omitted pursuant to a request for confidential treatment.

ITEM Undertakings.

17.

The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
  - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act;
  - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

II-5

---

Table of Content

- (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the registration statement is on Form S-3 or Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement.

- (2) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b) (1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
- (3) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (4) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

Table of Content

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on the 5th day of November, 2012.

## SOLIGENIX, INC.

By: /s/ Christopher J. Schaber  
Christopher J. Schaber, PhD  
Chief Executive Officer and President

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Christopher J. Schaber and Joseph Warusz, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead in any and all capacities, to sign any or all amendments to this Post-Effective Amendment to Registration Statement on Form S-1 (including post-effective amendments), and to file the same, with all exhibits thereto, and other documents in connection therewith with the United States Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully and to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming that said attorneys-in-fact and agents, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

	Signature	Title	Date
By:	/s/ Christopher J. Schaber Christopher J. Schaber, PhD	Chairman , President and Chief Executive Officer (Principal Executive Officer)	November 5, 2012
By:	/s/ Keith L. Brownlie Keith L. Brownlie, CPA	Director	November 5, 2012
By:	/s/ Gregg A. Lapointe Gregg A. Lapointe, CPA	Director	November 5, 2012
By:	/s/ Robert J. Rubin Robert J. Rubin, MD	Director	November 5, 2012
By:	/s/ Jerome Zeldis Jerome Zeldis, MD, PhD	Director	November 5, 2012
By:	/s/ Joseph M. Warusz Joseph M. Warusz, CPA	Vice President of Finance, Acting Chief Financial Officer and Corporate Secretary (principal financial and accounting officer)	November 5, 2012

II-7

---