Morningstar, Inc.
Form 4
January 11, 2008

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Phillips Donald James II

(Last) (First) (Middle)

C/O MORNINGSTAR, INC., 225 WEST WACKER DRIVE

(Street)

CHICAGO, IL 60606

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Morningstar, Inc. [MORN]

3. Date of Earliest Transaction (Month/Day/Year)
01/10/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Managing Director

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/10/2008		M		15,000	A	$ 2.77	321,536	D	
Common Stock	01/10/2008		S (1)		200	D	$ 67.09	321,336	D	
Common Stock	01/10/2008		S (1)		100	D	$ 67.1	321,236	D	
Common Stock	01/10/2008		S (1)		300	D	$ 67.22	320,936	D	
Common Stock	01/10/2008		S (1)		300	D	$ 67.23	320,636	D	

Common Stock	01/10/2008	S[(1)]	300	D	$ 67.27	320,336	D
Common Stock	01/10/2008	S[(1)]	300	D	$ 67.59	320,036	D
Common Stock	01/10/2008	S[(1)]	300	D	$ 67.62	319,736	D
Common Stock	01/10/2008	S[(1)]	300	D	$ 67.66	319,436	D
Common Stock	01/10/2008	S[(1)]	300	D	$ 67.9	319,136	D
Common Stock	01/10/2008	S[(1)]	600	D	$ 67.91	318,536	D
Common Stock	01/10/2008	S[(1)]	300	D	$ 68	318,236	D
Common Stock	01/10/2008	S[(1)]	600	D	$ 68.02	317,636	D
Common Stock	01/10/2008	S[(1)]	300	D	$ 68.04	317,336	D
Common Stock	01/10/2008	S[(1)]	300	D	$ 68.06	317,036	D
Common Stock	01/10/2008	S[(1)]	300	D	$ 68.12	316,736	D
Common Stock	01/10/2008	S[(1)]	600	D	$ 68.14	316,136	D
Common Stock	01/10/2008	S[(1)]	300	D	$ 68.17	315,836	D
Common Stock	01/10/2008	S[(1)]	300	D	$ 68.21	315,536	D
Common Stock	01/10/2008	S[(1)]	600	D	$ 68.24	314,936	D
Common Stock	01/10/2008	S[(1)]	600	D	$ 68.25	314,336	D
Common Stock	01/10/2008	S[(1)]	300	D	$ 68.26	314,036	D
Common Stock	01/10/2008	S[(1)]	900	D	$ 68.27	313,136	D
Common Stock	01/10/2008	S[(1)]	300	D	$ 68.3	312,836	D
Common Stock	01/10/2008	S[(1)]	300	D	$ 68.31	312,536	D
	01/10/2008	S[(1)]	300	D		312,236	D

Common Stock							$ 68.33		
Common Stock	01/10/2008		S[(1)]		600	D	$ 68.34	311,636	D
Common Stock	01/10/2008		S[(1)]		300	D	$ 68.39	311,336	D
Common Stock	01/10/2008		S[(1)]		600	D	$ 68.41	310,736	D
Common Stock	01/10/2008		S[(1)]		300	D	$ 68.42	310,436	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	$ 2.77	01/10/2008		M			15,000 [(2)]	[(3)]	02/15/2009	Common	15,000

Reporting Owners

Reporting Owner Name / Address	Relationships: Director	10% Owner	Officer	Other
Phillips Donald James II C/O MORNINGSTAR, INC. 225 WEST WACKER DRIVE CHICAGO, IL 60606	X		Managing Director	

Signatures

/s/ Heidi Miller, by power of attorney	01/11/2008
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on May 9, 2006.

(2) Pursuant to the terms of a Deferred Compensation Agreement entered into between Morningstar, Inc. and the reporting person, upon the exercise of these options Morningstar, Inc. will pay to the reporting person $2.69 per share in the form of cash.

(3) The options became immediately exercisable on the grant date, February 15, 1999.

Remarks:
Form 1 of 2

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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Basic net income (loss) per share[1]

$

(0.49

)

$

1.05

$

(0.90

)

$

(2.26

)

Diluted net loss per share[1]

$

(0.49

)

$

(0.45

)

$

(1.20

)

$

(2.26

)

Basic weighted average common shares outstanding[1]

3,432,081

2,648,240

3,245,653

2,553,930

Diluted weighted average common shares outstanding[1]

3,432,081

2,829,058

Explanation of Responses:

3,347,837

2,553,930

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(1) Adjusted to reflect the reverse stock split of one-for-ten effective October 7, 2016.

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

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Soligenix, Inc. and Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity/(Deficiency)
For the Nine Months Ended September 30, 2016
(Unaudited)

	Common Stock		Additional Paid-In	Accumulated	
	Shares[(1)]	Par Value[(1)]	Capital[(1)]	Deficit	Total
Balance, December 31, 2015	**3,126,952**	**$ 3,127**	**$ 146,856,143**	**$ (146,877,579)**	**$ (18,309)**
Issuance of common stock pursuant to Lincoln Park Equity Line	266,830	267	1,638,843	—	1,639,110
Costs associated with Lincoln Park Equity Line	—	—	(41,381)	—	(41,381)
Issuance of common stock to SciClone	352,942	353	2,999,647	—	3,000,000
Issuance of common stock to vendors	7,500	8	52,492		52,500
Share-based compensation expense			453,935	—	453,935
Net loss	—	—	—	(2,915,424)	(2,915,424)
Balance, September 30, 2016	**3,754,224**	**$ 3,755**	**$ 151,959,679**	**$ (149,793,003)**	**$ 2,170,431**

(1) Adjusted to reflect the reverse stock split of one-for-ten effective October 7, 2016.

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

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

	2016	2015
Operating activities:		
Net loss	**$ (2,915,424)**	$ (5,772,668)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization and depreciation	**67,902**	184,496
Amortization of discount on debt	**7,281**	4,328
Share-based compensation	**453,935**	414,112
Gain on settlement liability	**(390,599)**	—
Issuance of common stock for services	**52,500**	190,261
Change in fair value of warrant liability	**(1,109,192)**	907,368
Change in operating assets and liabilities:		
Contracts and grants receivable	**287,580**	(1,069,976)
Prepaid expenses	**18,653**	14,770
Accounts payable and accrued expenses	**206,881**	1,343,876
Accrued compensation	**(236,430)**	(266,942)
Total adjustments	**(641,489)**	1,722,293
Net cash used in operating activities	**(3,556,913)**	(4,050,375)
Investing activities:		
Purchases of office furniture and equipment	**(7,161)**	(22,098)
Net cash used in investing activities	**(7,161)**	(22,098)
Financing activities:		
Proceeds from issuance of common stock pursuant to the equity line	**1,639,110**	1,615,025
Stock issuance costs associated with equity line purchase agreement	**(41,381)**	(171,091)
Repayment of notes payable	**(300,000)**	—
Proceeds from issuance of common stock to SciClone	**3,000,000**	—
Proceeds from exercise of warrants	**—**	1,136,771
Net cash provided by financing activities	**4,297,729**	2,580,705
Net increase (decrease) in cash and cash equivalents	**733,655**	(1,491,768)
Cash and cash equivalents at beginning of period	**4,921,545**	5,525,094
Cash and cash equivalents at end of period	**$ 5,655,200**	$ 4,033,326
Supplemental disclosure of non cash financing activities:		
Reclassification of warrant liability to additional paid in capital upon partial exercise of warrants issued in unit offering	**$ —**	$ 2,557,331
Notes payable issued in connection with Equity Purchase Agreement	$ —	$ 282,071

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

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Soligenix, Inc.
Notes to Consolidated Financial Statements
(Unaudited)

Note 1. Nature of Business

Basis of Presentation

Soligenix, Inc. (the "Company") is a late-stage biopharmaceutical company focused on developing and commercializing products to treat rare diseases where there is an unmet medical need. The Company maintains two active business segments: BioTherapeutics and Vaccines/BioDefense.

The Company's BioTherapeutics business segment is developing a novel photodynamic therapy (SGX301) utilizing topical synthetic hypericin activated with safe visible light for the treatment of cutaneous T-cell lymphoma ("CTCL"), its first-in-class innate defense regulator ("IDR") technology, dusquetide (SGX942) for the treatment of oral mucositis in head and neck cancer, and proprietary formulations of oral beclomethasone 17,21-dipropionate ("BDP") for the prevention/treatment of gastrointestinal ("GI") disorders characterized by severe inflammation, including pediatric Crohn's disease (SGX203) and acute radiation enteritis (SGX201).

The Company's Vaccines/BioDefense business segment includes active development programs for RiVax™, its ricin toxin vaccine candidate, OrbeShield®, a GI acute radiation syndrome ("GI ARS") therapeutic candidate and SGX943, a melioidosis therapeutic candidate. The development of the vaccine programs is currently supported by the heat stabilization technology, known as ThermoVax®, under existing and on-going government contract funding. With the government contract from the National Institute of Allergy and Infectious Diseases ("NIAID"), the Company will attempt to advance the development of RiVax™ to protect against exposure to ricin toxin. The Company plans to use the funds received under the government contracts with the Biomedical Advanced Research and Development Authority ("BARDA") and NIAID to advance the development of OrbeShield® for the treatment of GI ARS.

The Company generates revenues under government grants primarily from the National Institutes of Health (the "NIH") and government contracts from BARDA and NIAID.

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 the United States Food and Drug Administration ("FDA") regulations, litigation, and product liability. Results for the three and nine months ended September 30, 2016 are not necessarily indicative of results that may be expected for the full year.

Liquidity

As of September 30, 2016, the Company had cash and cash equivalents of $5,655,200 as compared to $4,921,545 as of December 31, 2015, representing an increase of $733,655 or 15%. As of September 30, 2016, the Company had working capital of $3,319,982, which excludes a non-cash warrant liability of $1,324,909, as compared to working capital of $2,179,694, which excludes a non-cash warrant liability of $2,434,101, as of December 31, 2015, representing an increase of $1,140,288 or 52%. The increase is primarily related to the net increase in cash as a result of the proceeds received pursuant to our stock purchase agreement with SciClone Pharmaceuticals, Inc.

Based on the Company's current rate of cash outflows, cash on hand, proceeds from its government contract and grant programs, availability of funds from equity lines 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 for at least the next twelve months.

Management’s business strategy can be outlined as follows:

- Complete enrollment and report preliminary results in the pivotal Phase 3 clinical trial of SGX301 for the treatment of CTCL;

- Continue to collect the long-term follow-up safety data from the SGX942 Phase 2 proof-of-concept study for the treatment of oral mucositis in head and neck cancer patients and publish the findings from this study;

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Soligenix, Inc.
Notes to Consolidated Financial Statements
(Unaudited)

Note 1. Nature of Business (cont.)

• Obtain agreement from the FDA on a pivotal Phase 2b/3 protocol of SGX942 in the treatment of oral mucositis in head and neck cancer patients;

• Initiate a pivotal Phase 3 clinical trial of SGX203 for the treatment of pediatric Crohn’s disease;

• Continue development of RiVax™ in combination with the Company’s ThermoVax® technology, to develop new heat stable vaccines in biodefense, with NIAID funding support;

• Advance the preclinical and manufacturing development of OrbeShield® as a biodefense medical countermeasure for the treatment of GI ARS under the BARDA contract and with NIAID funding support;

• Continue to apply for and secure additional government funding for each of the Company’s BioTherapeutics and Vaccines/BioDefense programs through grants, contracts and/or procurements;

• Pursue business development opportunities for the Company’s pipeline programs, as well as explore merger/acquisition strategies; and

• Acquire or in-license new clinical-stage compounds for development.

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

• The Company has up to $35.1 million in active government contract and grant funding still available to support its associated research programs through 2016 and beyond, provided the federal agencies exercise all options and do not elect to terminate the contracts or grants for convenience. The Company plans to submit additional contract and 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 Loss (“NOL”) sales in the state of New Jersey pursuant to its Technology Business Tax Certificate Transfer Program. Based on the receipt of $488,933 in proceeds pursuant to the sale of NJ NOL in 2015, the Company expects to receive $530,143 in net proceeds in 2016. The Company expects to participate in the program during 2017 and beyond as the program is available;

• The Company plans to pursue potential partnerships for pipeline programs. However, there can be no assurances that we can consummate such transactions;

• The Company has $8.2 million available from equity facilities expiring in November 2016, and $10.4 million from equity facilities expiring in March 2019; 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 on an ongoing basis 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 October 7, 2016, the Company completed a reverse stock split of its issued and outstanding shares of common stock at a ratio of one-for-ten, whereby, once effective, every ten shares of its common stock was exchanged for one share of its common stock. The Company's common stock began trading on the OTCQB on a reverse split basis at the market opening on October 7, 2016. All share and per share data have been restated to reflect this reverse stock split.

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Soligenix, Inc.
Notes to Consolidated Financial Statements
(Unaudited)

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.

Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

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.

Cash and cash equivalents

The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Contracts and Grants Receivable

Contracts and grants receivable consist of unbilled amounts due from various grants from the NIH and contracts from BARDA and NIAID, an institute of NIH, for costs incurred prior to the period end under reimbursement contracts. The amounts were billed to the respective governmental agencies in the month subsequent to period end and collected shortly thereafter. 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 industry 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 designed to protect, preserve and maintain the Company’s rights, and perhaps extend the lives of the patents. The Company capitalizes such costs and amortizes intangibles on a straight-line basis over their expected useful life – generally a period of 11 to 16 years.

The Company did not capitalize any patent related costs during the nine months ended September 30, 2016 and 2015.

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. No such write downs have occurred during the nine months ended September 30, 2016 and 2015.

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Soligenix, Inc.
Notes to Consolidated Financial Statements
(Unaudited)

Note 2. Summary of Significant Accounting Policies (cont.)

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 nine months ended September 30, 2016 and 2015.

Fair Value of Financial Instruments

FASB ASC 820 — *Fair Value Measurements and Disclosures,* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 requires disclosures about the fair value of all financial instruments, whether or not recognized, for financial statement purposes. Disclosures about the fair value of financial instruments are based on pertinent information available to the Company on September 30, 2016. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that could be realized on disposition of the financial instruments.

FASB ASC 820 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy are as follows:

- Level 1 — Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as exchange-traded instruments and listed equities.

- Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 includes financial instruments that are valued using models or other valuation methodologies. These models consider various assumptions, including volatility factors, current market prices and contractual prices for the underlying financial instruments. Substantially all of these assumptions are observable in the marketplace, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace.

- Level 3 — Unobservable inputs for the asset or liability. Financial instruments are considered Level 3 when their fair values are determined using pricing models, discounted cash flows or similar techniques and at least one significant model assumption or input is unobservable.

The carrying amounts reported in the consolidated balance sheet for cash and cash equivalents, contracts and grants receivable, accounts payable, notes payable and accrued compensation approximate their fair value based on the short-term maturity of these instruments. The Company recognizes all derivative financial instruments as assets or liabilities in the financial statements and measures them at fair value with changes in fair value reflected as current period income or loss unless the derivatives qualify as hedges. As a result, certain warrants issued in connection with the Company's June 2013 registered public offering were accounted for as derivatives. See Note 5, *Warrant Liability*.

Soligenix, Inc.
Notes to Consolidated Financial Statements
(Unaudited)

Note 2. Summary of Significant Accounting Policies (cont.)

Revenue Recognition

The Company's revenues are primarily generated from government contracts and grants. The revenue from government contracts and grants is based upon subcontractor costs and internal costs incurred that are specifically covered by the contracts and grants, plus a facilities and administrative rate that provides funding for overhead expenses and management fees. These revenues are recognized when expenses have been incurred by subcontractors or when the Company incurs reimbursable internal expenses that are related to the government contracts and grants.

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, share-based compensation, employee benefits, equipment depreciation and allocation of various corporate costs.

Accounting for Warrants

The Company 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. The Company evaluated the provisions and determined that warrants issued in connection with the Company's June 2013 registered public offering contain provisions that protect holders from a decline in the issue price of the Company's common stock (or "down-round" provisions) and contain net settlement provisions. Consequently, these warrants are recognized as liabilities at their fair value on the date of grant and remeasured at fair value on each reporting date. All other warrants issued were indexed to the Company's stock and therefore are accounted for as equity instruments for 2016 and 2015.

Share-Based Compensation

Stock options are issued with an exercise price equal to the market price on the date of grant. 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% on 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.

From time to time, the Company issues restricted shares of common stock to vendors and consultants as compensation for services performed. Typically these instruments vest upon issuance and therefore the entire share-based compensation expense is recognized upon issuance to the vendors and/or consultants.

Share-based compensation expense for options, warrants and shares of common stock granted to non-employees has been determined in accordance with 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 fair value is remeasured each reporting period until performance is complete.

For the nine months ended September 30, 2016 and 2015, the Company issued stock options at a weighted average exercise price of $7.72 and $14.40 per share, respectively. The fair value of options issued during the nine months ended September 30, 2016 and 2015 was estimated using the Black-Scholes option-pricing model and the following assumptions:

- a dividend yield of 0%;
- an expected life of 4 years;

Soligenix, Inc.
Notes to Consolidated Financial Statements
(Unaudited)

Note 2. Summary of Significant Accounting Policies (cont.)

- volatility of 116% for 2016 and ranging from 136%–141% for 2015;
- forfeitures at a rate of 12%; and
- risk-free interest rates ranging from 0.96%-1.52% and 0.99%-1.34% for 2016 and 2015, respectively.

The fair value of each option grant made during 2016 and 2015 was estimated on the date of each grant using the Black-Scholes option pricing model and amortized ratably over the option 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 September 30, 2016 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 2016 and 2015. Additionally, the Company has not recorded an asset for unrecognized tax benefits or a liability for uncertain tax positions at September 30, 2016 and December 31, 2015.

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. 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.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Numerator:				
Net income/(loss) for basic earnings per share	**$(1,673,217)**	2,774,348	**$(2,915,424)**	$(5,772,668)
Less change in fair value of warrant liability	**—**	4,047,742	**1,109,192**	—
Net loss for diluted earnings per share	**(1,673,217)**	(1,273,394)	**(4,024,616)**	(5,772,668)
Denominator:				
Weighted-average basic common shares outstanding	**3,432,081**	2,648,240	**3,245,653**	2,553,930
Assumed conversion of dilutive securities:				

Common stock purchase warrants	—	180,818	**102,184**	—
Denominator for diluted earnings per share – adjusted weighted-average shares	**3,432,081**	2,829,058	**3,347,837**	2,553,930
Basic net income (loss) per share	**$(0.49)**	1.05	**$(0.90)**	$(2.26)
Diluted net loss per share	**$(0.49)**	(0.45)	**$(1.20)**	$(2.26)

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Soligenix, Inc.
Notes to Consolidated Financial Statements
(Unaudited)

Note 2. Summary of Significant Accounting Policies (cont.)

The following table summarizes potentially dilutive adjustments to the weighted average number of common shares which were excluded from the calculation because their effect would be anti-dilutive.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Common stock purchase warrants	**492,614**	188,920	**188,920**	492,614
Stock options	**299,752**	230,074	**299,752**	230,074
Total	**792,366**	418,994	**488,672**	722,686

The weighted average exercise price of the Company's stock options and warrants outstanding at September 30, 2016 were $18.20 and $7.38 per share, respectively, and at September 30, 2015 were $23.30 and $8.00 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 and 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.

Recently Issued Accounting Pronouncements

In August 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-15, "Presentation of Financial Statements - Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern." The amendments in this ASU are intended to define management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. Specifically, this ASU provides a definition of the term substantial doubt and requires an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). It also requires certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans and requires an express statement and other disclosures when substantial doubt is not alleviated. The new standard will be effective for annual periods ending after December 15, 2016, and interim periods thereafter, with early adoption permitted. The Company is currently evaluating the impact the adoption of this standard will have on the Company's consolidated financial statements and disclosures.

In February 2016, the FASB issued ASU No. 2016-02, "Leases" (topic 842). The FASB issued this update to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The updated guidance is effective for annual periods beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption of the update is permitted. The Company is evaluating the impact of the adoption of this update on our consolidated financial statements and related disclosures.

In March 2016, the FASB issued ASU No. 2016-09, "Improvements to Employee Share-Based Payment Accounting, which amends ASC Topic 718, and intends to simplify various aspects related to how share-based payments are accounted for and presented in the financial statements. It is effective for annual reporting periods beginning after December 15, 2016, and interim periods within that reporting period. Early adoption is permitted. The Company is currently evaluating the impact of adoption of this update on our consolidated financial statements and related disclosures.

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Soligenix, Inc.
Notes to Consolidated Financial Statements
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Note 3. Intangible Assets

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

	Cost	Accumulated Amortization	Net Book Value
September 30, 2016			
Licenses	$ 462,234	$ 354,179	$ 108,055
Patents	1,893,185	1,858,932	34,253
Total	$ 2,355,419	$ 2,213,111	$ 142,308
December 31, 2015			
Licenses	$ 462,234	$ 333,732	$ 128,502
Patents	1,893,185	1,832,955	60,230
Total	$ 2,355,419	$ 2,166,687	$ 188,732

Amortization expense was $15,589 and $55,929 for the three months ended September 30, 2016 and 2015, respectively, and $46,424 and $165,288 for the nine months ended September 30, 2016 and 2015, respectively.

Based on the balance of licenses and patents at September 30, 2016, the annual amortization expense for each of the succeeding four years is expected to approximate as follows:

	Amortization Expense
October 1 thru December 31, 2016	$ 15,376
2017	$ 61,800
2018	$ 37,300
2019	$ 27,832

License fees and royalty payments are expensed as incurred as the Company does not attribute any future benefits to such payments.

Note 4. Notes Payable

On July 29, 2015, the Company entered into equity purchase agreements (the "Equity Line Purchase Agreements") and registration rights agreements with certain accredited institutional investors. Under the Equity Line Purchase Agreements, the investors have agreed to purchase from the Company up to an aggregate of $10 million worth of shares of common stock, from time to time.

In consideration for entering into the Equity Line Purchase Agreements, the Company issued to the investors promissory notes having an aggregate principal amount of $300,000, which were recorded as stock issuance costs. The promissory notes were paid on April 15, 2016, and had an issuance date present value of $282,071. The promissory notes did not include terms for interest, therefore the interest was imputed at 9%. Total discount amortization of $7,281 was recorded as interest expense for the nine months ended September 30, 2016. The discount was being accreted over the term of the promissory notes using the effective interest rate method.

Note 5. Warrant Liability

Warrants issued in connection with the Company's June 2013 registered public offering contain provisions that protect holders from a decline in the issue price of its common stock (or "down-round" provision) and contain net settlement provisions. As a result, the Company accounts for these warrants as liabilities instead of equity instruments.

Down-round provisions reduce the exercise or conversion price of a warrant if the Company issues equity shares for a price that is lower than the exercise or conversion price of the warrants. Net settlement provisions allow the holder of the warrant to surrender shares underlying the warrant equal to the exercise price as payment of its exercise price,

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Soligenix, Inc.
Notes to Consolidated Financial Statements
(Unaudited)

Note 5. Warrant Liability (cont.)

instead of exercising the warrant by paying cash. The Company evaluates whether warrants to acquire its common stock contain provisions that protect holders from declines in the stock price or otherwise could result in modification of the exercise price and/or shares to be issued under the respective warrant agreements based on a variable that is not an input to the fair value of a "fixed for fixed" option. As a result of the Company's December 2014 registered public unit offering, the exercise price of warrants outstanding in connection with the public offering completed in June 2013 was adjusted to $6.10 per share. As a result of the Company's December 2015 drawings on the Equity Line Purchase Agreements, the exercise price of warrants outstanding in connection with the public offering conducted in June 2013 was adjusted to $5.10 per share. The Company recognized these warrants as liabilities at their fair value on the date of grant and remeasures them to fair value on each reporting date.

The Company recognized an initial warrant liability for the warrants issued in connection with the registered public offering completed in June 2013 totaling $4,827,788, which was based on the June 25, 2013 closing price of a share of the Company's common stock as reported on OTC Markets of $9.60. On September 30, 2016, the closing price of the Company's common stock as reported on OTC Markets was $7.70. Due to the fluctuations in the market value of the Company's common stock from December 31, 2015 through September 30, 2016, the Company recognized non-cash income of $1,109,192 for the change in the fair value of the warrant liability for the nine months ended September 30, 2016.

The assumptions used in connection with the valuation of warrants issued utilizing the binomial method were as follows:

	September 30, 2016			December 31, 2015		
Number of shares underlying the warrants		303,694			303,694	
Exercise price	$	5.10		$	5.10	
Volatility		90	%		98	%
Risk-free interest rate		0.68	%		1.19	%
Expected dividend yield		0			0	
Expected warrant life (years)		1.73			2.48	
Stock Price	$	7.70		$	11.30	

The table below provides a reconciliation of the beginning and ending balances for the liability measured at fair value using significant unobservable inputs (Level 3). The table reflects gains for the nine months ended September 30, 2016 for the financial liability categorized as Level 3 as of September 30, 2016.

	December 31, 2015		Decrease from Warrants Exercised in 2016	Decrease in Fair Value		September 30, 2016	
Warrant liability	$	2,434,101	—	$	1,109,192	$	1,324,909

Note 6. Income Taxes

The Company had gross NOLs at December 31, 2015 of approximately $90,891,000 for federal tax purposes and approximately $5,273,000 of New Jersey NOL carry forwards remaining after the sale of unused net operating loss carry forwards, portions of which will begin to expire in 2018. In addition, the Company has $4,909,000 of various tax credits which expire from 2018 to 2034. 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 carry forwards 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.

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Soligenix, Inc.
Notes to Consolidated Financial Statements
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Note 6. Income Taxes (cont.)

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. During the year ended December 31, 2015, 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, the Company sold New Jersey net operating loss carryforwards, resulting in the recognition of $488,933 of income tax benefit, net of transaction costs. There can be no assurance as to the continuation or magnitude of this program in the future.

The Company has no tax provision for the three and nine month periods ended September 30, 2016 and 2015 due to losses incurred and the recognition of full valuation allowances recorded against net deferred tax assets.

Note 7. Shareholders' Deficiency

Preferred Stock

The Company has 350,000 shares of preferred stock authorized, none of which are issued or outstanding.

Common Stock

During the nine months ended September 30, 2016, the Company issued the following shares of common stock:

- In several separate transactions the Company issued 266,830 shares of common stock pursuant to the equity line with Lincoln Park Capital Fund, LLC ("Lincoln Park");

- On May 31, 2016, the Company issued 5,000 shares of common stock to a vendor for partial consideration for services performed. The market price of the Company's common stock was $7.30 on the date issued and the shares were vested on the date of grant.

- On August 29, 2016, the Company issued 2,500 shares of common stock to a vendor for partial consideration for services performed. The market price of the Company's common stock was $6.40 on the date issued and the shares were vested on the date of grant.

- On September 9, 2016, the Company and SciClone entered into an exclusive license agreement (the "License Agreement"), pursuant to which the Company granted rights to SciClone to develop, promote, market, distribute and sell SGX942 in the People's Republic of China, including Hong Kong and Macau, as well as Taiwan, South Korea and Vietnam (the "Territory"). Under the terms of the License Agreement, SciClone will be responsible for all aspects of development, product registration and commercialization in the Territory, having access to data generated by the Company. In exchange for exclusive rights, SciClone will pay to the Company royalties on net sales, and the Company will supply commercial drug product to SciClone on a cost-plus basis, while maintaining worldwide manufacturing rights. The Company also entered into a common stock purchase agreement with SciClone pursuant to which we sold 352,942 shares of our common stock to SciClone for an aggregate price of $3,000,000.

Equity Line Facilities

In March 2016, the Company entered into a common stock purchase agreement with Lincoln Park. The Lincoln Park equity facility allows the Company to require Lincoln Park to purchase up to 10,000 shares ("Regular Purchase") of the

Company's common stock every two business days, up to an aggregate of $12.0 million over approximately a 36-month period with such amounts increasing as the quoted stock price increases. The Regular Purchase may be increased up to 15,000 shares of common stock if the closing price of the common shares is not below $10.00, up to 20,000 shares of common stock if the closing price of the common shares is not below $15.00 and up to 25,000 shares of common stock if the closing price of the common shares is not below $20.00. The purchase price for the Regular Purchase shall be equal to the lesser of (i) the lowest sale price of the common shares during the purchase date, or (ii) the average of the three lowest closing sale prices of the common shares during the twelve business days prior to

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Soligenix, Inc.
Notes to Consolidated Financial Statements
(Unaudited)

Note 7. Shareholders' Deficiency (cont.)

the purchase date. Each Regular Purchase shall not exceed $750,000. Furthermore, for each purchase by Lincoln Park, additional commitment shares in commensurate amounts up to a total of 50,000 shares will be issued based upon the relative proportion of the aggregate amount of $12.0 million. In addition to the Regular Purchase and provided that the closing price of the common shares is not below $7.50 on the purchase date, the Company in its sole discretion may direct Lincoln Park on each purchase date to purchase on the next stock trading day (Accelerated Purchase Date") additional shares of Company stock up to the lesser of (i) three times the number of shares purchased following a Regular Purchase or (ii) 30% of the trading volume of shares traded on the Accelerated Purchase Date at a price equal to the lesser of the closing sale price on the Accelerated Purchase Date or 95% of the Accelerated Purchase Date's volume weighted average price.

Upon entering into the agreement, the Company issued 10,000 shares of common stock as consideration for its commitment to purchase shares of our common stock under the purchase agreement. The value of these shares on the date granted was $81,000, which was accounted for as a stock issuance cost.

During the quarter ended September 30, 2016, the Company sold Lincoln Park 110,000 shares of common stock for an aggregate price of $676,510 and issued 2,819 additional shares of common stock with a value of $17,377 to Lincoln Park as a commitment fee pursuant to the terms of the agreement. The additional shares issued as a commitment fee were accounted for as a stock issuance cost.

Note 8. Commitments and Contingencies

The Company has commitments of approximately $416,667 as of September 30, 2016 for several licensing agreements with consultants and universities. Additionally, the Company has collaboration and license agreements, which upon clinical or commercialization success, may require the payment of milestones of up to $7.9 million and/or royalties up to 6% of net sales of covered products, if and when achieved. However, there can be no assurance that clinical or commercialization success will occur. As of September 30, 2016, no milestone or royalty payments have been paid or accrued.

In December 2014, the Company entered into a lease agreement through May 31, 2018 for existing and expanded office space. The rent for the first 12 months is approximately $12,300 per month, or approximately $20.85 per square foot. This rent increases to approximately $12,375 per month, or approximately $20.95 per square foot, for the next 12 months and approximately $12,460 per month, or approximately $21.13 per square foot for the remainder of the lease.

On September 3, 2014, the Company entered into an asset purchase agreement with Hy Biopharma, Inc. ("Hy Biopharma") pursuant to which the Company acquired certain intangible assets, properties and rights of Hy Biopharma related to the development of Hy BioPharma's synthetic hypericin product. As consideration for the assets acquired, the Company paid $275,000 in cash and issued 184,912 shares of common stock with a fair value based on the Company's stock price on the date of grant of $3,750,000. These amounts were charged to research and development expense during the third quarter of 2014 as the assets will be used in the Company's research and development activities and do not have alternative future use pursuant to generally accepted accounting principles in the United States. Provided all future success-oriented milestones are attained, the Company will be required to make additional payments of up to $10.0 million, if and when achieved. Payments will be payable in restricted securities of the Company not to exceed 19.9% ownership of Company's outstanding stock. As of September 30, 2016, no milestone or royalty payments have been paid or accrued.

In February 2007, the Company's Board of Directors authorized the issuance of 50,000 shares of the Company's common stock to Dr. Schaber 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. Dr. Schaber's amended employment agreement includes the Company's obligation to issue such shares if such event occurs.

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Soligenix, Inc.
Notes to Consolidated Financial Statements
(Unaudited)

Note 8. Commitments and Contingencies (cont.)

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	Total
October 1 through December 31, 2016	$ 16,667	$ 39,333	$ 56,000
2017	100,000	151,000	251,000
2018	100,000	52,000	152,000
2019	100,000	—	100,000
2020	100,000	—	100,000
Total	$ 416,667	$ 242,333	$ 659,000

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.

	Three Months Ended September 30, 2016	2015
Contract/Grant Revenue		
Vaccines/BioDefense	**$ 2,959,254**	$ 3,879,675
BioTherapeutics	**—**	—
Total	**$ 2,959,254**	$ 3,879,675
Income (Loss) from Operations		
Vaccines/BioDefense	**$ 239,012**	$ 653,415
BioTherapeutics	**(908,086)**	(959,065)
Corporate	**(829,743)**	(964,016)
Total	**$ (1,498,817)**	$ (1,269,666)
Amortization and Depreciation Expense		
Vaccines/BioDefense	**$ 10,090**	$ 10,093
BioTherapeutics	**10,313**	50,673
Corporate	**2,063**	2,074
Total	**$ 22,466**	$ 62,840
Other Income (Expense), Net		
Corporate	**$ (174,400)**	$ 4,044,014
Share-Based Compensation		
Vaccines/BioDefense	**$ 25,164**	$ 19,344
BioTherapeutics	**30,496**	29,180
Corporate	**61,590**	86,400
Total	**$ 117,250**	$ 134,924

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Soligenix, Inc.
Notes to Consolidated Financial Statements
(Unaudited)

Note 9. Operating Segments (cont.)

	Nine Months Ended September 30, 2016	2015
Contract/Grant Revenue		
Vaccines/BioDefense	**$ 8,750,291**	$ 5,781,816
BioTherapeutics	**—**	13,972
Total	**$ 8,750,291**	$ 5,795,788
Income (Loss) from Operations		
Vaccines/BioDefense	**$ 1,291,123**	$ 1,040,627
BioTherapeutics	**(2,822,766)**	(3,094,883)
Corporate	**(2,882,836)**	(2,808,428)
Total	**$ (4,414,479)**	$ (4,862,684)
Amortization and Depreciation Expense		
Vaccines/BioDefense	**$ 30,150**	$ 29,820
BioTherapeutics	**31,309**	148,913
Corporate	**6,443**	5,763
Total	**$ 67,902**	$ 184,496
Other Income (Expense), Net		
Corporate	**$ 1,499,055**	$ (909,984)
Share-Based Compensation		
Vaccines/BioDefense	**$ 77,393**	$ 63,280
BioTherapeutics	**96,313**	88,615
Corporate	**280,229**	262,217
Total	**$ 453,935**	$ 414,112

	As of September 30, 2016	As of December 31, 2015
Identifiable Assets		
Vaccines/BioDefense	**$ 1,801,149**	$ 2,123,676
BioTherapeutics	**56,555**	76,183
Corporate	**5,896,100**	5,187,263
Total	**$ 7,753,804**	$ 7,387,122

Note 10. Subsequent Events

During November 2016, the Company and the holders of the issued and outstanding common stock purchase warrants dated June 25, 2013 issued in connection with the Company’s June 2013 registered public offering agreed to amend the terms of those common stock purchase warrants. According to the terms of the Amendment to the Common Stock Purchase Warrant (the “Amendment”), the exercise price per share of the common stock under those warrants (after giving effect to the one-for-ten reverse stock split effective October 7, 2016) was reduced from $5.10 per share to $0.80 per share. In addition, the Amendment permits the holders to exercise those warrants by means of a cashless exercise in which the holders shall be entitled to receive shares based on a formula in the Amendment and the “down round” provision was eliminated. As a result of the Amendment, the warrant liability, as described in Note 5, Warrant Liability, was remeasured as of the date of the modification, which resulted in an approximate $430,000 decrease in the carrying value of the warrant liability, which was recognized in the statement of operations on the date of the modification. The warrant liability was then reclassified to equity as the amended terms of the warrants qualified them to be accounted for as equity instruments. Of the 303,694 shares of common stock that remained issuable upon the exercise of such warrants as of September 30, 2016, warrants to purchase a total of 42,444 shares were subsequently exchanged on a cashless exercise basis, and as a result, 33,978 shares of common stock were issued through November 9, 2016.

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

	2015	2014
Assets		
Current assets:		
Cash and cash equivalents	$ 4,921,545	$ 5,525,094
Contracts and grants receivable	1,985,212	794,767
Prepaid expenses	244,267	172,928
Total current assets	7,151,024	6,492,789
Office furniture and equipment, net	47,366	51,510
Intangible assets, net	188,732	409,949
Total assets	$ 7,387,122	$ 6,954,248
Liabilities and shareholders' deficiency		
Current liabilities:		
Accounts payable	$ 4,379,936	$ 3,003,545
Notes payable	292,719	—
Warrant liability	2,434,101	3,789,562
Accrued compensation	298,675	315,030
Total current liabilities	7,405,431	7,108,137
Commitments and contingencies		
Shareholders' deficiency:		
Preferred stock, 350,000 shares authorized; none issued or outstanding	—	—
Common stock, $.001 par value; 5,000,000 shares authorized; 3,126,952 and 2,393,657 shares issued and outstanding in 2015 and 2014, respectively(1)	3,127	2,394
Additional paid-in capital(1)	146,856,143	138,890,066
Accumulated deficit	(146,877,579)	(139,046,349)
Total shareholders' deficiency	(18,309)	(153,889)
Total liabilities and shareholders' deficiency	$ 7,387,122	$ 6,954,248

(1) Adjusted to reflect the reverse stock split of one-for-ten effective October 7, 2016.

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

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

	2015	2014
Revenues:		
Grant revenue	$ 127,042	$ 1,497,548
Contract revenue	8,641,348	5,545,468
Total revenues	8,768,390	7,043,016
Cost of revenues	(6,882,204)	(5,313,855)
Gross profit	1,886,186	1,729,161
Operating expenses:		
Research and development	5,399,839	5,086,535
Acquired in-process research and development	—	4,000,000
General and administrative	3,596,623	3,403,975
Total operating expenses	8,996,462	12,490,510
Loss from operations	(7,110,276)	(10,761,349)
Other income (expense):		
Change in fair value of warrant liability	(1,201,870)	3,436,195
Interest income (expense), net	(8,017)	1,310
Total other income (expense)	(1,209,887)	3,437,505
Net loss before income taxes	(8,320,163)	(7,323,844)
Income tax benefit	488,933	616,872
Net loss	$ (7,831,230)	$ (6,706,972)
Basic net loss per share(1)	$ (3.00)	$ (3.25)
Diluted net loss per share(1)	$ (3.00)	$ (4.30)
Basic weighted average common shares outstanding(1)	2,606,577	2,063,842
Diluted weighted average common shares outstanding(1)	2,606,577	2,358,494

(1) Adjusted to reflect the reverse stock split of one-for-ten effective October 7, 2016.

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

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Soligenix, Inc. and Subsidiaries
Consolidated Statements of Changes in Shareholders' Deficiency
For the Years Ended December 31, 2015 and 2014

	Common Stock		Additional		
		Par	Paid–In	Accumulated	
	Shares(1)	Value(1)	Capital(1)	Deficit	Total
Balance, December 31, 2013	1,962,644	$ 1,963	$ 130,567,593	$ (132,339,377)	$ (1,769,821)
Issuance of common stock pursuant to Lincoln Park Equity line	23,075	23	470,452	—	470,475
Issuance of common stock to vendors	12,100	12	256,028	—	256,040
Issuance of shares from exercise of stock options	3,667	4	28,074	—	28,078
Reclassification of warrant liability upon partial exercise of warrants issued in unit offering	—	—	1,055,490	—	1,055,490
Fair value of common stock warrants issued to vendors	—	—	4,775	—	4,775
Issuance of common stock to collaboration partner	4,307	4	99,998	—	100,002
Shares issued in connection with acquisition of in-process research and development	184,911	185	3,749,815	—	3,750,000
Issuance of common stock from cashless exercise of warrants	14,300	14	(14)	—	—
Share-based compensation expense	—	—	720,150	—	720,150
Common stock issued in unit offering, net of offering costs of $344,808	188,653	189	1,937,705	—	1,937,894
Net loss	—	—	—	(6,706,972)	(6,706,972)
Balance, December 31, 2014	2,393,657	$ 2,394	$ 138,890,066	$ (139,046,349)	$ (153,889)
Issuance of common stock pursuant to Lincoln Park Equity line	84,135	84	1,339,093	—	1,339,177
Issuance of common stock pursuant to Equity Line Purchase Agreement	454,577	455	2,499,545	—	2,500,000
	—	—	(453,162)	—	(453,162)

Stock issuance cost associated with Equity Line Purchase Agreement									
Issuance of common stock to vendors	16,628		16		232,196		—		232,212
Issuance of shares from exercise of stock options	3,312		3		19,247		—		19,250
Issuance of shares for exercise of warrants	174,643		175		1,117,346		—		1,117,521
Reclassification of warrant liability upon partial exercise of warrants issued in unit offering	—		—		2,557,331		—		2,557,331
Share-based compensation expense	—		—		654,481		—		654,481
Net loss	—		—		—		(7,831,230)		(7,831,230)
Balance, December 31, 2015	3,126,952	$	3,127	$	146,856,143	$	(146,877,579)	$	(18,309)

(1) Adjusted to reflect the reverse stock split of one-for-ten effective October 7, 2016.

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

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

	2015	2014
Operating activities:		
Net loss	$ (7,831,230)	$ (6,706,972)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization and depreciation	247,458	245,787
Charge for common stock issued for collaboration agreement	—	100,002
Common stock issued in exchange for services	232,212	256,040
Issuance of common stock for acquisition of in-process research and development	—	4,000,000
Warrants issued to vendor	—	4,775
Amortization of discount on debt	10,648	—
Share-based compensation	654,481	720,150
Change in fair value of warrant liability	1,201,870	(3,436,195)
Change in operating assets and liabilities:		
Contracts and grants receivable	(1,190,445)	72,319
Taxes receivable	—	750,356
Prepaid expenses	(71,339)	(37,537)
Accounts payable	1,376,391	1,483,255
Accrued compensation	(16,354)	81,291
Total adjustments and change in operating assets and liabilities	2,444,922	4,240,243
Net cash used in operating activities	(5,386,308)	(2,466,729)
Investing activities:		
Payments for acquisition of in-process research and development	—	(250,000)
Purchases of furniture and office equipment	(22,098)	(50,866)
Net cash used in investing activities	(22,098)	(300,866)
Financing activities:		
Net proceeds from sale of units containing common stock and warrants	—	1,937,894
Net proceeds from issuance of common stock pursuant to the equity lines	3,839,177	470,475
Stock issuance cost associated with equity line purchase agreement	(171,091)	—
Proceeds from exercise of options and warrants	1,136,771	28,078
Net cash provided by financing activities	4,804,857	2,436,447
Net decrease in cash and cash equivalents	(603,549)	(331,148)
Cash and cash equivalents at beginning of period	5,525,094	5,856,242
Cash and cash equivalents at end of period	$ 4,921,545	$ 5,525,094
Supplemental disclosure of non cash investing and financing activities:		
Notes payable issued in connection with Equity Purchase Agreement	$ 282,071	$ —
Reclassification of warrant liability to additional paid-in capital upon partial exercise of warrants issued in unit offering	$ 2,557,331	$ 1,055,490

Supplemental information:		
Cash paid for state income taxes	$ 7,542	$ 6,994

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

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Soligenix, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 1. Nature of Business

Basis of Presentation

Soligenix, Inc. (the "Company") is a late-stage biopharmaceutical company focused on developing and commercializing products to treat rare diseases where there is an unmet medical need. The Company maintains two active business segments: BioTherapeutics and Vaccines/BioDefense.

The Company's BioTherapeutics business segment is developing a first-in-class photodynamic therapy (SGX301) utilizing safe visible light for the treatment of cutaneous T-cell lymphoma ("CTCL"), proprietary formulations of oral beclomethasone 17, 21-dipropionate ("BDP") for the prevention/treatment of gastrointestinal ("GI") disorders characterized by severe inflammation, including pediatric Crohn's disease (SGX203) and acute radiation enteritis (SGX201), and it's novel innate defense regulator ("IDR") technology dusquetide (SGX942) for the treatment of oral mucositis in head and neck cancer.

The Company's Vaccines/BioDefense business segment includes active development programs for RiVax™, its ricin toxin vaccine candidate, VeloThrax™, an anthrax vaccine candidate, OrbeShield®, a GI acute radiation syndrome ("GI ARS") therapeutic candidate and SGX943, a melioidosis therapeutic candidate. The development of the vaccine programs currently supported by the heat stabilization technology, known as ThermoVax®, under existing and on-going government contract funding. With the government contract from the National Institute of Allergy and Infectious Diseases ("NIAID"), the Company will attempt to advance the development of RiVax™ to protect against exposure to ricin toxin. The Company plans to use the funds received under the government contracts with the Biomedical Advanced Research and Development Authority ("BARDA") and NIAID to advance the development of OrbeShield® for the treatment of GI ARS.

The Company generates revenues under government grants primarily from the National Institutes of Health (the "NIH") and government contracts from BARDA and NIAID.

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 the United States Food and Drug Administration (the U.S. "FDA") regulations, litigation, and product liability.

Liquidity

As of December 31, 2015, the Company had cash and cash equivalents of $4,921,545 as compared to $5,525,094 as of December 31, 2014, representing a decrease of $603,549 or 11%. The decrease in cash was primarily due to net cash used in operations of $5,386,308 partially offset by cash provided by financing activities of $4,804,857. As of December 31, 2015, the Company had working capital of $2,179,694, which excludes a non-cash warrant liability of $2,434,101, as compared to working capital of $3,174,214 as of December 31, 2014, representing a decrease of $994,520 or 31%. The decrease in working capital was primarily the result of expenditures to support the completion of the Phase 2 clinical trial of SGX942 and the initiation of the pivotal Phase 3 clinical trial of SGX301 for the treatment of CTCL offset by the $4,804,857 in various financing activities.

Based on the Company's current rate of cash outflows, cash on hand, proceeds from its government contract and grant programs, availability of funds from equity lines 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 for at least the next twelve months.

Management's business plan can be outlined as follows:

- Complete enrollment and report preliminary results in the pivotal Phase 3 clinical trial of SGX301 for the treatment of CTCL;

- Initiate a Phase 3 clinical trial of oral BDP, known as SGX203, for the treatment of pediatric Crohn's disease;

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Soligenix, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 1. Nature of Business(cont.)

• Continue to collect the long-term follow-up safety data from the SGX942 Phase 2 proof-of-concept study for the treatment of oral mucositis in head and neck cancer patients and publish the findings from this study;

• Obtain FDA agreement on a pivotal Phase 2b/3 protocol of SGX942 for the treatment of oral mucositis in head and neck cancer patients;

• Continue development of RiVax™ in combination with ThermoVax® technology 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;

• Advance the preclinical and manufacturing development of OrbeShield® as a biodefense medical countermeasure for the treatment of GI ARS;

• 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 merger/acquisition strategies.

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

• The Company has up to $43.0 million in active government contract funding still available to support its associated research programs through 2016 and beyond. The Company plans to submit additional contract and 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 Loss (“NOL”) sales in the state of New Jersey pursuant to its Technology Business Tax Certificate Transfer Program. Based on the receipt of $488,933 in proceeds of the sale of NJ NOL in 2015, the Company expects to participate in the program during 2016 and beyond;

• The Company has an aggregate of $20.2 million available from equity facilities through 2019; and

• The Company may seek additional capital in the private and/or public equity markets, pursue government contracts and grants as well as business development activities 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 on an ongoing basis 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 October 7, 2016, the Company completed a reverse stock split of its issued and outstanding shares of common stock at a ratio of one-for-ten, whereby, once effective, every ten shares of its common stock was exchanged for one share of its common stock. The Company’s common stock began trading on the OTCQB on a reverse split basis at the market opening on October 7, 2016. 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.

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Soligenix, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (cont.)

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.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Contracts and Grants Receivable

Contracts and grants receivable consist of unbilled amounts due from various grants from the NIH and contracts from BARDA and NIAID, an institute of NIH, for costs incurred prior to the period end under reimbursement contracts. The amounts were billed to the respective governmental agencies in the month subsequent to period end and collected shortly thereafter. 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 industry 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 designed to protect, preserve and maintain the Company’s rights, and perhaps extend the lives of the patents. The Company capitalizes such costs and amortizes intangibles on a straight-line basis 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. No such write downs have occurred during the years ended December 31, 2015 and 2014.

The Company did not capitalize any patent related costs during the years ended December 31, 2015 or 2014.

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.

Soligenix, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (cont.)

The Company did not record any impairment of long-lived assets for the years ended December 31, 2015 or 2014.

Fair Value of Financial Instruments

FASB ASC 820 — Fair Value Measurements and Disclosures, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 requires disclosures about the fair value of all financial instruments, whether or not recognized, for financial statement purposes. Disclosures about the fair value of financial instruments are based on pertinent information available to the Company on December 31, 2015. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that could be realized on disposition of the financial instruments.

FASB ASC 820 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement).

The three levels of the fair value hierarchy are as follows:

- Level 1 — Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 primarily consists of financial instruments whose value is based on quoted market prices such as exchange-traded instruments and listed equities.

- Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 includes financial instruments that are valued using models or other valuation methodologies. These models consider various assumptions, including volatility factors, current market prices and contractual prices for the underlying financial instruments. Substantially all of these assumptions are observable in the marketplace, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace.

- Level 3 — Unobservable inputs for the asset or liability. Financial instruments are considered Level 3 when their fair values are determined using pricing models, discounted cash flows or similar techniques and at least one significant model assumption or input is unobservable.

The carrying amounts reported in the consolidated balance sheet for cash and cash equivalents, contracts and grants receivable, accounts payable, notes payable and accrued compensation approximate their fair value based on the short-term maturity of these instruments. The Company recognizes all derivative financial instruments as assets or liabilities in the financial statements and measures them at fair value with changes in fair value reflected as current period income or loss unless the derivatives qualify as hedges. As a result, certain warrants issued in connection with the Company's June 2013 registered public offering were accounted for as derivatives. See Note 5, Warrant Liability.

Revenue Recognition

The Company's revenues are primarily generated from government contracts and grants. The revenue from government contracts and grants is based upon subcontractor costs and internal costs incurred that are specifically covered by the contracts and grants, plus a facilities and administrative rate that provides funding for overhead expenses and management fees. These revenues are recognized when expenses have been incurred by subcontractors or when the Company incurs reimbursable internal expenses that are related to the government contracts and grants.

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, share-based compensation, employee benefits, equipment depreciation and allocation of various corporate costs. Purchased in-process research

Soligenix, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (cont.)

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.

Accounting for Warrants

The Company 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. The Company evaluated the provisions in its outstanding warrants and determined that warrants issued in connection with the Company's June 2013 registered public offering contains provisions that protect holders from a decline in the issue price of the Company's common stock (or "down-round" provisions) and contain net settlement provisions. Consequently, these warrants are recognized as liabilities at their fair value on the date of grant and remeasured at fair value on each reporting date. All other warrants issued were indexed to the Company's stock and therefore are accounted for as equity instruments for 2015 and 2014.

Share-Based Compensation

Stock options are issued with an exercise price equal to the market price on the date of grant. 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% on 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.

From time to time, the Company issues restricted shares of common stock to vendors and consultants as compensation for services performed. Typically these instruments vest upon issuance and therefore the entire share-based compensation expense is recognized upon issuance to the vendors and/or consultants.

Share-based compensation expense for options, warrants and shares of common stock granted to non-employees has been determined in accordance with 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 fair value is remeasured each reporting period until performance is complete.

For the year ended December 31, 2015 the Company issued 60,534 stock options at a weighted average exercise price of $11.90 per share. The fair value of options issued during the years ended December 31, 2015 and 2014 was estimated to be $12.20 and $14.80 per share, respectively, using the Black-Scholes option-pricing model and the following assumptions:

- a dividend yield of 0%;
- an expected life of 4 years;
- volatilities ranging from 121% – 141% and 128% – 165% for 2015 and 2014, respectively;

- forfeitures at a rate of 12%; and
- risk-free interest rates ranging from .98% to 1.53% and 1.05% to 1.43% for 2015 and 2014, respectively.

Soligenix, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (cont.)

The weighted average fair value of each option grant made during 2015 and 2014 was estimated on the date of each grant using the Black-Scholes option pricing model and amortized ratably over the option 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. 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 2015 and 2014. Additionally, the Company has not recorded an asset for unrecognized tax benefits or a liability for uncertain tax positions at December 31, 2015 and 2014.

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 one-for-ten effective October 7, 2016. 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.

	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
Numerator:		
Net loss for basic earnings per share	$ (7,831,230)	$ (6,706,972)
Less change in fair value of warrant liability	—	3,436,195
Net loss for diluted earnings per share	$ (7,831,230)	$ (10,143,167)
Denominator:		
Weighted-average basic common shares outstanding	2,606,577	2,063,842
Assumed conversion of dilutive securities:		
Common stock purchase warrants	—	294,652
Denominator for diluted earnings per share – adjusted weighted-average shares	2,606,577	2,358,494
Basic net loss per share	$ (3.00)	$ (3.25)
Diluted net loss per share	$ (3.00)	$ (4.30)

Soligenix, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (cont.)

The following table summarizes potentially dilutive adjustments to the weighted average number of common shares which were excluded from the calculation because their effect would be anti-dilutive.

	For the Year Ended December 31, 2015	For the Year Ended December 31, 2014
Common stock purchase warrants	492,612	254,614
Stock options	276,861	248,828
Total	769,473	503,442

Shares issuable upon the exercise of options and warrants outstanding at December 31, 2015 and 2014 were 276,861 and 248,828 shares issuable upon the exercise of options, and 492,612 and 726,950 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, 2015 were $21.30 and $7.40 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 and stock options and the useful life of intangibles that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

In August 2014, FASB issued Accounting Standards Update ("ASU") No. 2014-15, "Presentation of Financial Statements — Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern." The amendments in this ASU are intended to define management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. Specifically, this ASU provides a definition of the term substantial doubt and requires an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). It also requires certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans and requires an express statement and other disclosures when substantial doubt is not alleviated. The new standard will be effective for annual periods ending after December 15, 2016, and interim periods thereafter, with early adoption permitted. The Company is currently evaluating the impact the adoption of this standard will have on the Company's consolidated financial statements and disclosures.

In February 2016, the FASB issued ASU No. 2016-02, "Leases" (topic 842). The FASB issued this update to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The updated guidance is effective for annual periods beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption of the update is permitted. The Company is evaluating the impact of the adoption of this update on our consolidated financial statements and related disclosures.

Soligenix, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 3. Intangible Assets

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

	Weighted Average Remaining Amortization Period (Years)	Cost	Accumulated Amortization	Net Book Value
December 31, 2015				
Licenses	3.8	$ 462,234	$ 333,732	$ 128,502
Patents	1.1	1,893,185	1,832,955	60,230
Total	1.9	$ 2,355,419	$ 2,166,687	$ 188,732
December 31, 2014				
Licenses	4.7	$ 462,234	$ 306,495	$ 155,739
Patents	1.9	1,893,185	1,638,975	254,210
Total	2.6	$ 2,355,419	$ 1,945,470	$ 409,949

Amortization expense was $221,217 and $222,563 in 2015 and 2014, respectively.

Based on the balance of licenses and patents at December 31, 2015, the annual amortization expense for each of the succeeding four years is expected to approximate as follows:

Year	Amortization Expense
2016	$ 61,800
2017	$ 61,800
2018	$ 37,300
2019	$ 27,832

License fees and royalty payments are expensed annually as incurred, as the Company does not attribute any future benefits of such payments.

Note 4. Notes Payable

On July 29, 2015, the Company entered into equity purchase agreements (the “Equity Line Purchase Agreements”) and registration rights agreements with certain accredited institutional investors. Under the Equity Line Purchase Agreements, the investors have agreed to purchase from the Company up to an aggregate of $10 million worth of shares of common stock, from time to time.

In consideration for entering into the Equity Line Purchase Agreements, the Company issued to the investors promissory notes having an aggregate principal amount of $300,000, which were recorded as stock issuance costs. The promissory notes are payable by April 15, 2016, with an issuance date present value of $282,071. The promissory notes did not include terms for interest, therefore the interest was imputed at 9%. Total discount amortization of $10,648 was recorded as interest expense for the year ended December 31, 2015. The discount is being accreted over the term of the promissory notes using the effective interest rate method.

Note 5. Warrant Liability

Warrants issued in connection with the Company’s June 2013 registered public offering contain provisions that protect holders from a decline in the issue price of its common stock (or “down-round” provision) and contain net settlement provisions. As a result, the Company accounts for these warrants as liabilities instead of equity instruments. Down-round provisions reduce the exercise or conversion price of a warrant if the Company issues equity shares for a price that is lower than the exercise or conversion price of the warrants. Net settlement provisions allow the holder of the warrant to surrender shares underlying the warrant equal to the exercise price as payment of its exercise price,

Soligenix, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 5. Warrant Liability (cont.)

instead of exercising the warrant by paying cash. The Company evaluates whether warrants to acquire its common stock contain provisions that protect holders from declines in the stock price or otherwise could result in modification of the exercise price and/or shares to be issued under the respective warrant agreements based on a variable that is not an input to the fair value of a “fixed for fixed” option. As a result of the Company’s December 2014 registered public unit offering, the exercise price of warrants outstanding in connection with the public offering completed in June 2013 was adjusted to $6.10 per share. As a result of the Company’s December 2015 drawdown on the Equity Line Purchase Agreement, the exercise price of warrants outstanding in connection with the public offering completed in June 2013 was adjusted to $5.10 per share.

The Company recognized these warrants as liabilities at their fair value on the date of grant and remeasures them to fair value on each reporting date.

The Company recognized an initial warrant liability for the warrants issued in connection with the registered public offering completed in June 2013 totaling $4,827,788, which was based on the June 25, 2013 closing price of a share of the Company’s common stock as reported on OTC Markets of $9.60. During the year ended December 31, 2014, 14,300 shares of common were issued upon 58,608 warrants exercised on a cashless basis. On January 22, 2014, 25,000 warrants were exercised and on August 19, 2014, 33,608 warrants were exercised. The fair value of the warrants exercised in 2014, or $1,055,490 was reclassified from warrant liability to additional paid-in capital on the respective exercise dates. During the year ended December 31, 2015, 168,643 warrants were exercised. The fair value of the warrants exercised in 2015, or $2,557,331 was reclassified from warrant liability to additional paid-in capital on the respective exercise dates. On December 31, 2015, the closing price of the Company’s common stock as reported on OTC Markets was $11.30. Due to the fluctuations in the market value of the Company’s common stock from December 31, 2014 through December 31, 2015, the Company recognized a non-cash expense of $1,201,870 for the change in the fair value of the warrant liability for 2015.

The assumptions used in connection with the valuation of warrants issued, using the binomial method, were as follows:

	Initial Measurement June 25, 2013	December 31, 2013	December 31, 2014	Exercised During 2015	December 31, 2015
Number of shares underlying the warrants	541,685	530,944	472,336	168,643	303,693
Exercise price	$ 16.50	$ 16.50	$ 6.10	$ 6.10	$ 5.10
Volatility	140 %	135 %	128 %	117 – 119 %	98 %
Risk-free interest rate	1.49 %	1.75 %	1.38 %	..81 – 1.06 %	1.19 %
Expected dividend yield	0	0	0	0	0
Expected warrant life (years)	5.0	4.5	3.5	3.01-3.33	2.48
Stock price	$ 9.60	$ 18.00	$ 9.80	$ 16.90 – $22.20	$ 11.30

Recurring Level 3 Activity and Reconciliation

The table below provides a reconciliation of the beginning and ending balances for the liability measured at fair value using significant unobservable inputs (Level 3). The table reflects losses for the year ended December 31, 2015 for the financial liability categorized as Level 3 as of December 31, 2015.

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Soligenix, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 5. Warrant Liability (cont.)

Fair Value Measurements Using Significant Unobservable Inputs (Level 3):

	December 31, 2014	Decrease from Warrants Exercised in 2015	Increase in Fair Value	December 31, 2015
Warrant liability	$ 3,789,562	$ (2,557,331)	$ 1,201,870	$ 2,434,101

Note 6. Income Taxes

The income tax benefit consisted of the following for the years ended December 31, 2015 and December 31, 2014:

	2015	2014
Federal	$ —	$ —
State	(488,933)	(616,872)
Income tax benefit	$ (488,933)	$ (616,872)

The significant components of the Company’s deferred tax assets and liabilities at December 31, 2015 and 2014 are as follows:

	2015	2014
Net operating loss carry forwards	$ 31,216,000	$ 29,594,000
Orphan drug and research and development credit carry forwards	4,909,000	3,556,000
Equity based compensation	1,923,000	2,049,000
Intangibles	2,090,000	2,140,000
Total	40,138,000	37,339,000
Valuation allowance	(40,138,000)	(37,339,000)
Net deferred tax assets	$ —	$ —

The Company has gross NOLs at December 31, 2015 of approximately $90,891,000 for federal tax purposes and approximately $5,273,000 of New Jersey NOL carry forwards remaining after the sale of unused net operating loss carry forwards, portions of which will begin to expire in 2018. In addition, the Company has $4,909,000 of various tax credits which expire from 2018 to 2034. 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 carry forwards 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. During the years ended December 31, 2015 and 2014, 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, the Company sold New Jersey net operating loss carryforwards, resulting in the recognition of $488,933 and $616,872 of income tax benefit, net of transaction costs, respectively. There can be no assurance as to the continuation or magnitude of this program in the future.

Soligenix, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 6. Income Taxes (cont.)

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, 2015 and 2014 were as follows:

	2015		2014	
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	)	(6.00	)
Subtotal	(40.00	)	(40.00	)
Valuation allowance	34.12		31.58	
Income tax benefit	(5.88	)%	(8.42	)%

Note 7. Shareholders’ Deficiency

Preferred Stock

The Company has 350,000 shares of preferred stock authorized, none of which are issued or outstanding.

Common Stock

The following items represent transactions in the Company’s common stock for the year ended December 31, 2015:

- In February 2015, the Company issued 70,179 shares of common stock in connection with the exercise of stock warrants;

- In March 2015, the Company issued 48,200 shares of common stock in connection with the exercise of stock warrants;

- In March 2015, the Company issued 15,301 shares of common stock pursuant to the Lincoln Park facility;

- In April 2015, the Company issued 35,679 shares of common stock in connection with the exercise of stock warrants;

- In April 2015, the Company issued 812 shares of common stock in connection with the exercise of stock options;

- In May 2015, the Company issued 7,636 shares of common stock pursuant to the Lincoln Park facility;

- In June 2015, the Company issued 38,425 shares of common stock pursuant to the Lincoln Park facility;

- In June 2015, the Company issued 19,871 shares of common stock in connection with the exercise of stock warrants;

- In July 2015, the Company issued 714 shares of common stock in connection with the exercise of stock warrants;

- In September 2015, the Company issued 60,954 shares of common stock pursuant to an Equity Line Purchase Agreement;

- In September 2015, the Company issued 2,500 shares of common stock in connection with the exercise of stock options;
- In October 2015, the Company issued 15,184 shares of common stock pursuant to the Lincoln Park facility;
- In November 2015, the Company issued 7,589 shares of common stock pursuant to the Lincoln Park facility;

Soligenix, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 7. Shareholders’ Deficiency (cont.)

- In December 2015, the Company issued 393,623 shares of common stock pursuant to an Equity Line Purchase Agreement;

- In nine separate transactions, the Company issued 16,628 fully vested shares of common stock as partial consideration for services performed.

The following items represent transactions in the Company’s common stock for the year ended December 31, 2014:

- In January 2014, the Company issued 7,788 shares of common stock in connection with the cashless exercise of 25,000 stock warrants;

- In March 2014, the Company issued 7,694 shares of common stock pursuant to the Lincoln Park facility;

- In April 2014, the Company issued 7,691 shares of common stock pursuant to the Lincoln Park facility;

- In May 2014, the Company issued 4,307 shares of common stock upon the execution of an agreement to evaluate specific oncology technology;

- In May 2014, the Company issued 2,917 shares of common stock upon the exercise of vested stock options;

- In July 2014, the Company issued 7,690 shares of common stock pursuant to the Lincoln Park facility;

- In July 2014, the Company issued 750 shares of common stock upon the exercise of vested stock options;

- In August 2014, the Company issued 6,512 shares of common stock with the cashless exercise of 33,608 stock warrants;

- In September 2014, the Company issued 184,911 shares of common stock in connection with the Hy BioPharma Acquisition of in process research and development.

- In December 2014, the Company issued 188,653 shares of common stock and 116,932 warrants pursuant to a registered direct unit offering of common stock and warrants. The Company received net proceeds of $1,937,894 from this offering.

- In four separate transactions, the Company issued 12,100 shares of common stock as partial consideration for services performed.

Equity Line Purchase Agreement

On July 29, 2015, the Company entered into the Equity Line Purchase Agreements and a registration rights agreements with accredited institutional investors, Kodiak Capital Group, LLC (“Kodiak Capital”), Kingsbrook Opportunities Master Fund LP (“Kingsbrook”) and River North Equity, LLC (“River North” and, together with Kodiak Capital and Kingsbrook, the “Investors”). Under the Equity Line Purchase Agreements, the Investors agreed to purchase from the Company up to an aggregate of $10 million worth of shares of common stock, from time to time. In accordance with the registration rights agreements, the Company has filed with the U.S. SEC a registration statement to register for resale under the Securities Act of 1933, as amended, the shares of common stock that may be issued to the Investors under the Equity Line Purchase Agreements.

From the date that the SEC declared the registration statement effective, in August 2015, until December 31, 2016, the Company has the right to sell up to $5 million, $4 million and $1 million worth of shares of common stock to Kodiak Capital, Kingsbrook and River North, respectively. The Company will control the timing and amount of future sales, if any, of common stock to the Investors under the Equity Line Purchase Agreements. The purchase price of the shares will be equal to eighty percent (80%) of the lowest daily volume weighted average price of the common stock for any trading day during the five consecutive trading days immediately following the date of the Company’s notice to the Investors requesting the purchase. There is no minimum amount that the Company may require the Investors to purchase at any one time. The Company may not require the Investors to purchase more than $3 million

Soligenix, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 7. Shareholders' Deficiency (cont.)

worth of shares of common stock during any seven day period and may not require any of the Investors to purchase shares of common stock if such purchase would result in such Investor's beneficial ownership exceeding 9.99% of the outstanding common stock.

The Equity Line Purchase Agreements contain customary representations, warranties, covenants, closing conditions, and indemnification and termination provisions. Each of the Investors has covenanted not to cause or engage in any manner whatsoever any direct or indirect short selling of the common stock.

In consideration for entering into the Equity Line Purchase Agreements, the Company issued to each of the Investors a promissory note having a principal amount equal to 3% of the total amount committed by such Investor. The principal amount due under the promissory notes does not accrue interest and is payable by April 15, 2016 (see Note 4).

The Equity Line Purchase Agreements may be terminated by the Company at any time at its discretion without any cost to the Company.

The initial drawdown under the Equity Line Purchase Agreements was $500,000 offset by issuance cost of $453,162, which is included in the Consolidated Statements of Changes in Shareholders' Deficiency. Issuance costs include professional fees, 3% commitment fee (promissory notes payable by April 15, 2016) and SEC filing fees.

In December 2015, a second drawdown was made, whereby under the Equity Line Purchase Agreements, the Company issued 393,624 shares of common stock receiving proceeds of $2,000,000.

On March 7, 2016, in accordance with the terms of the Equity Line Purchase Agreements, the Company exercised its right to terminate the Purchase Agreements upon written notice to the Investors. The Company did not incur any penalties as a result of this termination.

Equity Line

In November 2013, the Company entered into a common stock purchase agreement with Lincoln Park Capital Fund, LLC ("Lincoln Park"). The Lincoln Park equity facility allows the Company to require Lincoln Park to purchase up to 7,500 shares ("Regular Purchase") of the Company's common stock every two business days, up to an aggregate of $10.6 million over approximately a 36-month period depending on certain conditions, including the quoted market price of the Company's common stock on such date. The purchase price for the Regular Purchase shall be equal to the lesser of (i) the lowest sale price of the common shares during the purchase date, or (ii) the average of the three lowest closing sale prices of common shares during the twelve business days prior to the purchase date. Each Regular Purchase shall not exceed $750,000. Furthermore, for each additional purchase by Lincoln Park, additional commitment shares in commensurate amounts up to a total of 12,207 shares will be issued based upon the relative proportion of the aggregate amount of $10.0 million. The Regular Purchase amount may be increased up to 10,000 shares of common stock if the closing price of the common shares is not below $25.00. In addition to the Regular Purchase and provided that the closing price of the common shares is not below $15.00 on the purchase date, the Company in its sole discretion may direct Lincoln Park on each purchase date to purchase on the next stock trading day ("Accelerate Purchase Date") additional shares of Company stock up to the lesser of (i) two times the number of shares purchased following a Regular Purchase or (ii) 30% of the trading volume of shares traded on the Accelerated Purchase Date as a price equal to the lesser of the closing sale price on the Accelerated Purchase Date or 95% of the Accelerated Purchase Date's volume weighted average price.

During the year ended December 31, 2014, in three separate transactions, the Company sold 22,500 shares of common stock and issued 575 commitment shares receiving net proceeds of $470,475. During the year ended December 31, 2015, in nine separate transactions, the Company sold 82,500 shares of common stock and issued 1,635 commitment shares receiving net proceeds of $1,339,177.

Soligenix, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 8. Stock Option Plans and Warrants to Purchase Common Stock

Stock Option Plans

The Amended and Restated 2005 Equity Incentive Plan was replaced by the 2015 Equity Incentive Plan (“2015 Plan”), approved in June 2015, and 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”) also was 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 100,000, in 2010 to increase the number of shares under the plan to 175,000 and again in 2013 to increase the number shares available under the plan to 300,000. The 2015 Plan was approved in June 2015 with 300,000 shares available under the plan.

The table below accounts only for transactions occurring as part of the 2015 Plan.

	December 31,	
	2015	2014
Shares available for grant at plan approval	300,000	—
Options granted	(47,700)	—
Shares available for grant at end of year	252,300	—

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Soligenix, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 8. Stock Option Plans and Warrants to Purchase Common Stock (cont.)

The total option activity for the amended 2005 Plan and the 2015 Plan for the years ended December 31, 2015 and 2014 was as follows:

	Options	Weighted Average Options Exercise Price
Balance at December 31, 2013	205,151	$ 26.30
Granted	63,750	17.90
Exercised	(3,667)	7.70
Forfeited	(16,406)	31.30
Balance at December 31, 2014	248,828	$ 24.00
Granted	60,534	11.90
Exercised	(3,312)	5.80
Forfeited	(29,189)	31.30
Balance at December 31, 2015	276,861	$ 21.30

As of December 31, 2015, there were 208,220 options exercisable with a weighted average exercise price of $23.30, a weighted average remaining contractual term of 7.28 years and an intrinsic value of $256,347. The intrinsic value of options exercised during the years ended December 31, 2015 and 2014 was $18,181 and $47,241, respectively. As of December 31, 2015, there were 276,861 options outstanding and expected to vest with a weighted average exercise price of $21.30, weighted average remaining term of 7.28 years and an intrinsic value of $257,369. The aggregate intrinsic value represents the total pre-tax intrinsic value (the difference between the closing price of our common stock on the last trading day on December 31, 2015 and the exercise price, multiplied by the number of in-the-money options) what would have been received by the option holders had all option holders exercised their options on December 31, 2015. This amount changes based on the fair market value of our common stock.

The Company awarded 60,534 and 63,750 stock options to new employees and existing Board members during the years ended 2015 and 2014, respectively. During the year ended 2015, under the 2005 Equity Incentive Plan, 2,900 option grants were issued to employees and 9,934 option grants were issued to Board members, and under the 2015 Equity Incentive Plan 47,700 option grants were issued to employees.

The weighted-average exercise price, by price range, for outstanding options to purchase common stock at December 31, 2015 was:

Price Range	Weighted Average Remaining Contractual Life in Years	Outstanding Options	Exercisable Options
$3.00 – $22.00	8.03	217,084	148,443
$22.60 – $41.00	5.36	17,477	17,477
$46.40 – $94.00	3.22	42,300	42,300
Total	7.28	276,861	208,220

The Company’s share-based compensation expense for the years ended December 31, 2015 and 2014 was recognized as follows:

Share-based Compensation	2015	2014

Research and Development	$	260,204	$	308,847
General and Administrative		394,277		411,303
Total	$	654,481	$	720,150

At December 31, 2015, the total compensation cost for stock options not yet recognized was approximately $773,197 and will be expensed over the next three years.

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Soligenix, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 8. Stock Option Plans and Warrants to Purchase Common Stock (cont.)

Warrants to Purchase Common Stock

Warrant activity for the years ended December 31, 2015 and 2014 was as follows:

	Warrants	Weighted Average Warrant Exercise Price
Balance at December 31, 2013	815,653	$ 21.70
Granted	116,932	14.80
Exercised	(58,608)	16.50
Expired	(147,027)	34.90
Balance at December 31, 2014	726,950	$ 11.50
Exercised	(174,643)	6.40
Expired	(59,695)	55.90
Balance at December 31, 2015	492,612	$ 7.40

The weighted-average remaining life, by price range, for outstanding warrants at December 31, 2015 was:

Price Range	Weighted Average Remaining Contractual Life in Years	Outstanding Warrants	Exercisable Warrants
\$5.10 – \$5.30	2.4	381,180	381,180
\$14.80 – \$20.50	4.0	111,432	111,432
Total	2.7	492,612	492,612

Note 9. Concentrations

At December 31, 2015 and 2014, 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 and at times maintains cash balances in excess of the SIPC coverage.

Note 10. Commitments and Contingencies

The Company has commitments of approximately $500,000 at December 31, 2015 for several licensing agreements with consultants and universities. Additionally, the Company has collaboration and license agreements, which upon clinical or commercialization success, may require the payment of milestones of up to $7.9 million and/or royalties up to 6% of net sales of covered products, if and when achieved. However, there can be no assurance that clinical or commercialization success will occur. As of December 31, 2015 no milestones or royalty payments have been paid or accrued.

In December 2014, the Company entered into a lease agreement through May 31, 2018 for existing and expanded office space. The rent for the first 12 months was approximately $12,300 per month, or approximately $20.85 per square foot. This rent increased to approximately $12,375 per month, or approximately $20.95 per square foot, for the next 12 months and will increase to approximately $12,460 per month, or approximately $21.13 per square foot for the remainder of the lease. The Company paid rent expense in the amount of $142,935 and $94,400 for 2015 and 2014, respectively.

On September 3, 2014, the Company entered into an asset purchase agreement with Hy Biopharma, Inc. ("Hy Biopharma") pursuant to which the Company acquired certain intangible assets, properties and rights of Hy Biopharma related to the development of Hy BioPharma's synthetic hypericin product. As consideration for the assets acquired, the

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Soligenix, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 10. Commitments and Contingencies (cont.)

Company paid $275,000 in cash and issued 184,911 shares of common stock with a fair value based on the Company's stock price on the date of grant of $3,750,000. These amounts were charged to research and development expense during the third quarter of 2014 as the assets will be used in the Company's research and development activities and do not have alternative future use pursuant to generally accepted accounting principles in the United States. Provided all future success-oriented milestones are attained, the Company will be required to make additional payments of up to $10.0 million, if and when achieved. Payments will be payable in restricted securities of the Company provided that Hy BioPharma's ownership is not to exceed 19.9% of the Company's outstanding stock. As of December 31, 2015, no milestone payments have been paid or accrued.

In February 2007, the Company's Board of Directors authorized the issuance of 5,000 shares of the Company's common stock to Dr. Schaber 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. Dr. Schaber's amended employment agreement includes the Company's obligation to issue such shares if such event occurs.

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	Total
2016	$ 100,000	$ 157,000	$ 257,000
2017	100,000	151,000	251,000
2018	100,000	52,000	152,000
2019	100,000	—	100,000
2020	100,000	—	100,000
Total	$ 500,000	$ 360,000	$ 860,000

Note 11. 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 Years Ended December 31, 2015	2014
Revenues		
Vaccines/BioDefense	$ 8,754,418	$ 6,756,388
BioTherapeutics	13,972	286,628
Total	$ 8,768,390	$ 7,043,016
Income (Loss) from Operations		
Vaccines/BioDefense	$ 1,263,709	$ 807,164
BioTherapeutics	(4,487,988)	(7,674,381)
Corporate	(3,885,997)	(3,894,132)
Total	$ (7,110,276)	$ (10,761,349)

Amortization and Depreciation Expense				
Vaccines/BioDefense	$	39,925	$	39,625
BioTherapeutics		199,661		199,196
Corporate		7,872		6,966
Total	$	247,458	$	245,787

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Soligenix, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

Note 11. Operating Segments (cont.)

	For the Years Ended December 31, 2015	2014
Other Income (Expense), Net		
Corporate	$ (1,209,887)	$ 3,437,505
Share-Based Compensation		
Vaccines/BioDefense	$ 111,960	$ 114,920
BioTherapeutics	148,244	193,926
Corporate	394,277	411,304
Total	$ 654,481	$ 720,150

	As of December 31, 2015	2014
Identifiable Assets		
Vaccines/BioDefense	$ 2,123,676	$ 1,025,220
BioTherapeutics	76,183	204,308
Corporate	5,187,263	5,724,720
Total	$ 7,387,122	$ 6,954,248

Note 12. Subsequent Events

The Company entered into a purchase agreement with Lincoln Park on March 22, 2016 pursuant to which Lincoln Park has committed to purchase up to $12 million of the Company’s common stock. Concurrently with the execution of the purchase agreement, the Company issued 10,000 shares of its common stock to Lincoln Park as a partial fee for its commitment to purchase shares of the Company’s common stock under the purchase agreement. The shares that may be sold pursuant to the purchase agreement may be sold by the Company to Lincoln Park at the Company’s discretion from time to time over the remaining term of approximately 36 months, once the registration statement registering the resale of the shares of common stock sold to Lincoln Park under the purchase agreement is declared effective by the SEC. The purchase price for the shares that the Company may sell to Lincoln Park under the purchase agreement will fluctuate based on the price of the Company’s common stock.

The Company has the right to control the timing and amount of any sales of its shares to Lincoln Park, except that, pursuant to the terms of the agreements with Lincoln Park, the Company would be unable to sell shares to Lincoln Park that would cause Lincoln Park to beneficially own more than 4.99% of the Company’s issued and outstanding common stock. Sales of the Company’s common stock, if any, to Lincoln Park will depend upon market conditions and other factors to be determined by the Company.

The Company’s board of directors and stockholders approved a one-for-ten reverse split of the Company’s common stock, which was effected on October 7, 2016. The reverse split combined every ten shares of the Company’s issued and outstanding common stock into one share of common stock and correspondingly adjusted the number of shares issuable and the exercise prices under its outstanding options and warrants. No fractional shares were issued in connection with the reverse split, and any fractional shares resulting from the reverse split were rounded up to the nearest whole share. The reverse split was effective upon filing of the Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation on October 7, 2016. The Company has reflected the effect of the one-for-ten reverse split of its common stock (and the corresponding adjustment of the number of shares issuable and the exercise prices under its outstanding options and warrants) in these financial statements as if it had occurred at the beginning of the earliest period presented.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders

Soligenix, Inc.

We have audited the accompanying consolidated balance sheets of Soligenix, Inc. and subsidiaries (the "Company") as of December 31, 2015 and 2014, and the related consolidated statements of operations, shareholders' deficiency, and cash flows for each of the years then ended. 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, 2015 and 2014, and the consolidated results of their operations and their cash flows for each of the years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ EisnerAmper LLP

Philadelphia, PA

March 24, 2016, except for the effects of the reverse split of the Company's common stock discussed in Note 12 to the consolidated financial statements, as to which the date is October 7, 2016

Explanation of Responses:

Explanation of Responses:

Up to $9 Million Shares Common Stock plus
Warrants to Purchase Shares of Common Stock

PROSPECTUS

Sole Book-Running Manager

Aegis Capital Corp

Co-Manager

Maxim Group LLC

, 2016

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. Other Expenses of Issuance and Distribution.

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 SEC registration fee.

SEC registration fee	$1,977.07
FINRA filing fee	$4,763.00
Nasdaq listing fees	$42,000.00
Legal fees and expenses	$130,000.00
Accounting fees and expenses	$57,000.00
Miscellaneous	$139,259.93
TOTAL	**$**375,000

ITEM 14. Indemnification of Directors and Officers.

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 Company the power to limit the personal liability of its directors to the Company or its stockholders for monetary damages for breach of a fiduciary duty. Article X of the Company's Certificate of Incorporation, as amended, provides for the limitation of personal liability of the directors of the Company as follows:

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"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 Section 145 of the Delaware General Corporation Law.

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

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

ITEM 15. Recent Sales of Unregistered Securities.

On November 18, 2013, the Company entered into a purchase agreement with Lincoln Park Capital Fund, LLC ("Lincoln Park"). Pursuant to the terms of the agreement, the Company may require Lincoln Park to purchase between 7,500 and 10,000 shares of common stock depending on certain conditions, up to a total of $10,600,000 over approximately a 36-month period. The purchase price of the shares of common stock will be based on the market price of our common stock immediately preceding the time of sale as computed under the purchase agreement without any fixed discount. The Company does not have the right to require Lincoln Park to purchase shares of common stock in the event that the price of the common stock is less than $10.00 per share.

Pursuant to the purchase agreement, the Company issued to Lincoln Park 9,766 shares of common stock as a partial commitment fee, and 28,572 shares of common stock for an aggregate price of $600,000. From November 2013 through November 10, 2016, the Company has sold Lincoln Park 105,000 more shares of common stock for an aggregate price of approximately $1,809,652 million and issued to Lincoln Park 2,210 additional shares of common stock as a commitment fee. Such securities were issued pursuant to an exemption provided by Section 4(a)(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated thereunder. Lincoln Park represented to the Company that it is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act; is knowledgeable, sophisticated and experienced in making investment decisions of this kind; and received adequate information about the Company or had adequate access to information about the Company.

On January 2, 2014, the Company issued 600 shares of its common stock to a consultant as partial consideration for services performed. The per share closing price of the Company's common stock on January 2, 2014 was $19.90. The issuance of these shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. The vendor is knowledgeable, sophisticated and experienced in making investment decisions of this kind and received adequate information about the Company or had adequate access, including through the vendor's business relationship with the Company, to information about the Company.

On February 21, 2014, the Company issued 5,000 shares of its common stock to a consultant as partial consideration for services performed. The per share closing price of the Company's common stock on February 21, 2014 was $21.90. The issuance of these shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. The vendor is knowledgeable, sophisticated and experienced in making investment decisions of this kind and received adequate information about the Company or had adequate access, including through the vendor's business relationship with the Company, to information about the Company.

On February 24, 2014, the Company issued 1,500 shares of its common stock to a consultant as partial consideration for services performed. The per share closing price of the Company's common stock on February 24, 2014 was $21.40. The issuance of these shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. The vendor is knowledgeable, sophisticated and experienced in making investment decisions of this kind and received adequate information about the Company or had adequate access, including through the vendor's business relationship with the Company, to information about the Company.

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On May 6, 2014, the Company issued 4,307 shares of its common stock upon execution of an option agreement to purchase certain assets related to the development of a synthetic hypericin product candidate for the treatment of cutaneous T-cell lymphoma. The per share closing price of the Company's common stock on May 6, 2014 was $19.80. The issuance of these shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. The vendor is knowledgeable, sophisticated and experienced in making investment decisions of this kind and received adequate information about the Company or had adequate access, including through the vendor's business relationship with the Company, to information about the Company.

On August 21, 2014, the Company issued 5,000 shares of its common stock to a consultant as partial consideration for services performed. The per share closing price of the Company's common stock on August 21, 2014 was $20.50. The issuance of these shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. The vendor is knowledgeable, sophisticated and experienced in making investment decisions of this kind and received adequate information about the Company or had adequate access, including through the vendor's business relationship with the Company, to information about the Company.

On September 3, 2014, the Company issued 184,911 shares of its common stock as partial payment for the purchase of certain assets related to the development of a synthetic hypericin product candidate for the treatment of cutaneous T-cell lymphoma. The per share closing price of the Company's common stock on September 3, 2014 was $20.40. The issuance of these shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. The vendor is knowledgeable, sophisticated and experienced in making investment decisions of this kind and received adequate information about the Company or had adequate access, including through the vendor's business relationship with the Company, to information about the Company.

On January 7, 2015, the Company issued 600 shares of its common stock valued at $12.10 per share to a vendor as consideration for services rendered. The per share closing price of the Company's common stock on January 7, 2015 was $11.20. The issuance of these shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. The vendor is knowledgeable, sophisticated and experienced in making investment decisions of this kind and received adequate information about the Company or had adequate access, including through the vendor's business relationship with the Company, to information about the Company.

On January 12, 2015, the Company issued 1,000 shares of its common stock valued at $12.10 per share to a vendor as consideration for services rendered. The per share closing price of the Company's common stock on January 12, 2015 was $11.50. The issuance of these shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. The vendor is knowledgeable, sophisticated and experienced in making investment decisions of this kind and received adequate information about the Company or had adequate access, including through the vendor's business relationship with the Company, to information about the Company.

On February 19, 2015, the Company issued 5,000 shares of its common stock valued at $16.40 per share to a vendor as consideration for services rendered. The per share closing price of the Company's common stock on February 19, 2015 was $16.40. The issuance of these shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. The vendor is knowledgeable, sophisticated and experienced in making investment decisions of this kind and received adequate information about the Company or had adequate access, including through the vendor's business relationship with the Company, to information about the Company.

On April 16, 2015, the Company issued 1,000 shares of its common stock valued at $15.30 per share to a consultant as consideration for services rendered. The per share closing price of the Company's common stock on April 13, 2015 was $15.30. The issuance of these shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. The consultant is knowledgeable, sophisticated and experienced in making investment decisions of this kind and received adequate information about the Company or had adequate access, including through the consultant's business relationship with the Company, to information about the Company.

On May 12, 2015, the Company issued 124 shares of its common stock valued at $16.90 per share to a consultant as consideration for services rendered. The per share closing price of the Company's common stock on May 12, 2015 was $14.50. The issuance of these shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. The consultant is knowledgeable, sophisticated and experienced in making investment decisions of this kind and received adequate information about the Company or had adequate access, including through the consultant's business relationship with the Company, to information about the Company.

On July 29, 2015, the Company entered into purchase agreements with Kodiak Capital Group, LLC ("Kodiak Capital"), Kingsbrook Opportunities Master Fund LP ("Kingsbrook") and River North Equity, LLC ("River North"). Pursuant to the terms of the agreements, the Company may require Kodiak Capital, Kingsbrook and River North to purchase up to a total of $5 million, $4 million and $1 million worth of shares of common stock of the Company, respectively, until December 31, 2016, provided certain conditions are met. The purchase price of the shares of common stock will be equal to 80% of the lowest daily volume weighted average price of the Company's common stock for the five consecutive trading days immediately following the Company's request for the purchase of the shares. Such securities will be issued pursuant to an exemption provided by Section 4(a)(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated thereunder. Each of the investors represented to the Company that it (i) is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended, (ii) is knowledgeable, sophisticated and experienced in making investment decisions of this kind, and (iii) has had adequate access to information about the Company.

On August 31, 2015, the Company issued 5,000 shares of its common stock valued at $14.30 per share to a consultant as consideration for services rendered. The per share closing price of the Company's common stock on August 31, 2015 was $14.30. The issuance of these shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. The consultant is knowledgeable, sophisticated and experienced in making investment decisions of this kind and received adequate information about the Company or had adequate access, including through the consultant's business relationship with the Company, to information about the Company.

On October 26, 2015, the Company issued 2,404 shares of its common stock valued at $10.40 per share to a consultant as consideration for services rendered. The per share closing price of the Company's common stock on October 26, 2015 was $10.40. The issuance of these shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. The consultant is knowledgeable, sophisticated and experienced in making investment decisions of this kind and received adequate information about the Company or had adequate access, including through the consultant's business relationship with the Company, to information about the Company.

On December 31, 2015, the Company issued 1,000 shares of its common stock valued at $11.30 per share to a consultant as consideration for services rendered. The per share closing price of the Company's common stock on December 31, 2015 was $11.30. The issuance of these shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. The consultant is knowledgeable, sophisticated and experienced in making investment decisions of this kind and received adequate information about the Company or had adequate access, including through the consultant's business relationship with the Company, to information about the Company.

On December 31, 2015, the Company issued 500 shares of its common stock valued at $11.30 per share to a consultant as consideration for services rendered. The per share closing price of the Company's common stock on December 31, 2015 was $11.30. The issuance of these shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. The consultant is knowledgeable, sophisticated and experienced in making investment decisions of this kind and received adequate information about the Company or had adequate access, including through the consultant's business relationship with the Company, to information about the Company.

On March 22, 2016, the Company entered into a purchase agreement with Lincoln Park. Pursuant to the terms of the agreement, the Company may require Lincoln Park to purchase up to a total of $12 million worth of common stock over approximately a 36-month period. The purchase price of the shares of common stock will be based on the market price of our common stock immediately preceding the time of sale as computed under the purchase agreement without any fixed discount. The Company does not have the right to require Lincoln Park to purchase shares of common stock in the event that such sale would result in Lincoln Park's beneficial ownership exceeding 4.99% of the then outstanding shares of the Company's common stock.

Pursuant to the purchase agreement, the Company issued to Lincoln Park 10,000 shares of common stock as a partial commitment fee. Since March 2016, the Company has sold Lincoln Park 260,000 shares of common stock for an aggregate price of approximately $1.7 million and issued to Lincoln Park 7,135 additional shares of common stock as a commitment fee. Such securities were issued pursuant to an exemption provided by Section 4(a)(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated thereunder. Lincoln Park represented to the Company that it is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act; is knowledgeable, sophisticated and experienced in making investment decisions of this kind; and received adequate information about the Company or had adequate access to information about the Company.

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On May 31, 2016, the Company issued 5,000 shares of its common stock to a consultant as consideration for services rendered. The per share closing price of the Company's common stock on May 31, 2016 was $7.30. The issuance of these shares was exempt from registration pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended. The consultant is knowledgeable, sophisticated and experienced in making investment decisions of this kind and received adequate information about the Company or had adequate access, including through the consultant's business relationship with the Company, to information about the Company.

On September 9, 2016, the Company and SciClone Pharmaceuticals, Inc. ("SciClone") entered into an exclusive license agreement, pursuant to which the Company granted rights to SciClone to develop, promote, market, distribute and sell SGX942 in the People's Republic of China, including Hong Kong and Macau, as well as Taiwan, South Korea and Vietnam. Under the terms of the license agreement, SciClone will be responsible for all aspects of development, product registration and commercialization in the territory, having access to data generated by the Company. In exchange for exclusive rights, SciClone will pay to the Company royalties on net sales, and the Company will supply commercial drug product to SciClone on a cost-plus basis, while maintaining worldwide manufacturing rights.

The Company also entered into a common stock purchase agreement with SciClone pursuant to which the Company sold 352,942 shares of the Company's common stock, to SciClone for approximately $8.50 per share, for an aggregate price of $3,000,000. As part of the transaction, the Company granted SciClone certain demand registration rights, and SciClone agreed, subject to certain exceptions, not to pledge, sell or otherwise transfer or dispose of, or enter into any swap or other arrangement that transfers any of the economic consequences of ownership of, the shares purchased for at least one year from September 9, 2016.. The sale of securities pursuant to the purchase agreement was exempt from registration pursuant to the provisions of Section 4(a)(2) of the Securities Act of 1933, as amended, and Rule 506 of Regulation D promulgated thereunder. SciClone represented to the Company that it (i) is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended, (ii) is knowledgeable, sophisticated and experienced in making investment decisions of this kind, and (iii) has had adequate access to information about the Company.

ITEM 16. Exhibits and Financial Statement Schedules.

1.1	Form of Underwriting Agreement.*
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	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).
3.2	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).
3.3	Certificate of Amendment to 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, 2016).
3.4	Certificate of Amendment to 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 October 7, 2016).
4.1	

	Rights Agreement dated June 22, 2007, between the Company and American Stock Transfer & Trust Company, as Rights Agent (incorporated by reference to Exhibit 4.1 included in our current report on Form 8-K filed on June 22, 2007).
4.2	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).

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4.3	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).
4.4	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).
4.5	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).
4.6	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).
4.7	Warrant dated December 20, 2012 and issued to Sigma-Tau to purchase 35,707 shares of the Company's common stock (incorporated by reference to Exhibit 10.2 of our current report on Form 8-K filed on December 27, 2012).
4.8	Warrant dated December 20, 2012 and issued to SINAF S.A. to purchase 8,781 shares of the Company's common stock (incorporated by reference to Exhibit 10.3 of our current report on Form 8-K filed on December 27, 2012).
4.9	Warrant dated December 20, 2012 and issued to McDonald to purchase 28,000 shares of the Company's common stock (incorporated by reference to Exhibit 10.6 of our current report on Form 8-K filed on December 27, 2012).
4.10	Form of Common Stock Purchase Warrant issued to each investor in the June 2013 registered public offering (incorporated by reference to Exhibit 10.3 included in our current report on Form 8-K filed on June 24, 2013).
4.11	Form of Warrant issued to Maxim Group LLC (incorporated by reference to Exhibit 10.4 included in our current report on Form 8-K filed on June 24, 2013).
4.12	Form of Warrant to Purchase Common Stock issued to each investor in the December 2014 registered public offering (incorporated by reference to Exhibit 4.12 included in our Registration Statement on Form S-1 (File No. 333-199761) filed on December 17, 2014).
4.13	Form of Warrant to Purchase Common Stock issued to Roth Capital Partners, LLC (incorporated by reference to Exhibit 4.13 included in our Registration Statement on Form S-1 (File No. 333-199761) filed on December 17, 2014).
4.14	Form of Warrant Agency Agreement by and between the Company and American Stock Transfer & Trust Company, LLC.*
4.15	Form of Representative's Warrant.*
5.1	Opinion of Duane Morris LLP.*
10.1	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).

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10.2	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).
10.3	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).
10.4	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).
10.5	2005 Equity Incentive Plan, as amended on September 25, 2013 (incorporated by reference to Exhibit 10.1 included in our current report on Form 8-K filed on September 30, 2013).**
10.6	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).
10.7	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).**
10.8	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).
10.9	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).†
10.10	Employment Agreement dated as of May 31, 2011, between Joseph M. Warusz and the Company (incorporated by reference to Exhibit 10.1 of our current report on Form 8-K filed on June 2, 2011).**
10.11	First Amendment to Employment Agreement dated as of July 12, 2011, between the Company 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).**
10.12	Amendment to the Collaboration and Supply Agreement dated July 26, 2011, between Sigma-Tau Pharmaceuticals, Inc. and the Company (incorporated by reference to Exhibit 10.1 of our current report on Form 8-K filed on July 28, 2011).
10.13	Amendment to the Exclusive License Agreement dated as of July 26, 2011, between George McDonald, MD and the Company (incorporated by reference to Exhibit 10.2 of our current report on Form 8-K filed on July 28, 2011).
10.14	Amendment No. 2 to the Collaboration and Supply Agreement between the Company, Enteron and Sigma-Tau dated as of December 20, 2012 (incorporated by reference to Exhibit 10.1 of our current report on Form 8-K filed on December 27, 2012).†

10.15	Amendment to Exclusive License Agreement dated as of December 20, 2012 between Enteron and McDonald (incorporated by reference to Exhibit 10.4 of our current report on Form 8-K filed on December 27, 2012).

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10.16	Amendment to Consulting Agreement dated as of December 20, 2012 between Enteron and McDonald (incorporated by reference to Exhibit 10.5 of our current report on Form 8-K filed on December 27, 2012).
10.17	Contract HHSO100201300023C dated September 18, 2013 between the Company and the U.S. Department of Health and Human Services Biomedical Advanced Research and Development Authority (incorporated by reference to Exhibit 10.1 of our current report on Form 8-K filed on September 24, 2013).†
10.18	Contract HHSN272201300030C dated September 24, 2013 by and between the Company and the National Institutes of Health (incorporated by reference to Exhibit 10.1 of our current report on Form 8-K filed on September 30, 2013).†
10.19	Purchase Agreement dated as of November 18, 2013 between the Company and Lincoln Park Capital Fund, LLC (incorporated by reference to Exhibit 10.1 of our current report on Form 8-K filed on November 21, 2013).
10.20	Registration Rights Agreement dated as of November 18, 2013 between the Company and Lincoln Park Capital Fund, LLC (incorporated by reference to Exhibit 10.2 of our current report on Form 8-K filed on November 21, 2013)
10.21	Employment Agreement dated as of January 6, 2014 between the Company and Richard Straube, M.D. (incorporated by reference to Exhibit 10.1 of our current report on Form 8-K filed on January 8, 2014).**
10.22	Asset Purchase Agreement dated September 3, 2014 between the Company and Hy Biopharma, Inc. (incorporated by reference to Exhibit 10.1 of our current report on Form 8-K filed on September 5, 2014).†
10.23	Registration Rights Agreement dated September 3, 2014 between the Company and Hy Biopharma, Inc. (incorporated by reference to Exhibit 10.2 of our current report on Form 8-K filed on September 5, 2014).
10.24	Contract HHSN272201400039C dated September 17, 2014 by and between the Company and the National Institutes of Health (incorporated by reference to Exhibit 10.1 of our current report on Form 8-K filed on September 23, 2014).†
10.25	Lease Agreement dated November 21, 2014, between the Company and CPP II, LLC (incorporated by reference to Exhibit 10.31 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014).
10.26	2015 Equity Incentive Plan, as amended on June 9, 2015 (incorporated by reference to Exhibit 10.1 of our current report on Form 8-K filed on June 19, 2015).
10.27	Form of Equity Purchase Agreement dated as of July 29, 2015 between the Company and Kodiak Capital Group, LLC, Kingsbrook Opportunities Master Fund LP and River North Equity, LLC (incorporated by reference to Exhibit 10.1 of our current report on Form 8-K filed on July 31, 2015).
10.28	Form of Registration Rights Agreement dated as of July 29, 2015 between the Company and Kodiak Capital Group, LLC, Kingsbrook Opportunities Master Fund LP and River North Equity,

LLC (incorporated by reference to Exhibit 10.2 of our current report on Form 8-K filed on July 31, 2015).

10.29 Form of Promissory Note dated as of July 29, 2015 made by the Company in favor of Kodiak Capital Group, LLC, Kingsbrook Opportunities Master Fund LP and River North Equity, LLC (incorporated by reference to Exhibit 10.3 of our current report on Form 8-K filed on July 31, 2015).

10.30 Purchase Agreement dated as of March 22, 2016 between the Company and Lincoln Park Capital Fund, LLC (incorporated by reference to Exhibit 10.30 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015).

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10.31	Registration Rights Agreement dated as of March 22, 2016 between the Company and Lincoln Park Capital Fund, LLC (incorporated by reference to Exhibit 10.31 included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015).
10.32	Employment Agreement dated as of June 16, 2016 between the Company and Karen R. Krumeich (incorporated by reference to Exhibit 10.1 of our current report on Form 8-K filed on June 22, 2016).
10.33	Common Stock Purchase Agreement dated September 9, 2016 between Soligenix, Inc. and SciClone Pharmaceuticals, Inc. (incorporated by reference to Exhibit 10.1 of our current report on Form 8-K filed on September 12, 2016).
21.1	Subsidiaries of the Company.*
23.1	Consent of EisnerAmper LLP.***
23.2	Consent of Duane Morris LLP (contained in the opinion filed as Exhibit 5.1 hereto).*
24.1	Power of Attorney (found on signature page).
101.INS XBRL	Instance Document
101.SCHXBRL	Taxonomy Extension Schema Document
101.CALXBRL	Taxonomy Extension Calculation Linkbase Document.
101.DEFXBRL	Taxonomy Extension Definition Linkbase Document.
101.LABXBRL	Taxonomy Extension Label Linkbase Document.
101.PRE XBRL	Taxonomy Extension Presentation Linkbase Document.

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* Previously filed.

** Indicates management contract or compensatory plan.

*** Filed herewith.

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

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ITEM 17. Undertakings.

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 of 1933;

(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. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the “Calculation of Registration Fee” table in the effective registration statement; and

(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 subparagraphs (i), (ii) and (iii) do not apply if the information required to be included in a post-effective amendment by those subparagraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, that are incorporated by reference in this registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, 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.

(3) 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.

(4) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 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 SEC such indemnification is against public policy as expressed in the Securities

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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.

The undersigned registrant hereby undertakes that:

(1) 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.

(2) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement 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.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 2 to Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Princeton, State of New Jersey, on the 15th day of November, 2016.

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

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to 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 15, 2016
By:	* Keith L. Brownlie, CPA	Director	November 15, 2016
By:	* Marco M. Brughera, DVM	Director	November 15, 2016
By:	* Gregg A. Lapointe, CPA	Director	November 15, 2016
By:	* Robert J. Rubin, MD	Director	November 15, 2016
By:	* Jerome Zeldis, MD, PhD	Director	November 15, 2016
By:	/s/ Karen R. Krumeich Karen R. Krumeich	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	November 15, 2016

*By:	/s/ Karen R. Krumeich Karen R. Krumeich Attorney-in-Fact