

SOLIGENIX, INC.
Form 10-Q
November 14, 2012

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

FORM 10-Q

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

For the Quarterly Period Ended September 30, 2012

or

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

For the transition period from _____ to _____

Commission File No. 000-16929

SOLIGENIX, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation or organization)

41-1505029

(I.R.S. Employer
Identification Number)

29 EMMONS DRIVE, SUITE
C-10

PRINCETON, NJ

(Address of principal executive
offices)

08540

(Zip Code)

(609) 538-8200

(Registrant's telephone number,
including area code)

Indicate by check whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web Site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer,

Edgar Filing: SOLIGENIX, INC. - Form 10-Q

or a smaller reporting company. See definition of “accelerated filer” and “large accelerated filer” in Rule 112b-2 of the Exchange Act (Check one).

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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

As of November 7, 2012, 11,160,573 shares of the registrant's common stock (par value, \$.001 per share) were outstanding.

SOLIGENIX, INC.

Index

	Description	Page
Part I	FINANCIAL INFORMATION	
Item 1	Consolidated Financial Statements	3
	Consolidated Balance Sheets as of September 30, 2012 and December 31, 2011	3
	Consolidated Statements of Operations for the Three and Nine Months Ended September 30, 2012 and 2011	4
	Consolidated Statements of Changes in Shareholders' Equity for the Nine Months Ended September 30, 2012	5
	Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2012 and 2011	6
	Notes to Consolidated Financial Statements	7
Item 2	Management's Discussion and Analysis of Financial Condition and Results of Operations	17
Item 3	Quantitative and Qualitative Disclosures About Market Risk	31
Item 4	Controls and Procedures	32
Part II	OTHER INFORMATION	
Item 1A	Risk Factors	33
Item 6	Exhibits	33
	SIGNATURES	34

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

Soligenix, Inc. and Subsidiaries
Consolidated Balance Sheets

	September 30, 2012 (Unaudited)	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$3,698,398	\$5,996,668
Grants receivable	238,572	362,473
Other receivable	-	574,157
Prepaid expenses	209,522	195,762
Total current assets	4,146,492	7,129,060
Office furniture and equipment, net	14,575	15,032
Intangible assets, net	911,993	1,079,566
Total assets	\$5,073,060	\$8,223,658
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	\$1,023,722	\$1,303,555
Accrued compensation	28,121	129,061
Total current liabilities	1,051,843	1,432,616
Commitments and contingencies		
Shareholders' equity:		
Preferred stock; 250,000 shares authorized; none issued or outstanding	-	-
Common stock, \$.001 par value; 50,000,000 shares and 20,000,000 shares in 2012 and 2011, respectively authorized; 11,160,513 shares and 11,105,532 shares issued and outstanding in 2012 and 2011, respectively	11,161	11,106
Additional paid-in capital	125,305,028	124,897,309
Accumulated deficit	(121,294,972)	(118,117,373)
Total shareholders' equity	4,021,217	6,791,042
Total liabilities and shareholders' equity	\$5,073,060	\$8,223,658

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Revenues:				
License revenue	\$-	\$5,000,000	\$-	\$5,000,000
Grant revenue	931,627	795,862	2,341,896	2,009,987
Total revenues	931,627	5,795,862	2,341,896	7,009,987
Cost of revenues	(761,628)	(655,125)	(1,934,529)	(1,558,673)
Gross profit	169,999	5,140,737	407,367	5,451,014
Operating expenses:				
Research and development	371,338	2,342,253	1,749,112	5,228,779
General and administrative	558,877	595,021	1,841,138	1,674,408
Total operating expenses	930,215	2,937,274	3,590,250	6,903,187
(Loss) income from operations	(760,216)	2,203,463	(3,182,883)	(1,452,173)
Other income:				
Interest income, net	1,250	1,411	5,284	5,319
Net (loss) income	\$(758,966)	\$2,204,874	\$(3,177,599)	\$(1,446,854)
Basic and diluted net (loss) income per share	\$(0.07)	\$0.20	\$(0.29)	\$(0.13)
Basic and diluted weighted average common shares outstanding	11,138,373	11,013,616	11,127,374	10,920,648

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

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

	Common Stock Shares	Par Value	Additional Paid-In Capital	Accumulated Deficit	Total
Balance, December 31, 2011	11,105,532	\$ 11,106	\$ 124,897,309	\$(118,117,373)	\$ 6,791,042
Issuance of restricted common stock to employee	16,667	17	9,983	-	10,000
Issuance of common stock to vendor	38,314	38	14,962	-	15,000
Stock-based compensation expense	-	-	382,774	-	382,774
Net loss	-	-	-	(3,177,599)	(3,177,599)
Balance, September 30, 2012	11,160,513	\$ 11,161	\$ 125,305,028	\$(121,294,972)	\$ 4,021,217

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

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

	2012	2011
Operating activities:		
Net loss	\$(3,177,599)	\$(1,446,854)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization and depreciation	172,785	165,042
Common stock issued for amended license agreement	-	400,000
Common stock or warrants issued in exchange for services	15,000	11,184
Restricted stock issued to employee	10,000	-
Stock-based compensation	382,774	529,788
Change in operating assets and liabilities:		
Grants receivable	123,900	(177,060)
Other receivable	574,157	251,864
Prepaid expenses	(13,759)	32,824
Accounts payable	(279,833)	(302,232)
Accrued compensation	(100,940)	(194,687)
Total adjustments	884,084	716,723
Net cash used in operating activities	(2,293,515)	(730,131)
Investing activities:		
Acquisition of intangible assets	-	(151,086)
Purchase of office equipment	(4,755)	(1,578)
Net cash used in investing activities	(4,755)	(152,664)
Financing activities:		
Settlement of Broker Fees associated with 2010 Financing	-	40,743
Proceeds from sale of common stock pursuant to equity line	-	355,000
Proceeds from exercise of options and warrants	-	253,613
Net cash provided by financing activities	-	649,356
Net decrease in cash and cash equivalents	(2,298,270)	(233,439)
Cash and cash equivalents at beginning of period	5,996,668	7,451,714
Cash and cash equivalents at end of period	\$3,698,398	\$7,218,275

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

Soligenix, Inc.
Notes to Consolidated Financial Statements

Note 1. Nature of Business

Basis of Presentation

Soligenix, Inc. (the “Company”, “we” or “us”) is a development stage biopharmaceutical company that was incorporated in 1987 and is focused on developing products to serious gastrointestinal diseases where there remains an unmet medical need, as well as developing several biodefense vaccines and therapeutics. The Company maintains two active business segments: BioTherapeutics and Vaccin