

Oragenics Inc. Files \$20M Offering: Concussion Drug Developer Faces NYSE Delisting and Full Ratchet Dilution

Filing Information

- **Company:** Oragenics, Inc.
- **CIK:** 1174940
- **Filing Type:** Form S-1 (Initial Registration Statement)
- **Filing Date:** June 23, 2025
- **State of Incorporation:** Florida
- **Industry (SIC):** 2834 - Pharmaceutical Preparations
- **Stock Exchange:** NYSE American (Symbol: OGEN)
- **Accession Number:** 0001641172-25-015984
- **Analysis Date:** July 15, 2025

Company Overview

Oragenics, Inc. is a development-stage biopharmaceutical company focused on creating novel treatments for neurological conditions and infectious diseases. The company's lead product candidate is **ONP-002**, a proprietary, fully synthetic neurosteroid designed to treat **mild traumatic brain injury (mTBI)**, commonly known as a concussion.

Business Model & Lead Product:

- **Product:** ONP-002 is administered through a novel, breath-powered intranasal device, allowing for rapid, direct-to-brain delivery. The goal is to reduce swelling, inflammation, and oxidative stress in the brain following an injury.
- **Development Stage:** The company has successfully completed a Phase 1 clinical trial, which demonstrated that ONP-002 is safe and well-tolerated. It is now preparing to initiate a **Phase 2a clinical trial**, with patient enrollment targeted for the second quarter of 2025.
- **Strategic Partnership:** In February 2025, Oragenics entered into a strategic partnership with BRAINBox Solutions to create a "trigger-to-treat" platform, combining BRAINBox's TBI diagnostics with Oragenics' ONP-002 therapeutic.

Offering Details

The company is seeking to raise capital through a "best efforts" public offering with the following key terms:

- **Securities Offered:** Up to 800,000 units, each consisting of:
 - One share of **Series H Non-Voting Convertible Preferred Stock**.
 - One **Warrant** to purchase one share of Series H Convertible Preferred Stock.
- **Offering Price:** \$25.00 per unit.
- **Maximum Gross Proceeds:** \$20,000,000 (before fees and expenses).

- **Warrant Terms:** Each warrant is exercisable immediately at **\$25.00 per share** of Series H Preferred Stock and has a five-year term.
- **No Minimum Offering:** The offering is being conducted on a "best efforts" basis with no minimum amount required to close and no escrow for proceeds. This means the company will receive and can immediately use any funds raised, regardless of whether the total amount is sufficient for its stated goals.
- **Recent Stock Split:** The company effected a 1-for-30 reverse stock split on June 3, 2025, to regain compliance with NYSE American's minimum share price requirement.

Key Financial Data & Use of Proceeds

The company has a history of significant losses and does not generate revenue. Its auditor has issued a **"going concern" warning**, expressing substantial doubt about the company's ability to continue operations without raising additional capital.

The estimated net proceeds of **\$18.25 million** (if the offering is fully subscribed) are intended for:

1. **Repayment of Debt:** Full repayment of a **\$3.0 million Bridge Note** that matures on July 14, 2025. This is a critical near-term obligation.
2. **Clinical Trials:** Funding the ongoing research and clinical development of ONP-002, including the Phase 2a and the initiation of the Phase 2b trials.
3. **Working Capital:** General corporate purposes.

The company explicitly states that the proceeds from this offering, even if fully subscribed, **will not be sufficient** to fund ONP-002 through regulatory approval, indicating that **future financing and dilution are highly likely**.

Risk Assessment

The filing highlights several critical risks for potential investors:

- **Financial Viability and Delisting:** The company is not in compliance with NYSE American's continued listing standards for stockholders' equity. While its compliance plan was accepted, it faces a deadline of **October 18, 2025**, to regain compliance or face delisting, which would severely impact liquidity and the stock's market price.
- **Immediate Debt Obligation:** Failure to raise sufficient proceeds to repay the \$3.0 million Bridge Note by its July 2025 maturity would constitute a default, jeopardizing the company's ability to operate.
- **Extreme Dilution Risk from "Full Ratchet" Anti-Dilution:** This is a paramount risk. The Series H Preferred Stock contains a "full ratchet" anti-dilution provision with **no floor**. This means if the company issues any stock or equivalents in the future at a price below the then-current Conversion Price, the Conversion Price for *all* Series H shares will be permanently reset to that lower price. This feature could lead to an indeterminate and massive number of common shares being issued upon conversion, creating severe, cascading dilution for existing common stockholders and depressing the stock price.
- **Offering Structure Risk:** The "best efforts, no minimum" structure provides no assurance that the company will raise the capital needed to repay its debt and fund its trials. Investors could find

themselves holding stock in a company that is unable to achieve its objectives.

Investment Implications

This offering presents a very high-risk, speculative investment opportunity with the potential for a binary outcome dependent on the clinical success of ONP-002.

- **High Potential vs. High Risk:** A successful concussion therapy would address a massive unmet medical need and could generate substantial returns. However, the company's precarious financial position, delisting risk, and immediate debt obligations present significant hurdles.
- **Severe and Ongoing Dilution:** The investment thesis is heavily clouded by dilution.
 - **Immediate Dilution:** New investors will experience immediate and substantial dilution in net tangible book value per share.
 - **Future Dilution:** The company has already confirmed it will need more capital. The "full ratchet" anti-dilution provision makes future financing rounds potentially catastrophic for common stockholders, as it disincentivizes new investors from paying a higher price and could trigger a "death spiral" financing scenario.
- **Near-Term Hurdles:** The success of this offering is critical for near-term survival. An investor's primary focus should be on whether the proceeds will be sufficient to clear the immediate debt hurdle and provide enough runway to achieve the next clinical milestone (Phase 2a data).

In summary, this investment is only suitable for sophisticated investors with an extremely high tolerance for risk who are willing to accept the potential for a total loss in exchange for exposure to the high-reward potential of the company's lead drug candidate. The structural risks of the offering, particularly the anti-dilution provision, must be carefully considered.