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

FORM 10-Q

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

For the quarterly period ended March 31, 2012.

OR

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

For the transition period from to

Commission File Number: 001-32188

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

FLORIDA	**59-3410522**
(State or other jurisdiction of incorporation or organization)	**(IRS Employer Identification No.)**

3000 Bayport Drive, Suite 685
Tampa, Florida 33607
(Address of principal executive offices)

813-286-7900
(Issuer's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and 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, or a smaller reporting company. See the definitions of "large accelerated filer, "accelerated filer," "non-accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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 ☒

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

As of May 1, 2012, there were 12,174,795 shares of Common Stock, $.001 par value, outstanding.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Oragenics, Inc.

Balance Sheets

	March 31, 2012 (Unaudited)	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	$ 967,944	$ 171,739
Restricted cash	294,104	264,960
Accounts receivable, net	63,314	92,644
Inventory, net	362,985	475,592
Prepaid expenses and other current assets	123,852	113,331
Total current assets	1,812,199	1,118,266
Property and equipment, net	129,121	148,686
Total assets	$ 1,941,320	$ 1,266,952
Liabilities and Shareholders' Deficit		
Current liabilities:		
Accounts payable and accrued expenses	$ 1,264,895	$ 1,740,216
Short term notes payable	71,578	53,092
Deferred revenue	145,196	152,962
Convertible secured note payable to shareholder	—	7,500,000
Total current liabilities	1,481,669	9,446,270
Note payable to shareholder	$ 773,904	—
Shareholders' deficit:		
Preferred stock, no par value; 20,000,000 shares authorized; none issued and outstanding	—	—
Common stock, $0.001 par value; 15,000,000 shares authorized; 12,174,795 and 5,894,176 shares issued and outstanding at March 31, 2012 and December 31, 2011, respectively	12,175	5,894
Additional paid-in capital	42,286,396	32,810,704
Accumulated deficit	(42,612,824)	(40,995,916)
Total shareholders' deficit	(314,253)	(8,179,318)
Total liabilities and shareholders' deficit	$ 1,941,320	$ 1,266,952

See accompanying notes.

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Oragenics, Inc.

Statements of Operations
(Unaudited)

	Three Months Ended March 31,	
	2012	2011
Revenues, net	$ 380,527	$ 349,937
Cost of sales	198,209	94,977
Gross profit	182,318	254,960
Operating expenses:		
Research and development	353,198	412,901
Selling, general and administrative	1,307,994	1,357,446
Total operating expenses	1,661,192	1,770,347
Loss from operations	(1,478,874)	(1,515,387)
Other income (expense):		
Interest income	383	177
Interest expense	(138,265)	(43,781)
Local business tax	(152)	(22)
Total other income (expense), net	(138,034)	(43,626)
Loss before income taxes	(1,616,908)	(1,559,013)
Net loss	$(1,616,908)	$(1,559,013)
Basic and diluted net loss per share	$ (.25)	$ (0.275)
Shares used to compute basic and diluted net loss per share	6,449,342	5,667,521

See accompanying notes.

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Oragenics, Inc.

Statements of Cash Flows
(Unaudited)

	Three Months Ended March 31,	
	2012	2011
Cash flows from operating activities:		
Net loss	$(1,616,908)	$(1,559,013)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	19,565	20,090
Accretion of discount on note payable to shareholder	7,463	—
Stock-based compensation expense	261,403	118,929
Changes in operating assets and liabilities:		
Accounts receivable, net	29,330	27,124
Income tax receivable	—	362,218
Inventory, net	112,607	(8,389)
Prepaid expenses and other current assets	39,516	34,945
Accounts payable and accrued expenses	11,690	(203,205)
Deferred revenue	(7,766)	83,680
Net cash used in operating activities	(1,143,100)	(1,123,621)
Cash flows from financing activities:		
Borrowings under note payable to shareholder	1,250,000	—
Borrowings under convertible secured note payable to shareholder	750,000	1,000,000
Payments on short term notes payable	(31,551)	(38,925)
Restricted cash (receipts) released, net	(29,144)	86,876
Net cash provided by financing activities	1,939,305	1,047,951
Net increase (decrease) in cash and cash equivalents	796,205	(75,670)
Cash and cash equivalents at beginning of the period	171,739	132,103
Cash and cash equivalents at end of the period	$ 967,944	$ 56,433
Supplemental disclosure of cash flow information		
Interest paid	$ 447	$ 1,702
Non-cash investing and financing activities:		
Borrowing under short term notes payable for prepaid expense	$ 50,037	$ 48,988
Par value of restricted stock granted as stock compensation	$ —	$ 20
Conversion of note payable and accrued interest to common stock and warrants	$ 8,737,011	$ —
Discount on note payable to shareholder for warrants issued	$ 483,559	$ —
Par value of restricted stock forfeited	$ 5	$ —

See accompanying notes.

Oragenics, Inc.

Notes to Financial Statements
(Unaudited)

1. Basis of Presentation

The Company

Oragenics, Inc. (formerly known as Oragen, Inc.) (the "Company" or "we") was incorporated in November 1996; however, operating activity did not commence until 1999. The Company is focused on the discovery, development and commercialization of a variety of technologies associated with oral health, broad spectrum antibiotics and other general health benefits.

Basis of Presentation

The accompanying unaudited condensed financial statements as of March 31, 2012 and December 31, 2011 (audited) and for the three months ended March 31, 2012 and 2011 have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, the accompanying financial statements include all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the financial condition, results of operations and cash flows for the periods presented. The results of operations for the interim period March 31, 2012 are not necessarily indicative of the results that may be expected for the year ending December 31, 2012 or any future period.

These financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 2011, which are included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on April 16, 2012. The Company has incurred recurring losses and negative cash flows from operations since inception. To date the Company has not generated significant revenues from operations. The Company generated revenues of $380,527, incurred a net loss of $1,616,908 and used cash of $1,143,100 in its operating activities during the three months ended March 31, 2012. As of March 31, 2012 the Company had an accumulated deficit of $42,612,824. These factors raise substantial doubt about the Company's ability to continue as a going concern.

During 2011 and 2012, the Company's primary source of debt and equity funding was provided by its largest shareholder, the Koski Family Limited Partnership (the "KFLP"). The Company expects to incur substantial expenditures to further develop each of its technologies. The Company believes the working capital at March 31, 2012, together with access to the Loan Agreement with the KFLP will be sufficient to meet the business objectives as presently structured through June 2012. Management recognizes that the Company must generate additional capital resources or consider modifications to its technology development plans to enable it to continue as a going concern. Management's plans include seeking financing, alliances or other partnership agreements with entities interested in the Company's technologies, or other business transactions that would generate sufficient resources to assure continuation of the Company's operations and research and development programs.

The Company intends to seek additional funding through sublicensing arrangements, joint venturing or partnering, sales of rights to technology, government grants and public or private financings. The Company's future success depends on its ability to raise capital and ultimately generate revenue and attain profitability. The Company cannot be certain that additional capital, whether through selling additional debt or equity securities or obtaining a line of credit or other loan, will be available to it or, if available, will be on terms acceptable to the Company. If the Company issues additional securities to raise funds, these securities may have rights, preferences, or privileges senior to those of its common stock, and the Company's current shareholders may experience dilution. If the Company is unable to obtain funds when needed or on acceptable terms, the Company may be required to curtail their current development programs, cut operating costs and forego future development and other opportunities. Without sufficient capital to fund their operations, the Company will be unable to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. Significant Accounting Policies

Recently Issued Accounting Pronouncements

In June 2011, the Financial Accounting Standard Board ("FASB") issued Accounting Standard Update ("ASU") 2011-05, Presentation of Comprehensive Income, which requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income, or in two separate but consecutive statements. ASU 2011-05 eliminates the option to present components of other comprehensive income as part of the statement of equity. ASU 2011-05 was effective for the Company for the three months ended March 31, 2012. The adoption of this guidance, which involves presentation and disclosures only, did not impact the Company's financial statements.

No other new accounting pronouncements issued or effective during 2012 have had or are expected to have an impact on the Company's financial statements.

Revenue Recognition

The Company recognizes revenues from the sales of product when title and risk of loss pass to the customer, which is generally when the product is shipped. Grant revenues are recognized as the reimbursable expenses are incurred over the life of the related grant. Grant revenues are deferred when reimbursable expenses have not been incurred.

The Company records allowances for discounts and product returns at the time of sales as a reduction of revenues as such allowances can be reliably estimated based on historical experience or known trends. Product returns are limited to specific mass retail customers for expiration of shelf life or unsold product over a period of time. The Company maintains a return policy that allows customers to return product within a specified period of time prior to and subsequent to the expiration date of the product. The estimate of the provision for returns is analyzed quarterly and is based upon many factors, including industry data of product return rates, historical experience of actual returns, analysis of the level of inventory in the distribution channel, if any, and reorder rates. If the history or product returns changes, the reserve will be adjusted. While the Company believes that the reserves it has established are reasonable and appropriate based upon current facts and circumstances, applying different judgments to the same facts and circumstances would result in the estimated amounts for sales returns and chargebacks to vary. Because the ProBiora3 products have only recently been introduced, the Company could experience different circumstances in the future and these differences could be material.

The Company has granted guaranteed rights of return at various times to certain customers. At this time there is only one active mass retail customer account and two dental distributors with guaranteed rights of return. Orders are processed and shipped on these accounts however the Company defers recognition of revenue until the customer provides notification to the Company that the product has sold to the end consumer. Once notification has been received and verified, the Company will record revenue in that accounting period.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The principal areas of estimation reflected in the financial statements are stock based compensation, valuation of warrants, inventory obsolescence reserve, sales returns and allowances and the allowance for doubtful accounts.

Fair Value of Financial Instruments

The fair value of the Company's cash and cash equivalents, accounts payable and accrued expenses approximate their carrying values due to their short-term nature.

Guaranteed Rights of Return

The Company has granted guaranteed rights of return to one mass retailer and two dental distributors' customer accounts. The Company defers recognition of revenue on these accounts until the customer provides notification to the Company that the product has been sold to the end consumer. Once notification has been received and verified, the Company records revenue in that accounting period. The Company had approximately $22,000 and $26,000 of revenue deferred under guaranteed rights of return arrangements included in deferred revenue in the balance sheets as of March 31, 2012 and December 31, 2011, respectively.

Inventory

Inventory is stated at the lower of cost or market. Cost, which includes material, labor and overhead, is determined on a first-in, first-out basis. On a quarterly basis, we analyze our inventory levels and reserve for inventory that is expected to expire prior to being sold, inventory that has a cost basis in excess of its expected net realizable value, inventory in excess of expected sales requirements, or inventory that fails to meet commercial sale specifications. Expired inventory is disposed of and the related costs are written off to the reserve for inventory obsolescence. The inventory reserve was approximately $65,000 and $65,000 as of March 31, 2012 and December 31, 2011, respectively.

Consigned Inventory

The Company has authorized a consignment inventory arrangement with one of its mass retail customers. As of March 31, 2012 and December 31, 2011, the Company has approximately $29,000 and $29,000, respectively, of inventory on consignment located at the retailers' stores and warehouses, which is included in our inventory reserve. Once consignment inventory has been sold by this customer, the customer notifies the Company of the sale and the Company records revenue in that accounting period. The Company authorizes the replenishment of consignment inventory based on orders placed by the customer. The Company is provided with weekly reports of consignment sales activity and balances.

Net Loss Per Share

During all periods presented, the Company had securities outstanding that could potentially dilute basic earnings per share in the future, but were excluded from the computation of diluted net loss per share, as their effect would have been antidilutive. Because the Company reported a net loss for all periods presented, shares associated with the convertible revolving note payable, stock options and warrants are not included because they are antidilutive. Basic and diluted net loss per share amounts are the same for the periods presented. Net loss per share is computed using the weighted average number of shares of common stock outstanding.

Concentrations

The Company is dependent on key suppliers to provide probiotics, blending, warehousing and packaging of its EvoraPlus, EvoraPlus Kids, EvoraPro, and Teddy's Pride products. The Company had four key suppliers during the three months ended March 31, 2012 and 2011, respectively. The majority of the Company's cost of sales are from these key suppliers during the three months ended March 31, 2012 and 2011. Accounts payable and accrued expenses for these vendors totaled approximately $2,000 and $108,000 as of March 31, 2012 and December 31, 2011, respectively.

3. Stock Options and Warrants

On February 10, 2012, the Compensation Committee and the Board of Directors awarded options to acquire an aggregate of 45,000 shares of common stock to the Company's Chief Financial Officer, Mr. Michael Sullivan, under the Company's Amended and Restated 2002 Stock Option and Incentive Plan (the "Plan"). The award under the Plan was made consistent with the Company's objective to continue to retain and motivate Company employees.

These option awards have an exercise price of $1.20 per share, which was the closing price on the date the options were granted. The options vest as follows: 15,000 vested immediately, 15,000 shares vest on the first anniversary of the date of grant and 15,000 shares vest on the second anniversary of the date of grant. The options are subject to earlier vesting upon a change in control of the Company.

On February 10, 2012, the Compensation Committee and the Board of Directors awarded options to acquire an aggregate of 55,000 shares of common stock to two outside consultants, under the Company's Amended and Restated 2002 Stock Option and Incentive Plan (the "Plan").

These option awards have an exercise price of $1.20 per share, which was the closing price on the date the options were granted. The options vested immediately. The stock options shall expire and are void unless exercised on or before February 10, 2014.

From January 1, 2012 to the date of this filing 70,000 stock options previously granted have vested and 20,000 have been forfeited. In addition, 5,000 restricted shares previously awarded to Mr. Bohunicky, our former chief financial officer were forfeited due to his resignation prior to the vesting of such shares. Stock option compensation expense of $261,403 and $118,929 was recorded for the three months ended March 31, 2012 and 2011, respectively, and is a non-cash expense. This amount is included in research and development and selling, general and administrative expenses in the accompanying statements of operations.

As of the date of this filing there are 2,477,313 warrants outstanding and there are 805,173 outstanding stock options that have been granted that have not been forfeited. The total number of outstanding warrants and unexercised stock options is 3,282,486. If all warrants and stock options were exercised, the total number of outstanding shares would be 15,457,281.

4. Short Term Notes Payable

On March 10, 2012, the Company entered into a short-term note payable for $50,037 bearing interest at 6.17% to finance the product liability insurance. Principal and interest payments on this note begin April 10, 2012 and are made evenly based on a straight line amortization over a 10-month period with the final payment due on January 10, 2013.

5. Convertible Revolving Notes Payable to Shareholder

On July 30, 2010 the Company entered into an unsecured revolving credit agreement (the “Credit Facility”) with the Koski Family Limited Partnership (“KFLP”), an accredited investor and the Company’s largest shareholder. Pursuant to the Credit Facility, we were initially able to borrow up to $2,000,000 from the KFLP at LIBOR plus 6.0%. The term of the Credit Facility was initially for 12 months commencing August 1, 2010.

On each of September 13, 2010 and November 8, 2010, we borrowed $1,000,000 under the Credit Facility and executed a revolving unsecured promissory note (the “September 2010 Promissory Note” and the “November 2010 Promissory Note”) in such amounts initially to mature on July 30, 2011.

On January 24, 2011, we entered into a First Amendment to the Credit Facility (the “First Amendment”) to increase the available borrowing from $2,000,000 to $2,500,000 and simultaneously therewith we drew on the Credit Facility as amended by the First Amendment to borrow the additional $500,000 in available funds and executed another revolving unsecured promissory note (the “January 2011 Promissory Note”) initially due on July 30, 2011.

On February 4, 2011, we entered into a Second Amendment (the “Second Amendment”) to the Credit Facility. As a result of the Second Amendment, we are able to borrow up to an additional $2,500,000 from the KFLP. Future draws under the Credit Facility, as amended, are limited to $500,000 per month commencing no earlier than March 2011. Under the Second Amendment, the due date of the amounts then outstanding under the Credit Facility, (the September 2010 Promissory Note, November 2010 Promissory Note and January 2011 Promissory Note) were extended by one year from July 30, 2011 to July 30, 2012. The interest rate remained at LIBOR plus 6.0%. The Second Amendment further provided for certain automatic conversion rights into subsequent securities offerings. In addition, the Second Amendment provided the KFLP with the right to put any undrawn available amounts under the Credit Facility, as amended, to us and thereby have a note issued to the KFLP.

On each of March 15, 2011, April 5, 2011, May 5, 2011, June 3, 2011, and July 8, 2011 we borrowed an additional $500,000 under the Credit Facility, as amended, and executed a revolving unsecured promissory note in such amounts that matured on July 30, 2012.

On June 29, 2011, we entered into a Third Amendment (the “Third Amendment”) to the Credit Facility. As a result of the Third Amendment, we increased our availability under the Credit Facility by $2,000,000 from $5,000,000 to $7,000,000. Future draws of the $2,000,000 in increased availability provided by the Third Amendment to the Credit Facility are limited to $1,000,000 increments beginning no earlier than August 2011 and October 2011, respectively. All other terms of the Credit Facility remained the same.

On each of August 1, 2011 and October 5, 2011, the Company borrowed an additional $1,000,000 under the Credit Facility, as amended by the Third Amendment, and executed a revolving unsecured promissory note in such amounts that mature on July 30, 2012.

On December 9, 2011, we entered into a Fourth Amendment (the "Fourth Amendment") to the Credit Facility. The Fourth Amendment increased the available borrowing under the Credit Facility by $500,000 from $7,000,000 to $7,500,000. On December 9, 2011, the Company drew down on the Credit Facility, as amended, to borrow $500,000 in the newly available funds. All other terms of the Credit Facility remained the same.

On January 23, 2012, we entered into a Fifth Amendment (the "Fifth Amendment") to the Credit Facility. The Fifth Amendment increased the available borrowing under the Credit Facility by $750,000 from $7,500,000 to $8,250,000. On January 23, 2012, we drew down on the Credit Facility, as amended, to borrow $750,000. All other terms of the Credit Facility remained the same.

On March 23, 2012, the Company entered into an Exchange of Notes for Equity Agreement (the "Debt Exchange Agreement") with the KFLP. Pursuant to the terms of the Debt Exchange Agreement, we issued 6,285,619 shares of common stock and warrants to acquire 1,571,405 shares of common stock to the KFLP in exchange for the cancellation of an aggregate of $8,737,011 of indebtedness owed to the KFLP under our existing unsecured revolving credit facility (the "Credit Facility) with the KFLP. The outstanding indebtedness, consisted of $8,250,000 in principal owed on twelve separate promissory notes previously issued by us to the KFLP under the Credit Facility and accrued interest through March 23, 2012 (the closing date) of $487,011. The Credit Facility was terminated and the previously issued promissory notes thereunder were cancelled. The warrants are exercisable immediately at a price per share of $2.00 and expire three (3) years from the date of issuance. The Company has valued the common stock and warrants at $8,737,011 which is equal to the carrying value of the Credit Facility and related accrued interest. The market for the Company's stock does not generate enough volume to provide accurate pricing for a block of stock and warrants this large. A significant discount to the market for the Company's stock would be needed to sell this number of shares and warrants, as such, the value of the existing indebtedness of $8,737,011 is more clearly indicative of the combined value of the transaction. As a result, no gain or loss was recognized on this exchange of debt for equity.

On March 23, 2012, the Company also entered into a new loan agreement (the "Loan Agreement") with the KFLP. It provides us with up to $2.5 million in secured funding in two advances of $1,250,000 each with the first advance occurring on March 23, 2012 and the second advance to be made within 30 days thereafter, subject to the continued accuracy of representations and warranties made by us and that no material adverse events have occurred in connection with the our business. Borrowings under the Loan Agreement mature in three years and bear interest at the rate of 5.0% and are secured by select Company assets relating to or connected with the Company's technologies. The loan amount is subject to automatic conversion upon a subsequent qualified equity financing by the Company of $5,000,000 (excluding any converted debt amount). Pursuant to the Loan Agreement we also issued a warrant to the KFLP to acquire 599,520 shares of our common stock. The warrants are exercisable immediately at a price per share of $2.00 and expire three (3) years from the date of issuance. The fair value of warrants using the Black Scholes Model is $599,520. The first funding has a fair value of $1,250,000. Using the relative fair value method, the first funding has an initial value of $766,441 and the warrants have an initial value of $483,559. The value of the warrants was credited to Additional Paid In Capital. This discount of $483,559 will be charged to interest expense over life of Loan Agreement.

6. Subsequent Events

On April 23, 2012 we received the second advance of $1,250,000 under our existing Loan Agreement with the KFLP.

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

The following information should be read in conjunction with the Financial Statements, including the notes thereto, included elsewhere in this Form 10-Q.

Forward-Looking Statements

This 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include statements regarding, among other things, (a) our need for and availability of working capital, (b) our financing plans, (c) our strategies, (d) our projected sales and profitability, (e) anticipated trends in our industry. Forward-looking statements, which involve assumptions and describe our future plans, strategies, and expectations, are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend," or "project" or the negative of these words or other variations on these words or comparable terminology. This information may involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from the future results, performance, or achievements expressed or implied by any forward-looking statements. These statements may be found under "Management's Discussion and Analysis or Plan of Operation" and "Business," as well as in this 10-Q generally. Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors, including, without limitation, the risks outlined under "Risk Factors" in our Form 10-K and in this 10-Q. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this filing will in fact occur. In addition to the information expressly required to be included in this filing, we will provide such further material information, if any, as may be necessary to make the required statements, in light of the circumstances under which they are made, not misleading.

Overview

We are a nutraceutical company primarily focused on the development of oral health probiotic products for humans and pets. We have developed and are commercializing a variety of probiotic products that contain the active ingredient ProBiora3, a patented blend of oral care probiotics that promote fresher breath, whiter teeth and support overall oral health. We have conducted scientific studies on ProBiora3 in order to market our products under self-affirmed Generally Recognized As Safe status, or GRAS. We sell our ProBiora3 products through multiple distribution channels. We continue to seek improvement in the performance of our oral care probiotics business. As a result of such efforts:

- We received the Frost and Sullivan Award for excellence in Oral Care Probiotics;
- To better serve our customers, we have begun to qualify new delivery systems which will enable us to deliver ProBiora3 to new markets and end-users; and
- We refocused our channel efforts, successfully limiting exposure to capital-intensive areas such as mass retail and increasing efforts in cost-effective, focused markets such as dental offices.
- We recently announced the successful completion of an independently conducted, randomized, double blind clinical trial on EvoraKids.

Our SMaRT Replacement Therapy

Within oral health, we are also developing our biopharmaceutical product candidate, SMaRT Replacement Therapy. Our SMaRT Replacement Therapy product candidate is designed to be a painless, one-time, five-minute topical treatment applied to the teeth that has the potential to offer lifelong protection against dental caries, or tooth decay. Our SMaRT Replacement Therapy is based on the creation of a genetically modified strain of bacteria that colonizes in the oral cavity and replaces native bacteria that cause tooth decay. We commenced a second Phase 1 clinical trial for SMaRT Replacement Therapy during the first quarter of 2011, which we expect to conclude in second half of 2012.

Our Antibiotics

We are also seeking to develop novel antibiotics, through our pharmaceutical product candidate, MU1140-S, and we intend to use our patented, novel organic chemistry platform DPOLT to create additional antibiotics for therapeutic use. While developing SMaRT Replacement Therapy, members of our scientific team discovered that the SMaRT bacterial strain produces MU1140, a molecule belonging to the novel class of antibiotics known as lantibiotics. MU1140 has proven active preclinically against Gram positive bacteria responsible for a number of healthcare associated infections or "HAIs". We are in the process of scaling up production of our synthetic form of MU1140, or MU1140-S, and expect to commence preclinical testing in 2012 as our capital resources permit. The key technology behind the production of MU1140-S is our Differentially Protected Orthogonal Lanthionine Technology platform, or DPOLT, which is a patented, novel organic chemistry platform that we believe will enable the first ever commercial scale, cost-effective production of any of the 50 known lantibiotics. We intend to seek a partner for the DPOLT platform technology in order to create a pipeline of lantibiotics for therapeutic use.

Our Weight Loss Agent-LPT3-04

In the course of our SMaRT Replacement Therapy research, our scientific team also discovered that consumption of a significant amount of LPT3-04, a naturally occurring compound which is normally consumed in the human diet in small amounts, resulted in dose-dependent weight loss in experimental animal models. LPT3-04 consumption in the required amounts has been shown to be safe in humans. Due to the natural sweetness of LPT3-04 and the relatively large amounts of it that need to be consumed on a daily basis to achieve the desired weight loss effect, current product development efforts are focused on incorporating the compound into bars, milkshakes, and other food products. We are positioning our LPT3-04 weight loss agent for licensing following the successful completion of the proof-of-concept human clinical trial. As a result of our efforts to date in developing LPT3-04:

- Our LPT3-04 product yielded successful clinical results, paving the way for a potential newly commercialized product and/or partnership.
- We have submitted a patent application for the use of LPT3-04 for weight regulation with the United States Patent and Trademark Office, or U.S. PTO.

Other Technologies

Additionally, we are developing non-core technologies that originated from the discoveries of our scientific team, including CMAT, which is a biomarker discovery platform, which we believe could provide significant potential opportunities for us.

We have recently repositioned the Company towards increasing our focus and efforts – both financially and operationally-on our probiotics business. We expect to focus on our oral health probiotic business to improve market awareness and provide for the potential for increased future sales. We expect to devote a substantial portion of our limited available resources to our oral health probiotic business as we continue the research and development and clinical trials for our other product candidates toward the goal of outlicensing such product candidates or entering into partnerships or collaborative arrangements for the development of such product candidates. In addition, we expect to devote resources to the protection of our intellectual property and the general and administrative support of our operations.

About Us

We were incorporated in November 1996 and commenced operations in 1999. We consummated our initial public offering in June 2003. We have devoted substantially all of our available resources to the commercialization of our ProBiora3 products as well as our discovery efforts comprising research and development, clinical trials for our product candidates, protection of our intellectual property and the general and administrative support of these operations. We have generated limited revenues from grants and ProBiora3 product sales through March 31, 2012, and have principally funded our operations through the sale of debt and equity securities, including the exercise of warrants issued in connection with these financing transactions. Prior to 2008 our revenues were derived solely from research grants. Since 2008, our revenues have also included sales of our ProBiora3 products, which we initiated in late 2008. For the three months ended March 31, 2012 and 2011 and the years ended December 31, 2011 and 2010, respectively our net revenues were $380,527, $349,937, $1,444,447 and $1,308,910.

As of March 31, 2012, we had an accumulated deficit of $42,612,824 and we have yet to achieve profitability. We incurred net losses of $1,616,908 and $1,559,013 for the three months ended March 31, 2012 and 2011 and $7,678,868

and $7,805,165 for the years ended December 31, 2011 and 2010, respectively. We expect to incur significant and increasing operating losses for the foreseeable future as we seek to advance our product candidates through preclinical testing and clinical trials to ultimately obtain regulatory approval and eventual commercialization. We are continuing our efforts to raise additional capital. The report of our independent registered public accounting firm with respect to our financial statements appearing in our Form 10-K contains an explanatory paragraph stating that our operating losses and negative cash flows from operations since inception, and our need to raise additional financing and/or financial support prior to July 2012 in order to continue to fund our operations, raise substantial doubt about our ability to continue as a going concern. Adequate additional funding may not be available to us on acceptable terms, or at all. We expect that research and development expenses will increase along with general and administrative costs, as we grow and operate our business. There can be no assurance that additional capital will be available to us on acceptable terms, if at all.

Recent Developments

Sales & Marketing:

On April 10, 2012 we announced that we entered into an exclusive three year distribution contract with Orthomolecular Nutrition Laboratory (OMNL), a Japanese company for the distribution of our oral probiotic products under a private label commencing in September.

On February 9, 2012 we announced that we entered into an agreement with Dr. Richard Nagelberg, a dental industry leader, as part of our strategy to expand our Probiora sales through the dental channel.

Financing:

On January 23, 2012, we entered into a Fifth Amendment (the "Fifth Amendment") to an unsecured revolving credit agreement (the "Credit Facility") with the Koski Family Limited Partnership. The Fifth Amendment increased the available borrowing under the Credit Facility by $750,000 from $7,500,000 to $8,250,000. On January 23, 2012, we drew down on the Credit Facility, as amended, to borrow $750,000. All other terms of the Credit Facility remained the same.

On March 23, 2012, we entered into an Exchange of Notes for Equity Agreement (the "Debt Exchange Agreement") with the Koski Family Limited Partnership ("KFLP"), an accredited investor and our largest shareholder. Pursuant to the terms of the Debt Exchange Agreement, we issued 6,285,619 shares of common stock and warrants to acquire 1,571,405 shares of common stock to the KFLP in exchange for the cancellation of an aggregate of $8,737,011 of indebtedness owed to the KFLP under our existing unsecured revolving credit facility (the "Credit Facility) with the KFLP. The outstanding indebtedness, consisted of $8,250,000 in principal owed on twelve separate promissory notes previously issued by us to the KFLP under the Credit Facility and accrued interest through March 23, 2012 (the closing date) of $487,011. The Credit Facility was terminated and the previously issued promissory notes thereunder were cancelled. The conversion was based upon a stock price of $1.39 which represented a 15% discount to the thirty day average closing price of our common stock prior to the date of approval by our disinterested directors. The warrants are exercisable immediately at a price per share of $2.00 and expire three (3) years from the date of issuance. The Company has valued the common stock and warrants at $8,737,011 which is equal to the carrying value of the Credit Facility and related accrued interest. The market for the Company's stock does not generate enough volume to provide accurate pricing for a block of stock and warrants this large. A significant discount to the market for the Company's stock would be needed to sell this number of shares and warrants, as such, the value of the existing indebtedness of $8,737,011 is more clearly indicative of the combined value of the transaction. As a result, no gain or loss was recognized on this exchange of debt for equity.

On March 23, 2012, we also entered into a new loan agreement (the "Loan Agreement") with the KFLP. It provides us with up to $2.5 million in secured funding in two advances of $1,250,000 each with the first advance occurring on March 23, 2012 and the second advance able to be made within 30 days thereafter, subject to the continued accuracy of representations and warranties made by us and that no material adverse events have occurred in connection with the our business. Borrowings under the Loan Agreement mature in three years and bear interest at the rate of 5.0% and are secured by select assets of the Company relating to or connected with the ProBiora3, SMaRT Replacement Therapy, MU1140 and LPT3-04 technologies. The loan amount is subject to automatic conversion upon a subsequent qualified equity financing by the Company of $5,000,000 (excluding any converted debt amount). Pursuant to the Loan Agreement we also issued a warrant to the KFLP to acquire 599,520 shares of our common stock. The warrants

are exercisable immediately at a price per share of $2.00 and expire three (3) years from the date of issuance. The fair value of warrants using the Black Scholes Model is $599,520. The first funding has a fair value of $1,250,000. Using the relative fair value method, the first funding has an initial value of $766,441 and the warrants have an initial value of $483,559. The value of the warrants was credited to Additional Paid In Capital. This discount of $483,559 will be charged to interest expense over life of Loan Agreement.

Organization:

On January 28, 2012 the Board of Directors approved the appointment of Michael Sullivan, as the Company's new Chief Financial Officer, Secretary and Treasurer to be effective February 6, 2012. Mr. Sullivan succeeded Brian Bohunicky, our former Chief Financial Officer, who resigned on January 27, 2012 to pursue other opportunities. Mr. Sullivan entered into an Executive Employment Agreement with the Company under the terms substantially similar to the employment agreements of existing executives. Under the terms of his Executive Employment Agreement, Mr. Sullivan's employment with the Company will become effective February 6, 2012 and he will be paid an annual base salary of not less than $180,000 and will be eligible for bonuses of up to 25% of his annual salary based on appropriate Company based and individual based targets in the discretion of the Compensation Committee as approved by the full Board of Directors within 60 days.

Effective April 30, 2012, Dr. Robert Zahradnik resigned as our Vice President of Operations to pursue other opportunities.

Financial Overview

Net Revenues

Our revenues prior to 2008 consisted exclusively of grant funding from government agencies under the National Science Foundation's, or NSF, and National Institutes of Health's, or NIH, Small Business Innovation Research, or SBIR, grants. Since the initial launch of our ProBiora3 products in late 2008, our net revenues for the year ended December 31, 2008 also included sales of our ProBiora3 products. Sales of our ProBiora3 products were $342,849, $299,065, $1,229,510 and $1,128,895 for the three months ended March 31, 2012 and 2011 and for the years ended December 31, 2011 and 2010, respectively. Because of our efforts to increase the distribution of our ProBiora3 products, we expect net revenues to continue to increase in the near future. However, our success will depend on a number of factors, including our ability to continue to engage in marketing efforts related to our ProBiora3 products.

We expect that our revenues will fluctuate from quarter to quarter as a result of the volume of sales of our products and the amount of license fees, research and development reimbursements, milestone and other payments we may receive upon any license or strategic partnerships we may enter into in the future.

Cost of Goods Sold

Our cost of goods sold includes the production and manufacture of our ProBiora3 products, as well as shipping and processing expenses and scrap expense. Scrap expense represents product rework charges, inventory adjustments, inventory replacement reserves, and damaged inventory. We expect our costs of goods sold to increase as we are able to expand our distribution and sales efforts for our ProBiora3 products.

Research and Development Expenses

Research and development consists of expenses incurred in connection with the discovery and development of our product candidates. These expenses consist primarily of employee-related expenses, which include salaries and benefits and attending science conferences; expenses incurred under agreements with contract research organizations, investigative sites and consultants that conduct our clinical trials and a substantial portion of our preclinical studies; the cost of acquiring and manufacturing clinical trial materials; facilities, depreciation and other allocated expenses, which include direct and allocated expenses for rent and maintenance of facilities and equipment, and depreciation of fixed assets; license fees for and milestone payments related to in-licensed products and technology; stock-based compensation expense; and costs associated with non-clinical activities and regulatory approvals. We expense research and development costs as incurred.

Our research and development expenses can be divided into (i) clinical research, and (ii) preclinical research and development activities. Clinical research costs consist of clinical trials, manufacturing services, regulatory activities and

related personnel costs, and other costs such as rent, utilities, depreciation and stock-based compensation. Preclinical research and development costs consist of our research activities, preclinical studies, related personnel costs and laboratory supplies, and other costs such as rent, utilities, depreciation and stock-based compensation. While we are currently focused on advancing each of our product development programs, our future research and development expenses will depend on the clinical success of each product candidate, as well as ongoing assessments of each product candidate's commercial potential. In addition, we cannot forecast with any degree of certainty which product candidates may be subject to future collaborations, when such arrangements will be secured, if at all, and to what degree such arrangements would affect our development plans and capital requirements.

Our current strategy is to reduce expenditures in R&D related to all non-probiotic projects. These non-probiotic projects are currently expected to be taken to the point where they can be licensed or partnered with larger pharmaceutical companies. We expect our research and development expenses related solely to the probiotics programs to increase in the future while costs related to other areas will continue to decrease until we partner or license them. Our research and development expenses were $353,198, $412,901, $2,449,178 and $2,014,784 for the three months ended March 31, 2012 and 2011 and for the years ended December 31, 2011 and 2010, respectively.

Subject to available capital, we plan to increase our research and development expenses in the future as we continue the advancement of our clinical trials and preclinical product development programs for our SMaRT Replacement Therapy and MU1140-S product candidates. The lengthy process of completing clinical trials and seeking regulatory approval for our product candidates requires expenditure of substantial resources. Any failure or delay in completing clinical trials, or in obtaining regulatory approvals, could cause a delay in generating product revenues and cause our research and development expenses to increase and, in turn, have a material adverse effect on our operations. Certain of our current product development candidates are not expected to be commercially available before 2013.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist principally of salaries and related costs for personnel in executive, finance, business development, marketing, information technology, legal and human resources functions. Other general and administrative expenses include facility costs not otherwise included in research and development expenses, patent filing, and professional fees for legal, consulting, auditing and tax services.

We anticipate that our general and administrative expenses will increase for, among others, the following reasons:

- the sales and marketing of our ProBiora3 products;
- to support our research and development activities, which, subject to available capital, we expect to expand as we continue the development of our product candidates;
- the efforts we undertake from, time to time, to raise additional capital; and
- the increased payroll, expanded infrastructure and higher consulting, legal, accounting and investor relations costs associated with being a public company.

Other Income and (Expense)

Other income and expense includes local business taxes, as well as interest income and expense. Interest income consists of interest earned on our cash and cash equivalents. The primary objective of our investment policy is capital preservation. Interest expense consists primarily of interest and costs associated with our convertible revolving note payable to shareholder and short term notes payable.

Income Taxes

As of December 31, 2011, we have net operating loss carryforwards of approximately $36,480,000 to offset future federal and state income taxes. We also have research and development and investment tax credit carryforwards of approximately $551,000 to offset future federal and state income taxes. Our net operating loss and research and development tax credit carryforwards will expire if not used by 2022. Our ability to utilize our net operating loss and tax credit carryforwards may be limited in the event a change in ownership, as defined in Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, has occurred or may occur in the future. The private placement

transaction with the KFLP in June 2009 constituted such an event and our historical loss carryfowards were limited. In each period since our inception, we have recorded a 100% valuation allowance for the full amount of our deferred tax asset, as the realization of the deferred tax asset is uncertain. As a result, we have not recorded any federal tax benefit in our statements of operations.

Results of Operations for the Three Months Ended March 31, 2012 and 2011

Net Revenues. We generated net revenues of $380,527 for the three months ended March 31, 2012 compared to $349,947 for the three months ended March 31, 2011. Our ProBiora3 revenues increased from Q1 2011 due primarily to a sale to an international customer.

Cost of Goods Sold. Cost of goods sold increased by $103,232 to $198,209 for the three months ended March 31, 2012 compared to $94,977 for the three months ended March 31, 2011. This increase was primarily attributable to increased costs associated with a sale to an international customer.

Research and Development. Research and development expenses were $353,198 for the three months ended March 31, 2012 compared to $412,901 for the three months ended March 31, 2011, a decrease of $59,703 or 14.46%. This decrease in research and development expenses was primarily due to a decrease in salary and salary related costs and a decrease in stock based compensation costs.

Selling, General and Administrative. Selling, general and administrative expenses were $1,307,994 for the three months ended March 31, 2012 compared to $1,357,446 for the three months ended March 31, 2011; a decrease of $49,452 or 3.64%. This decrease was due to reduced advertising and marketing expense of $251,311 due to the withdrawal from the mass retail channel in the first quarter of 2011, and salary and compensation related costs of $121,096, which were off-set by increases in employee and non employee stock option expense of $157,108, legal and professional fees of $75,938 and consultant and temporary labor costs of $78,107.

Other Income (Expense). Other income (expense) was $(138,034) for the three months ended March 31, 2012 compared to $(43,626) for the three months ended March 31, 2011, an increase of expenses of $(94,408). The increase was primarily attributable to an increase in interest expense of $94,484.

Liquidity and Capital Resources

Since our inception, we have funded our operations primarily through the sale of equity securities in our initial public offering, the sale of equity securities and warrants in private placements, debt financing and grants. During the three months ended March 31, 2012 and 2011, our operating activities used cash of $(1,143,100) and $(1,123,621), respectively. The use of cash in all periods primarily resulted from our net losses adjusted for non-cash items and changes in operating assets and liabilities. We had a working capital surplus (deficit) of $330,530 and $(8,328,004) at March 31, 2012 and December 31, 2011, respectively.

During the three months ended March 31, 2012 and 2011, our investing activities provided/used cash of $0 and $0, respectively.

During the three months ended March 31, 2012 and 2011, our financing activities provided cash of $1,939,305 and $1,047,951, respectively. The cash provided by financing activities in the three months ended March 31, 2012 was primarily due to borrowings under a convertible revolving note payable and new secured note payable both due to the same shareholder. The cash provided by financing activities in the three months ended March 31, 2011 was primarily due to the release of restrictions on cash, borrowings under a convertible revolving note payable from a shareholder, offset by reductions in short term notes payable.

Additional details of our financing activities for the periods reflected in this report are provided below:

December 2009 Private Placement

On December 30, 2009, we issued a total of 500,813 shares of restricted common stock in the initial closing of a private placement to accredited investors including the Koski Family Limited Partnership, or KFLP, our largest shareholder (the “December 2009 Private Placement”), for initial proceeds of $2,504,062. The shares were sold at $5.00 per share. The initial closing proceeds of $2,504,062 included the cancellation at closing of $54,062 in outstanding obligations we owed to Dr. Jeffrey Hillman, our Chief Scientific Officer, for compensation that had been deferred. Approximately half

of the total investment, or $1,250,000, was made by the KFLP. In conjunction with, and as a condition to the initial closing of the December 2009 Private Placement, we also issued 200,000 shares of our common stock to the KFLP at $5.00 per share, which was the same price per share paid by the participating accredited investors, in exchange for the cancellation of the KFLP's $1,000,000 secured promissory note we previously issued to the KFLP in connection with a June 2009 private placement in which the KFLP initially acquired control of the Company (the "June 2009 Private Placement").

Approximately $1,000,000 of the total proceeds from the December 2009 Private Placement were committed to further our development of the DPOLT synthetic chemistry platform, essential to the production of our lead antibiotic, MU1140, subject to the goals set forth by the two-year NSF SBIR Phase II grant that we received on February 15, 2008. Such allocation enabled us to be eligible to receive up to an additional $500,000 matching grant from the NSF, which grant was subsequently awarded in June 2010.

On January 13, 2010, we completed the $3,004,062 private placement contemplated by the December 2009 Private Placement and issued another 100,000 shares of common stock at a price per share of $5.00 to the accredited investors for $500,000. Of this amount, the KFLP again participated in half of the remainder of the aggregate investment by acquiring 50,000 shares for $250,000.

May 2010 Note Financing

On May 28, 2010, we entered into an unsecured promissory note with a conversion provision (the "May 2010 Note") to the KFLP pursuant to which we borrowed $1,000,000 from the KFLP. Interest on the May 2010 Note accrued at the rate of LIBOR plus 6.0% and the principal of the May 2010 Note, together with all accrued interest thereon, was due and payable the earlier of: (i) the closing date of a registered public offering of newly issued equity securities by us resulting in cash proceeds to us, other than in connection with employee option plans, or (ii) the May 24, 2011 maturity date; provided, however, that in the event we completed a subsequent private offering of equity securities prior to the May 24, 2011 maturity date, we could elect to convert the principal of the May 2010 Note into the same equity securities being sold in the private offering at the same price and terms to the KFLP.

July 2010 Financing Transaction

On July 5, 2010, we entered into a common stock purchase agreement (the "July 2010 Financing Transaction") with the KFLP. At the closing of this financing transaction on July 30, 2010 we issued 250,000 shares of our common stock to the KFLP at a price of $8.00 per share. The $2,000,000 aggregate consideration paid by the KFLP consisted of (i) $1,000,000 cash and (ii) the exchange and cancellation of the outstanding May 2010 Note issued to the KFLP on May 28, 2010. Accrued interest on the May 2010 Note through closing was waived by the KFLP. Concurrent with the July 2010 Financing Transaction and as part thereof, we entered into an unsecured revolving credit agreement (the "Credit Facility") with the KFLP. Pursuant to the Credit Facility, we were initially able to borrow up to $2,000,000 from the KFLP at LIBOR plus 6.0%. The term of the Credit Facility was initially for 12 months commencing August 1, 2010.

On each of September 13, 2010 and November 8, 2010, we borrowed $1,000,000 under the Credit Facility and executed a revolving unsecured promissory note (the "September 2010 Promissory Note" and the "November 2010 Promissory Note") in such amounts initially to mature on July 30, 2011.

On January 24, 2011, we entered into a First Amendment to the Credit Facility (the "First Amendment") to increase the available borrowing from $2,000,000 to $2,500,000 and simultaneously therewith we drew on the Credit Facility as amended by the First Amendment to borrow the additional $500,000 in available funds and executed another revolving unsecured promissory note (the "January 2011 Promissory Note") initially due on July 30, 2011.

On February 4, 2011, we entered into a Second Amendment (the "Second Amendment") to the Credit Facility. As a result of the Second Amendment, we are able to borrow up to an additional $2,500,000 from the KFLP. Future draws under the Credit Facility, as amended, are limited to $500,000 per month commencing no earlier than March 2011. Under the Second Amendment, the due date of the amounts then outstanding under the Credit Facility, (the September 2010 Promissory Note, November 2010 Promissory Note and January 2011 Promissory Note) were extended by one year from July 30, 2011 to July 30, 2012. The interest rate remained at LIBOR plus 6.0%. The Second Amendment further provided for certain automatic conversion rights into subsequent securities offerings. In addition, the Second Amendment provided the KFLP with the right to put any undrawn available amounts under the Credit Facility, as amended, to us and thereby have a note issued to the KFLP.

On each of March 15, 2011, April 5, 2011, May 5, 2011, June 3, 2011, and July 8, 2011 we borrowed an additional $500,000 under the Credit Facility, as amended, and executed a revolving unsecured promissory note in such amounts that matured on July 30, 2012.

On June 29, 2011, we entered into a Third Amendment (the "Third Amendment") to the Credit Facility. As a result of the Third Amendment, we increased our availability under the Credit Facility by $2,000,000 from $5,000,000 to $7,000,000. Future draws of the $2,000,000 in increased availability provided by the Third Amendment to the Credit Facility are limited to $1,000,000 increments beginning no earlier than August 2011 and October 2011, respectively. All other terms of the Credit Facility remained the same.

On each of August 1, 2011 and October 5, 2011, the Company borrowed an additional $1,000,000 under the Credit Facility, as amended by the Third Amendment, and executed a revolving unsecured promissory note in such amounts that mature on July 30, 2012.

On December 9, 2011, we entered into a Fourth Amendment (the "Fourth Amendment") to the Credit Facility. The Fourth Amendment increased the available borrowing under the Credit Facility by $500,000 from $7,000,000 to $7,500,000. On December 9, 2011, the Company drew down on the Credit Facility, as amended, to borrow $500,000 in the newly available funds. All other terms of the Credit Facility remained the same.

On January 23, 2012, we entered into a Fifth Amendment (the "Fifth Amendment") to the Credit Facility. The Fifth Amendment increased the available borrowing under the Credit Facility by $750,000 from $7,500,000 to $8,250,000. On January 23, 2012, we drew down on the Credit Facility, as amended, to borrow $750,000. All other terms of the Credit Facility remained the same.

On March 23, 2012, we entered into an Exchange of Notes for Equity Agreement (the "Debt Exchange Agreement") with the Koski Family Limited Partnership ("KFLP"), an accredited investor and our largest shareholder. Pursuant to the terms of the Debt Exchange Agreement, we issued 6,285,619 shares of common stock and warrants to acquire 1,571,405 shares of common stock to the KFLP in exchange for the cancellation of an aggregate of $8,737,011 of indebtedness owed to the KFLP under our existing unsecured revolving credit facility (the "Credit Facility) with the KFLP. The outstanding indebtedness, consisted of $8,250,000 in principal owed on twelve separate promissory notes previously issued by us to the KFLP under the Credit Facility and accrued interest through March 23, 2012 (the closing date) of $487,011. The Credit Facility was terminated and the previously issued promissory notes thereunder were cancelled. The warrants are exercisable immediately at a price per share of $2.00 and expire three (3) years from the date of issuance. The Company has valued the common stock and warrants at $8,737,011 which is equal to the carrying value of the Credit Facility and related accrued interest. The market for the Company's stock does not generate enough volume to provide accurate pricing for a block of stock and warrants this large. A significant discount to the market for the Company's stock would be needed to sell this number of shares and warrants, as such, the value of the existing indebtedness of $8,737,011 is more clearly indicative of the combined value of the transaction. As a result, no gain or loss was recognized on this exchange of debt for equity.

On March 23, 2012, we also entered into a new loan agreement (the "Loan Agreement") with the KFLP. It provides us with up to $2.5 million in secured funding in two advances of $1,250,000 each with the first advance occurring on March 23, 2012 and the second advance able to be made within 30 days thereafter, subject to the continued accuracy of representations and warranties made by us and that no material adverse events have occurred in connection with the our business. Borrowings under the Loan Agreement mature in three years and bear interest at the rate of 5.0% and are secured by select assets of us relating to or connected with the ProBiora3, SMaRT Replacement Therapy, MU1140 and LPT3-04 technologies. The loan amount is subject to automatic conversion upon a subsequent qualified equity financing by the Company of $5,000,000 (excluding any converted debt amount). Pursuant to the Loan Agreement we also issued a warrant to the KFLP to acquire 599,520 shares of our common stock. The warrants are exercisable immediately at a price per share of $2.00 and expire three (3) years from the date of issuance. The fair value of warrants using the Black Scholes Model is $599,520. The first funding has a fair value of $1,250,000. Using the relative fair value method, the first funding has an initial value of $766,441 and the warrants have an initial value of $483,559. The value of the warrants was credited to Additional Paid In Capital. This discount of $483,559 will be charged to interest expense over life of Loan Agreement.

On April 23, 2012 we received the second advance of $1,250,000 under our existing Loan Agreement with the KFLP.

Other Financings

On March 3, 2011, we entered into a short-term notes payable for $48,988 bearing interest at 5.48% to finance product liability insurance. Payments on this note are made evenly based on a straight line amortization over a ten-month period with the final payment due on January 10, 2012.

On July 12, 2011, we entered into a short-term note payable for $77,751 bearing interest at 4.75% to finance a portion of the directors' and officers' liability insurance. Principal and interest payments on this note begin August 24, 2011 and are made evenly based on a straight line amortization over an 11-month period with the final payment due on June 24, 2012.

On March 10, 2012, we entered into a short-term note payable for $50,037 bearing interest at 6.17% to finance the product liability insurance. Principal and interest payments on this note begin April 10, 2012 and are made evenly based on a straight line amortization over an 10-month period with the final payment due on January 10, 2013.

Grants

On June 10, 2010, we were awarded the matching $500,000 grant from the NSF to support an SBIR Phase II grant previously awarded in 2008 for further development of our DPOLT platform. On each of June 17, 2010, February 25, 2011, and March 29, 2012, we received $125,000 related to this NSF awarded SBIR II Phase II grant for the company's DPOLT platform. Proceeds from the financing are to be allocated to further the development of our DPOLT platform, essential to the production of our lead antibiotic, MU1140, subject to the goals set forth by the NSF SBIR Phase II grant received by us. The remaining amount of these grant funds are expected to be provided to us by June 2012.

Tax Credit

On November 1, 2010, we received notification that we were awarded federal grant funding for three of our therapeutic development programs under the Qualifying Therapeutic Discovery Project. The Qualifying Therapeutic Discovery Project, was recently enacted by Congress as part of the Patient Protection and Affordable Care Act of 2010, which was designed to provide grants or tax credits to qualified biotechnology companies that demonstrate the potential to either 1) develop new therapies to treat areas of unmet medical needs; 2) prevent, detect or treat chronic or acute diseases and conditions; 3) reduce long-term health care costs in United States; or 4) significantly advance the goal of curing cancer within the 30 year period beginning on May 21, 2010. We applied for funding on three of its programs: Prevention of Tooth Decay using Smart Replacement Therapy, Novel Antibiotics for the Treatment of Healthcare Associated Infections and Rapid and Sensitive Identification of Novel Diagnostic Biomarkers for Cancer and Infectious Diseases. We received a non-taxable cash grant award totaling $733,437 under the program. A payment of $371,219 was made to us in November 2010 and remaining grant award amount of $362,218 was received in February 2011.

Future Capital Requirements

Our capital requirements for 2012 will depend on numerous factors, including the success of our commercialization efforts and of our research and development, the resources we devote to develop and support our technologies and our success in pursuing strategic licensing and funded product development relationships with external partners. Subject to our ability to generate revenues and cash flow from our ProBiora3 products and our ability to raise additional capital including through possible joint ventures and/or partnerships, we expect to incur substantial expenditures to further commercialize or develop each of our technologies including continued increases in costs related to research, preclinical testing and clinical studies, as well as significant costs associated with our capital raising efforts and being a public company. We will require substantial funds to conduct research and development and preclinical and Phase 1 clinical testing of our licensed, patented technologies and to develop sublicensing relationships for the Phase 2 and 3 clinical testing and manufacture and marketing of any products that are approved for commercial sale. Our plans include seeking both equity and debt financing, alliances or other partnership agreements with entities interested in our technologies, or other business transactions that would generate sufficient resources to ensure continuation of our operations and research and development programs.

In addition, the report of our independent registered public accounting firm with respect to our financial statements for the year ended December 31, 2011 included in our Annual Report on Form 10-K contains an explanatory paragraph stating that our operating losses and negative cash flows from operations since inception, and our need to raise additional financing and/or financial support prior to July 2012 in order to continue to fund our operations, raise substantial doubt about our ability to continue as a going concern. If we are unable to raise sufficient capital we will need to significantly modify our operational plans in order for us to continue as a going concern.

Our current available cash and cash equivalents are insufficient to satisfy our liquidity requirements. We believe our existing cash and cash equivalents, together with the borrowings under our Loan Agreement and grant funds will allow us to fund our operating plan through June 2012. We will need to raise capital through the additional sale of equity or debt securities. We continue to seek the additional required funding for our operations. The sale of additional equity or debt securities may result in additional dilution to our shareholders. If we raise additional funds through the issuance of debt securities or preferred stock, these securities could have rights senior to those of our common stock and could contain covenants that would restrict our operations. We also require additional capital beyond our currently forecasted amounts, such as, if we determine to proceed independently with a Phase 3 clinical trial for our SMaRT Replacement Therapy. Any such required additional capital may not be available on reasonable terms, if at all. If we were unable to obtain additional financing, we may be required to reduce the scope of, delay or eliminate some or all of our planned clinical testing, research and development and commercialization activities, which could harm our business.

Because of the numerous risks and uncertainties associated with sales of our ProBiora3 products as well as research, development and commercialization of pharmaceutical products, we are unable to estimate the exact amounts of our working capital requirements. Our future funding requirements will depend on many factors, including, but not limited to:

- the cash flow generated from our ProBiora3 product sales;
- the number and characteristics of the product candidates we pursue;
- the scope, progress, results and costs of researching and developing our product candidates, and conducting preclinical and clinical trials;
- the timing of, and the costs involved in, obtaining regulatory approvals for our product candidates;
- the cost of commercialization activities for our ProBiora3 products and, if any of our product candidates are approved for sale, including marketing, sales and distribution costs;
- the cost of manufacturing our ProBiora3 products and product candidates and any products we successfully commercialize;
- our ability to establish strategic partnerships, licensing or other arrangements and the financial terms of such agreements;
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing patent claims, including litigation costs and the outcome of such litigation; and
- the timing, receipt and amount of sales of, or royalties on, our products and future products, if any.

Critical Accounting Estimates and Policies

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The preparation of financial statements in accordance with GAAP requires us to make estimates and assumptions that affect reported amounts and related disclosures. We consider an accounting estimate to be critical if it requires assumptions to be made that were uncertain at the time the estimate was made; and changes in the estimate or different estimates that could have been made could have a material impact on our results of operations or financial condition. The principal areas of estimation reflected in the financial statements are stock-based compensation, valuation of warrants, sales returns and allowances and allowance for doubtful accounts. For a detailed discussion of our critical accounting estimates, see our Annual Report on Form 10-K for the year ended December 31, 2011. There have been no material changes to our critical accounting estimates during the three months ended March 31, 2012.

Recently Issued Accounting Pronouncements

In June 2011, the Financial Accounting Standard Board ("FASB") issued Accounting Standard Update ("ASU") 2011-05, Presentation of Comprehensive Income, which requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income, or in two separate but consecutive statements. ASU 2011-05 eliminates the option to present components of other comprehensive income as part of the statement of equity. ASU 2011-05 was effective for the Company for the three months ended March 31, 2012. The adoption of this guidance, which involves presentation and disclosures only, did not impact the Company's financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Management's evaluation of the effectiveness of the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act was performed under the supervision and with the participation of our senior management, including our former Chief Executive Officer and Chief Financial Officer. The purpose of disclosure controls and procedures is to ensure that information required to be disclosed in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosures.

During 2010, we disclosed and identified several material weaknesses in our internal controls. Since that time we have been working on remediation of the identified material weaknesses and have provided updates in our periodic reports. Management continued its efforts during the first quarter of 2012 to remediate material weaknesses in the internal control over financial reporting. However, based on the continued existence of material weaknesses, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the quarter ended March 31, 2012, disclosure controls and procedures were not effective. Nevertheless, based on a number of factors, including the performance of additional procedures by management designed to ensure the reliability of our financial reporting, management believes that the financial statements in our Quarterly Report on March 31, 2012 Form 10-Q fairly presented, in all material respects, our financial position, results of operations, and cash flows for the periods presented in conformity with GAAP.

As previously disclosed and referenced above, the matters involving internal controls and procedures that our management identified and considered to be material weaknesses that have not yet been satisfactorily remediated are: (1) limited documentation of our system of internal control, (2) insufficient personnel to employ segregation of duties and (3) lack of formal written policies and procedures for accounting and financial reporting with respect to the requirements and application of GAAP and SEC disclosure requirements and related documentation. These deficiencies and weaknesses were largely attributable to the significant lack of available financial resources.

Management's Remediation Initiatives

Although management has not fully remediated the material weaknesses mentioned above, management believes progress is being made as we continue the engagement with a consulting firm specializing in Sarbanes-Oxley Section 404 compliance to assist us in the implementation of internal controls for financial reporting and disclosure and our remediation efforts. During 2011, the consulting firm completed an analysis of the Company's first, second and third quarter controls and reported that of 68 reporting controls tested there were no deficiencies identified. Management will continue to monitor and evaluate these and other factors affecting our internal controls as our resources and available liquidity permit. Until such time, our internal controls over financial reporting may be subject to additional material weaknesses and deficiencies that we have not yet identified. Management is responsible for and is committed to achieving and maintaining a strong control environment, high ethical standards, and financial reporting integrity. This commitment continues to be communicated to, and reinforced with, our employees.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Changes in Internal Controls over Financial Reporting

Except as indicated in the preceding paragraphs about management's evaluation of disclosure controls and procedures and internal controls, our management, with the participation of our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), has concluded there were no other significant changes in our internal controls over financial reporting that occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls

Our management, including our CEO and CFO, do not expect that our disclosure controls and internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management or board override of the control.

The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not a party to any pending legal proceeding that is not in the ordinary course of business or otherwise material to our financial condition or business.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this Form 10-Q, you should carefully consider the factors discussed in Part I, Item 1A, subsection "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 which could materially affect our business, financial condition or future results of operations. The risks described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 are not the only risks that we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition and future results of operations. There have been no material changes from the risk factors previously disclosed in Item 1A, subsection "Risk Factors" to Part I of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

You should carefully consider the Risk Factors before making an investment decision in our securities. These risk factors are effective as of the date of this Form 10-Q and shall be deemed to be modified or superseded to the extent that a statement contained in our future filings modifies or replaces such statement. All of these risks may impair our business operations. The forward-looking statements in this Form 10-Q involve risks and uncertainties and actual results may differ materially from the results we discuss in the forward-looking statements. If any of the following risks actually occur, our business, financial condition or results of operations could be materially adversely affected. In that case, the trading price of our stock could decline, and you may lose all or part of your investment.

We require additional financing to operate beyond June 2012, in order to continue growing our oral care probiotics business, as well as complete the development of and to commercialize our LPT3-04 Weight Loss, SMaRT Replacement Therapy and MU1140-S product candidates and we do not know if additional financing will be available to us when and if needed, or, if available, on terms that we find acceptable, particularly given the current and potential future strain in the financial and credit markets.

We do not have sufficient capital to sustain our operations beyond June 2012 and we continue to seek financing. Our operations have required substantial capital funding since inception and we expect to continue to need substantial amounts to grow ProBiora3 sales, and to develop and commercialize our LPT3-04 Weight Loss, SMaRT Replacement Therapy and MU1140-S product candidates. We require additional funding and may be unable to raise capital on attractive terms, which would force us to significantly delay, scale back or discontinue the development or commercialization of our product candidates. Changing circumstances may cause us to use capital significantly faster than we currently anticipate, and we may incur higher expenses than currently expected because of circumstances beyond our control. If we are not able to raise additional capital and we are not generating positive cash flow from our ProBiora3 products and are unable to commercialize our product candidates, we may be unable to pursue further development of our product candidates, be forced to divest our product candidates prior to maximizing their potential value, be unable to maintain the licenses for our SMaRT Replacement Therapy and MU1140 product candidates, or be forced to significantly scale back or cease our operations.

On January 23, 2012, we amended the outstanding unsecured revolving credit agreement (the "Credit Facility") with the Koski Family Limited partnership, or KFLP, to add an additional $750,000 of available borrowings, which we immediately borrowed. With the $750,000 of additional debt, our principal indebtedness under the Credit Facility was $8.25 million.

On March 23, 2012, we entered into an Exchange of Notes for Equity Agreement (the "Debt Exchange Agreement") with the KFLP. Pursuant to the terms of the Debt Exchange Agreement, we issued 6,285,619 shares of common stock and warrants to acquire 1,571,405 shares of common stock to the KFLP in exchange for the cancellation of an aggregate of $8,737,011 of indebtedness owed to the KFLP under our existing unsecured revolving Credit Facility with the KFLP. The outstanding indebtedness, consisted of $8,250,000 in principal owed on twelve separate promissory notes previously issued by the Company to the KFLP under the Credit Facility and accrued interest through March 23, 2012 (the closing date) of $487,011. The Credit Facility was terminated and the previously issued promissory notes thereunder were cancelled. The warrants are exercisable immediately at a price per share of $2.00 and expire three (3) years from the date of issuance.

On March 23, 2012, we also entered into a new loan agreement (the "Loan Agreement") with the KFLP. It provides us with up to $2.5 million in secured funding in two advances of $1,250,000 each with the first advance occurring on March 23, 2012 and the second advance occurring on April 23, 2012. Borrowings under the Loan Agreement mature in three years and bear interest at the rate of 5.0% and are secured by select assets of ours relating to or connected with the ProBiora3, SMaRT Replacement Therapy, MU1140 and LPT3-04 technologies. The loan amount is subject to automatic conversion upon a subsequent qualified equity financing by us of $5,000,000 (excluding any converted debt amount). Pursuant to the Loan Agreement we also issued a warrant to the KFLP to acquire 599,520 shares of the Company common stock. The warrants are exercisable immediately at a price per share of $2.00 and expire three (3) years from the date of issuance.

While we believe funding from the Loan Agreement will be sufficient to sustain our operations through June 2012, we have no other committed sources of capital and do not know whether additional financing will be available to us when and if needed, or, if available, that the terms will be acceptable to us, particularly if the financial and credit markets continue to be constrained.

We may seek additional financing through public or private equity offerings or through arrangements with strategic third parties. If we raise additional financing by issuing equity securities, further dilution to existing stockholders may result. For example, as of March 23, 2012 we had borrowed $8,250,000 under the Credit Facility and we exchanged such amount plus accrued interest of $487,011 for the issuance of 6,285,619 shares of our common stock to the KFLP at the same time we entered into the new Loan Agreement with the KFLP. While such exchange caused dilution to our existing holders, we no longer owe any amounts under the Credit Facility. We also issued to the KFLP warrants on

March 23, 2012 to purchase an aggregate of 2,170,925 shares of common stock at an exercise price of $2.00 per share on March 23, 2012, which, if exercised, would cause additional dilution. In addition, as a condition to providing additional financing to us, future investors may demand, and may be granted, rights superior to those of existing stockholders. If we raise additional financing through arrangements with strategic third parties, we may be required to relinquish rights to or sell certain of our product candidates or products that we would not otherwise relinquish or sell.

We may also seek additional financing through long-term debt and lines of credit or through the issuance of debt securities. If we raise additional financing through borrowing or the issuance of debt securities, our debt service obligations may be significant. If we are unable to generate sufficient cash to meet these debt service obligations, we will need to use existing cash or liquidate assets in order to fund these obligations and to repay our debt, which could force us to delay or terminate our research, development and commercialization efforts.

We are dependent upon our Loan Agreement with our largest shareholder, the KFLP, for funding.

In January 2012, we borrowed the remaining $750,000 under our Credit Facility with the KFLP and as of March 23, 2012 our total borrowings under the Credit Facility of $8,250,000 along with accrued interest of $487,011 were exchanged into 6,285,619 shares of common stock issued to the KFLP. While we no longer owe any amounts to the KFLP under the Credit Facility and the Credit Facility has been terminated, we have borrowed an additional $2,500,000 under our new Loan Agreement with the KFLP. However, we have no other committed sources of capital and do not know whether additional financing will be available to us when and if needed, or, if available, that the terms will be acceptable to us, particularly if the financial and credit markets continue to be constrained.

We may not be able to generate sufficient cash or raise sufficient capital to repay our secured indebtedness and if we are unable to repay our secured indebtedness, we could lose our intellectual property rights in our ProBiora3, SMaRT Replacement Therapy, MU1140 and LPT3-04 technologies which are material assets of the Company.

Our Loan Agreement with the KFLP matures in three years and select material assets of the Company relating to or connected with our ProBiora3, SMaRT Replacement Therapy, MU1140 and LPT3-04 technologies have been pledged as collateral to secure our borrowings under the Loan Agreement. This secured indebtedness could impede us from raising the additional equity or debt capital we need to continue our operations even though the amount borrowed under the Loan Agreement automatically converts into equity upon a qualified equity financing of at least $5 million. Our ability to repay the loan will depend largely upon our future operating performance and we cannot assure you that our business will generate sufficient cash flow or that we will be able to raise the additional capital necessary to repay the loan. If we are unable to generate sufficient cash flow or are otherwise unable to raise the funds necessary to repay the loan when it becomes due, the KFLP could institute foreclosure proceedings against our material intellectual property assets and we could be forced into bankruptcy or liquidation which could in turn significantly diminish the value of your common stock.

We have incurred significant losses since our inception and expect to continue to experience losses for the foreseeable future.

Since our inception, we have incurred operating losses and negative cash flow from operating activities. To achieve and maintain profitability, we must successfully develop, obtain regulatory approval for, manufacture, market and sell, or license, partner or sell the rights to, one or more of the product candidates we either license or own. Furthermore, our cash burn rate and expenses have increased significantly due to our commercialization initiatives with our ProBiora3 products. We expect to continue to incur losses for the foreseeable future as we expand our sales and marketing capabilities for our ProBiora3 products and continue our preclinical testing, clinical trials and research and development activities.

Net losses have totaled $1,616,908, $1,559,013, $7,678,868 and $7,805,165 for the three months ended March 31, 2012 and 2011, and for the years ended December 31, 2011 and 2010 respectively. We have experienced losses from operations during the last two years and have an accumulated deficit of $42,612,824 as of March 31, 2012. We have used cash in our operating activities of $1,143,100 and $1,123,621 for the three months ended March 31, 2012 and 2011, respectively. Our accounts payable and accrued expenses have also increased due to operational changes instituted in connection with the launch of our consumer products and costs incurred for patents. We have working capital of $330,530 as of March 31, 2012 ($36,426 when the current cash reserved for DPOLT research and grants are excluded), and a working capital deficit of $8,328,004 (a deficit of $8,592,964 when the current cash reserved for DPOLT research and grants are excluded), as of December 31, 2011.

Our auditor has expressed substantial doubt about our ability to continue as a going concern.

In light of our recurring losses, accumulated deficit and negative cash flow, the report of our independent registered public accounting firm on our financial statements for the year ended December 31, 2011 contains an explanatory paragraph raising substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustments that may be necessary in the event we are unable to continue as a going concern. If we are unable to establish to the satisfaction of our independent registered public accounting firm that the net proceeds from our financing efforts will be sufficient to allow for the removal of this going concern qualification, we may need to significantly modify our operational plans for us to continue as a going concern.

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

Not Applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not Applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

Not Applicable.

ITEM 6. EXHIBITS

Incorporated by reference to Exhibits filed after signature page.

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SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 15th day of May, 2012.

ORAGENICS, INC.

BY: /s/ John N. Bonfiglio Ph.D.
John N. Bonfiglio Ph.D., President, Chief Executive Officer and Principal Executive Officer

BY: /s/ Michael Sullivan
Michael Sullivan, Chief Financial Officer and Principal Accounting Officer

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EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No	Exhibit	Filing Date	
10.1	Debt Exchange Agreement by and between Oragenics, Inc. and the Koski Family Limited Partnership dated March 23, 2012.	8-K	001-32188	10.1	3/26/12	
10.2	Loan Agreement by and between Oragenics, Inc. and the Koski Family Limited Partnership dated March 23, 2012.	8-K	001-32188	10.2	3/26/12	
10.3	Security Agreement by and between Oragenics, Inc. and the Koski Family Limited Partnership dated March 23, 2012.	8-K	001-32188	10.3	3/26/12	
10.4	Executive Employment Agreement between the Company and Michael Sullivan dated January 28, 2012.	8-K	001-32188	10.1	2/2/12	
10.5	Senior Secured Convertible Promissory Note dated March 23, 2012					X
10.6	Debt Exchange Agreement Warrant dated March 23, 2012.					X
10.7	Loan Agreement Warrant dated March 23, 2012.					X
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14 and Rule 15d-14(a), promulgated under the Securities and Exchange Act of 1934, as amended.					X
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14 and Rule 15d-14(a), promulgated under the Securities and Exchange Act of 1934, as amended.					X
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer).					X
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer).					X
101.INS*	XBRL Instance Document					
101.SCH*	XBRL Taxonomy Extension Schema					
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase					
101.DEF*	XBRL Taxonomy Extension Definition Linkbase					
101.LAB*	XBRL Taxonomy Extension Label Linkbase					
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase					

* Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability.

Exhibit 10.5

THIS NOTE AND THE SHARES OF STOCK INTO WHICH IT IS CONVERTIBLE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR STATE SECURITIES LAWS AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, OFFERED, PLEDGED OR OTHERWISE DISTRIBUTED FOR VALUE UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND SUCH LAWS COVERING SUCH SECURITIES OR THE COMPANY RECEIVES AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT, OFFER, PLEDGE OR OTHER DISTRIBUTION FOR VALUE IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT AND SUCH LAWS.

SENIOR SECURED CONVERTIBLE PROMISSORY NOTE

March 23, 2012

$2,500,000.00

Tampa, Florida

Oragenics, Inc., a Florida corporation (the "**Company**"), for value received, hereby promises to pay to **Koski Family Limited Partnership**, a Texas limited partnership (the "**Holde**r"), the principal sum of Two Million Five Hundred Thousand and no/100 Dollars ($2,500,000.00), or so much as has been advanced hereunder as provided in that certain Loan Agreement (as amended, restated, modified or supplemented at any time or from time to time, the "**Loan Agreement**") between the Company and Holder dated as of event date herewith, and remains unpaid, plus interest as herein provided, in lawful money of the United States of America, on March 23, 2015 (the "**Maturity Date**"). This Note is subject to the following terms and conditions:

1. INTEREST. This Note shall bear interest at a fixed rate of interest *per annum* of 5.00%. Interest payable pursuant to the terms of this Note shall be based on the actual number of days elapsed over a year of 365 or 366 days, as applicable.

2. REPAYMENT. The entire outstanding principal balance of this Note together with all accrued interest hereon as provided herein shall be due and payable in full on the Maturity Date.

3. CONVERSION. Upon the closing of a Qualified Financing (as defined below) all principal and accrued but unpaid interest on this Note shall automatically convert into shares of the same class and series of stock of the Company on the same terms and conditions, including per share price, as such shares are issued in one issue or a series of related issues (not including the value of the converted Loan) in a private offering to "Accredited Investors" (the "**Qualified Financing Securities**"). For purposes herein, a "**Qualified Financing**" means the first transaction or series of transactions pursuant to which the Company issues and sells shares of stock to Accredited Investors for aggregate gross proceeds to the Company of at least $5,000,000.00, excluding all proceeds from the incurrence of indebtedness that is converted into such shares of stock**,** with the principal purpose of raising capital. If no Qualified Financing shall have been consummated before the Maturity Date, the Holder shall have the right, immediately upon written demand, to require repayment of all unpaid principal and accrued interest on this Note. As promptly as practicable after the conversion of this Note as provided above, the Holder shall surrender this Note to the Company for cancellation, whereupon the Company shall issue and deliver to the Holder, in the name of the Holder, evidence of the equity of the Company issuable upon the conversion of this Note. No fractional shares shall be issued upon conversion of this Note. If conversion of this Note would result in the issuance of a fractional share, the amount payable under this Note that therefore cannot be applied to the purchase of the shares purchasable upon conversion shall be forgiven by the Holder without any further action on the part of the Holder or the Company.

4. EVENT OF DEFAULT. This Note shall be in default upon the occurrence of an Event of Default (as such term is defined in the Loan Agreement).

5. REMEDIES. If an Event of Default occurs and is not cured within the applicable grace or curative period therefor, the Holder may declare the principal of this Note, together with any accrued and unpaid interest, if not already due, to be due and payable immediately, by written notice to the Company. Upon any such declaration, such principal and interest will become due and payable immediately, anything contained in this Note to the contrary notwithstanding, and thereupon, the Holder shall be entitled to exercise all rights and remedies under this Note, the Loan Agreement, the Security Agreement (as defined in the Loan Agreement), at law or in equity, including without limitation all of its rights and remedies as a secured party under the Florida Uniform Commercial Code.

6. PREPAYMENT. This Note may be prepaid in whole or in part at any time without penalty or premium.

7. TRANSFER. This Note may not be transferred or sold, or pledged, hypothecated or otherwise granted as security, by Holder.

8. MISCELLANEOUS

8.1 GOVERNING LAW. This Note will be deemed to be a contract made under the laws of the State of Florida, and for all purposes will be construed in accordance with the laws of the State of Florida.

8.2 BINDING EFFECT. This Note shall be binding upon, and inure to the benefit of, the Company and the Holder, and their respective successors, and/or permitted assigns.

8.3 EXPENSES OF COLLECTION. In the event of any default by the Company in its obligations hereunder, the Company shall reimburse the Holder on demand the amount of its costs and expenses in enforcing its rights hereunder, including reasonable attorneys fees.

8.4 WAIVER OF JURY TRIAL**. THE COMPANY AND HOLDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY AND ALL RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION (INCLUDING, BUT NOT LIMITED TO, ANY CLAIMS, CROSSCLAIMS OR THIRD-PARTY CLAIMS) ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE. THE COMPANY HEREBY CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF HOLDER OR HOLDER'S COUNSEL HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT HOLDER WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION.**

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed as of the day and year first set forth above.

ORAGENICS, INC.,
a Florida corporation

By: /s/ John N. Bonfiglio
Name: John N. Bonfiglio
Title: Chief Executive Officer and President

THIS NOTE HAS BEEN BOTH EXECUTED AND DELIVERED OUTSIDE OF THE TERRITORIAL LIMITS OF THE STATE OF FLORIDA AND IS THEREFORE NOT SUBJECT TO FLORIDA DOCUMENTARY STAMP TAX.

Exhibit 10.6

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT, AS AMENDED, OR ANY OTHER APPLICABLE SECURITIES LAWS AND HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH OTHER SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED, OR OTHERWISE DISPOSED OF, EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED PURSUANT TO A VALID EXEMPTION THEREFROM UNDER THE SECURITIES ACT.

Warrant No. 1-2012 Date: March 23, 2012

WARRANT TO PURCHASE SHARES OF COMMON STOCK OF ORAGENICS, INC.

THIS CERTIFIES that, for value received, The Koski Family Limited Partnership is entitled to purchase from Oragenics, Inc., a Florida corporation (the "Corporation"), subject to the terms and conditions hereof, One Million Five Hundred Seventy One Thousand Four Hundred Five (1,571,405) shares (the "Warrant Shares") of common stock, $0.001 par value (the "Common Stock"). This warrant, together with all warrants hereafter issued in exchange or substitution for this warrant, is referred to as the "Warrant" and the holder of this Warrant is referred to as the "Holder." The Warrant is being issued pursuant to that certain Exchange of Notes for Equity Agreement between the Company and the Purchaser named therein. The number of Warrant Shares is subject to adjustment as hereinafter provided. Notwithstanding anything to the contrary contained herein, this Warrant shall expire and no longer be exercisable at 5:00 p.m. Eastern Time (ET) on third anniversary of the date at which issued (the "Termination Date"); provided further, that for the avoidance of doubt, the corporation may not accelerate the expiration date of this Warrant.

1. Exercise of Warrants.

The Holder may exercise this Warrant in whole or in part at an exercise price per share equal to two dollars ($2.00) per share, subject to adjustment as provided herein (the "Warrant Price"), by the surrender of this Warrant (properly endorsed) at the principal office of the Corporation, or at such other agency or office of the Corporation in the United States of America as the Corporation may designate by notice in writing to the Holder at the address of such Holder appearing on the books of the Corporation, and by payment to the Corporation of the Warrant Price in lawful money of the United States by check or wire transfer for each share of Common Stock being purchased. Upon any partial exercise of this Warrant, there shall be executed and issued to the Holder a new Warrant in respect of the shares of Common Stock as to which this Warrant shall not have been exercised. In the event of the exercise of the rights represented by this Warrant, a certificate or certificates for the Warrant Shares so purchased, as applicable, registered in the name of the Holder, shall be delivered to the Holder hereof as soon as practicable after the rights represented by this Warrant shall have been so exercised.

2. Reservation of Warrant Shares. The Corporation agrees that, prior to the expiration of this Warrant, it will at all times have authorized and in reserve, and will keep available, solely for issuance or delivery upon the exercise of this Warrant, the number of Warrant Shares as from time to time shall be issuable by the Corporation upon the exercise of this Warrant.

3. No Shareholder Rights. This Warrant shall not entitle the holder hereof to any voting rights or other rights as a shareholder of the Corporation.

4. Assignment and Transferability of Warrant. Prior to the Termination Date and subject to compliance with applicable laws, this Warrant and all rights hereunder are transferable, in whole or in part, at the office or agency of the Company by the Holder in person or by duly authorized attorney, upon surrender of this Warrant together with the Assignment Form annexed hereto properly endorsed for transfer.

5. Certain Adjustments. With respect to any rights that Holder has to exercise this Warrant and convert into shares of Common Stock, Holder shall be entitled to the following adjustments:

(a) Merger or Consolidation. If at any time there shall be a merger or a consolidation of the Corporation with or into another corporation when the Corporation is not the surviving corporation, then, as part of such merger or consolidation, lawful provision shall be made so that the holder hereof shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified herein and upon payment of the aggregate Warrant Price then in effect, the number of shares of stock or other securities or property (including cash) of the successor corporation resulting from such merger or consolidation, to which the holder hereof as the holder of the stock deliverable upon exercise of this Warrant would have been entitled in such merger or consolidation if this Warrant had been exercised immediately before such merger or consolidation. In any such case, appropriate adjustment shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the holder hereof as the holder of this Warrant after the merger or consolidation.

(b) Reclassification. Recapitalization, etc. If the Corporation at any time shall, by subdivision, combination or reclassification of securities, recapitalization, automatic conversion, or other similar event affecting the number or character of outstanding shares of Common Stock, or otherwise, change any of the securities as to which purchase rights under this Warrant exist into the same or a different number of securities of any other class or classes, this Warrant shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the securities that were subject to the purchase rights under this Warrant immediately prior to such subdivision, combination, reclassification or other change.

(c) Split or Combination of Common Stock and Stock Dividend. In case the Corporation shall at any time subdivide, redivide, recapitalize, split (forward or reverse) or change its outstanding shares of Common Stock into a greater number of shares or declare a dividend upon its Common Stock payable solely in shares of Common Stock, the Warrant Price shall be proportionately reduced and the number of Warrant Shares proportionately increased.

Conversely, in case the outstanding shares of Common Stock of the Corporation shall be combined into a smaller number of shares, the Warrant Price shall be proportionately increased and the number of Warrant Shares proportionately reduced. Notwithstanding the foregoing, in no event will the Warrant Price be reduced below the par value of the Common Stock.

6. Legend and Stop Transfer Orders. Unless the Warrant Shares have been registered under the Securities Act, upon exercise of any part of the Warrant, the Corporation shall instruct its transfer agent to enter stop transfer orders with respect to such Warrant Shares, and all certificates or instruments representing the Warrant Shares shall bear on the face thereof substantially the following legend:

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT, AS AMENDED, OR ANY OTHER APPLICABLE SECURITIES LAWS AND HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH OTHER SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED, OR OTHERWISE DISPOSED OF, EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE CORPORATION THAT SUCH REGISTRATION IS NOT REQUIRED PURSUANT TO A VALID EXEMPTION THEREFROM UNDER THE SECURITIES ACT.

7. Miscellaneous. This Warrant shall be governed by and construed in accordance with the laws of the State of Florida. All the covenants and provisions of this Warrant by or for the benefit of the Corporation shall bind and inure to the benefit of its successors and assigns hereunder. Nothing in this Warrant shall be construed to give to any person or corporation other than the Corporation and the holder of this Warrant any legal or equitable right, remedy or claim under this Warrant. This Warrant shall be for the sole and exclusive benefit of the Corporation and the holder of this Warrant. The section headings herein are for convenience only and are not part of this Warrant and shall not affect the interpretation hereof. Upon receipt of evidence satisfactory to the Corporation of the loss, theft, destruction or mutilation of this Warrant, and of indemnity reasonably satisfactory to the Corporation, if lost, stolen or destroyed, and upon surrender and cancellation of this Warrant, if mutilated, the Corporation shall execute and deliver to the Holder a new Warrant of like date, tenor and denomination.

IN WITNESS WHEREOF, the Corporation has caused this Warrant to be executed by its duly authorized officers under its seal, this 23rd day of March, 2012.

ORAGENICS, INC.

By: /s/ John Bonfiglio
Name: John Bonfiglio
Title: President and Chief Executive Officer

NOTICE OF EXERCISE

TO: ORAGENICS, INC.

The undersigned is the Holder of Warrant No. (the "Warrant") issued by Oragenics, Inc., a Florida Corporation (the "Company"). Capitalized terms used herein and not otherwise defined have the respective meanings set forth in the Warrant.

The Warrant is currently exercisable to purchase a total of Warrant Shares.

The undersigned hereby exercises its right to purchase Warrant Shares pursuant to the Warrant and delivers herewith the original Warrant certificate in accordance with the terms of the Warrant and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

Payment shall take the form of lawful money of the United States.

The undersigned hereby requests that the Company issue a certificate or certificates representing said Warrant Shares in the name of the undersigned or in such other name as is specified below:

The Warrant Shares shall be delivered to the following:

_____

_____

_____

Accredited Investor. The undersigned is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

Name of Holder:

_____

Signature of Authorized Signatory of
Holder:

_____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Telephone Number and E-Mail Address of Authorized Signatory: _____

Date:

_____

(Signature must conform in all respect to the name of Holder as specified on the face of the Warrant.)

ASSIGNMENT FORM

(TO ASSIGN THE FOREGOING WARRANT, EXECUTE THIS FORM AND SUPPLY REQUIRED INFORMATION. DO NOT USE THIS FORM TO EXERCISE THE WARRANT.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby sold, assigned and transferred to _____ whose address is _____, and _____ is hereby appointed attorney to transfer said rights on the books of Oragenics, Inc., with full power of substitution in the premises.

Dated: _____

Holder's
Signature: _____

Holder's Address: _____

_____

Signature Guaranteed: _____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

Exhibit 10.7

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT, AS AMENDED, OR ANY OTHER APPLICABLE SECURITIES LAWS AND HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH OTHER SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED, OR OTHERWISE DISPOSED OF, EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED PURSUANT TO A VALID EXEMPTION THEREFROM UNDER THE SECURITIES ACT.

Warrant No. 2-2012 Date: March 23, 2012

WARRANT TO PURCHASE SHARES OF COMMON STOCK OF ORAGENICS, INC.

THIS CERTIFIES that, for value received, The Koski Family Limited Partnership is entitled to purchase from Oragenics, Inc., a Florida corporation (the "Corporation"), subject to the terms and conditions hereof, Five Hundred Ninety Nine Thousand Five Hundred Twenty (599,520) shares (the "Warrant Shares") of common stock, $0.001 par value (the "Common Stock"). This warrant, together with all warrants hereafter issued in exchange or substitution for this warrant, is referred to as the "Warrant" and the holder of this Warrant is referred to as the "Holder." The Warrant is being issued pursuant to that certain Loan Agreement between the Company and the Purchaser named therein. The number of Warrant Shares is subject to adjustment as hereinafter provided. Notwithstanding anything to the contrary contained herein, this Warrant shall expire and no longer be exercisable at 5:00 p.m. Eastern Time (ET) on third anniversary of the date at which issued (the "Termination Date"); provided further, that for the avoidance of doubt, the corporation may not accelerate the expiration date of this Warrant.

1. Exercise of Warrants.

The Holder may exercise this Warrant in whole or in part at an exercise price per share equal to two dollars ($2.00) per share, subject to adjustment as provided herein (the "Warrant Price"), by the surrender of this Warrant (properly endorsed) at the principal office of the Corporation, or at such other agency or office of the Corporation in the United States of America as the Corporation may designate by notice in writing to the Holder at the address of such Holder appearing on the books of the Corporation, and by payment to the Corporation of the Warrant Price in lawful money of the United States by check or wire transfer for each share of Common Stock being purchased. Upon any partial exercise of this Warrant, there shall be executed and issued to the Holder a new Warrant in respect of the shares of Common Stock as to which this Warrant shall not have been exercised. In the event of the exercise of the rights represented by this Warrant, a certificate or certificates for the Warrant Shares so purchased, as applicable, registered in the name of the Holder, shall be delivered to the Holder hereof as soon as practicable after the rights represented by this Warrant shall have been so exercised.

2. Reservation of Warrant Shares. The Corporation agrees that, prior to the expiration of this Warrant, it will at all times have authorized and in reserve, and will keep available, solely for issuance or delivery upon the exercise of this Warrant, the number of Warrant Shares as from time to time shall be issuable by the Corporation upon the exercise of this Warrant.

3. No Shareholder Rights. This Warrant shall not entitle the holder hereof to any voting rights or other rights as a shareholder of the Corporation.

4. Assignment and Transferability of Warrant. Prior to the Termination Date and subject to compliance with applicable laws, this Warrant and all rights hereunder are transferable, in whole or in part, at the office or agency of the Company by the Holder in person or by duly authorized attorney, upon surrender of this Warrant together with the Assignment Form annexed hereto properly endorsed for transfer.

5. Certain Adjustments. With respect to any rights that Holder has to exercise this Warrant and convert into shares of Common Stock, Holder shall be entitled to the following adjustments:

(a) Merger or Consolidation. If at any time there shall be a merger or a consolidation of the Corporation with or into another corporation when the Corporation is not the surviving corporation, then, as part of such merger or consolidation, lawful provision shall be made so that the holder hereof shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified herein and upon payment of the aggregate Warrant Price then in effect, the number of shares of stock or other securities or property (including cash) of the successor corporation resulting from such merger or consolidation, to which the holder hereof as the holder of the stock deliverable upon exercise of this Warrant would have been entitled in such merger or consolidation if this Warrant had been exercised immediately before such merger or consolidation. In any such case, appropriate adjustment shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the holder hereof as the holder of this Warrant after the merger or consolidation.

(b) Reclassification. Recapitalization, etc. If the Corporation at any time shall, by subdivision, combination or reclassification of securities, recapitalization, automatic conversion, or other similar event affecting the number or character of outstanding shares of Common Stock, or otherwise, change any of the securities as to which purchase rights under this Warrant exist into the same or a different number of securities of any other class or classes, this Warrant shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the securities that were subject to the purchase rights under this Warrant immediately prior to such subdivision, combination, reclassification or other change.

(c) Split or Combination of Common Stock and Stock Dividend. In case the Corporation shall at any time subdivide, redivide, recapitalize, split (forward or reverse) or change its outstanding shares of Common Stock into a greater number of shares or declare a dividend upon its Common Stock payable solely in shares of Common Stock, the Warrant Price shall be proportionately reduced and the number of Warrant Shares proportionately increased. Conversely, in case the outstanding shares of Common Stock of the Corporation shall be

combined into a smaller number of shares, the Warrant Price shall be proportionately increased and the number of Warrant Shares proportionately reduced. Notwithstanding the foregoing, in no event will the Warrant Price be reduced below the par value of the Common Stock.

6. Legend and Stop Transfer Orders. Unless the Warrant Shares have been registered under the Securities Act, upon exercise of any part of the Warrant, the Corporation shall instruct its transfer agent to enter stop transfer orders with respect to such Warrant Shares, and all certificates or instruments representing the Warrant Shares shall bear on the face thereof substantially the following legend:

THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT, AS AMENDED, OR ANY OTHER APPLICABLE SECURITIES LAWS AND HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH OTHER SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED, OR OTHERWISE DISPOSED OF, EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE CORPORATION THAT SUCH REGISTRATION IS NOT REQUIRED PURSUANT TO A VALID EXEMPTION THEREFROM UNDER THE SECURITIES ACT.

7. Miscellaneous. This Warrant shall be governed by and construed in accordance with the laws of the State of Florida. All the covenants and provisions of this Warrant by or for the benefit of the Corporation shall bind and inure to the benefit of its successors and assigns hereunder. Nothing in this Warrant shall be construed to give to any person or corporation other than the Corporation and the holder of this Warrant any legal or equitable right, remedy or claim under this Warrant. This Warrant shall be for the sole and exclusive benefit of the Corporation and the holder of this Warrant. The section headings herein are for convenience only and are not part of this Warrant and shall not affect the interpretation hereof. Upon receipt of evidence satisfactory to the Corporation of the loss, theft, destruction or mutilation of this Warrant, and of indemnity reasonably satisfactory to the Corporation, if lost, stolen or destroyed, and upon surrender and cancellation of this Warrant, if mutilated, the Corporation shall execute and deliver to the Holder a new Warrant of like date, tenor and denomination.

IN WITNESS WHEREOF, the Corporation has caused this Warrant to be executed by its duly authorized officers under its seal, this 23rd day of March, 2012.

ORAGENICS, INC.

By: /s/ John Bonfiglio
Name: John Bonfiglio
Title: President and Chief Executive Officer

NOTICE OF EXERCISE

TO: ORAGENICS, INC.

The undersigned is the Holder of Warrant No. (the "Warrant") issued by Oragenics, Inc., a Florida Corporation (the "Company"). Capitalized terms used herein and not otherwise defined have the respective meanings set forth in the Warrant.

The Warrant is currently exercisable to purchase a total of Warrant Shares.

The undersigned hereby exercises its right to purchase Warrant Shares pursuant to the Warrant and delivers herewith the original Warrant certificate in accordance with the terms of the Warrant and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

Payment shall take the form of lawful money of the United States.

The undersigned hereby requests that the Company issue a certificate or certificates representing said Warrant Shares in the name of the undersigned or in such other name as is specified below:

The Warrant Shares shall be delivered to the following:

_____

_____

_____

Accredited Investor. The undersigned is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

Name of Holder:

_____

Signature of Authorized Signatory of Holder:

_____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Telephone Number and E-Mail Address of Authorized Signatory: _____

Date:

_____

(Signature must conform in all respect to the name of Holder as specified on the face of the Warrant.)

ASSIGNMENT FORM

(TO ASSIGN THE FOREGOING WARRANT, EXECUTE THIS FORM AND SUPPLY REQUIRED INFORMATION. DO NOT USE THIS FORM TO EXERCISE THE WARRANT.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby sold, assigned and transferred to _____ whose address is _____, and _____ is hereby appointed attorney to transfer said rights on the books of Oragenics, Inc., with full power of substitution in the premises.

Dated: _____

Holder's
Signature: _____

Holder's Address: _____

_____

Signature Guaranteed: _____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

Exhibit 31.1

CERTIFICATION

I, John N. Bonfiglio Ph.D., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oragenics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2012

/s/ John N. Bonfiglio Ph.D.

John N. Bonfiglio Ph.D., President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Michael Sullivan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oragenics, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2012

/s/ Michael Sullivan

Michael Sullivan, Chief Financial Officer

Exhibit 32.1

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

In connection with the Quarterly Report of Oragenics, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John N. Bonfiglio Ph.D., President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written certification has been provided to the company and will be retained by the company and furnished to the Securities and Exchange Commission or its staff upon request.

Dated this 15th day of May, 2012.

/s/ John N. Bonfiglio Ph.D.
John N. Bonfiglio Ph.D.
President and Chief Executive Officer

Exhibit 32.2

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

In connection with the Quarterly Report of Oragenics, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Sullivan, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written certification has been provided to the company and will be retained by the company and furnished to the Securities and Exchange Commission or its staff upon request.

Dated this 15th day of May, 2012.

/s/ Michael Sullivan
Michael Sullivan
Chief Financial Officer