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FORM 10-QSB

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

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended June 30, 2005.
OR
[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT
For the transition period from _____ to _____

Commission File Number: 000-50614

ORAGENICS, INC.
(Exact name of small business issuer as specified in its charter)

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

13700 Progress Boulevard
Alachua, Florida 32653
(Address of principal executive offices)

(386) 418-4018
(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 [X] 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 August 10, 2005, there were 15,208,617 shares of Common Stock, $.001 par value, outstanding.

Transitional Small Business Disclosure Format (check one): Yes |_| No |X|

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<TABLE>
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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Oragenics, Inc.

Balance Sheets

<TABLE>
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| | June 30, 2005 (Unaudited) | December 31, 2004 |
|---|---|---|
| <S> | <C> | <C> |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | $ 1,682,240 | $ 3,666,244 |
| Prepaid expenses and other current assets | 178,655 | 108,895 |
| Total current assets | 1,860,895 | 3,775,139 |
| Property and equipment, net | 1,234,686 | 690,932 |
| Total assets | $ 3,095,581 | $ 4,466,071 |
| Liabilities and stockholders' equity | | |
| Current liabilities: | | |
| Accounts payable and accrued expenses | $ 243,884 | $ 429,627 |
| Current portion of notes payable | 194,000 | -- |
| Total current liabilities | 437,884 | 429,627 |
| Long term liabilities: | | |
| Notes payable | 374,261 | -- |
| Total liabilities | 812,145 | 429,627 |
| Stockholders' equity: | | |
| Preferred stock, no par value; 20,000,000 shares authorized; none issued and outstanding at June 30, 2005 and December 31, 2004 | -- | -- |
| Common stock, $0.001 par value; 100,000,000 shares authorized; 15,186,525 and 14,594,924 shares issued and outstanding at June 30, 2005 and December 31, 2004, respectively | 15,187 | 14,595 |
| Additional paid in capital | 9,479,043 | 9,493,833 |
| Accumulated deficit | (7,210,794) | (5,471,984) |
| Total stockholders' equity | 2,283,436 | 4,036,444 |
| Total liabilities and stockholders' equity | $ 3,095,581 | $ 4,466,071 |

</TABLE>

See accompanying notes.

Statements of Operations
(Unaudited)

<TABLE>
<CAPTION>

| | Three months ended June 30 | | Six months ended June 30 | |
|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 |
| <S> | <C> | <C> | <C> | <C> |
| Revenue | $ -- | $ 44,235 | $ -- | $ 44,235 |
| Operating expenses: | | | | |
| Research and development | 517,717 | 418,384 | 1,164,903 | 680,679 |
| General and administration | 357,246 | 304,818 | 589,164 | 586,983 |
| Total operating expenses | 874,963 | 723,202 | 1,754,067 | 1,267,662 |
| Loss from operations | (874,963) | (678,967) | (1,754,067) | (1,223,427) |
| Other income (expense): | | | | |
| Interest income | 12,292 | 11,305 | 26,911 | 18,325 |
| Interest expense | (10,010) | -- | (11,655) | -- |
| Total other income, net | 2,282 | 11,305 | 15,256 | 18,325 |
| Net loss | $ (872,681) | $ (667,662) | $ (1,738,811) | $ (1,205,102) |
| Basic and diluted net loss per share | $ (0.06) | $ (0.05) | $ (0.12) | $ (0.09) |
| Shares used to compute basic and diluted net loss per share | 14,764,331 | 14,318,407 | 14,681,061 | 13,865,983 |

</TABLE>

See accompanying notes.



Oragenics, Inc.

Statements of Cash Flows
(Unaudited)

<TABLE>
<CAPTION>

| | Six months ended June 30 | |
|---|---|---|
| | 2005 | 2004 |
| <S> | <C> | <C> |
| Operating activities | | |
| Net loss | $ (1,738,811) | $ (1,205,102) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation | 117,320 | 10,375 |
| Stock-based compensation (credit) | (304,432) | (27,277) |
| Changes in operating assets and liabilities: | | |
| Prepaid expenses | (69,760) | (123,581) |
| Accounts payable and accrued expenses | (185,743) | 71,061 |
| Accrued interest | -- | (25,582) |
| Deferred compensation | -- | (44,672) |
| Net cash used in operating activities | (2,181,426) | (1,344,778) |

| | | |
|---|---|---|
| Investing activity | | |
| Purchases of property and equipment | (661,074) | (43,025) |
| Net cash used in investing activity | (661,074) | (43,025) |
| Financing activities | | |
| Net proceeds from issuance of common stock | 290,235 | 2,950,299 |
| Proceeds from note payable | 615,192 | -- |
| Principal payments on note payable | (46,931) | -- |
| Net cash provided by financing activities | 858,496 | 2,950,299 |
| Net (decrease) increase in cash and cash equivalents | (1,984,004) | 1,562,496 |
| Cash and cash equivalents at beginning of period | 3,666,244 | 3,583,757 |
| Cash and cash equivalents at end of period | $ 1,682,240 | $ 5,146,253 |

</TABLE>

See accompanying notes.



Oragenics, Inc.

Notes to Financial Statements
(Unaudited)

1. Organization and Significant Accounting Policies

Oragenics, Inc. (formerly known as Oragen, Inc.) (the Company) was incorporated in November 1996; however, operating activity did not commence until 1999. We are dedicated to developing technologies associated with oral health, broad spectrum antibiotics and general health benefits.

Basis of Presentation

The accompanying unaudited condensed financial statements as of and for the three and six months ended June 30, 2005 and 2004 have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) for interim financial information and with the instructions to Form 10-QSB 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 June 30, 2005 are not necessarily indicative of the results that may be expected for the year ended December 31, 2005 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, 2004 which are included in our Annual Report on Form 10-KSB filed with the Securities and Exchange Commission on March 14, 2005. In that report the Company disclosed that it expects to need to incur substantial expenditures to further develop each of its technologies. It further stated that it believed its working capital will be insufficient to meet the business objectives as presently structured and without sufficient capital to fund its operations, the Company will be unable to continue as a going concern. In February 2005, the Company entered into an agreement with an investment advisory firm to assist in raising additional capital by acting as a financial advisor and placement agent. Also, on May 23, 2005, the Company entered into a Common Stock Purchase Agreement with Fusion Capital Fund II, LLC ("Fusion Capital") allowing the Company to sell up to $15,000 worth of its common stock daily to Fusion Capital at a price based on the market price. Although the Company has entered into this agreement and is continuing to work with the investment advisory firm, there can be no assurance that sufficient financing will be available on acceptable terms, or at all. Without sufficient capital to fund our operations, we 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.





1. Organization and Significant Accounting Policies (continued)

Stock-Based Compensation

In December 2002, the FASB issued Statement of Financial Accounting Standards No. 148, Accounting for Stock-Based Compensation - Transition and Disclosure (FAS 148). FAS 148 amends an earlier standard on accounting for stock-based compensation, Accounting for Stock-Based Compensation (FAS 123), to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, FAS 148 amends the disclosure requirements of FAS 123 to require more prominent disclosure about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The Company continues to follow the intrinsic value method of accounting as prescribed by Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, to account for employee stock options issued.

The table on the following page illustrates the effects on net loss and net loss per share as if the Company had applied the fair value recognition provisions of FAS 123 to stock-based employee compensation.





1. Organization and Significant Accounting Policies (continued)

Stock-Based Compensation (continued)

<TABLE>
<CAPTION>

| | Three months ended June 30 | | Six months ended June 30 | |
|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 |
| <S> | <C> | <C> | <C> | <C> |
| Net loss, as reported | $ (872,681) | $ (667,662) | $ (1,738,811) | $ (1,205,102) |
| Effect of stock-based employee compensation (credit) included in reported net loss | (91,329) | (17,832) | (304,432) | (27,277) |
| Total stock-based employee compensation expense determined under fair value based method for all awards | (65,013) | (32,835) | (123,468) | (61,845) |
| Pro forma net loss | $ (1,029,023) | $ (718,329) | $ (2,166,711) | $ (1,294,224) |
| Net loss per share: | | | | |
| Basic and diluted --as reported | $ (0.06) | $ (0.05) | $ (0.12) | $ (0.09) |
| Basic and diluted --pro forma | $ (0.07) | $ (0.05) | $ (0.15) | $ (0.09) |
| Shares used to compute basic and | | | | |

| | | | | |
|---|---|---|---|---|
| diluted net loss per share | 14,764,331 | 14,318,407 | 14,681,061 | 13,865,983 |

</TABLE>



Oragenics, Inc.

Notes to Financial Statements
(Unaudited)

2. Initial Public Offering

On June 24, 2003, the Company completed the filing of 2,400,000 units at $1.25 per unit as an initial public offering (IPO) for gross proceeds of $3,000,000. Each unit consisted of one share of the Company's common stock, one-half Series A Common Share Purchase Warrant and one-half Series B Common Share Purchase Warrant. One whole Series A warrant allowed the holder to purchase a share of the Company's stock at $2.00 per share until December 24, 2003. All Series A warrants were exercised before the expiration date providing proceeds to the Company of $2,400,000. One whole Series B warrant allowed the holder to purchase a share of the Company's stock at $3.00 per share until March 24, 2004. A total of 995,400 Series B warrants were exercised on or before March 24, 2004 providing proceeds of $2,986,200 and the remaining 204,600 Series B warrants expired unexercised on March 24, 2004. In addition to receiving a cash commission for each share sold, the underwriting agent for the IPO received 100,000 shares of common stock of the Company and warrants to purchase 500,000 shares of common stock of the Company at $1.25 per share until June 24, 2005. As of June 30, 2005, all 500,000 underwriter warrants were exercised providing additional proceeds to the Company of $625,000. The cost of the IPO, including the filing of a post effective amended registration statement in October 2004, was $779,809 including the agent's commission.

Through June 30, 2005 we have applied a total of $7,338,552 of the $8,231,391 in net proceeds from our initial public offering as follows:

Reduction of notes payable and accrued interest thereon to directors and officers:

| | |
|---|---|
| Brian McAlister (Cornet Capital Corp.) | $ 179,757 |
| Robert Zahradnik | 88,477 |
| Jeffrey Hillman | 15,429 |
| Deferred compensation payable to officers | 189,302 |
| Patent expenses paid to University of Florida | 100,000 |
| Regulatory consulting and clinical trial costs | 657,320 |
| Mutacin 1140 production research | 661,393 |
| Pre-clinical research | 2,269,849 |
| General and administration costs | 2,369,164 |
| Purchase of computer and laboratory equipment | 807,861 |
| | $ 7,338,552 |

Other than normal and recurring compensation and payments on notes payable, there were no other payments, directly or indirectly, to any of our officers or directors or any of their associates, or to any persons owning ten percent or more of our outstanding common stock from the proceeds of the offering. Unexpended proceeds are held in one financial institution and invested overnight in obligations of the U. S. Government or its agencies. Management believes that the Company has used, and continues to use, the net proceeds from the offering consistent with its business strategy described in the Form SB-2 registration statement.



Oragenics, Inc.

Notes to Financial Statements
(Unaudited)

3. Net Loss Per Share

Net loss per share is computed using the weighted average number of shares of common stock outstanding. Common equivalent shares from stock options and warrants are excluded as their effect is anti-dilutive.

4. Note Payable

On February 24, 2005, the Company entered into a Business Loan Agreement with a bank that funded approximately $615,000 of laboratory equipment purchases. The loan has a term of 37 months with the first month's payment of interest only and the remaining monthly payments of principal and interest of approximately $19,000 per month. Interest will be calculated at the prime rate as published in the Wall Street Journal (6.25% at June 30, 2005) plus 1.00%. Interest can never be below 5.75% or above 17.5%. The loan is collateralized by the equipment being purchased, as well as all equipment currently owned by the Company and the agreement requires the Company to maintain working capital of $750,000. During the three and six months ended June 30, 2005, the Company incurred interest of $10,010 and $11,655, respectively.

5. Financing Arrangement with Fusion Capital

On May 23, 2005, the Company entered into a Common Stock Purchase Agreement ("Purchase Agreement") with Fusion Capital. Pursuant to the terms of the Purchase Agreement, Fusion Capital has agreed to purchase from the Company up to $9,000,000 of the Company's common stock over a 30 month period. Pursuant to the terms of a Registration Rights Agreement, dated May 23, 2005, the Company agreed to file a registration statement on Form SB-2 (the "Registration Statement") with the Securities and Exchange Commission covering shares which may be purchased by Fusion Capital under the Purchase Agreement. The registration statement was declared effective on June 23, 2005 and the American Stock Exchange approved the listing of the shares on July 7, 2005. On each trading day during the term of the Purchase Agreement, the Company has the right to sell to Fusion Capital $15,000 of the Company's common stock at a price based upon the market price of the common stock on the date of each sale without any fixed discount to the market price. At the Company's option, Fusion Capital can be required to purchase fewer or greater amounts of common stock each month. Fusion Capital does not have the right or obligation to purchase shares of our common stock from us in the event that the price of our common stock is less than $0.75. The Company has the right to control the timing and the number of shares sold to Fusion Capital. This offering was made pursuant to an exemption from registration provided by Section 4(2) of the Securities Act, 1933, as amended.

6. New Accounting Pronouncements

In December 2004, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 123 (revised 2004), Share-Based Payment ("Statement 123(R)"), a revision of FASB Statement No. 123, Accounting for Stock-Based Compensation. Statement 123(R) supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees, and amends FASB Statement No. 95, Statement of Cash



Flows. Statement 123(R), which we expect to adopt in the first quarter of 2006, is generally similar to Statement 123, however, it will require all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values. Thus, pro forma disclosure will no longer be an alternative to financial statement recognition. We believe, upon the adoption of Statement 123(R), the impact on our results of operations or financial position will be similar to the impact as reflected in Footnote 1 describing Stock Based Compensation.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

The following information should be read in conjunction with the Financial Statements, including the notes thereto, included elsewhere in this Form 10-QSB, and the Management's Discussion and Analysis of Financial Condition and Results of Operations included in our 2004 Annual Report on Form 10-KSB filed with the Securities and Exchange Commission on March 14, 2005.

Overview

We are an emerging, early-stage biotechnology company aimed at adding value to novel technologies and products sourced from innovative research at the University of Florida and other academic centers. Our strategy is to in-license and to develop products through human proof-of-concept studies (Phase I and II clinical trials of the U.S. Food and Drug Administration's regulatory process) prior to partnering with major pharmaceutical, biotechnology or healthcare product firms for advanced clinical development and commercialization. Since inception, we have funded a significant portion of our operations from the public and private sales of our securities. We have generated no significant revenues from operations during the last two years. All of our revenues have been from a sponsored research agreement and SBIR grants which have expired. We have not generated revenues from sales of products.

We are currently seeking to develop several products, each of which addresses potentially large market opportunities:

Replacement therapy is a single, painless one-time topical treatment that has the potential to offer lifelong protection against dental caries (tooth decay). The therapy is based on genetically altering the bacterium, Streptococcus mutans, which is the primary etiologic agent in tooth decay. Present in the normal flora of the mouth, Streptococcus mutans converts dietary sugar to lactic acid; the lactic acid, in turn, causes the erosion of tooth enamel that results in the destruction of the tooth surface and eventually the entire tooth. Replacement therapy permanently replaces resident acid-producing Streptococcus mutans with a patented, genetically engineered strain of Streptococcus mutans that does not produce lactic acid. Applied topically to tooth surfaces with a swab, the therapy requires only one application. We have begun Phase I clinical trials and expect to partner with a major healthcare products or pharmaceutical company prior to initiating later stages of clinical testing. To facilitate further patient recruitment in our Phase I clinical trial, we have opened an additional clinical site in Miamiville, Ohio. Our efforts regarding patient enrollment continue and we remain committed to complete the human safety study of replacement therapy to the satisfaction of the FDA.

Mutacin 1140 is a highly potent bactericidal peptide that is produced by our strain of Streptococcus mutans. Our proprietary mutacin



bacteria was discovered by our researchers during the course of developing replacement therapy and is a novel antibiotic that has broad-spectrum antimicrobial activity against essentially all Gram-positive bacteria including vancomycin-resistant Staphylococcus aureus. The antibiotic currently is in preclinical stages of development. During the second quarter of 2005, we completed development of a proprietary manufacturing process for mutacin 1140, which overcame a previous hurdle to that molecule's development. We are now able to manufacture in sufficient quantities to allow us to conduct preclinical studies needed to enable the filing of an Investigational New Drug (IND) application. We currently plan to perform in vitro antimicrobial susceptibility and genotoxicity testing during the second half of 2005 before performing more detailed animal safety and efficacy studies using mutacin 1140. Upon successful completion of this testing and the animal studies we expect to be positioned to file an IND in the fourth quarter of 2006.

Probiotics are live microorganisms that confer health benefits to the host when administered in adequate amounts; the use of yogurt containing live Lactobacillus cultures is an example of a probiotic application. We have identified three natural strains of bacteria that provide significant protection against the causative organisms of periodontal disease and dental caries. Because probiotic treatments may be marketed as "health supplements" without the need for extensive regulatory oversight, we believe that we may achieve commercialization of our probiotic product in certain markets in 2006. We are continuing our efforts to seek partners in Europe and Asia for market opportunities for our oral probiotic technology. If successfully developed, our oral rinse product will be one of the first probiotics to be marketed for the maintenance of oral health.

IVIAT and CMAT are technologies we licensed from iviGene Corporation, a company related to us by common ownership. These technologies enable the simple, fast identification of novel and potentially important gene targets associated with the natural onset and progression of infections, cancers and other diseases in humans and other living organisms, including plants. This licensed technology offers us the potential to generate and develop a number of product candidates for future out-licensing to corporate partners, particularly in the area of cancer and tuberculosis, as well as agricultural and other non-human uses.

Business Objectives and Milestones

The specific goal of our business is to successfully develop, clinically test and obtain FDA approval for sales of products based on our licensed, patented technologies. Our strategy is to develop novel technologies through human proof-of-concept studies (Phase I or II clinical trials) prior to partnering with major pharmaceutical, biotechnology or health care product firms for advanced clinical development and commercialization. Upon successful completion of proof-of-concept studies, we intend to consider sublicensing our licensed, patented technologies to one or more strategic partners that would be responsible for advanced clinical development, completing the U.S. Food and Drug Administration's approval process, and manufacturing and marketing our products. In order to accomplish these objectives, we must take the following actions:

Replacement Therapy

1. Successfully complete Phase I clinical trials.

2. Obtain FDA approval for a pivotal trial.



Mutacin 1140

1. Complete preclinical studies, including animal toxicity and efficacy, required for an investigational new drug application submission.

2. Submit an investigational new drug application to the FDA.

Probiotic Technology

1. Develop appropriate manufacturing and packaging systems.

2. Complete one human study.

The above actions, individually and in the aggregate, are expected to be costly to undertake and complete and will require additional capital over and above what we currently have available to us. Our current available capital limits our ability to continue the development of all of our technologies. We expect the near-term focus of our capital resources to be primarily on the continued development of our replacement therapy and the ongoing Phase I clinical study. We also anticipate focusing on preparing for animal studies of our mutacin 1140 technology. See Liquidity and Capital Resources below. We believe, provided sufficient capital is available, that we will be able to begin to generate ongoing revenue from our development efforts with our oral probiotics technology sometime within the next two years. This time period could change depending on the progress of our development efforts and our ability to negotiate a partnering arrangement, as well as our efforts to raise additional capital.

Critical Accounting 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. The preparation of financial statements in accordance with accounting principles generally accepted in the United States 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. Our financial statements do not include any significant estimates that would have a material impact on our results of operations or financial condition.

New Accounting Pronouncements

In December 2004, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 123 (revised 2004), Share-Based Payment ("Statement 123(R)"), a revision of FASB Statement No. 123, Accounting for Stock-Based Compensation. Statement 123(R) supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees, and amends FASB Statement No. 95, Statement of Cash Flows. Statement 123(R), which we expect to adopt in the first quarter of 2006, is generally similar to Statement 123, however, it will require all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values. Thus, pro forma disclosure will no longer be an alternative to financial statement recognition. We believe, upon the adoption of Statement 123(R), the impact on our results of operations or financial position will be similar to the impact as reflected in Footnote 1 describing Stock Based Compensation.



Results of Operations

Three Months Ended June 30, 2005 and 2004

We had no revenues in the three months ended June 30, 2005 and revenues associated with an SBIR grant were $44,235 in the three months ended June 30, 2004. Our operating expenses increased 21% to $874,963 in the three months ended June 30, 2005 from $723,202 in the same period in 2004. Research and development expenses increased 24% to $517,717 in the three months ended June 30, 2005 from $418,384 in the same period in 2004. The increase, amounting to approximately $99,500, reflects additional depreciation for new equipment approximating $58,500, costs relating to the clinical trial program for replacement therapy totaling approximately $43,500, increased research and development salaries and associated costs of approximately $44,500, minimum royalty payments for our technologies of $25,000, additional costs to operate our new facilities amounting to approximately $17,500, increased costs of approximately $5,000 for outside consultants on our technologies other than replacement therapy, less reductions in patent protection expenses of approximately $64,000, and expenses in connection with compensation expense for options approximating $30,500 caused by a significantly lower stock price in 2005. General and administration expenses increased 17% to $357,246 in the three months ended June 30, 2005 from $304,818 in the same period in 2004. The total increase of approximately $52,500 reflects fees paid to assist with financing of approximately $107,500 and $48,000 in associated legal fees, additional premiums of approximately $14,000 for directors' and officers' liability insurance, increased personnel costs of approximately $24,000, increased costs to operate our new facilities of approximately $9,000, offset by higher fees charged by the American Stock Exchange in 2004 due to our initial filing totaling $58,000, compensation expense for options approximating $43,000 caused by a significantly lower stock price in 2005, reduced travel costs of approximately $33,000 and reduced use of consultants approximating $15,000.

Interest income increased 9% to $12,292 in the three months ended June 30, 2005 from $11,305 during the same period in 2004, reflecting the higher interest rates in 2005. We incurred interest expense of $10,010 in the three months ended June 30, 2005 as result of interest on a note payable to our bank. There was no interest expense in the same period in 2004 as we had no outstanding debt that incurred such charges.

We incurred net losses of $872,681 and $667,662 during the three months ended June 30, 2005 and 2004, respectively. The increase in our net loss amounting to $205,019 was principally caused by our hiring additional personnel and the increase in costs associated with supporting those employees, the costs relating to financing activities, the costs associated with conducting clinical studies and performing basic research and depreciation expenses on new equipment purchases to support our research efforts.

Six Months Ended June 30, 2005 and 2004

We had no revenues in the six months ended June 30, 2005 and revenues associated with an SBIR grant were $44,235 in the six months ended June 30, 2004. Our operating expenses increased 38% to $1,754,067 in the six months ended June 30, 2005 from $1,267,662 in the same period in 2004. Research and development expenses increased 71% to $1,164,903 in the six months ended June 30, 2005 from $680,679 in the same period in 2004. The increase amounting to approximately $484,000, reflects $269,000 in costs associated with the clinical trial program of our replacement therapy technology, increased research and



development salaries and associated costs of approximately $137,500, increased depreciation for new equipment purchased amounting to approximately $97,500, costs of operating the new facility approximating $44,000, increased costs for supplies of approximately $28,000 as a result of the increase in our research staff, minimum royalty payments for our technologies of $50,000, an increase of approximately $15,000 for the use of consultants on our probiotics technology, less reductions in expenses in connection with compensation expense for options approximating $106,500 caused by a significantly lower stock price in 2005 and patent protection expenses of approximately $50,500. General and administration expenses increased less than 1% to $589,164 in the six months ended June 30, 2005 from $586,983 in the same period in 2004. Major differences during the two six-month periods related to higher costs in 2005 for financing fees and related legal fees approximating $147,000, higher personnel related costs of approximately $60,500, increased accounting fees of approximately $28,000, increased premiums for directors' and officers' insurance of approximately $28,000, increased costs for our Board of Directors approximating $16,500, higher facility costs approximating $11,500, offset by reduced expenses in connection with compensation expense for options approximating $170,500 caused by a significantly lower stock price in 2005, higher fees charged by the American Stock Exchange in 2004 due to our initial filing totaling $58,000, decreased costs associated with travel approximating $34,000, and decreased consulting costs approximating $27,000.

Interest income increased 47% to $26,911 in the six months ended June 30, 2005 from $18,325 during the same period in 2004, reflecting the higher interest rates in 2005. We incurred interest expense of $11,655 in the six months ended June 30, 2005 as result of a note payable to our bank. There was no interest expense in the same period in 2004 as we had no outstanding debt that incurred interest charges.

We incurred net losses of $1,738,811 and $1,205,102 during the six months ended June 30, 2005 and 2004, respectively. The increase in our net loss amounting to $533,709 was principally caused by our hiring additional personnel and the increase in costs associated with supporting those employees, the costs relating to financing activities, the costs associated with conducting clinical trials and performing basic research and depreciation expenses on new equipment purchases to support our research efforts.

Liquidity and Capital Resources

Our operating activities used cash of $2,181,426 for the six months ended June 30, 2005 and $1,344,778 for the six months ended June 30, 2004. Our working capital was $1,423,011 as of June 30, 2005. Cash used by operations in the six months ended June 30, 2005 resulted primarily from our net loss from operations of $1,738,811 as well as an increase to prepaid expenses of approximately $70,000, a decrease in accounts payable and accrued expenses of approximately $185,700 and non-cash reversal of expenses for stock-based compensation of approximately $304,400, offset by depreciation of approximately $117,300.

Our investing activities used cash of approximately $661,100 for the six months ended June 30, 2005 for the acquisition of property and equipment. We anticipate spending less than $50,000 on additional property and equipment during the second half of 2005.

Our financing activities provided approximately $778,500 in cash for the six months ended June 30, 2005, which consists of $615,192 in proceeds from a note payable to our bank less approximately $47,000 in principal payments on the note as well as $290,200 from the issuance of common stock. On February

24, 2005, we entered into a Business Loan Agreement with our bank that funded $615,192 of laboratory equipment purchases. The loan has a term of 37 months with the first month's payment of interest only and the remaining monthly payments of principal and interest of approximately $19,000 per month. Interest is calculated at the prime rate as published in the Wall Street Journal (6.25% at June 30, 2005) plus 1.00%. Interest can never be below 5.75% or above 17.5%. The loan is collateralized by the equipment being purchased as well as all equipment currently owned by us and the agreement requires us to maintain working capital of $750,000.

Because of our limited available financial resources, we have had to take initial steps to slow the pace of our development efforts until additional capital is available to us. We now anticipate that direct costs in 2005 associated with conducting Phase I of the clinical testing program on our replacement therapy technology will be approximately $800,000, of which approximately $500,000 was spent in the six months ended June 30, 2005. These costs have been lowered primarily due to our plan to delay the contract manufacturing of additional supplies of our replacement therapy technology to be used in later clinical studies until we have sufficient capital to fund that manufacturing. Those contract manufacturing costs are expected to be approximately $900,000. During the remainder of 2005, provided sufficient funding is available, we would anticipate spending approximately $225,000 for performing animal studies on our mutacin 1140 technology. Such costs are expected to consist of approximately $80,000 for contract research, $90,000 for employee salaries and fringe benefits and $55,000 for laboratory supplies and other related direct costs.

Our business is based on commercializing entirely new and unique technologies, and our current business plan contains a variety of assumptions and expectations that are subject to uncertainty, including assumptions and expectations about manufacturing capabilities, clinical testing cost and pricing, continuing technological improvements, strategic licensing relationships and other relevant matters. These assumptions take into account recent financings, as well as expected but currently unidentified additional financings. We have experienced losses from continuing operations during the last two fiscal years and have an accumulated deficit of $7,210,794 as of June 30, 2005. Cash used in continuing operations for 2004 was $2,745,243 and for the first six months of 2005 was $2,181,426. At June 30, 2005, our principal source of liquidity was $1,682,240 of cash and cash equivalents. These operating results occurred while developing and attempting to commercialize and manufacture products from entirely new and unique technologies. Our business plan requires significant spending related primarily to clinical testing expenditures, as well as conducting basic research. These factors place a significant strain on our limited financial resources and adversely affect our ability to continue as a going concern. Our ultimate success depends on our ability to continue to raise capital for our operations.

Our capital requirements during the remainder of 2005 will depend on numerous factors, including the success of our research and development, the resources we devote to develop and support our technologies, and the success of pursuing strategic licensing and funded product development relationships with external partners. We expect to incur substantial expenditures to further 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 being a public company. We believe our working capital at June 30, 2005 is not adequate to meet our business objectives as presently structured. We will require substantial funds to conduct research and development and preclinical and Phase I clinical testing of our licensed, patented technologies and to develop sublicensing relationships for the Phase II and III clinical testing and manufacture and marketing of any products that are approved for commercial sale. We recognize that we must generate additional capital resources to enable us to continue as a going concern. Our plans include



seeking financing, alliances or other partnership agreements with entities interested in our technologies, or other business transactions that would generate sufficient resources to assure continuation of our operations and research and development programs.

In February 2005, the Company entered into an agreement with an

investment advisory firm to assist in raising additional capital by acting as a financial advisor and placement agent. Also, on May 23, 2005, the Company entered into a Common Stock Purchase Agreement with Fusion Capital Fund II, LLC ("Fusion Capital") allowing the Company to sell up to $15,000 worth of its common stock daily to Fusion Capital at a price based on the market price. Fusion Capital does not have the right or obligation to purchase shares of our common stock from us in the event that the price of our common stock is less than $0.75 per share. Although the Company has entered into this agreement and is continuing to work with the investment advisory firm, there can be no assurance that sufficient financing will be available through our agreement with Fusion Capital. Our future success depends on our ability to continue to raise capital and ultimately generate revenue and attain profitability. We 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 us or, if available, will be on terms acceptable to us. If we issue additional securities to raise funds, these securities may have rights, preferences, or privileges senior to those of our common stock, and our current stockholders may experience substantial dilution.

To date, we have not obtained financing sufficient to support all of our plans going forward. Until such time as additional financing for our operations is obtained, we expect to curtail our spending on certain programs. Accordingly, we have taken steps to reduce our operating costs including, but not limited to, curtailing new hires, limiting the use of outside consultants and reducing other operating costs. These cost restraints may cause a delay in some of our development plans, however, we will continue to focus on our replacement therapy technology and the completion of Phase I clinical trials. As a result of these limits on spending, we currently believe we will have sufficient cash resources to continue operations through the end of 2005. Thereafter, without sufficient capital to fund our operations, we will be unable to continue as a going concern and will have to cease operations.



Risk Factors Affecting Our Business

You should carefully consider the risks described below as well as the risk factors set forth in our previously filed annual report on Form 10-KSB in the "Risk Factors" section before making an investment decision in our securities. All of these risks may impair our business operations. The risk factors set forth below are the specific risk factors which have been updated to reflect material changes to the risk factors previously disclosed in our Form 10-KSB for the year ended December 31, 2004. The forward-looking statements in this Form 10-QSB and in the documents incorporated herein by reference involve risks and uncertainties and actual results may differ materially from the results we discuss in the forward-looking statements. If any of the risks described below or in our Form 10-KSB, or any other risks and uncertainties that we have not yet identified or that we currently believe are not material, actually occur and are material, 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 Have A Limited Operating History With Significant Losses And Expect Losses To Continue For The Foreseeable Future

We have yet to establish any history of profitable operations. We have incurred annual operating losses of $3,077,888, $1,672,954 and $699,603, respectively, during the past three fiscal years of operation. As a result, at June 30, 2005 we had an accumulated deficit of $7,210,794. Our revenues have not been sufficient to sustain our operations. We expect that our revenues will not be sufficient to sustain our operations for the foreseeable future. Our profitability will require the successful commercialization of our replacement therapy, probiotic and Mutacin 1140 technologies. No assurances can be given when this will occur or that we will ever be profitable.

Our independent registered public accounting firm has added an explanatory paragraph to their audit opinion issued in connection with the financial statements for the year ended December 31, 2004 relative to our ability to continue as a going concern. Our ability to obtain additional funding will determine our ability to continue as a going concern. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty.

We Will Require Additional Financing To Sustain Our Operations And Without It We Will Not Be Able To Continue Operations

At June 30, 2005, we had working capital of approximately $1,423,000. The independent registered public accounting firm's report for the year ended December 31, 2004, includes an explanatory paragraph to their audit opinion stating that our recurring losses from operations and limited working capital raise substantial doubt about our ability to continue as a going concern. We have an operating cash flow deficit of $2,181,426 for the six months ended June 30, 2005, and have sustained operating cash flow deficits of $2,745,243 in 2004, $1,218,910 in 2003 and $677,442 in 2002. We do not currently have sufficient financial resources to fund our operations. Therefore, we need additional funds to continue these operations.

We only have the right to receive $15,000 per trading day under the agreement with Fusion Capital unless our stock price equals or exceeds $2.20 in which case the daily amount may be increased under certain conditions as the price of our common stock increases. Fusion Capital shall neither have the right



nor the obligation to purchase any shares of our common stock on any trading days that the market price of our common stock is less than $0.75. Since we initially registered 4,000,000 shares for sale by Fusion Capital, the selling price of our common stock to Fusion Capital will have to average at least $2.25 per share for us to receive the maximum proceeds of $9,000,000 without registering additional shares of common stock.

We have authorized the sale and issuance of 4,000,000 shares of our common stock to Fusion Capital under the common stock purchase agreement of which we registered 4,000,000 shares. We estimate that the maximum number of shares we will sell to Fusion Capital under the common stock purchase agreement will be 4,000,000 shares (exclusive of the 315,421 shares issued to Fusion Capital as the commitment fee) assuming Fusion Capital purchases all $9.0 million of common stock. Subject to approval by our board of directors, we have the right, but not the obligation, to issue more than 4,000,000 shares to Fusion Capital. In the event we elect to issue more than 4,000,000 shares offered hereby, we will be required to file a new registration statement and have it declared effective by the U.S. Securities & Exchange Commission.

In the event that we decide to issue more than 2,917,985 (19.99% of our outstanding shares of common stock as of the date of our agreement), we would first be required to seek stockholder approval in order to be in compliance with American Stock Exchange rules. We have issued 315,421 shares to Fusion Capital as a commitment fee and accordingly may issue up to 2,602,564 shares to Fusion Capital before we would be required to seek stockholder approval in order to be in compliance with American Stock Exchange rules. Assuming a purchase price of $1.70 per share (the closing sale price of the common stock on June 30, 2005) and the purchase by Fusion Capital of 2,602,564 shares under the common stock purchase agreement, proceeds to us would only be $4,424,359, unless we elect to sell more than 2,602,564 shares to Fusion Capital, which we have the right, but not the obligation, to do.

We must spend at least $1 million annually on development of our replacement therapy and Mutacin 1140 technologies under our license agreements with the University of Florida Research Foundation, Inc. We must also comply with certain other conditions of our licenses. If we do not, our licenses to these technologies may be terminated, and we may have to cease operations.

We hold our replacement therapy and Mutacin 1140 technologies under licenses from the University of Florida Research Foundation, Inc. Under the terms of the licenses, we must spend at least $1 million per year on development of those technologies before the first commercial sale of products derived from those technologies. If we do not, our licenses could be terminated. Until commercial sales of such products take place, we will not be earning revenues from the sale of products and will, therefore, have to raise the money we must spend on development of our technologies by other means, such as the sale of our common stock. There is no assurance we will be able to raise the financing necessary to meet our obligations under our licenses. If we cannot, we may lose our licenses to these technologies and have to cease operations.

The University of Florida Research Foundation, Inc. may terminate our licenses in respect of our replacement therapy technology and our Mutacin 1140 technology if we breach our obligations to timely pay monies to it, submit development reports to it or commit any other breach of the covenants contained in the license agreement. There is no assurance that we will be able to comply with these conditions. If our license is terminated, our investment in development of our replacement therapy and Mutacin 1140 technologies will become valueless and we may have to cease operations.



The sale of shares by the selling stockholders as contemplated by the registration statement filed by us may encourage our other shareholders to sell their stock and have an adverse impact on the market price of our common stock, and the sale to Fusion Capital Fund II, LLC of shares under the common stock purchase agreement will result in dilution to our existing shareholders.

The sale of our common stock by the selling stockholders named in the registration statement we filed as contemplated thereby will increase the number of our publicly traded shares, which could depress the market price of our common stock. Moreover, the mere prospect of resales by the selling stockholders as contemplated by the registration statement could depress the market price for our common stock. The issuance of shares to Fusion Capital under the common stock purchase agreement will dilute the equity interest of existing shareholders and could have an adverse effect on the market price of our common stock.

The perceived risk of dilution may cause our shareholders to sell their shares, which would contribute to a decline in the price of our common stock. Moreover, the perceived risk of dilution and the resulting downward pressure on our stock price could encourage investors to engage in short sales of our common stock. By increasing the number of shares offered for sale, material amounts of short-selling could further contribute to progressive price declines in our common stock.

The sale of our common stock to Fusion Capital may cause dilution and the sale of the shares of common stock acquired by Fusion Capital could cause the price of our common stock to decline.

The purchase price for the common stock to be sold to Fusion Capital pursuant to the common stock purchase agreement will fluctuate based on the price of our common stock. All shares acquired by Fusion Capital and resold pursuant to the registration statement will be freely tradable. Fusion Capital may sell none, some or all of the shares of common stock purchased from us at any time. We expect that the shares offered pursuant to the registration statement we filed in connection with our obligation under the Fusion Capital transaction will be sold over a period of up to 30 months from the date of the effectiveness of the registration statement. Depending upon market liquidity at the time, a sale of such shares at any given time could cause the trading price of our common stock to decline. The sale of a substantial number of shares of our common stock, or anticipation of such sales, could make it more difficult for us to sell equity or equity-related securities in the future at a time and at a price that we might otherwise wish to effect sales. To the extent our stock price declines below $0.75 we will not be able to sell any shares of our common stock to Fusion Capital in which case our ability to acquire needed capital will be adversely affected and our business could be harmed.

Our stock price historically has been volatile and our stock's trading volume has been low.

The market price of our common stock has been and is expected to continue to be highly volatile. Factors, including announcements of technological innovations by us or other companies, regulatory matters, new or existing products or procedures, concerns about our financial position, operating results, litigation, government regulation, developments or disputes relating to agreements, patents or proprietary rights, may have a significant impact on the market price of our stock. In addition, potential dilutive effects of future sales of shares of common stock by stockholders and by the Company, including Fusion Capital and subsequent sale of common stock by the holders of warrants and options could have an adverse effect on the market price of our shares.

Although our common stock began trading on the American Stock Exchange under the symbol "ONI" on May 20, 2004, the trading price of our common stock



has been, and may be, subject to wide fluctuations in response to a number of factors, many of which are beyond our control. These factors include:

- quarter-to-quarter variations in our operating results;
- the results of testing, technological innovations, or new commercial products by us or our competitors;
- governmental regulations, rules, and orders;
- general conditions in the healthcare, dentistry, or biotechnology industries;
- comments and/or earnings estimates by securities analysts;
- developments concerning patents or other intellectual property rights;
- litigation or public concern about the safety of our products;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- additions or departures of key personnel;
- release of escrow or other transfer restrictions on our outstanding shares of common stock or sales of additional shares of common stock;
- potential litigation;
- adverse announcements by our competitors; and
- the additional sale of common stock by us in a capital raising transaction.

Historically, the daily trading volume of our common stock has been relatively low. We cannot guarantee that an active public market for our common stock will be sustained or that the average trading volume will remain at present levels or increase. In addition, the stock market in general, has experienced significant price and volume fluctuations. Volatility in the market price for particular companies has often been unrelated or disproportionate to the operating performance of those companies. Broad market factors may seriously harm the market price of our common stock, regardless of our operating performance. In addition, securities class action litigation has often been initiated following periods of volatility in the market price of a company's securities. A securities class action suit against us could result in substantial costs, potential liabilities, and the diversion of management's attention and resources. Since our initial public offering and through July 31, 2005 our stock price has fluctuated from $4.45 to $1.40 per share. To the extent our stock price fluctuates and/or remains low, it could impair our ability to raise capital through the offering of additional equity securities.

## Forward-Looking Statements

Certain oral statements made by management from time to time and certain statements contained herein and in documents incorporated herein by reference that are not historical facts are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and, because such statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. The terms "Oragenics," "Company," "we," "our," and "us" refer to Oragenics, Inc. The words "expect," "believe," "goal," "plan," "intend," "anticipate," "estimate," "will" and similar expressions and variations thereof if used, are intended to specifically identify forward-looking statements. Forward-looking statements are statements



regarding the intent, belief or current expectations, estimates or projections of Oragenics, our directors or our officers about Oragenics and the industry in which we operate, and assumptions made by management, and include among other items, (i) our strategies regarding growth, including our intention to develop and market our products; (ii) our financing plans; (iii) trends affecting our financial condition or results of operations; (iv) our ability to continue to control costs and to meet our liquidity and other financing needs; (v) our ability to respond to and meet regulatory demands; and (vi) our expectation with

respect to generating revenues from our technologies. These statements are not guarantees of future performance and are subject to a number of known and unknown risks, uncertainties, and other factors, including those discussed above and elsewhere in this report and those set forth under "Risk Factors Affecting Our Business" in our 2004 Annual Report on Form 10-KSB filed with the Securities and Exchange Commission, that could cause actual results to differ materially from future results, performances, or achievements expressed or implied by such forward-looking statements. Consequently, undue reliance should not be placed on these forward-looking statements. Although we believe our expectations are based on reasonable assumptions, we can give no assurance that the anticipated results will occur. We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Investors and prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various factors which include, among others, (i) general economic conditions, particularly those affecting our ability to raise additional capital; (ii) conditions in the capital markets, including the interest rate environment and the availability of capital, which could affect our internal growth and possibilities for licensing and/or strategic alliances; (iii) changes in the competitive marketplace that could affect our expected revenue and/or costs of product development; (iv) our rights to the use of intellectual property and the potential for others to challenge and otherwise adversely affect or impair such rights; (v) our inability to successfully partner with manufacturers and distributors with respect to our technologies; and (vi) other factors including those identified in our filings from time to time with the SEC.

## ITEM 3. CONTROLS AND PROCEDURES

### Disclosure Controls and Procedures

We have established and are currently maintaining disclosure controls and procedures for our Company designed to ensure that information required to be disclosed in our filings under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the required time periods specified in the SEC's rules and forms. Our Chief Executive Officer and Chief Financial Officer conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures and have concluded that our disclosure controls and procedures are effective as of the end of the period covered by this report.

### Changes in Internal Controls

We have also evaluated our internal controls over financial reporting, and there have been no changes in our internal controls over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.



# PART II - OTHER INFORMATION

## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

a. We issued the following restricted securities during the period covered by this report to the named individuals and entities pursuant to exemptions under the Securities Act of 1933 including Section 4(2).

   On May 23, 2005, we issued 315,421 shares to Fusion Capital Fund II, LLC as payment of a commitment fee in connection with a common stock purchase agreement entered into between the Company and Fusion Capital.

   During the period, we issued a total 273,880 shares of common stock upon the exercise of outstanding warrants at an exercise price of $1.25 per share. These warrants were originally acquired by the

underwriters of our initial public offering, Haywood Securities, Inc., in connection with the consummation of our offering and were subject to expiration unless exercised on or before June 24, 2005.

b. Note 2 of the Financial Statements included in Part I of this filing of Form 10-QSB as to use of proceeds through June 30, 2005 is hereby incorporated by reference.

c. None

ITEM 5. OTHER INFORMATION

Subsequent to the end of the period covered by this report we entered into a severance agreement with our former Chief Executive Officer, Mento A. Soponis. Mr. Soponis resigned his position as our Chief Executive Officer in early July 2005, however, he remains a director of the Company. Consistent with the terms of Mr. Soponis' employment agreement, we will continue to pay him $15,000 per month until July 6, 2006. A copy of the Agreement of Separation and Release is included in the Exhibits in Part II, Item 6.

Effective July 6, 2005, Dr. Robert T. Zahradnik was named acting president and chief executive officer of the Company replacing Mento A. Soponis. Dr. Zahradnik resigned his position on the Board of Directors in order for the Company to comply with the American Stock Exchange's small business required ratio of at least 50% of the board being independent board members. The Company agreed to a compensation arrangement with Dr. Zahradnik and the material terms include monthly compensation of $15,000, as well as medical and dental insurance and retirement compensation consistent with the Company benefits offered to all employees. Copies of letters to Dr. Zahradnik summarizing his employment arrangement are included in the Exhibits in Part II, Item 6.



ITEM 6. EXHIBITS

<TABLE>
<CAPTION>

| Exhibit Number | Exhibit Description | Incorporated by Reference | | | | Filed Herewith |
|---|---|---|---|---|---|---|
| | | Form | File No | Exhibit | Filing Date | |
| <S> | <C> | <C> | <C> | <C> | <C> | |
| 4.4 | Form of private placement Subscription Agreement (including registration rights) | 10-KSB | 000-50614 | 4.4 | 03/14/05 | |
| 4.5 | Warrant Amendment Agreement (including form of replacement warrant) between the Company and The Arbitrage Fund, Mark Campbell, The Harold T. Grisham Living Trust and Westminster Securities dated May 31, 2005 | SB-2 | 333-125660 | 4.5 | 06/09/05 | |
| 4.6 | Common Stock Purchase Agreement with Fusion Capital Fund II, LLC, dated as of May 23, 2005 | 8-K | 000-50614 | 4.5 | 05/23/05 | |
| 4.7 | Registration Rights Agreement with Fusion Capital Fund II, LLC, dated as of May 23, 2005 | 8-K | 000-50614 | 4.6 | 05/23/05 | |
| 10.1 | Agreement of Separation and Release with Mento A. Soponis | | | | | X |
| 10.2 | Letters summarizing the employment arrangement with Robert T. Zahradnik | | | | | X |
| 31.1 | Rule 13a-14(a)/15d-14(a) Certification | | | | | X |
| 31.2 | Rule 13a-14(a)/15d-14(a) Certification | | | | | X |
| 32.1 | Section 1350 Certifications | | | | | X |
| 32.2 | Section 1350 Certifications | | | | | X |

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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 11th day of August, 2005.

ORAGENICS, INC.

BY: /s/ Robert T. Zahradnik
Robert T. Zahradnik, Acting President and
Principal Executive Officer

BY: /s/ Paul A. Hassie
Paul A. Hassie, Secretary, Treasurer, Principal
Accounting Officer and Principal Financial Officer

Exhibit 10.1

# AGREEMENT OF SEPARATION AND RELEASE

THIS AGREEMENT OF SEPARATION AND RELEASE ("Agreement") is made and entered into as of July 6, 2005 by and between MENTO A. SOPONIS, ("Employee") and ORAGENICS, INC., a Florida corporation (the "Company").

WHEREAS, Employee is employed as the Company's President and Chief Executive Officer, pursuant to the terms of an Employment Agreement dated January 1, 2004 (the "Employment Agreement") and is a member of the Company's Board of Directors;

WHEREAS, the Company and Employee have mutually agreed that it is desirable to end Employee's employment relationship with the Company on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, Employee and the Company, intending to be legally bound hereby and in consideration of the mutual promises contained herein, do hereby agree as follows:

1. Resignation. Employee and the Company mutually agree that Employee will resign from his position as President and Chief Executive Officer, and will resign from his employment with the Company effective as of July 6, 2005 (the "Resignation Date"); provided, however, he will remain a member of the Company's Board of Directors. Employee and the Company acknowledge that notwithstanding the preceding sentence, the Company may from time to time after the Resignation Date need to discuss certain Company matters with which employee may be familiar and Employee covenants and agrees to be available to answer questions as reasonably may be necessary or requested by Company.

2. Accrued Pay. Employee will be paid his accrued salary, if any, for his services through the close of business on the Resignation Date. The Company will provide Employee with a check for his accrued salary, less payroll taxes and other applicable payroll deductions, on the next scheduled pay date.

3. Severance Pay. In exchange for the covenants and release provided by Employee in this Agreement, the Company will pay Employee severance pay consisting of twelve equal monthly payments of Fifteen Thousand Dollars ($15,000) each (the "Severance Payments") which shall commence upon expiration of the seven (7) day revocation period set forth in Section 11 provided that Employee has not earlier revoked this Agreement. These Severance Payments shall be subject to such income tax withholding and payroll taxes as the Company may determine to be required by any applicable federal, state or local law.

4. Medical Insurance. After the Resignation Date, the Company will provide Employee with a letter advising Employee of his right to continue to purchase health insurance under the Company's group medical insurance at Employee's expense for the applicable period provided for under COBRA.

5. Confidential Information. Employee agrees that he shall not disclose to any third party any confidential information concerning the Company or the Company's business which was acquired or learned during the course of Employee's employment with the Company. Employee will not retain without the Company's express consent any copies of any of the Company's business records, or other documents which are the property of the Company.

6. Non-Disparagement. Employee and the Company mutually agree that they shall not at any time (during the term of this Agreement or at any time thereafter) publicly or privately make or publish any negative, critical or disparaging comments or statements whether written or oral, about Employee, the Company or its business, or any of its officers, directors or employees. Employee and the Company (which shall include the Company's officers, directors and employees), mutually agree to speak only highly of each other during the term of this Agreement and thereafter.

7. Injunctive Relief. Employee acknowledges and agrees that it would be difficult to fully compensate the Company for damages resulting from the breach or threatened breach of any material provision of this Agreement and accordingly agrees that the Company shall be entitled to temporary and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent

injunctions, to enforce such provisions in any action or proceeding instituted in any United States District Court or in any court in the State of Florida having subject matter jurisdiction. This provision with respect to injunctive relief shall not, however, diminish the Company's right to claim and recover damages.

8. Release of the Company. As consideration for the Severance Payments and other benefits provided by the Company under this Agreement, Employee, for himself and his heirs, assigns, executors and administrators, does hereby waive and release the Company, and its successors, assigns, as well as any subsidiary of the Company, and their respective officers, directors, shareholders and employees from any and all claims, actions, causes of action, rights, suits, demands, obligations, and/or liabilities, joint or several, present, past or future, known or unknown, of whatever description, both at law and in equity, including, without limitation, all claims of employment discrimination, unjust or improper dismissal or treatment, intentional or negligent torts, retaliation, back pay, front pay, injuries, damages, reinstatement, future employment opportunities and all other claims relating to his employment or separation from employment with the Company which he may now have or may ever have had, with the exception of claims arising directly out of the Company's obligations under this Agreement, including without limitation, any claims which may be made by him or on his behalf under the Title VII of the Civil Rights Act of 1964, 42 U.S.C. ss. 1981, which prohibits discrimination in employment based on race, color, national origin, religion or sex; the federal Age Discrimination in Employment Act, 29 U.S.C. ss.621 et seq., which prohibits age discrimination in employment; the Equal Pay Act, which prohibits unequal pay for equal work; the Americans with Disabilities Act, which prohibits discrimination on the basis of disability, and any other federal, state or local laws or regulations prohibiting employment discrimination. This release is a general release and the parties intend and agree that it shall be interpreted, construed and enforced as such.

9. Release of Employee. As consideration for the covenants provided by Employee under this Agreement, the Company, for itself and its successors and assigns, does hereby waive and release Employee, and his heirs and assigns, from any and all claims, actions, causes of action, rights, suits, demands and/or liabilities, known or unknown, both at law or in equity, relating to Employee's employment with the Company or Employee's obligations under any agreements with the Company, which Employee may now have or may ever have had, with the exception of claims arising directly out of Employee's obligations under this Agreement. This release is a general release and the parties intend and agree that it shall be interpreted, construed and enforced as such.

10. Confidentiality and Non-Disclosure. Employee and the Company mutually agree to keep confidential and not disclose the existence or the terms of this Agreement to any other person or discuss the terms of this settlement with any other person provided that Employee may disclose with his accountant and his attorney, provided they also agree to keep the terms confidential and provided that the Company and the Employee shall not be precluded from disclosing the existence and terms of this Agreement to the extent required by any applicable law or regulation or by the order of a court of competent jurisdiction.

11. Right to Revoke Release. Employee has a full seven (7) calendar days following the execution of this Agreement to revoke this Agreement and has been and hereby is advised in writing that this Agreement shall not become effective or enforceable and Employee will not receive the Severance Payments described in Section 3 of this Agreement, until the seven (7) day revocation period has expired provided that Employee has not earlier revoked this Agreement. This Agreement shall become irrevocable automatically upon the expiration of the revocation period if it is not revoked by Employee during the aforesaid seven (7) day revocation period, provided however that the foregoing shall not apply to Employee's separation of association with the Company which shall be effective as of the Resignation Date.

12. Separability. If any provision of this Agreement shall be declared to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall not affect the remaining provisions hereof which shall remain in full force and effect.

13. Entire Agreement. This Agreement and the terms of any other agreements referenced or incorporated herein, constitutes the entire agreement

between Employee and the Company. The Employment Agreement is terminated in all respects other than the provisions set forth in Section 18 of the Employment Agreement including the non-compete and non-solicitation provisions contained therein which shall survive such termination and is incorporated herein. Accordingly, this Agreement supersedes all other agreements, oral understandings or other agreements or representations between Employee and the Company which have not been incorporated herein.

14. Full Review and Consideration of the Agreement. The Employee further states that he has carefully read the within and foregoing "Agreement of Separation and Release," that he is aware that he has the right to review this Agreement for a period of up to twenty-one (21) days, that he has been encouraged to review the same with an attorney of his choice, and that he knows and understands the contents of the foregoing "Agreement of Separation and Release" and that he executes the same as his own free act and deed. The Employee understands that if Employee signs this Agreement before the twenty-one (21) day period has expired then Employee shall be deemed to have waived the twenty-one (21) day consideration period.

IN WITNESS WHEREOF, the Employee and the Company have set their hands and seals to this Agreement of Separation and Release as of the date set forth above.

EMPLOYEE:

/s/ Mento A. Soponis
Mento A. Soponis

ORAGENICS, INC.

/s/ David J. Gury
David J. Gury
Chairman of the Board of Directors

Exhibit 10.2

June 30, 2005

Dr. Robert T. Zahradnik 119 Ashlei Lane Searcy, AK 72143

We are pleased to offer you, Robert T. Zahradnik (the "employee"), employment with Oragenics, Inc. (the "employer") whereby you will work with executive management performing various tasks as requested by our Board of Directors. You will be reporting directly to David Gury, Chairman of the Board of Directors.

Compensation

Your start date will be July 1, 2005 and you will be paid a monthly base salary of $15,000. This employment arrangement will be "at will" and may terminate upon 30 days written notice by either the employer or employee.

Benefits

Insurance
You are eligible for medical, dental, life insurance benefits on August 1, 2005. Our current plan is provided by Blue Cross/Blue Shield. We will pay 90% of the premium for you. A copy of the plan will be provided directly from Blue Cross/Blue Shield.

Retirement Plan
You are also eligible for the company's Simple Retirement Plan immediately upon your employment. Under this plan, we will provide a 100% match for every dollar you invest up to a maximum of 3%. A copy of the plan will be provided under separate cover.

Holidays
The paid holidays remaining in 2005 are:

July 4.....Independence Day
September 5.....Labor Day
November 24 and 25.....Thanksgiving Weekend
December 26.....Christmas
December 30.....New Years

Vacation and Sick Days
You are entitled to twenty (20) paid days per year for vacation and / or illness. Vacation days are earned at the rate of 1.67 days for each month of employment and may be carried forward indefinitely.

I hope you find this offer letter meets your expectations. If you have any questions or require further explanation regarding the above, please contact Paul Hassie or me.

Sincerely,

/s/ David J. Gury
David J. Gury
Chairman

Exhibit 10.2

July 6, 2005

Dr. Robert T. Zahradnik 119 Ashlei Lane Searcy, AK 72143

This letter shall serve as an addendum to our employment letter dated June 30, 2005, and will clarify your role as an employee of Oragenics, Inc.

Effective immediately, you will assume the position of President and Chief Executive Officer of Oragenics, Inc. as replacement of Mento A. Soponis who is resigning his position today. Your compensation and all employee benefits as documented in our letter dated June 30, 2005 will remain the same.

We look forward to your assuming this leadership role and hope for a mutually rewarding relationship.

Sincerely,

/s/ David J. Gury
David J. Gury
Chairman

Exhibit 31.1

CERTIFICATION

I, Robert T. Zahradnik, certify that:

1. I have reviewed this quarterly report on Form 10-QSB 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)) 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. 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

   c. 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: August 11, 2005 /s/ Robert T. Zahradnik

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Robert T. Zahradnik
Acting President
(principal executive officer)

Exhibit 31.2

CERTIFICATION

I, Paul A. Hassie, certify that:

1. I have reviewed this quarterly report on Form 10-QSB 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)) 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. 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

   c. 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: August 11, 2005 /s/ Paul A. Hassie

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Paul A. Hassie
Chief Financial Officer
(principal 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-QSB for the period ended June 30, 2005 as filed with the Securities and Exchange Commission on the date here of (the "Report"), I, Robert T. Zahradnik, Acting 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 11th day of August, 2005.

/s/ Robert T. Zahradnik
Robert T. Zahradnik
Acting 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-QSB for the period ended June 30, 2005 as filed with the Securities and Exchange Commission on the date here of (the "Report"), I, Paul A. Hassie, 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 11th day of August, 2005.

/s/ Paul A. Hassie
Paul A. Hassie
Chief Financial Officer