



Oragenics Part Deux: Between Dilution and Discovery

Recap of Part One

In my [first article](#) on Oragenics (OGEN), I focused on the company’s effort to “turn a new leaf” with a promising pipeline and new leadership. That piece leaned on the story of ONP-002, their intranasal therapeutic for mild traumatic brain injury (mTBI), and the strategic reset underway after years of struggles.

This follow-up takes a harder look at the financing structures underpinning OGEN’s survival — and how they shape the investment case heading into Q4 2025.

The Dilution Engine

The July 2025 Series H financing changed everything.

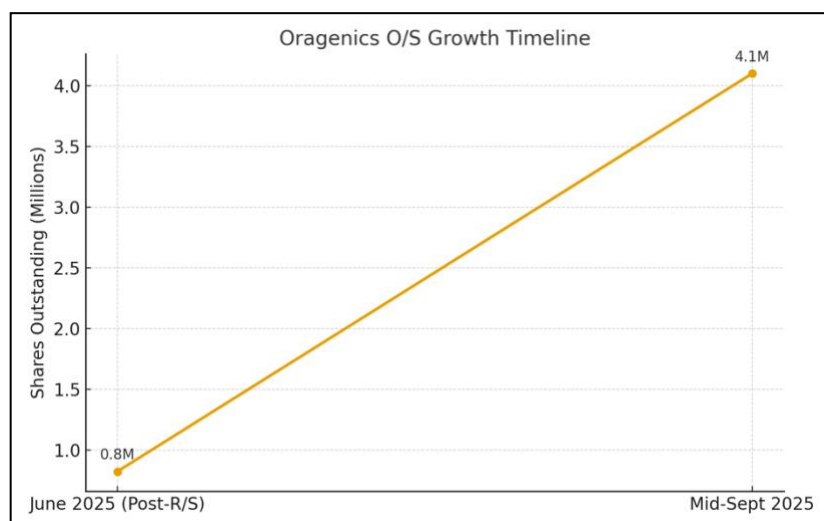
- OGEN issued **1.6M Series H Preferred shares** with **warrants** attached, raising ~\$6M gross (~\$5.5M net).
- These preferreds convert to commons at either a) a share price of \$2.50, or b) a **discount to VWAP** — a mechanism that encourages selling pressure and repeated dilution.

Dilution Pathway Table

Event	Shares O/S (approx.)	Mechanism	Net Funding to Company	Notes
Post 1-for-30 R/S (June '25)	~0.823M	Reverse split resets float	—	Clean base after R/S
Series H Financing (July '25)	+1.6M Series H Preferred (convertible)	Preferred + warrants; \$2.50 baseline + VWAP = 90% of lowest lookback VWAP	~\$5.5M net (≈\$6M gross)	Terms enable ongoing discounted conversions
Current (Sept '25)	~4.1M	VWAP-based conversions + partial warrant exercises	—	Active dilution explains heavy tape
Near-Term (FPD pop scenario)	6–8M (est.)	Accelerated conversions into liquidity + cash warrant exercises on spike	+\$0.5–1.5M possible	HFT/volume can briefly lift VWAP, then fade
Future Expansion	8–10M+	Continued VWAP conversions; additional warrant exercises as price/volume allow	Incremental (if exercised for cash)	Can “engineer” compliance via higher O/S at lower price
Max Dilution (Company disclosure)	~19.07M	Full conversion of all Series H + full cash exercise of all warrants	Up to ~\$10–12M est.	Worst-case fully diluted cap table from filing

 **NOTE:** OGEN’s own filings confirm this ceiling: **19.07M fully diluted O/S.**

The investor **Five Narrow Lane LP (5NL)** disclosed holding 81,210 shares on July 1st 2025, a 9.99% stake. However with all the dilution since then, that ownership stake % has dropped under the threshold. All other participants in the financing have so far stayed below the 5% threshold, avoiding public reporting.



O/S Growth Timeline

Visualizing the rapid dilution from the June 2025 reverse split to September 2025.

After the June reverse split, OGEN had just ~0.8M shares outstanding. By mid-August (Q2 10Q), that figure ballooned to ~4.1M, almost entirely due to Series H Preferred conversions under VWAP provisions.

Why the Float Feels Heavy

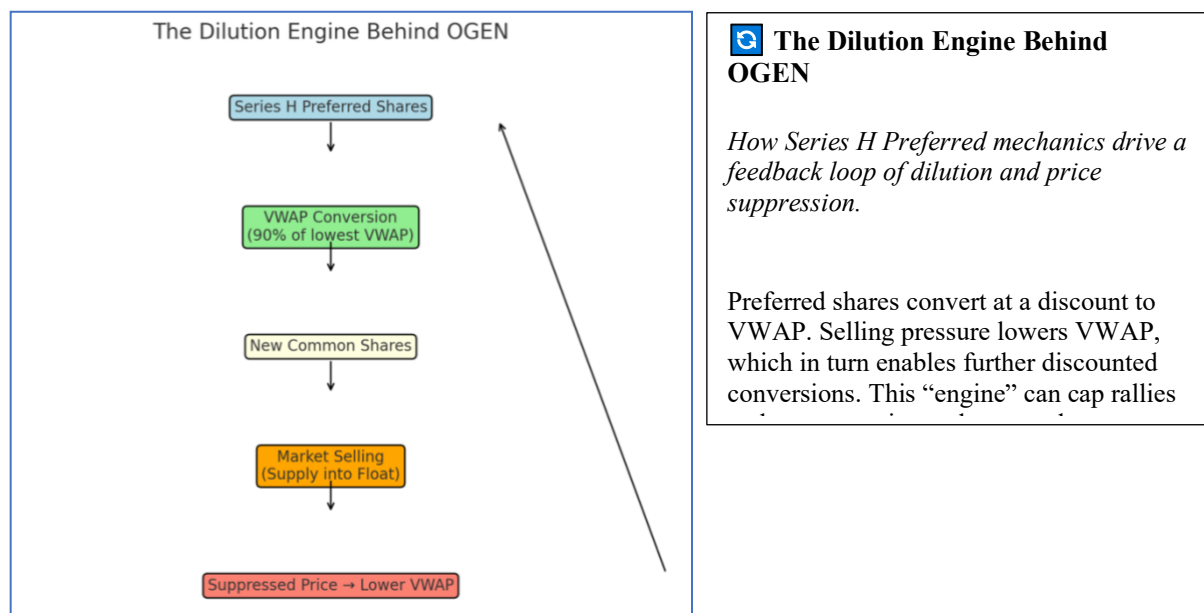
As mentioned, the Series H Preferred shares also carry a **9.99% beneficial ownership cap**, preventing any single investor from holding more than that level of the common stock. It sounds like a protection, but in practice it has the opposite effect:

- No one shows up as a dominant holder.
- Selling is distributed across multiple accounts.
- The float absorbs a steady trickle of supply, keeping rallies capped.

Some Preferred holders may even **short the stock ahead of conversion**, then cover with newly issued shares. It's a loop that lets them profit regardless of direction, while VWAP provisions ensure their conversion math improves the lower the stock trades.

This created a “silent dilution machine”:

- Conversions are broad-based and constant.
- VWAP discounts reward selling, which lowers VWAP further, which enables more discounted conversions.
- Retail feels the weight of new supply even though float screens look deceptively light.



The Compliance Illusion

Another dynamic at play is compliance with NYSE American rules. OGEN must maintain either minimum stockholders' equity or a **\$5M+ market cap**.

- With ~4.1M O/S and a ~\$1.20 stock, they hover right at the line.

- If dilution pushes O/S higher, the company could maintain compliance at lower prices — even under \$1.
- That creates a paradox: dilution may keep the lights on and satisfy the exchange, even as it traps retail.

The Speculative Biotech Case

But this isn't just a dilution story. OGEN does have a real drug in play (as described in detail in our previous article).

- **ONP-002** (mTBI intranasal therapeutic) entered **Phase 2 trials in Australia in Q3 2025**.
- Australia's regulatory pathway is faster and sometimes more flexible than the FDA's. If results are positive, approval could come there **ahead of the U.S.**
- OGEN has also filed an **IND with the FDA**, with U.S. trials expected to begin in 2026.
- mTBI is a massive unmet need (millions of cases annually, no FDA-approved therapies).

For context:

- Even at a **20M O/S ceiling**, a \$1 stock = **\$20M market cap**.
- That's still a tiny valuation for a company with a Phase 2 CNS drug, even factoring dilution.
- Positive efficacy signals could easily force a rerating, regardless of the financing overhang.

The Catalyst Trap

The “first patient dosed” (FPD) milestone in Australia is a **real catalyst** — and it could spark the type of momentum retail traders look for. Technically, OGEN has been coiling in a narrow band:

- **Support** has held near \$1.08–\$1.10.
- **Resistance** sits at \$1.34–\$1.35.
- A sustained close above \$1.35 could trigger short-covering and momentum buying, with near-term targets of \$1.50–\$1.55.

Some retail investors still point to **\$2.50** as the magic number. While \$2.50 remains a **possible trading target in a high-volume momentum event**, investors should note that **Series H conversions no longer require \$2.50** — the VWAP clause allows financiers to convert at **90% of the lowest VWAP** in a lookback period. That means rallies may be capped even before \$2.50 comes into view.

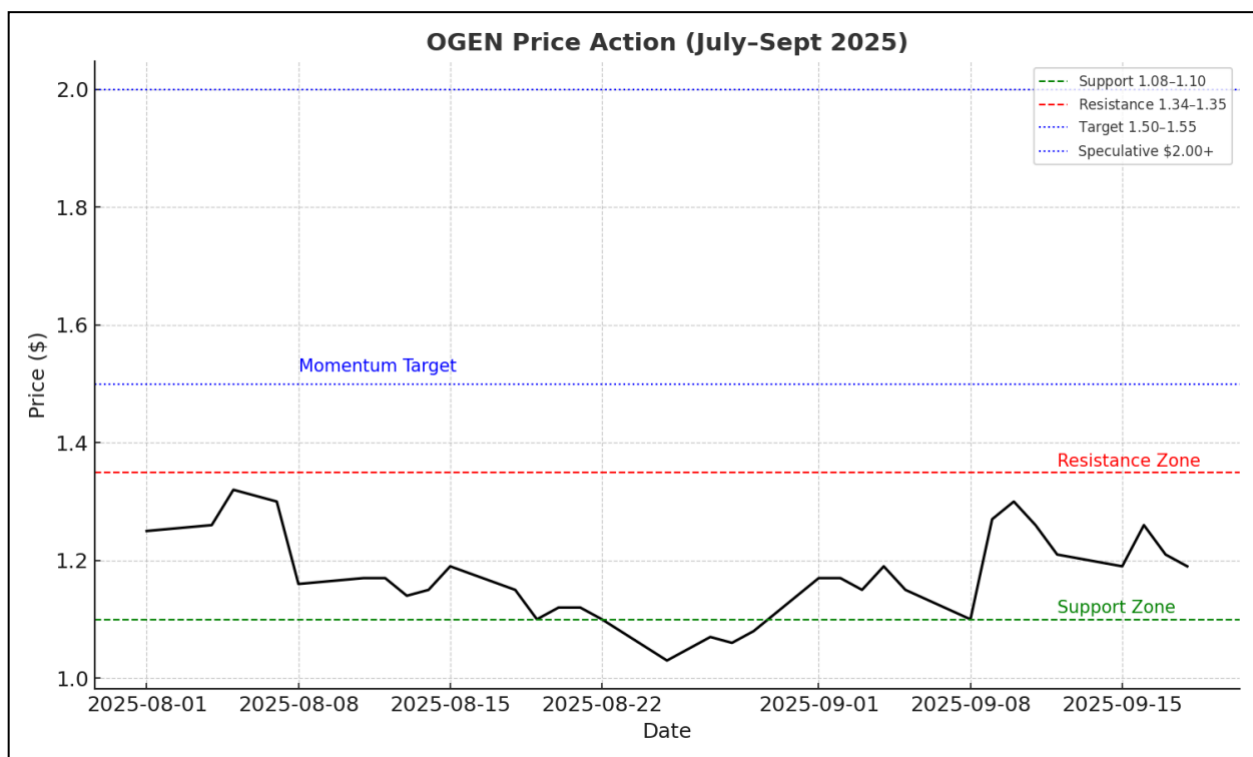
What Happens to VWAP in a Catalyst Spike?

If the FPD announcement triggers high-frequency trading (HFT):

1. **VWAP spikes higher** — massive volume at higher prices pushes the daily average upward.
2. **Dilution briefly slows** — because conversions price off a higher VWAP, financiers temporarily face less discount advantage.
3. **Financiers sell into strength** — taking liquidity at \$2.00+ if possible.
4. **VWAP resets lower** — once the stock fades back, the lookback period quickly re-establishes cheaper conversion points.

⚠️ Why This Matters for Retail

- On the **way up**, VWAP rises, giving the illusion that dilution has paused.
- On the **way down**, insiders reload by converting at fresh discounts, flooding supply back into the market.
- Retail who chased the spike often get trapped buying the **high-volume top**, while financiers lock in profits and recycle the loop.



 **Figure: OGEN Price Action (July–Sept 2025)**

A breakout above \$1.35 could target \$1.50–\$2.00, but unless sustained, VWAP-based conversions will reset and reintroduce dilution — turning catalysts into potential traps.

Bottom Line

This makes FPD a **double-edged sword**:

- It could deliver a sharp, short-lived run.
- But unless price consolidates higher for multiple sessions, it may only feed the dilution machine further.

Framing the Risk vs. Opportunity

So what's left for investors?

- **The upside case:** If the FPD catalyst is strong and attracts meaningful volume, OGEN could still deliver a **short-term spike**. Nimble traders who prepare in advance may catch a move.
- **The base case:** O/S keeps expanding via VWAP conversions, rallies stall, and the stock remains range-bound near \$1.20.
- **The bear case:** If the FPD catalyst is delayed past Q3, shorts may press the stock lower into the **October 18 compliance deadline**, triggering even more selling pressure.

The key is aligning expectations. This is not a conventional growth story. It's an event-driven trade wrapped in a financing machine.

Conclusion

Oragenics is fighting two battles at once. On one side, it has the science, partnerships, and leadership reset needed to change its trajectory. On the other, it's dealing with a financing structure that rewards dilution, suppresses rallies, and risks turning every catalyst into a liquidity trap. Investors should approach OGEN with **eyes wide open**. The dilution engine is real, and it is active. But so is the drug pipeline.

So what is OGEN?

- A **forensic dilution case study**, where retail must fight against hidden supply, VWAP conversion loops, and constant selling pressure.
- And simultaneously, a **speculative biotech lottery ticket**, where Phase 2 progress in Australia or FDA trial approval could create outsized upside from today's depressed valuation.

For those looking for a "clean" biotech, OGEN isn't it. For those comfortable with **high-risk, high-reward microcap speculation**, the combination of dilution dynamics and a Phase 2 mTBI program makes OGEN worth watching.