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

FORM 10-Q

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

For the quarterly period ended March 31, 2024

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

Commission file number: 001-35813

ORAMED PHARMACEUTICALS INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**98-0376008**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
1185 Avenue of the Americas, Third Floor, New York, NY	**10036**
(Address of Principal Executive Offices)	(Zip Code)

844-967-2633
(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading symbol**	**Name of each exchange on which registered**
Common Stock, par value $0.012	ORMP	The Nasdaq Capital Market, Tel Aviv Stock Exchange

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

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of May 9, 2024, there were 40,628,924 shares of the issuer's common stock, $0.012 par value per share, outstanding.

ORAMED PHARMACEUTICALS INC.
FORM 10-Q

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As used in this Quarterly Report on Form 10-Q, the terms "we," "us," "our," "Oramed" and the "Company" mean Oramed Pharmaceuticals Inc. and our wholly-owned subsidiaries, unless otherwise indicated. All dollar amounts refer to U.S. Dollars unless otherwise indicated.

On March 31, 2024, the exchange rate between the New Israeli Shekel, or NIS, and the dollar, as quoted by the Bank of Israel, was NIS 3.681 to $1.00. Unless indicated otherwise by the context, statements in this Quarterly Report on Form 10-Q that provide the dollar equivalent of NIS amounts or provide the NIS equivalent of dollar amounts are based on such exchange rate.

Cautionary Statement Regarding Forward-Looking Statements

The statements contained in this Quarterly Report on Form 10-Q that are not historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws and the Israeli securities law. Words such as "expects," "anticipates," "intends," "plans," "planned expenditures," "believes," "seeks," "estimates," "considers" and similar expressions or variations of such words are intended to identify forward-looking statements, but are not deemed to represent an all-inclusive means of identifying forward-looking statements as denoted in this Quarterly Report on Form 10-Q. Additionally, statements concerning future matters are forward-looking statements. We remind readers that forward-looking statements are merely predictions and therefore inherently subject to uncertainties and other factors and involve known and unknown risks that could cause the actual results, performance, levels of activity, or our achievements, or industry results, to be materially different from any future results, performance, levels of activity, or our achievements, or industry results, expressed or implied by such forward-looking statements. Such forward-looking statements include, among other statements, statements regarding the following:

- our comprehensive analysis of data from our ORA-D-013-1 Phase 3 trial and plans to move forward with a protocol for a new Phase 3 clinical trial to be submitted to the U.S. Food and Drug Administration, or FDA;
- our plan to evaluate potential strategic opportunities;
- our ability to recover the proceeds and/or collateral under the Note (as defined herein) and related agreements from Scilex Holding Company, or Scilex;
- the fluctuating market price and liquidity of the common stock of Scilex underlying the warrants we hold;
- the possibility that the anticipated benefits of the Scilex Transaction (as defined herein) are not realized when expected or at all, including as a result of the impact of, or problems arising from, the ability of Scilex to repay the Note and the ability of the Company to realize the value of the warrants;
- the ability of Oramed, Hefei Tianhui Biotech Co., Ltd., or HTIT Biotech, and Technowl Limited to reach agreement and enter into additional agreements within a three-month period of the signing of the JV Agreement (as defined herein), and the ability of the parties to succeed in the goals set out for the joint venture;
- our exposure to potential litigation;
- our ability to enhance value for our stockholders;
- the expected development and potential benefits from our products;
- the prospects of entering into additional license agreements, or other partnerships or forms of cooperation with other companies or medical institutions;
- future milestones, conditions and royalties under our license agreements;
- the potential of the Oravax Medical Inc., or Oravax, vaccine to protect against the coronavirus, or COVID-19;
- our research and development plans, including preclinical and clinical trials plans and the timing of enrollment, obtaining results and conclusion of trials;

- our belief that our technology has the potential to deliver medications and vaccines orally that today can only be delivered via injection;
- the competitive ability of our technology based on product efficacy, safety, patient convenience, reliability, value and patent position;
- the potential market demand for our products;
- our ability to obtain patent protection for our intellectual property;
- our expectation that our research and development expenses will continue to be our major expenditure;
- our expectations regarding our short- and long-term capital requirements;
- our outlook for the coming months and future periods, including but not limited to our expectations regarding future revenue and expenses; and
- information with respect to any other plans and strategies for our business.

Although forward-looking statements in this Quarterly Report on Form 10-Q reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks and uncertainties and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, without limitation, those specifically addressed under the heading "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, or our Annual Report, as filed with the Securities and Exchange Commission, or the SEC, on March 6, 2024, as well as those discussed elsewhere in our Annual Report and expressed from time to time in our other filings with the SEC. In addition, historic results of scientific research, clinical and preclinical trials do not guarantee that the conclusions of future research or trials would not suggest different conclusions. Also, historic results referred to in this Quarterly Report on Form 10-Q could be interpreted differently in light of additional research, clinical and preclinical trials results. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by law, we undertake no obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this Quarterly Report on Form 10-Q. Readers are urged to carefully review and consider the various disclosures made throughout the entirety of this Quarterly Report on Form 10-Q which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

PART I – FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

ORAMED PHARMACEUTICALS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2024

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ORAMED PHARMACEUTICALS INC.
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
U.S. Dollars in thousands (except share and per share data)
(UNAUDITED)

	March 31, 2024	December 31, 2023
Assets		
CURRENT ASSETS:		
Cash and cash equivalents	$ 18,576	$ 9,055
Short-term deposits	80,285	95,279
Investments at fair value	77,733	57,713
Prepaid expenses and other current assets	501	537
Total current assets	177,095	162,584
LONG-TERM ASSETS:		
Long-term deposits	7	7
Investments at fair value	19,544	51,035
Marketable securities	2,026	1,807
Other non-marketable equity securities	3,524	3,524
Amounts funded in respect of employee rights upon retirement	29	27
Property and equipment, net	819	873
Operating lease right-of-use assets	608	694
Total long-term assets	26,557	57,967
Total assets	$ 203,652	$ 220,551
Liabilities and stockholders' equity		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 1,267	$ 1,609
Short-term borrowings	32,034	51,013
Payable to related parties	1	325
Operating lease liabilities	254	267
Total current liabilities	33,556	53,214
LONG-TERM LIABILITIES:		
Long-term deferred revenues	4,000	4,000
Employee rights upon retirement	29	28
Provision for uncertain tax position	11	11
Operating lease liabilities	272	342
Other liabilities	63	63
Total long-term liabilities	4,375	4,444
COMMITMENTS (note 3)		
Equity		
EQUITY ATTRIBUTABLE TO COMPANY'S STOCKHOLDERS:		
Common stock, $0.012 par value (60,000,000 authorized shares; 40,519,160 and 40,338,979 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively)	487	485
Additional paid-in capital	322,172	320,892
Accumulated deficit	(156,020)	(157,556)
Total stockholders' equity	166,639	163,821
Non-controlling interests	(918)	(928)
Total equity	165,721	162,893
Total liabilities and equity	$ 203,652	$ 220,551

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

ORAMED PHARMACEUTICALS INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

U.S. Dollars in thousands (except share and per share data)

(UNAUDITED)

	Three months ended March 31,	
	2024	**2023**
REVENUES	$ -	$ 666
RESEARCH AND DEVELOPMENT EXPENSES	(1,179)	(4,427)
SALES AND MARKETING EXPENSES	-	(184)
GENERAL AND ADMINISTRATIVE EXPENSES	(1,783)	(1,263)
OPERATING LOSS	(2,962)	(5,208)
INTEREST EXPENSES	(592)	-
FINANCIAL INCOME, NET	5,088	1,597
NET INCOME (LOSS)	$ 1,534	$ (3,611)
NET INCOME (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(2)	(216)
NET INCOME (LOSS) ATTRIBUTABLE TO STOCKHOLDERS	$ 1,536	$ (3,395)
BASIC INCOME (LOSS) PER SHARE OF COMMON STOCK	$ 0.04	$ (0.08)
DILUTED INCOME (LOSS) PER SHARE OF COMMON STOCK	$ 0.04	$ (0.08)
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK USED IN COMPUTING BASIC INCOME (LOSS) PER SHARE OF COMMON STOCK	40,835,953	40,041,258
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK USED IN COMPUTING DILUTED INCOME (LOSS) PER SHARE OF COMMON STOCK	41,564,007	40,041,258

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

ORAMED PHARMACEUTICALS INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

U.S. Dollars in thousands

(UNAUDITED)

	Common Stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity	Non-controlling interests	Total equity
	Shares	$					
	In thousands						
BALANCE AS OF DECEMBER 31, 2023	40,339	$ 485	$ 320,892	$ (157,556)	$ 163,821	$ (928)	$ 162,893
CHANGES DURING THE THREE MONTH PERIOD ENDED MARCH 31, 2024							
STOCK-BASED COMPENSATION	180	2	1,280	-	1,282	-	1,282
STOCK-BASED COMPENSATION OF SUBSIDIARY	-	-	-	-	-	12	12
NET INCOME	-	-	-	1,536	1,536	(2)	1,534
BALANCE AS OF MARCH 31, 2024	40,519	$ 487	$ 322,172	$ (156,020)	$ 166,639	$ (918)	$ 165,721

	Common Stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity	Non-controlling interests	Total equity
	Shares	$					
	In thousands						
BALANCE AS OF DECEMBER 31, 2022	39,564	$ 476	$ 314,417	$ (163,081)	$ 151,812	$ (656)	$ 151,156
CHANGES DURING THE THREE MONTH PERIOD ENDED MARCH 31, 2023							
ISSUANCE OF COMMON STOCK, NET	193	2	2,428	-	2,430	-	2,430
STOCK-BASED COMPENSATION	213	3	120	-	123	-	123
STOCK-BASED COMPENSATION OF SUBSIDIARY	-	-	-	-	-	50	50
NET LOSS	-	-	-	(3,395)	(3,395)	(216)	(3,611)
BALANCE AS OF MARCH 31, 2023	39,970	$ 481	$ 316,965	$ (166,476)	$ 150,970	$ (822)	$ 150,148

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

ORAMED PHARMACEUTICALS INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
U.S. dollars in thousands
(UNAUDITED)

	Three months ended March 31,	
	2024	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 1,534	$ (3,611)
Adjustments required to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	56	37
Exchange differences and interest on deposits and held to maturity bonds	(5)	(1,267)
Changes in fair value of investments	(3,748)	(65)
Stock-based compensation	1,294	173
Gain on amounts funded in respect of employee rights upon retirement	(2)	-
Accrued interest on short-term borrowings to maturity	21	-
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	36	(34)
Accounts payable, accrued expenses and related parties	(666)	(103)
Net changes in operating lease	3	(16)
Deferred revenues	-	(666)
Liability for employee rights upon retirement	1	5
Other liabilities	-	(2)
Total net cash used in operating activities	(1,476)	(5,549)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of short-term deposits	(4,000)	(19,000)
Proceeds from short-term deposits	19,000	4,500
Proceeds from maturity of held to maturity securities	-	1,496
Proceeds from long-term investments	15,000	-
Purchase of property and equipment	(2)	(199)
Total net cash provided by (used in) investing activities	29,998	(13,203)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock, net of issuance costs	-	2,430
Loans repaid	(19,000)	-
Total net cash provided by (used in) financing activities	(19,000)	2,430
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1)	(38)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,521	(16,360)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	9,055	40,464
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 18,576	$ 24,104
(A) SUPPLEMENTARY DISCLOSURE ON CASH FLOWS -		
Interest received	$ 1,341	$ 308
Interest paid	$ (571)	$ -

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

NOTE 1 - GENERAL:

a. Incorporation and Operations

Oramed Pharmaceuticals Inc. (collectively with its subsidiaries, the "Company", unless the context indicates otherwise), a Delaware corporation, was incorporated on April 12, 2002.

On March 18, 2021, the Company entered into a license agreement (the "Oravax License Agreement") with Oravax Medical Inc. ("Oravax") and into a stockholders agreement (the "Stockholders Agreement") with Akers Biosciences Inc., Premas Biotech Pvt. Ltd., Cutter Mill Capital LLC and Run Ridge LLC. According to the Stockholders Agreement, Oravax issued 1,890,000 shares of its capital stock to the Company, representing 63% of the issued and outstanding share capital of Oravax as of the date of issuance. Consequently, Oramed consolidates Oravax in its consolidated financial statements since that time.

On November 23, 2021, Oravax incorporated a wholly-owned subsidiary in Israel, Oravax Medical Ltd., which is engaged in research and development. Effective January 1, 2022, Oravax transferred its rights and obligations under the Oravax License Agreement to Oravax Medical Ltd.

On January 11, 2023, the Company announced that the ORA-D-013-1 Phase 3 trial did not meet its primary and secondary endpoints. As a result, the Company terminated this trial and a parallel Phase 3, ORA-D-013-2 clinical trial. As these results are considered a triggering event, the Company evaluated all of its long lived assets which include fixed assets and operating lease right-of-use assets in the first quarter of 2023 and concluded that no impairment was required. The Company completed an analysis of the data from the ORA-D-013-1 Phase 3 trial and found that subpopulations of patients with pooled specific parameters, such as body mass index (BMI), baseline HbA1c, age, gender and body weight, responded well to oral insulin. These subsets exhibited an over 1% placebo adjusted, statistically significant, reduction in HbA1c. Based on this analysis, the Company is working on a protocol for a new Phase 3 clinical trial to be submitted to the FDA.

On January 22, 2024, the Company and its wholly-owned subsidiary, Oramed Ltd., entered into a joint venture agreement (the "JV Agreement"), with Hefei Tianhui Biotech Co., Ltd. ("HTIT Biotech") and Technowl Limited, a wholly-owned indirect subsidiary of HTIT Biotech ("HTIT Sub" and together with HTIT Biotech, "HTIT"), pursuant to which, subject to the terms and conditions set forth in the JV Agreement, the parties will establish a joint venture (the "JV"), based on the Company's oral drug delivery technology.

The JV will focus on the development and worldwide commercialization of innovative products based on the Company's oral insulin and POD™ (Protein Oral Delivery) pipeline and HTIT's manufacturing capabilities and technologies. The parties intend for the JV to use the protocol the Company is currently working on to initiate a Phase 3 oral insulin trial in the United States.

The Company and HTIT will initially hold equal shares in the JV, with each owning 50% of the equity. The board of directors will initially consist of equal representation from HTIT and the Company. HTIT will contribute to the JV $70,000 in cash, while the Company will contribute $20,000 (comprised of $10,000 in cash and $10,000 in shares of the Company's common stock that will be subject to certain registration rights) and will transfer intellectual property related to its oral insulin and POD™ technology, as well as other assets in the Company's pipeline. HTIT will have an option to invest additional funds into the JV up to an aggregate amount of $20,000, thereby increasing its equity holdings and granting the right to increase its board representation. The Company will be entitled to receive a 3% royalty on gross revenues of the JV generated from Company-related assets.

The consummation of the JV Agreement is subject to and contingent upon the parties entering into additional agreements within a three-month period from the signature of the JV Agreement, including an asset transfer agreement for the transfer of the Company's intellectual property to the JV, a commercial supply agreement for the manufacture and supply of products by HTIT to the JV, as well as other documents and agreements to regulate the relationship of the parties and the JV to be formed pursuant to the JV Agreement. There is no assurance that the parties will complete and sign these additional agreements within the agreed timeline or at all. If such agreements are not signed within the agreed timeframe, then either party may apply a 30-day extension, after which the JV Agreement may be terminated and voided by either party. The 30-day extension was applied by the Company on April 18, 2024 and will last until May 22, 2024. Thereafter, the consummation of the JV transaction is further subject to the satisfaction or waiver of certain other closing conditions within a three-month period following the completion of the aforesaid ancillary agreements. If the closing conditions are not met within the agreed timeframe, then either party may apply a 30-day extension, after which the JV Agreement may be terminated and voided by either party. In addition, completion of the transactions contemplated under the JV Agreement is subject to the satisfaction or waiver of customary and certain other closing conditions.

NOTE 1 - GENERAL (continued):

b. Development and Liquidity Risks

The Company is engaged in research and development in the biotechnology field for innovative pharmaceutical solutions, including an orally ingestible insulin capsule to be used for the treatment of individuals with diabetes, and the use of orally ingestible capsules for delivery of other polypeptides, and has not generated significant revenues from its operations. Following the termination of the ORA-D-013-1 and ORA-D-013-2 Phase 3 trials, the Company's research and development activities have been significantly reduced while it conducts a strategic review process. As a result, the Company is currently incurring lower research and development and sales and marketing expenses.

Based on the Company's current cash resources and commitments, the Company believes it will be able to maintain its current planned activities and the corresponding level of expenditures for at least the next 12 months, although no assurance can be given that the Company will not need additional funds prior to such time. If there are unexpected increases in its operating expenses, the Company may need to seek additional financing during the next 12 months. The Company may also need additional funds to realize the decisions made as part of its strategic review process. The Company cannot predict the outcome of these activities.

On August 7, 2023, the Company entered into a Stock Purchase Agreement, as subsequently amended on August 9, 2023 and August 21, 2023, (the "Sorrento SPA"), with Sorrento Therapeutics, Inc. ("Sorrento"), to acquire certain equity securities of Scilex Holding Company ("Scilex"), owned by Sorrento (the "Purchased Securities"), for a purchase price of $105,000. Sorrento and its affiliated debtor, Scintilla Pharmaceuticals, Inc. ("Scintilla" and together with Sorrento, the "Debtors") are in Chapter 11 bankruptcy proceedings.

On August 9, 2023, the Company entered into a Senior Secured, Super-Priority Debtor-in-Possession Loan and Security Agreement (the "Senior DIP Loan Agreement") with the Debtors in the principal amount of $100,000, which included a non-refundable closing fee of $450 paid in full out of the proceeds. This amount was subsequently drawn in full by the Debtors and was intended to be used by the Company as a credit for the consideration for the Purchased Securities, with an additional $5,000 in cash to be paid by the Company at closing. Thereafter, the Company and Sorrento continued discussions and negotiations relating to the sale contemplated under the Sorrento SPA.

On September 21, 2023, the Company entered into and consummated the transactions contemplated by a Securities Purchase Agreement (the "Scilex SPA") with Scilex and Acquiom Agency Services LLC. Pursuant to the Scilex SPA, in exchange for Scilex assuming outstanding obligations of Sorrento under the Senior DIP Loan Agreement (the "DIP Assumption") and for the ability to credit the amounts assumed under the DIP Assumption in exchange for certain equity securities of Scilex owned by Sorrento, Scilex (i) issued to the Company (A) a Senior Secured Promissory Note due 18 months from the date of issuance in the principal amount of $101,875 (the "Note"), which includes accrued and unpaid interest of $875 under the Senior DIP Loan Agreement and $1,000 of fees added to the principal amount of the Note, (B) the Closing Penny Warrant (as defined herein), and (C) the Subsequent Penny Warrants (as defined herein), and (ii) caused the Transferred Warrants (as defined herein) to be transferred to the Company. For further details, see note 7.

On August 8, 2023, the Company borrowed an aggregate of $99,550 pursuant to loan agreements from Israel Discount Bank Ltd. For further details, see note 6.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:

a. Condensed consolidated financial statements preparation

The condensed consolidated financial statements included herein have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP") and, on the same basis as the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the "2023 Form 10-K"). These condensed consolidated financial statements reflect all adjustments that are of a normal recurring nature and that are considered necessary for a fair statement of the results of the periods presented. Certain information and disclosures normally included in annual consolidated financial statements have been omitted in this interim period report pursuant to the rules and regulations of the Securities and Exchange Commission. Because the condensed consolidated interim financial statements do not include all of the information and disclosures required by U.S. GAAP for annual financial statements, they should be read in conjunction with the audited consolidated financial statements and notes included in the 2023 Form 10-K. The results for interim periods are not necessarily indicative of a full fiscal year's results.

b. Earnings (loss) per common share

Basic net earnings (loss) per common share are computed by dividing the net earnings (loss) attributable to stockholders for the period by the weighted average number of shares of common stock outstanding for each period, including vested restricted stock units ("RSUs"). Outstanding stock options, warrants and RSUs have been excluded from the calculation of the diluted loss per share because all such securities are anti-dilutive for the three month period ended March 31, 2023.

For the diluted earnings per share calculation for the three month period ended March 31, 2024, the weighted average number of shares outstanding during the three month period ended March 31, 2024 is adjusted for the potential dilution that could occur in connection with employee share-based payment, using the treasury stock method.

The weighted average number of stock options, warrants and RSUs that has been excluded from the calculation of the diluted income per share as of March 31, 2024 was 4,846,474 shares.

The weighted average number of stock options, warrants and RSUs excluded from the calculation of diluted net loss was 3,357,911 for the three month period ended March 31, 2023.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued):

c. Recently issued accounting pronouncements, not yet adopted

In November 2023, the Financial Accounting Standard Board (the "FASB") issued Accounting Standards Update ("ASU") 2023-07 "Segment Reporting: Improvements to Reportable Segment Disclosures." This guidance expands public entities' segment disclosures primarily by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment's profit or loss and assets. Public entities with a single reportable segment are required to provide the new disclosures and all the disclosures required under ASC 280 "Segment Reporting". The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The amendments are required to be applied retrospectively to all prior periods presented in an entity's financial statements. The Company is currently evaluating this guidance to determine the impact it may have on its consolidated financial statements related disclosures.

In December 2023, the FASB issued ASU 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This guidance is intended to enhance the transparency and decision-usefulness of income tax disclosures. The amendments in ASU 2023-09 address investor requests for enhanced income tax information primarily through changes to disclosure regarding rate reconciliation and income taxes paid both in the U.S. and in foreign jurisdictions. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024 on a prospective basis, with the option to apply the standard retrospectively. Early adoption is permitted. The Company is currently evaluating this guidance to determine the impact it may have on its consolidated financial statements disclosures.

d. Fair value

The Company measures fair value and discloses fair value measurements for financial assets and liabilities. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, the guidance establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described as follows:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable prices that are based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

As of March 31, 2024, the fair value of marketable equity securities as presented in note 4 and of the Transferred Warrants included in the Scilex SPA as presented in note 7 were based on a Level 1 measurement. The fair value of the Closing Penny Warrant as presented in note 7 were based on a Level 2 measurement. The fair value of the investment in non-marketable equity securities as presented in note 5, of the Subsequent Penny Warrants as presented in note 7 and of the Note as presented in note 7 were based on a Level 3 measurement.

As of March 31, 2024, the carrying amounts of cash equivalents, short-term deposits, Short-Term Borrowings (as defined herein) and accounts payable approximate their fair values due to the short-term maturities of these instruments.

The amounts funded in respect of employee rights are stated at cash surrender value which approximates its fair value.

NOTE 3 - COMMITMENTS:

a. Medicox License Agreement

On November 13, 2022, the Company entered into a distribution license agreement ("Medicox License Agreement") with Medicox Co., Ltd. ("Medicox").

The Medicox License Agreement grants Medicox an exclusive license to apply for regulatory approval and distribute ORMD-0801 in the Republic of Korea. The Medicox License Agreement is for ten years, but the parties have the right to terminate it upon 180 days' notice.

Medicox will comply with agreed distribution targets and will purchase ORMD-0801 at an agreed upon transfer price per capsule. In addition, Medicox will pay the Company up to $15,000 in developmental milestones, $2,000 of which have already been received by the Company, and up to 15% royalties on gross sales. Medicox will also be responsible for obtaining a regulatory approval in the Republic of Korea.

The Company is currently evaluating with Medicox a path forward to continue its collaboration, following the results of the ORA-D-013-1 Phase 3 trial.

b. Grants from the Israel Innovation Authority ("IIA")

Under the terms of the Company's funding from the IIA, royalties of 3% are payable on sales of products developed from a project so funded, up to a maximum amount equaling 100%-150% of the grants received (dollar linked) with the addition of interest at an annual rate based on SOFR.

At the time the grants were received, successful development of the related projects was not assured. The total amount received through March 31, 2024 was $2,213 ($2,570 including interest).

As of March 31, 2024, the liability to the IIA was $59.

U.S. Dollars in thousands (except share and per share data)

NOTE 4 - MARKETABLE SECURITIES:

The Company's marketable securities include investments in equity securities of DNA GROUP (T.R.) Ltd. (formerly D.N.A Biomedical Solutions Ltd.) ("DNA"), Entera Bio Ltd. ("Entera"), and the Transferred Warrants (as defined herein; for further details, see note 7).

a. Composition

	March 31, 2024	December 31, 2023
Long-term:		
DNA (see b below)	$ 367	$ 297
Entera (see c below)	195	70
Transferred Warrants (see note 7)	1,464	1,440
	$ 2,026	$ 1,807

b. DNA

The DNA ordinary shares are traded on the Tel Aviv Stock Exchange. The fair value of those securities is measured at the quoted prices of the securities on the measurement date.

During the three month periods ended March 31, 2024 and March 31, 2023, the Company did not sell any of DNA's ordinary shares. As of March 31, 2024, the Company owns approximately 1.4% of DNA's outstanding ordinary shares.

The cost of the securities as of both March 31, 2024 and December 31, 2023 was $595.

c. Entera

Entera ordinary shares have been traded on the Nasdaq Capital Market since June 28, 2018. The Company measures the investment at fair value from such date, since it has a readily determinable fair value (prior to such date the investment was accounted for as a cost method investment (amounting to $1)).

NOTE 5 - OTHER NON-MARKETABLE EQUITY SECURITIES:

On August 26, 2022, the Company entered into a stock purchase agreement with Diasome Pharmaceuticals, Inc. ("Diasome"), a privately-held company, pursuant to which the Company purchased shares of Series B preferred stock of Diasome for an aggregate purchase price of approximately $2,700. Following the purchase, the Company holds less than 5% of the issued and outstanding stock of Diasome. The stock purchase agreement provides the Company with the option to purchase additional preferred shares of stock on a pro rata basis at similar terms to the terms and conditions of that round contingent upon Diasome achieving certain milestones.

The Company accounts for the investment under the measurement alternative in Accounting Standards Codification ("ASC") 321 "Investments – Equity Securities," whereby the equity investment is recorded at cost, less impairment. The carrying amount is subsequently remeasured to its fair value in accordance with the provisions of ASC 820 "Fair Value Measurement" when observable price changes occur as of the date the transaction occurred, or it is impaired. Any adjustments to the carrying amount are recorded in the statements of comprehensive income or loss.

The Company's non-marketable equity securities are an investment in a company without a readily determinable fair value. During fiscal year 2023, the Company recorded an $824 increase in value due to the closing in June 2023 of a Series C investment round in Diasome. The change was recorded using the transaction price of similar securities issued by Diasome, adjusted for contractual rights and obligations of the securities held by the Company.

NOTE 6 - SHORT-TERM BORROWINGS:

On August 8, 2023, the Company borrowed an aggregate of $99,550 pursuant to loan agreements from Israel Discount Bank Ltd. (the "Short-Term Borrowings"). The Short-Term Borrowings mature on dates ranging from August 11, 2023 to May 24, 2024, bear interest ranging from 6.66% to 7.38%, and are secured by certificates of deposits issued by Israel Discount Bank Ltd. having an aggregate face amount of $99,550. The net proceeds of the Short-Term Borrowings were used to fund the Note (for further details, see note 7). The Short-Term Borrowings are paid in one payment of principal and interest at each respective maturity. As of March 31, 2024, $70,146 was repaid under the Short-Term Borrowings.

The aggregate remaining annual principal payments on debt until maturity is $30,550.

NOTE 7 - INVESTMENTS, AT FAIR VALUE:

Scilex Transaction

On September 21, 2023 (the "Closing Date"), the Company entered into and consummated the transactions (collectively, the "Transaction") contemplated by the Scilex SPA with Scilex and Acquiom Agency Services LLC. Pursuant to the Scilex SPA, in exchange for the DIP Assumption and for the ability to credit the amounts assumed under the DIP Assumption in exchange for certain equity securities of Scilex owned by Sorrento, Scilex (i) issued to the Company (A) the Note, (B) a warrant to purchase up to an aggregate of 4,500,000 shares of common stock of Scilex, par value $0.0001 per share ("Scilex Common Stock"), with an exercise price of $0.01 per share and containing certain restrictions on exercisability (the "Closing Penny Warrant"), and (C) warrants to purchase up to an aggregate of 8,500,000 shares of Scilex Common Stock (the "Subsequent Penny Warrants" and together with the Closing Penny Warrant, the "Penny Warrants"), each with an exercise price of $0.01 per share and each with certain restrictions on exercisability, and (ii) caused certain outstanding warrants to purchase up to an aggregate of 4,000,000 shares of Scilex Common Stock with an exercise price of $11.50 per share to be transferred to the Company (the "Transferred Warrants" and together with the Penny Warrants, the "Warrants"). In addition, on the Closing Date, Scilex reimbursed $1,910 of the Company's Transaction expenses pursuant to the Scilex SPA.

Pursuant to the terms of the Scilex SPA, Scilex agreed to certain restrictions on additional issuances of equity securities. In connection with the Transaction, the Company and Sorrento mutually agreed to terminate the Sorrento SPA and to release all claims the Company and Sorrento may have against one another, and Scilex completed the acquisition of the Purchased Securities.

The Note

The principal of the Note issued on September 21, 2023 is $101,875, which includes accrued and unpaid interest of $875 under the Senior DIP Loan Agreement and $1,000 of fees added to the principal amount of the Note. The Note matures on March 21, 2025 or upon an uncured event of default, subject to certain mandatory prepayments, and bears interest at a rate per annum equal to Term SOFR (as defined in the Note) plus 8.5% (subject to a Term SOFR floor of 4.0%), to be paid in-kind, by being capitalized and added to the principal amount of the Note on a monthly basis. The Scilex SPA provides for principal payments of (i) $5,000 on December 21, 2023, (ii) $15,000 on March 21, 2024, and (iii) $20,000 on each of June 21, 2024, September 21, 2024, and December 21, 2024, and for the entire remaining principal balance of the Note to be paid on March 21, 2025. If the Note is not repaid in full on or prior to March 21, 2024, an exit fee equal to approximately $3,056 shall be payable upon repayment of the Note in full.

The Note constitutes senior secured indebtedness of Scilex and is guaranteed by all existing or future formed, direct and indirect, domestic subsidiaries of Scilex and is secured by a first priority security interest in and liens on all of the assets of Scilex, subject to customary and mutually agreed permitted liens and except for certain specified exemptions.

Mandatory prepayments under the Note are required following the earlier of (a) April 1, 2024 and (b) the date upon which certain of Scilex's outstanding indebtedness are repaid in full. Mandatory prepayments may be triggered by certain future equity and debt issuances by Scilex. Voluntary prepayments may be made at Scilex's discretion; provided that, if made prior to the one-year anniversary of the Closing Date, Scilex will also be required to pay a 50% interest make-whole on the portion of the Note so prepaid.

The Note includes customary events of default, upon which the Note will bear interest at a default rate of Term SOFR plus 15.0%, which shall be payable in-kind, by being capitalized and added to the principal amount of the Note on a monthly basis. If the Note is accelerated upon an event of default, Scilex is required to repay the principal amount of the Note at a mandatory default rate of 125% of such principal amount (together with 100% of accrued and unpaid interest thereon and all other amounts due in respect of the Note).

Until the obligations under the Note are repaid in full, the Company has the right to designate one non-voting observer to attend meetings of the board of directors and committees of Scilex and its subsidiaries.

Pursuant to the terms of the Note, the Company received the first principal payment of $5,000 on December 21, 2023 and the second principal payment of $15,000 prior to March 21, 2024. On May 2, 2024, the Company received a payment of approximately $9,600 from Scilex in accordance with the mandatory prepayment requirements under the Note.

NOTE 7 - INVESTMENTS, AT FAIR VALUE (continued):

Closing Penny Warrant

The Closing Penny Warrant will be exercisable upon the earliest of (i) March 14, 2025, (ii) the date on which the Senior Secured Note has been repaid in full and (iii) the Management Sale Trigger Date (as defined therein), if any, and will expire on the date that is the fifth anniversary of the issuance date (i.e., September 21, 2028). For purposes of the Penny Warrants, the Management Sale Trigger Date is generally the first date that either Dr. Henry Ji, Scilex's Executive Chairperson, or Mr. Jaisim Shah, Scilex's Chief Executive Officer and President and a member of Scilex's Board of Directors, engages in certain sales or other similar transfers of shares of Common Stock or other of the Issuer's or any of its subsidiaries' securities, subject to certain exceptions in connection with financings or similar transactions. The exercise price of the Closing Penny Warrant is $0.01 per share, subject to adjustment.

Subsequent Penny Warrants

Scilex issued four Subsequent Penny Warrants to the Company, each for 2,125,000 shares of Scilex Common Stock, one of which shall vest and become exercisable on the date that is the later of (i) each of March 19, 2024, June 17, 2024, September 15, 2024 or December 14, 2024 (the "Subsequent Penny Warrant Vesting Date") and (ii) the earliest of (A) March 14, 2025, (B) the date on which the Senior Secured Note has been repaid in full and (C) the Management Sale Trigger Date (as defined therein), if any. Each Subsequent Penny Warrant will expire on the date that is the fifth anniversary of the issuance date; provided that, if the Senior Secured Note is repaid in full prior to the Subsequent Penny Warrant Vesting Date applicable to such Subsequent Penny Warrant, such Subsequent Penny Warrant will expire on the date the Senior Secured Note is repaid in full. The Company may exercise the Penny Warrants by means of a "cashless exercise."

The Penny Warrants may not be exercised if the Company, together with its affiliates, would beneficially own in excess of 9.9% of the number of shares of Scilex Common Stock outstanding immediately after giving effect to such exercise; provided, that the Company may increase or decrease such limitation upon 61 days' prior notice to Scilex.

Transferred Warrants

The Transferred Warrants are listed on the Nasdaq Capital Market, have an exercise price of $11.50 per share, are fully exercisable and expire on November 10, 2027.

The Company accounted for the Transferred Warrants as derivatives measured at fair value.

The Company elected the fair value option for the Note and the Penny Warrants in order to reduce operational complexity of bifurcating embedded derivatives. Changes in value are recorded under financial income, net and include interest income on the Note.

The valuation was performed based on several scenarios which some of them took into account a partial or full early repayment of the Note. Each scenario took into consideration the present value of the Note's cash flows (including the exit fee and the prepayment premium) and the Warrants' value. The total value of the Transaction (and of each of its components) was valued on a weighted average of the different scenarios.

The discount rate of the Note was based on the B- rating Zero curve in addition to a risk premium which takes into account the credit risk of Scilex and ranged between 53.67% to 53.92%.

The fair value of the Transferred Warrants was based on their closing price on the Nasdaq Capital Market.

The fair value of the Penny Warrants was calculated based on the closing price of the Scilex Common Stock on the Nasdaq Capital Market, taking into account several scenarios which assume a partial or full early repayment of the Note, when applicable.

On the Closing Date, the fair value of the Transaction was $101,875. As of March 31, 2024, and following the aforementioned repayments of $20,000, the fair value of the Transaction was $98,741, split between the Note ($77,733, presented under short-term investments at fair value), the Closing Penny Warrant ($7,155), the Subsequent Penny Warrants ($12,389), both presented under long-term investments at fair value and the Transferred Warrants ($1,464) presented under long-term marketable securities. This resulted in a gain of $3,552 during the first quarter of 2024, attributed mainly to the change in fair value of the Warrants. The difference between the Note's fair value and aggregate unpaid principal balance (which includes interest payable on maturity) is $7,654.

NOTE 8 - STOCKHOLDERS' EQUITY:

1. On January 4, 2024, the Company granted an aggregate of 150,000 RSUs representing a right to receive shares of the Company's common stock to the Company's board members. The RSUs granted to the board members will vest in three equal annual installments on each of January 1, 2025, 2026 and 2027. The total fair value of these RSUs on the date of grant was $359, using the quoted closing market share price of $2.39 on the Nasdaq Capital Market on the date of grant.

2. On January 4, 2024, the Company granted an aggregate of 37,610 RSUs representing a right to receive shares of the Company's common stock to the Company's board members. The RSUs granted to certain board members will vest in four quarterly installments on each of April 1, 2024, July 1, 2024, October 1, 2024 and January 1, 2025. The total fair value of these RSUs on the date of grant was $90, using the quoted closing market share price of $2.39 on the Nasdaq Capital Market on the date of grant.

3. On January 4, 2024, the Company granted an aggregate of 950,500 RSUs representing a right to receive shares of the Company's common stock to the Company's executive officers and one employee. The RSUs granted to executive officers and one employee will vest in twelve equal quarterly installments starting January 8, 2024. The total fair value of these RSUs on the date of grant was $2,272, using the quoted closing market share price of $2.39 on the Nasdaq Capital Market on the date of grant.

4. On January 4, 2024, the Company granted an aggregate of 294,000 PSUs representing a right to receive shares of the Company's common stock to executive officers of the Company. The PSUs shall vest upon the Company's common stock achieving and maintaining a specified price per share. The total fair value of these PSUs on the date of grant was $691, using the Monte-Carlo model.

5. On January 30, 2024, the Company granted an aggregate of 3,750 RSUs representing a right to receive shares of the Company's common stock to one of the Company's board members. The RSUs granted to the board member will vest in four quarterly installments on each of April 1, 2024, July 1, 2024, October 1, 2024 and January 1, 2025. The total fair value of these RSUs on the date of grant was $11, using the quoted closing market share price of $2.98 on the Nasdaq Capital Market on the date of grant.

6. On March 18, 2024, the Company entered into an at the market offering agreement (the "ATM Agreement") with Rodman & Renshaw LLC and StockBlock Securities LLC, as agents, pursuant to which the Company may issue and sell shares of its common stock having an aggregate offering price of up to $75,000, through the sales agents, subject to certain terms and conditions. Any shares sold will be sold pursuant to our effective shelf registration statement on Form S-3 including a prospectus dated July 26, 2021 and prospectus supplement dated March 18, 2024. As of March 31, 2024 and through May 9, 2024, no shares were issued under the ATM Agreement.

U.S. Dollars in thousands (except share and per share data)

NOTE 9 - LEASES:

The Company has various operating leases for office space and vehicles that expire through 2027. Below is a summary of the Company's operating right-of-use assets and operating lease liabilities as of March 31, 2024 and December 31, 2023:

	March 31, 2024	December 31, 2023
Operating right-of-use assets	$ 608	$ 694
Operating lease liabilities, current	254	267
Operating lease liabilities long-term	272	342
Total operating lease liabilities	$ 526	$ 609

Lease payments for the Company's right-of-use assets over the remaining lease periods as of March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
2024	200	282
2025	217	222
2026	118	120
2027	10	10
Total undiscounted lease payments	545	634
Less: Interest*	(19)	(25)
Present value of lease liabilities	$ 526	$ 609

* Future lease payments were discounted by 3%-5.75% interest rate.

NOTE 10 - RELATED PARTY TRANSACTIONS:

On July 1, 2008, the Company's wholly-owned subsidiary, Oramed Ltd. (the "Subsidiary"), entered into a consulting agreement with KNRY Ltd. ("KNRY"), an Israeli company owned by the Chief Scientific Officer, whereby the Chief Scientific Officer, through KNRY, provides services to the Company (the "Consulting Agreement"). The Consulting Agreement is terminable by either party upon 140 days prior written notice. The Consulting Agreement, as amended, provide that KNRY will be reimbursed for reasonable expenses incurred in connection with the performance of the Consulting Agreement and the monthly consulting fee paid to the Chief Scientific Officer is NIS 117,040 ($32).

Effective November 1, 2022, the Company entered into a consulting agreement with Shnida Ltd., whereby the President and Chief Executive Officer, through Shnida Ltd., provides services as President and Chief Executive Officer of the Company. The agreement is terminable by either party upon 140 days prior written notice. The agreement, as amended, provides that Shnida Ltd. will be reimbursed for reasonable expenses incurred in connection with performance of the agreement and that the President and Chief Executive Officer will receive a monthly consulting fee of NIS 96,825 ($26), plus value added tax. Pursuant to the agreement, Shnida Ltd. and the President and Chief Executive Officer each agree that during the term of the agreement and for a 12-month period thereafter, none of them will compete with the Company nor solicit employees of the Company.

In addition, the Company, through the Subsidiary, has entered into an employment agreement with the President and Chief Executive Officer, effective as of November 1, 2022, as amended, pursuant to which the President and Chief Executive Officer receives gross monthly salary of NIS 51,591 ($14) in consideration for his services as President and Chief Executive Officer of the Subsidiary. In addition, the President and Chief Executive Officer is provided with a cellular phone and a company car pursuant to the terms of his agreement.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements and the related notes included elsewhere herein and in our consolidated financial statements, accompanying notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in our Annual Report.

Overview of Operations

We are a pharmaceutical company engaged in the research and development of innovative pharmaceutical solutions with a technology platform that allows for the oral delivery of therapeutic proteins.

We have developed an oral dosage form intended to withstand the harsh environment of the stomach and effectively deliver active biological insulin or other proteins. The excipients in the formulation are not intended to modify the proteins chemically or biologically, and the dosage form is designed to be safe to ingest.

On January 11, 2023, we announced that the ORA-D-013-1 Phase 3 trial did not meet its primary or secondary endpoints. As a result, we terminated this trial and a parallel Phase 3, ORA-D-013-2 clinical trial. In 2023, we completed an analysis of the data from the ORA-D-013-1 Phase 3 trial and found that subpopulations of patients with pooled specific parameters, such as body mass index, or BMI, baseline HbA1c and age, responded well to oral insulin. Based on this analysis, we are working on a protocol for a new Phase 3 clinical trial to be submitted to the FDA. We are additionally examining our existing pipeline and have commenced an evaluation process of potential strategic opportunities, with the goal of enhancing value for our stockholders.

Scilex Transaction

On August 7, 2023, we entered into a Stock Purchase Agreement, as subsequently amended on August 9, 2023 and August 21, 2023, or the Sorrento SPA, with Sorrento Therapeutics, Inc., or Sorrento, to acquire certain equity securities of Scilex owned by Sorrento, or the Purchased Securities, for a purchase price of $105 million. Sorrento and its affiliated debtor, Scintilla Pharmaceuticals, Inc., or Scintilla and together with Sorrento, the Debtors, are in Chapter 11 bankruptcy proceedings.

On August 9, 2023, we entered into a Senior Secured, Super-Priority Debtor-in-Possession Loan and Security Agreement, or the Senior DIP Loan Agreement, with the Debtors in the principal amount of $100 million, which included a non-refundable closing fee of $450,000 paid in full out of the proceeds. This amount was subsequently drawn in full by the Debtors and was intended to be used by us as a credit for the consideration for the Purchased Securities, with an additional $5,000,000 in cash to be paid by us at closing. Thereafter, we and Sorrento continued discussions and negotiations relating to the sale contemplated under the Sorrento SPA.

On September 21, 2023, or the Closing Date, we entered into and consummated the transactions, or, collectively, the Transaction, contemplated by a Securities Purchase Agreement, or the Scilex SPA, with Scilex and Acquiom Agency Services LLC. Pursuant to the Scilex SPA, in exchange for Scilex assuming Sorrento's outstanding obligations under the Senior DIP Loan Agreement, or the DIP Assumption, and for the ability to credit the amounts assumed under the DIP Assumption in exchange for certain equity securities of Scilex owned by Sorrento, Scilex (i) issued to us (A) a Senior Secured Promissory Note due 18 months from the date of issuance in the principal amount of $101,875,000, or the Note, which includes accrued and unpaid interest of $875,000 under the Senior DIP Loan Agreement and $1,000,000 of fees added to the principal amount of the Note, (B) a warrant to purchase up to an aggregate of 4,500,000 shares of common stock of Scilex, par value $0.0001 per share, or the Scilex Common Stock, and containing certain restrictions on exercisability, or the Closing Penny Warrant, and (C) warrants to purchase up to an aggregate of 8,500,000 shares of Scilex Common Stock, or the Subsequent Penny Warrants, and, together with the Closing Penny Warrant, the Penny Warrants, each with an exercise price of $0.01 per share and each with certain restrictions on exercisability, and (ii) caused certain outstanding warrants to purchase up to an aggregate of 4,000,000 shares of Scilex Common Stock with an exercise price of $11.50 per share to be transferred to us, or the Transferred Warrants and together with the Penny Warrants, the Warrants. In addition, on the Closing Date, Scilex reimbursed $1,910,000 of the Company's Transaction expenses pursuant to the Scilex SPA.

Pursuant to the terms of the Scilex SPA, Scilex agreed to certain restrictions on additional issuances of equity securities. In connection with the Transaction, we and Sorrento mutually agreed to terminate the Sorrento SPA and to release all claims we and Sorrento may have against one another, and Scilex completed the acquisition of the Purchased Securities.

Senior Secured Promissory Note

The Note matures on March 21, 2025 or upon an uncured event of default, subject to certain mandatory prepayments, and bears interest at a rate per annum equal to Term SOFR (as defined in the Note) plus 8.5% (subject to a Term SOFR floor of 4.0%), to be paid in-kind, by being capitalized and added to the principal amount of the Note on a monthly basis. The Scilex SPA provides for principal payments of (i) $5 million on December 21, 2023, (ii) $15 million on March 21, 2024, and (iii) $20 million on each of June 21, 2024, September 21, 2024, and December 21, 2024, and for the entire remaining principal balance of the Note to be paid on March 21, 2025. If the Note is not repaid in full on or prior to March 21, 2024, an exit fee equal to $3,056,250 shall be payable upon repayment of the Note in full.

The Note constitutes senior secured indebtedness of Scilex and is guaranteed by all existing or future formed, direct and indirect, domestic subsidiaries of Scilex and is secured by a first priority security interest in and liens on all of the assets of Scilex, subject to customary and mutually agreed permitted liens and except for certain specified exemptions.

Mandatory prepayments under the Note are required following the earlier of (a) April 1, 2024 and (b) the date upon which certain of Scilex's outstanding indebtedness is repaid in full). Voluntary prepayments may be made at Scilex's discretion; provided that, if made prior to the one-year anniversary of the Closing Date, Scilex will also be required to pay a customary 50% interest make-whole on the portion of the Note so prepaid.

The Note includes customary events of default, upon which the Note will bear interest at a default rate of Term SOFR plus 15.0%, which shall be payable in-kind, by being capitalized and added to the principal amount of the Note on a monthly basis. If the Note is accelerated upon an event of default, Scilex is required to repay the principal amount of the Note at a mandatory default rate of 125% of such principal amount (together with 100% of accrued and unpaid interest thereon and all other amounts due in respect of the Note).

Until the obligations under the Note are repaid in full, we have the right to designate one non-voting observer, to attend meetings of the board of directors and committees of Scilex and its subsidiaries.

Pursuant to the terms of the Note, we received the first principal payment of $5 million on December 21, 2023 and the second principal payment of $15 million prior to March 21, 2024. On May 2, 2024, we received a payment of approximately $9.6 million from Scilex in accordance with the mandatory prepayment requirements under the Note.

Warrants

The Closing Penny Warrant will be exercisable upon the earliest of (i) March 14, 2025, (ii) the date on which the Note has been repaid in full and (iii) the Management Sale Trigger Date (as defined therein), if any, and will expire on the date that is the fifth anniversary of the issuance date. For purposes of the Penny Warrants, the Management Sale Trigger Date is generally the first date that either Dr. Henry Ji, Scilex's Executive Chairperson, or Mr. Jaisim Shah, Scilex's Chief Executive Officer and President and a member of Scilex's Board of Directors, engages in certain sales or other similar transfers of shares of Scilex Common Stock or other of Scilex's or any of its subsidiaries' securities, subject to certain exceptions as are customary for lock-up agreements executed by directors and officers in connection with financings or similar transactions. The exercise price of the Closing Penny Warrant is $0.01 per share, subject to adjustment.

Oral Insulin

Type 2 Diabetes: We conducted the ORA-D-013-1 Phase 3 trial on patients with type 2 diabetes, or T2D, with inadequate glycaemic control who were on two or three oral glucose-lowering agents. The primary endpoint of the trial was to evaluate the efficacy of our oral insulin capsule, ORMD-0801, compared to placebo in improving glycaemic control as assessed by HbA1c, with a secondary efficacy endpoint of assessing the change from baseline in fasting plasma glucose at 26 weeks. On January 11, 2023, we announced that the ORA-D-013-1 Phase 3 trial did not meet its primary or secondary endpoints. Following the results of the ORA-D-013-1 Phase 3 trial, we also terminated the ORA-D-013-2 Phase 3 trial, a second Phase 3 trial that included T2D patients with inadequate glycaemic control who were attempting to manage their condition with either diet alone or with diet and metformin. In 2023, we completed an analysis of the data from the ORA-D-013-1 Phase 3 trial and found that subpopulations of patients with pooled specific parameters, such as BMI, baseline HbA1c and age, responded well to oral insulin. These subsets exhibited an over 1% placebo adjusted, statistically significant, reduction in HbA1c. Based on this analysis, we are working on a protocol for a new Phase 3 clinical trial to be submitted to the FDA.

Joint Venture Agreement: On January 22, 2024, Oramed and its wholly-owned subsidiary, Oramed Ltd., entered into a joint venture agreement, or the JV Agreement, with HTIT Biotech and Technowl Limited, a wholly-owned indirect subsidiary of HTIT Biotech, or HTIT Sub, and together with HTIT Biotech, HTIT, pursuant to which, subject to the terms and conditions set forth in the JV Agreement, the parties will establish a joint venture, or the JV, based on Oramed's oral drug delivery technology.

The JV will focus on the development and worldwide commercialization of innovative products based on Oramed's oral insulin and POD™ (Protein Oral Delivery) pipeline and HTIT's manufacturing capabilities and technologies. The parties intend for the JV to use the protocol we are currently working on to initiate a Phase 3 oral insulin trial in the United States.

Oramed and HTIT will initially hold equal shares in the JV, with each owning 50% of the equity. The board of directors will initially consist of equal representation from HTIT and Oramed. HTIT will contribute to the JV $70 million in cash, while Oramed will contribute $20 million (comprised of $10 million in cash and $10 million in shares of Oramed common stock that will be subject to certain registration rights) and will transfer intellectual property related to its oral insulin and POD™ technology, as well as other assets in the Oramed pipeline. HTIT will have an option to invest additional funds into the JV up to an aggregate amount of $20 million, thereby increasing its equity holdings and board representation. Oramed will be entitled to receive a 3% royalty on gross revenues of the JV generated from Oramed related assets.

The consummation of the JV Agreement is subject to and contingent upon the parties entering into additional agreements within a three-month period, including an asset transfer agreement for the transfer of Oramed's intellectual property to the JV, a commercial supply agreement for the manufacture and supply of products by HTIT to the JV, as well as other documents and agreements to regulate the relationship of the parties and the JV to be formed pursuant to the JV Agreement. There is no assurance that the parties will complete and sign these additional agreements within the agreed timeline or at all. If such agreements are not signed within the agreed timeframe, then either party may apply a 30-day extension, after which the JV Agreement may be terminated and voided by either party. The 30-day extension was applied by the Company on April 18, 2024 and will last until May 22, 2024. Thereafter, the consummation of the JV transaction is further subject to the satisfaction or waiver of certain other closing conditions within a three-month period following the completion of the aforesaid ancillary agreements. If the closing conditions are not met within the agreed timeframe, then either party may apply a 30-day extension, after which the JV Agreement may be terminated and voided by either party. In addition, completion of the transactions contemplated under the JV Agreement is subject to the satisfaction or waiver of customary and certain other closing conditions.

Oral Vaccine

On March 18, 2021, we entered into a license agreement, or the Oravax License Agreement, with Oravax, a 63% owned joint venture to commercialize oral vaccines for COVID-19 and other novel coronaviruses based on Premas Biotech Pvt. Ltd.'s proprietary vaccine technology involving a triple antigen virus like particle.

In October 2022, Oravax reported positive preliminary Phase 1 data for Cohort A of a Phase 1 clinical trial, meeting primary or secondary endpoints of safety and immunogenicity. These results included significant antibody response (2-6 fold over baseline) as measured by multiple markers of immune response to virus like particle vaccine antigens observed in the majority of the patients dosed, and no safety issues were observed, including mild symptoms. Cohort B completed dosing in January 2023. Cohort B measured Immunoglobulin G, or IGG, against the spike (S) protein, showing positive IGG in approximately 55% of the patients dosed. We are currently evaluating our path forward for Oravax's oral vaccines for COVID-19.

PeriTech Acquisition and License

In December 2023, we executed and completed an agreement with PeriTech Pharma Ltd., or PeriTech, acquiring the rights to their film-forming technology tailored for the delivery of topical/dermatology agents. This includes a once-daily over-the-counter treatment for hemorrhoids. The PeriTech pipeline extends its potential applications to include indications such as pruritus ani, anal warts, anal fissures and herpes labialis.

We have entered into an exclusive licensing agreement with Genomma Lab Internacional S.A.B. de C.V, or Genomma Labs, pursuant to which we granted Genomma Labs the development and commercialization rights to the PeriTech pipeline, in exchange for a royalty based on net sales.

Raw Materials

We have purchased, pursuant to separate agreements with third parties, the raw materials required for the manufacturing of our oral capsule. We generally depend upon a limited number of suppliers for the raw materials. Although alternative sources of supply for these materials are generally available, we could incur significant costs and disruptions if we need to change suppliers. The termination of our relationships with our suppliers or the failure of these suppliers to meet our requirements for raw materials on a timely and cost-effective basis could have a material adverse effect on our business, prospects, financial condition and results of operations.

Impact of Current Events

On October 7, 2023, the State of Israel was attacked by and subsequently declared war on Hamas. Israel has been in an ongoing state of war with Hamas since that time. Following the attack by Hamas, Hezbollah has also launched attacks against Israel and Israel has been responding to these attacks with targeted air strikes. It is possible that other terrorist organizations, including Palestinian military organizations in the West Bank, as well as other hostile countries, such as Iran, will join the hostilities. As of May 9, 2024, we believe that there is no immediate risk to our business operations related to these events. For further information, see "Item 1A. Risk Factors," under "We are affected by the political, economic and military risks of having operations in Israel" in our Annual Report, as filed with the Securities and Exchange Commission, or the SEC, on March 6, 2024.

Results of Operations

Comparison of three month periods ended March 31, 2024 and March 31, 2023

The following table summarizes certain statements of operations data of the Company for the three month periods ended March 31, 2024 and March 31, 2023 (in thousands of dollars except share and per share data):

	Three months ended	
	March 31, 2024	**March 31, 2023**
Revenues	$ -	$ 666
Cost of revenues	-	-
Research and development expenses	(1,179)	(4,427)
Sales and marketing expenses	-	(184)
General and administrative expenses	(1,783)	(1,263)
Interest expenses	(592)	-
Financial income, net	5,088	1,597
Net income (loss) for the period	$ 1,534	$ (3,611)
Basic income (loss) per share of common stock	$ 0.04	$ (0.08)
Diluted income (loss) per share of common stock	$ 0.04	$ (0.08)
Weighted average shares of common stock outstanding used in computing basic income (loss) per share of common stock	40,835,953	40,041,258
Weighted average shares of common stock outstanding used in computing diluted income (loss) per share of common stock	41,564,007	40,041,258

Revenues

Revenues consist of proceeds related to the Amended and Restated Technology License Agreement, dated December 21, 2015, between the Company and HTIT, or as further amended by the parties on June 3, 2016 and July 24, 2016, the HTIT License Agreement, that are recognized on a cumulative basis when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur, through the expected product submission date by HTIT of June 2023, using the input method.

There were no revenues for the three month period ended March 31, 2024 while revenues were $666,000 for the three month period ended March 31, 2023. The decrease was due to recognition of revenues until the product submission date by HTIT of June 2023.

Cost of Revenues

Cost of revenues consists of royalties related to the HTIT License Agreement that will be paid over the term of the HTIT License Agreement in accordance with revenue recognition accounting and the Israeli Law for the Encouragement of Industrial Research, Development and Technological Innovation, 1984, as amended, including any regulations or investment tracks promulgated thereunder.

There was no cost of revenues for the three month periods ended March 31, 2024 and March 31, 2023.

Research and Development Expenses

Research and development expenses include costs directly attributable to the conduct of research and development programs, including the cost of salaries, employee benefits, costs of materials, supplies, the cost of services provided by outside contractors, including services related to our clinical trials, clinical trial expenses, the full cost of manufacturing drugs for use in research and preclinical development. All costs associated with research and development are expensed as incurred.

Clinical trial costs are a significant component of research and development expenses and include costs associated with third-party contractors. We outsource a substantial portion of our clinical trial activities, utilizing external entities such as contract research organizations, or CROs, independent clinical investigators and other third-party service providers to assist us with the execution of our clinical trials.

Clinical activities, which relate principally to clinical sites and other administrative functions to manage our clinical trials, are performed primarily by CROs. CROs typically perform most of the start-up activities for our trials, including document preparation, site identification, screening and preparation, pre-trial visits, training and program management.

Clinical trial and preclinical trial expenses include regulatory and scientific consultants' compensation and fees, research expenses, purchase of materials, cost of manufacturing of the oral insulin and exenatide capsules, payments for patient recruitment and treatment, as well as salaries and related expenses of research and development staff.

Research and development expenses for the three month period ended March 31, 2024 decreased by 73% to $1,179,000, compared to $4,427,000 for the three month period ended March 31, 2023. The decrease was mainly due to lower expenses related to the Phase 3 trials that were terminated. Stock-based compensation expenses for the three month period ended March 31, 2024 were $704,000, compared to $17,000 during the three month period ended March 31, 2023. This increase was mainly due equity grants during the period ended March 31, 2024 and to performance equity awards that did not meet their performance conditions during the period ended March 31, 2023.

Following the results of the ORA-D-013-1 Phase 3 trial, which did not meet its primary and secondary endpoints, we terminated both ORA-D-013-1 and ORA-D-013-2 Phase 3 clinical trials. We recently completed an analysis of the data from the ORA-D-013-1 Phase 3 trial and found that subpopulations of patients with pooled specific parameters responded well to oral insulin. Based on this analysis, we are working on a protocol for a new Phase 3 clinical trial to be submitted to the FDA. We are additionally examining our existing pipeline and have commenced an evaluation process of potential strategic opportunities, with the goal of enhancing value for our stockholders.

Government grants

In the three month periods ended March 31, 2024 and March 31, 2023, we did not recognize any research and development grants. As of March 31, 2024, we had incurred liabilities to pay royalties to the Israel Innovation Authority of the Israeli Ministry of Economy and Industry of $59,000.

Sales and Marketing Expenses

Sales and marketing expenses include the salaries and related expenses of our commercial functions, consulting expenses and other general expenses.

We did not recognize any sales and marketing expenses for the three month period ended March 31, 2024 compared to expenses of $184,000 for the three month period ended March 31, 2023. This was primarily due to the termination of the employment of an executive officer in fiscal year 2023. We did not recognize any stock-based compensation expenses for the three month period ended March 31, 2024, compared to expenses of $88,000 for the three month period ended March 31, 2023. This was primarily due to the termination of the employment of an executive officer.

General and Administrative Expenses

General and administrative expenses include the salaries and related expenses of our management, consulting expenses, legal and professional fees, travel expenses, business development expenses, insurance expenses and other general expenses.

General and administrative expenses for the three month period ended March 31, 2024 increased by 41% to $1,783,000 compared to $1,263,000 for the three month period ended March 31, 2023. The increase was mainly due to higher stock-based compensation expenses. Stock-based compensation expenses for the three month period ended March 31, 2024 were $590,000, compared to $67,000 for the three month period ended March 31, 2023. This increase was mainly due to equity grants during the period ended March 31, 2024 and to performance equity awards that did not meet their performance conditions during the period ended March 31, 2023.

Interest Expenses

Interest expenses were $592 for the three month period ended March 31, 2024, while there were no interest expenses for the three and three month period ended March 31, 2023. The increase was mainly due to interest on the Short-Term Borrowings.

Financial Income, Net

Net financial income increased by 219% to $5,088,000 for the three month period ended March 31, 2024, compared to $1,597,000 for the three month period ended March 31, 2023. The increase was mainly due to the revaluation of the Transaction and interest from short-term bank deposits.

Basic and Diluted Income and Loss Per Share of Common Stock

Basic and diluted income per share of common stock for the three month period ended March 31, 2024 was $0.04 per share, compared to a basic and diluted loss of $0.08 per share for the three month period ended March 31, 2023. This was primarily due to the changes discussed above that caused us to have income during the three month period ended March 31, 2024, compared to a loss during the three month period ended March 31, 2023.

Weighted Average Shares of Common Stock Outstanding

Weighted average shares of common stock outstanding used in computing basic income (loss) per share of common stock for the three month period ended March 31, 2024 were 40,835,953 compared to 40,041,258 for the three month period ended March 31, 2023. The increase was mainly due to RSUs that vested during the three month period ended March 31, 2024.

Weighted average shares of common stock outstanding used in computing diluted income (loss) per share of common stock for the three month period ended March 31, 2024 were 41,564,007 compared to 40,041,258 for the three month period ended March 31, 2023. The increase was mainly due to RSUs that vested during the three month period ended March 31, 2024.

For the diluted earnings per share calculation, the weighted average number of shares outstanding during the year is adjusted for the average number of shares that are potentially issuable in connection with employee share-based payment, using the treasury stock method.

Liquidity and Capital Resources

From inception through March 31, 2024, we have incurred losses in an aggregate amount of $156,020,000. During that period and through March 31, 2024, we have financed our operations through several private placements of our common stock, as well as public offerings of our common stock, raising a total of $255,384,000, net of transaction costs. During that period, we also received cash consideration of $28,001,000 from the exercise of warrants and options. We expect to seek additional financing through similar sources in the future, as needed. As of March 31, 2024, we had $18,576,000 of available cash and $80,285,000 of short-term bank deposits.

From inception through March 31, 2024, we have not generated significant revenues from our operations. Management continues to evaluate various financing alternatives for funding new strategic activities, future research and development activities and general and administrative expenses through fundraising in the public or private equity markets. Although there is no assurance that we will be successful with those initiatives, management believes that it will be able to secure the necessary financing as a result of future third party investments. Following the termination of the ORA-D-013-1 and ORA-D-013-2 Phase 3 trials, the Company's research and development activities have been significantly reduced while it conducts a strategic review process. As a result, the Company is currently incurring lower research and development and sales and marketing expenses.

Based on our current cash resources and commitments, we believe we will be able to maintain our current planned activities and the corresponding level of expenditures for at least the next 12 months, although no assurance can be given that we will not need additional funds prior to such time. If there are unexpected increases in our operating expenses, we may need to seek additional financing during the next 12 months. We may also need additional funds to realize the decisions made as part of our strategic review process. We cannot predict the outcome of these activities.

On August 9, 2023, we entered into the Senior DIP Loan Agreement with the Debtors in the principal amount of $100,000,000.

On the Closing Date, we entered into and consummated the Transaction. Pursuant to the Scilex SPA, in exchange for the DIP Assumption and for the ability to credit the amounts assumed under the DIP Assumption in exchange for certain equity securities of Scilex owned by Sorrento, Scilex (i) issued to us (A) the Note, (B) the Closing Penny Warrant, and (C) the Subsequent Penny Warrants, and (ii) caused the Transferred Warrants to be transferred to us. In addition, on the Closing Date, Scilex reimbursed $1,910,000 of the Company's Transaction expenses pursuant to the Scilex SPA.

Pursuant to the terms of the Scilex SPA, Scilex agreed to certain restrictions on additional issuances of equity securities. In connection with the Transaction, we and Sorrento mutually agreed to terminate the Sorrento SPA and to release all claims the Company and Sorrento may have against one another, and Scilex completed the acquisition of the Purchased Securities.

On August 8, 2023, we borrowed an aggregate of $99,550,000 pursuant to loan agreements from Israel Discount Bank Ltd., or the Short-Term Borrowings. The Short-Term Borrowings mature on dates ranging from August 11, 2023 to May 24, 2024, bear interest ranging from 6.66% to 7.38%, are secured by certificates of deposits issued by Israel Discount Bank Ltd. having an aggregate face amount of $99,550,000. The net proceeds of the Short-Term Borrowings were used to fund the Note. The Short-Term Borrowings are paid in one payment of principal and interest at each respective maturity. As of March 31, 2024, approximately $70,146,000 was repaid under the Short-Term Borrowings.

As of March 31, 2024, our total current assets were $177,095,000 and our total current liabilities were $33,556,000. On March 31, 2024, we had a working capital surplus of $143,539,000 and an accumulated loss of $156,020,000. As of December 31, 2023, our total current assets were $162,584,000 and our total current liabilities were $53,214,000. On December 31, 2023, we had a working capital surplus of $109,370,000 and an accumulated loss of $157,556,000. The increase in working capital from December 31, 2023 to March 31, 2024 was mainly due to an increase in cash and cash equivalents and in investments at fair value, together with a decrease in Short-term borrowings partially offset by a decrease in short term deposits.

During the three month period ended March 31, 2024, cash and cash equivalents increased to $18,576,000, from $9,055,000 as of December 31, 2023. The increase was mainly due to the reasons described below.

Operating activities used cash of $1,476,000 in the three month period ended March 31, 2024, compared to $5,549,000 used in the three month period ended March 31, 2023. Cash used in operating activities primarily consisted of research and development, sales and marketing and general and administrative expenses and changes in stock-based compensation expenses, interest on deposits, interest paid on the Short-Term Borrowings, accounts payable and accrued expenses.

Investing activities provided cash of $29,998,000 in the three month period ended March 31, 2024, compared to cash used in investing activities of $13,203,000 in the three month period ended March 31, 2023. Cash provided by investing activities in the three month period ended March 31, 2024 consisted primarily of proceeds from short term investing activities and a principal repayment of the Note partially offset by the purchase of short-term deposits.

Financing activities used cash of $19,000,000 in the three month period ended March 31, 2024, compared to $2,430,000 provided in the three month period ended March 31, 2023. Cash used by financing activities in the three month period ended March 31, 2024, consisted primarily of partial repayment of the Short-Term Borrowings. Cash provided by financing activities in the three month period ended March 31, 2023, consisted primarily of proceeds from the issuance of our common stock.

On March 18, 2024, the Company entered into an at the market offering agreement, or the ATM Agreement, with Rodman & Renshaw LLC and StockBlock Securities LLC, as agents, pursuant to which the Company may issue and sell shares of its common stock having an aggregate offering price of up to $75,000,000 through a sales agent, subject to certain terms and conditions. Any shares sold will be sold pursuant to our effective shelf registration statement on Form S-3 including a prospectus dated July 26, 2021 and prospectus supplement dated March 18, 2024. As of March 31, 2024 and through May 9, 2024, no shares were issued under the ATM Agreement.

Critical accounting policies and estimates

Our critical accounting policies are described in *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* contained in our Annual Report.

Planned Expenditures

We have invested heavily in research and development, and we expect that in the upcoming years our research and development expenses will continue to be our major operating expense.

Following the results of the Phase 3 trials for our oral insulin capsule candidate, ORMD-0801 and the current strategic review initiated by the Company, our obligations may change significantly.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There has been no significant change in our exposure to market risk during the quarter ended March 31, 2024. For a discussion of our exposure to market risk, refer to Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” contained in our Annual Report.

ITEM 4 - CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2024. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 6 - EXHIBITS

Number	Exhibit
10.1*	Representative Form of Indemnification Agreements between Oramed Pharmaceuticals Inc. and each of our directors and officers.
10.2	At The Market Offering Agreement, dated March 18, 2024, by and among the Oramed Pharmaceuticals Inc., Rodman & Renshaw LLC and StockBlock Securities LLC (incorporated by reference from our current report on Form 8-K filed March 18, 2024).
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and 15(d)-14(a) under the Securities Exchange Act of 1934, as amended.
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350.
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350.
101.1*	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 formatted in XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Comprehensive Loss, (iii) Condensed Consolidated Statement of Changes in Stockholders' Equity, (iv) Condensed Consolidated Statements of Cash Flows and (v) the Notes to Condensed Consolidated Financial Statements.
104.1*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith

** Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ORAMED PHARMACEUTICALS INC.

Date: May 9, 2024

By: /s/ Nadav Kidron
Nadav Kidron
President and Chief Executive Officer

Date: May 9, 2024

By: /s/ David Silberman
David Silberman
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 10.1

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "**Agreement**") is made and entered into as of _____ between **Oramed Pharmaceuticals Inc.**, a Delaware corporation (the "**Company**"), and _____ ("**Indemnitee**").

WHEREAS, highly competent persons have become more reluctant to serve corporations as directors or officers unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the By-laws and/or the Certificate of Incorporation of the Company require indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware ("**DGCL**"). The By-laws and/or Certificate of Incorporation and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the Board of Directors of the Company (the "**Board**") officers and other persons with respect to indemnification;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company's stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the By-laws and/or Certificate of Incorporation of the Company and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

NOW, THEREFORE, in consideration of Indemnitee's agreement to serve as an officer and director from and after the date hereof, the parties hereto agree as follows:

1. Indemnity of Indemnitee. The Company hereby agrees to hold harmless and indemnify Indemnitee to the fullest extent permitted by law, as such may be amended from time to time. In furtherance of the foregoing indemnification, and without limiting the generality thereof:

(a) Proceedings Other Than Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(a) if, by reason of his Corporate Status (as hereinafter defined), the Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding (as hereinafter defined) other than a Proceeding by or in the right of the Company. Pursuant to this Section 1(a), Indemnitee shall be indemnified against all Expenses (as hereinafter defined), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him, or on his behalf, in connection with such Proceeding or any claim, issue or matter therein, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe the Indemnitee's conduct was unlawful.

(b) Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(b) if, by reason of his Corporate Status, the Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding brought by or in the right of the Company. Pursuant to this Section 1(b), Indemnitee shall be indemnified against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by the Indemnitee, or on the Indemnitee's behalf, in connection with such Proceeding if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; provided, however, if applicable law so provides, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged to be liable to the Company unless and to the extent that the Court of Chancery of the State of Delaware shall determine that such indemnification may be made.

(c) Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, he shall be indemnified to the maximum extent permitted by law, as such may be amended from time to time, against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

2. Additional Indemnity. In addition to, and without regard to any limitations on, the indemnification provided for in Section 1 of this Agreement, the Company shall and hereby does indemnify and hold harmless Indemnitee against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or on his behalf if, by reason of his Corporate Status, he is, or is threatened to be made, a party to or participant in any Proceeding (including a Proceeding by or in the right of the Company), including, without limitation, all liability arising out of the negligence or active or passive wrongdoing of Indemnitee. The only limitation that shall exist upon the Company's obligations pursuant to this Agreement shall be that the Company shall not be obligated to make any payment to Indemnitee that is finally determined (under the procedures, and subject to the presumptions, set forth in Sections 5 and 6 hereof) to be unlawful.

3. Contribution.

(a) Whether or not the indemnification provided in Sections 1 and 2 hereof is available in respect of any threatened, pending or completed Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall pay, in the first instance, the entire amount of any judgment or settlement of such Proceeding without requiring Indemnitee to contribute to such payment and the Company hereby waives and relinquishes any right of contribution it may have against Indemnitee. The Company shall not enter into any settlement of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee.

(b) Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, Indemnitee shall elect or be required by law to pay all or any portion of any judgment or settlement in any threatened, pending or completed Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), the Company shall contribute to the amount of Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction or events from which such Proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the transaction or events that resulted in such Expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which applicable law may require to be considered. The relative fault of the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.

(c) The Company hereby agrees to fully indemnify and hold Indemnitee harmless from any claims of contribution which may be brought by officers, directors or employees of the Company, other than Indemnitee, who may be jointly liable with Indemnitee.

(d) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

3. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a witness, or is made (or asked) to respond to discovery requests, in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

4. Advancement of Expenses. Notwithstanding any other provision of this Agreement, the Company shall advance all Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding by reason of Indemnitee's Corporate Status within thirty (30) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by a written undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined by a final judicial determination (as to which all rights of appeal therefrom have been exhausted or lapsed) that Indemnitee is not entitled to be indemnified against such Expenses. Any advances and undertakings to repay pursuant to this Section 4 shall be unsecured and interest free.

5. Procedures and Presumptions for Determination of Entitlement to Indemnification. It is the intent of this Agreement to secure for Indemnitee rights of indemnity that are as favorable as may be permitted under the DGCL and public policy of the State of Delaware. Accordingly, the parties agree that the following procedures and presumptions shall apply in the event of any question as to whether Indemnitee is entitled to indemnification under this Agreement:

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification, provided that Indemnitee shall not be required to provide any documentation or information which is privileged or otherwise protected from disclosure. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification. Notwithstanding the foregoing, any failure of Indemnitee to provide such a request to the Company, or to provide such a request in a timely fashion, shall not relieve the Company of any liability that it may have to Indemnitee unless, and to the extent that, such failure actually and materially prejudices the interests of the Company.

(b) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 5(a) hereof, a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case by one of the following four methods, which shall be at the election of Indemnitee, in his sole discretion: (1) by a majority vote of the disinterested directors, even though less than a quorum, (2) by a majority vote of a committee of disinterested directors designated by a majority vote of the disinterested directors, even though less than a quorum, (3) if there are no disinterested directors or if a Change of Control shall have occurred after the date hereof, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to the Indemnitee, or (4) by a simple majority of the stockholders of the Company voting on the matter. For purposes hereof, disinterested directors are those members of the Board who are not parties to the Proceeding in respect of which indemnification is sought by Indemnitee.

"**Change of Control**" shall mean the occurrence of any of the following:

(a) any "person," as such term is currently used in Section 13(d) of the Securities Exchange Act of 1934, as amended (the "**1934 Act**") (a "person"), becomes a "beneficial owner" (as such term is currently used in Rule 13d-3 promulgated under the 1934 Act (a "**Beneficial Owner**") of 30% or more of the Voting Stock (as defined below) of the Company;

(b) the Board of Directors of the Company adopts any plan of liquidation providing for the distribution of all or substantially all of the Company's assets;

(c) all or substantially all of the assets or business of the Company are disposed of in any one or more transactions pursuant to a sale, merger, consolidation or other transaction (unless the shareholders of the Company immediately prior to such sale, merger, consolidation or other transaction beneficially own, directly or indirectly, in substantially the same proportion as they owned the Voting Stock of the Company, more than fifty percent (50%) of the Voting Stock or other ownership interests of the entity or entities, if any, that succeed to the business of the Company);

(d) the Company combines with another company and is the surviving corporation but, immediately after the combination, the shareholders of the Company immediately prior to the combination hold, directly or indirectly, fifty percent (50%) or less of the Voting Stock of the combined company; or

(e) Continuing Directors cease to constitute at least a majority of the Board of Directors of the Company.

"**Voting Stock**" of any entity shall mean the issued and outstanding share capital or other securities of any class or classes having general voting power under ordinary circumstances, in the absence of contingencies, to elect the members of the board of directors (or members of a similar managerial body if such entity has no board of directors) of such entity.

"**Continuing Director**" means a director who either was a director of the Company on the Commencement Date or who became a director of the Company subsequent thereto and whose election, or nomination for election by the Company's shareholders, was approved by a majority of the Continuing Directors then on the Board of Directors of the Company.

(c) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 5(b) hereof, the Independent Counsel shall be selected as provided in this Section 5(c). The Independent Counsel shall be selected by the Board. Indemnitee may, within 10 days after such written notice of selection shall have been given, deliver to the Company a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "**Independent Counsel**" as defined in this Agreement, and the objection shall set forth with reasonable particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within 20 days after submission by Indemnitee of a written request for indemnification pursuant to Section 5(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware or other court of competent jurisdiction for resolution of any objection which shall have been made by the Indemnitee to the Company's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 5(b) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 5(b) hereof, and the Company shall pay all reasonable fees and expenses (including those incurred by Indemnitee) incident to the procedures of this Section 5(c), regardless of the manner in which such Independent Counsel was selected or appointed.

(d) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(e) Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise (as hereinafter defined), including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected by the Enterprise. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 5(e) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(f) If the person, persons or entity empowered or selected under Section 5 to determine whether Indemnitee is entitled to indemnification shall not have made a determination within thirty (30) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 30-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making such determination with respect to entitlement to indemnification in good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 5(f) shall not apply if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 5(b) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination, the Board or the Disinterested Directors, if appropriate, resolve to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within sixty (60) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within forty (40) days after having been so called and such determination is made thereat.

(g) Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Independent Counsel, member of the Board or stockholder of the Company shall act reasonably and in good faith in making a determination regarding the Indemnitee's entitlement to indemnification under this Agreement. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(h) The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any Proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such Proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such Proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(i) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

6. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 5 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 4 of this Agreement, (iii) no determination of entitlement to indemnification is made pursuant to Section 5(b) of this Agreement within 30 days after receipt by the Company of the request for indemnification (subject to extension, as provided in Section 5(f)), (iv) payment of indemnification is not made pursuant to this Agreement within ten (10) days after receipt by the Company of a written request therefor or (v) payment of indemnification is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 5 of this Agreement, Indemnitee shall be entitled to an adjudication in an appropriate court of the State of Delaware, or in any other court of competent jurisdiction, of Indemnitee's entitlement to such indemnification. Indemnitee shall commence such proceeding seeking an adjudication within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 6(a). The Company shall not oppose Indemnitee's right to seek any such adjudication.

(b) In the event that a determination shall have been made pursuant to Section 5(b) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 6 shall be conducted in all respects as a de novo trial on the merits, and Indemnitee shall not be prejudiced by reason of the adverse determination under Section 5(b).

(c) If a determination shall have been made pursuant to Section 5(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 6, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's misstatement not materially misleading in connection with the application for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that Indemnitee, pursuant to this Section 6, seeks a judicial adjudication of his rights under, or to recover damages for breach of, this Agreement, or to recover under any directors' and officers' liability insurance policies maintained by the Company, the Company shall pay on his behalf, in advance within ten (10) days after the receipt by the Company of a statement from Indemnitee requesting such payment, any and all expenses (of the types described in the definition of Expenses in this Agreement) actually and reasonably incurred by him in such judicial adjudication, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of expenses or insurance recovery.

(e) The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 6 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefore) advance, to the extent not prohibited by law, such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be.

(f) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

7. Non-Exclusivity; Survival of Rights; Insurance; Primacy of Indemnification; Subrogation.

(a) The rights of indemnification as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the By-laws, any agreement, a vote of stockholders, a resolution of directors of the Company, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the DGCL, whether by statute or judicial decision, permits greater indemnification than would be afforded currently under the Certificate of Incorporation, By-laws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents or fiduciaries of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any director, officer, employee, agent or fiduciary under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has directors' and officers' liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee (other than against the Outside Indemnitors), who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company hereby acknowledges that the Indemnitee may have other sources of indemnification or insurance, whether currently in force or established in the future (collectively, the "**Outside Indemnitors**"). The Company hereby agrees: (i) that it is the indemnitor of first resort (i.e., its obligations to the Indemnitee are primary and any obligation of the Outside Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by the Indemnitee are secondary); (ii) that it shall be required to advance the full amount of Expenses incurred by the Indemnitee and shall be liable in full for all indemnifiable amounts to the extent legally permitted and as required by the Company's Certificate of Incorporation and Bylaws or any agreement between the Company and the Indemnitee, without regard to any rights the Indemnitee may have against the Outside Indemnitors and (iii) that it irrevocably waives, relinquishes and releases the Outside Indemnitors from any and all claims against the Outside Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Outside Indemnitors on behalf of the Indemnitee with respect to any claim for which the Indemnitee have sought indemnification from the Company shall affect the foregoing and the Outside Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of the Indemnitee against the Company. The Company and the Indemnitee agree that the Outside Indemnitors are express third party beneficiaries of the terms hereof.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

8. Exception to Right of Indemnification. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law; or

(b) in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law or (iii) such Proceeding is brought by Indemnitee to assert, interpret or enforce his rights under this Agreement.

9. Duration of Agreement. All agreements and obligations of the Company contained herein shall continue during the period Indemnitee is an officer or director of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Indemnitee shall be subject to any Proceeding (or any proceeding commenced under Section 6 hereof) by reason of his Corporate Status, whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), assigns, spouses, heirs, executors and personal and legal representatives.

10. Security. To the extent requested by Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of the Indemnitee.

11. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumes the obligations imposed on it hereby in order to induce Indemnitee to serve as an officer or director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as an officer or director of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

(c) The Company shall not seek from a court, or agree to, a "bar order" which would have the effect of prohibiting or limiting the Indemnitee's rights to receive advancement of expenses under this Agreement.

12. Definitions. For purposes of this Agreement:

(a) "**Corporate Status**" describes the status of a person who is or was a director, officer, employee, agent or fiduciary of the Company or any subsidiary thereof or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person is or was serving at the express written request of the Company.

(b) "**Disinterested Director**" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee and who is not subject to any other relationship that may reasonably prejudice such director's determination as to the Indemnitee's entitlement to indemnification hereunder.

(c) "**Enterprise**" shall mean the Company and any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the express written request of the Company as a director, officer, employee, agent or fiduciary.

(d) "**Expenses**" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding, or responding to, or objecting to, a request to provide discovery in any Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding and any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, including without limitation the premium, security for, and other costs relating to any cost bond, supersede as bond, or other appeal bond or its equivalent.

(e) "**Independent Counsel**" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(f) "**Proceeding**" includes any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether civil, criminal, administrative or investigative, in which Indemnitee was, is or will be involved as a party or otherwise, by reason of his or his Corporate Status, by reason of any action taken by him or of any inaction on his part while acting in his Corporate Status; in each case whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement; including one pending on or before the date of this Agreement, but excluding one initiated by an Indemnitee pursuant to Section 6 of this Agreement to enforce his rights under this Agreement.

13. Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision. Without limiting the generality of the foregoing, this Agreement is intended to confer upon Indemnitee indemnification rights to the fullest extent permitted by applicable laws. In the event any provision hereof conflicts with any applicable law, such provision shall be deemed modified, consistent with the aforementioned intent, to the extent necessary to resolve such conflict.

14. Modification and Waiver. No supplement, modification, termination or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

15. Notice By Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with or otherwise receiving any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification covered hereunder. The failure to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise unless and only to the extent that such failure or delay materially prejudices the Company.

16. Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to Indemnitee at the address set forth below Indemnitee signature hereto, and to the Company, at its principal executive offices to the attention of the President, or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

17. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

18. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

19. Governing Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties with respect to the subject matter of this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "**Delaware Court**"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties hereto have executed this Indemnification Agreement on and as of the day and year first above written.

COMPANY

ORAMED PHARMACEUTICALS INC.

By: _____
Name:
Title:

INDEMNITEE

_____
Name:
Address:

Schedule to Exhibit 10.1

The following executive officers and directors are each party to an Indemnification Agreement or Amended and Restated Indemnification Agreement with the Company, each of which is substantially identical in all material respects to the representative Indemnification Agreement filed herewith and is dated as of the respective date listed below.

Name of Signatory	Date
Nadav Kidron President, Chief Executive Officer and Chairman	March 26, 2017
Daniel Aghion Director	January 1, 2024
Miriam Kidron Chief Scientific Officer and Director	March 26, 2017
Dr. Arie Mayer, Ph.D. Director	December 5, 2019
Yehuda Reznick Director	April 1, 2024
Leonard Sank Director	January 26, 2017
Benjamin Shapiro Director	April 30, 2023
Joshua Hexter Chief Operating & Business Officer	September 8, 2019
David Silberman Chief Financial Officer	July 4, 2021

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a)

UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Nadav Kidron, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oramed Pharmaceuticals 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 officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant 's internal control over financial reporting; and

5. The registrant's other certifying officer(s) 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 the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2024

By: /s/ Nadav Kidron
Nadav Kidron
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a)

UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, David Silberman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oramed Pharmaceuticals 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 officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant 's internal control over financial reporting; and

5. The registrant's other certifying officer(s) 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 the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2024

By: /s/ David Silberman
David Silberman
Chief Financial Officer

Exhibit 32.1

CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the quarterly report of Oramed Pharmaceuticals Inc., or the Company, on Form 10-Q for the period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof, or the Report, I, Nadav Kidron, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, that to my knowledge:

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 the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2024

By: /s/ Nadav Kidron
Nadav Kidron
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION

PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the quarterly report of Oramed Pharmaceuticals Inc., or the Company, on Form 10-Q for the period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof, or the Report, I, David Silberman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, that to my knowledge:

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 the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2024

By: /s/ David Silberman
David Silberman
Chief Financial Officer