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 May 31, 2019

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

Commission file number: 000-50298

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.)
142 W. 57th Street New York, New York	**10019**
(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 ☐
Non-accelerated filer ☒

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 July 9, 2019, there were 17,383,359 shares of the issuer's common stock, $0.012 par value per share, outstanding.

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

On May 31, 2019, the exchange rate between the New Israeli Shekel, or NIS, and the dollar, as quoted by the Bank of Israel, was NIS 3.634 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.

PART I – FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

ORAMED PHARMACEUTICALS INC.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of May 31, 2019

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

	May 31, 2019	August 31, 2018
Assets		
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,946	$ 4,996
Short-term deposits	18,025	20,875
Marketable securities	4,223	4,592
Prepaid expenses and other current assets	394	574
Total current assets	26,588	31,037
LONG-TERM ASSETS:		
Long-term deposits	9,400	13,542
Marketable securities	1,400	2,785
Amounts funded in respect of employee rights upon retirement	17	16
Property and equipment, net	27	17
Total long-term assets	10,844	16,360
Total assets	$ 37,432	$ 47,397
Liabilities and stockholders' equity		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 2,474	$ 2,058
Contract liabilities	2,703	2,449
Payable to related parties	39	46
Total current liabilities	5,216	4,553
LONG-TERM LIABILITIES:		
Contract liabilities	10,339	11,388
Employee rights upon retirement	21	20
Provision for uncertain tax position	11	11
Other liabilities	288	313
Total long-term liabilities	10,659	11,732
COMMITMENTS (note 2)		
STOCKHOLDERS' EQUITY:		
Common stock, $0.012 par value (30,000,000 authorized shares; 17,383,359 and 17,369,875 shares issued and outstanding as of May 31, 2019 and August 31, 2018, respectively)	207	207
Additional paid-in capital	100,173	99,426
Accumulated other comprehensive income	-	702
Accumulated deficit	(78,823)	(69,223)
Total stockholders' equity	21,557	31,112
Total liabilities and stockholders' equity	$ 37,432	$ 47,397

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

ORAMED PHARMACEUTICALS INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
U.S. Dollars in thousands (except share and per share data)
(UNAUDITED)

	Nine months ended		Three months ended	
	May 31, 2019	May 31, 2018	May 31, 2019	May 31, 2018
REVENUES	$ 2,022	$ 1,832	$ 682	$ 617
COST OF REVENUES (INCOME)	90	(86)	-	(86)
RESEARCH AND DEVELOPMENT EXPENSES	11,322	9,245	3,861	4,194
GENERAL AND ADMINISTRATIVE EXPENSES	2,896	3,050	899	1,043
OPERATING LOSS	12,286	10,377	4,078	4,534
FINANCIAL INCOME	822	648	263	209
FINANCIAL EXPENSES	41	72	14	29
LOSS FROM CHANGES IN FAIR VALUE OF INVESTMENT	270	-	243	-
LOSS BEFORE TAXES ON INCOME	11,775	9,801	4,072	4,354
TAXES ON INCOME	300	-	-	-
NET LOSS FOR THE PERIOD	12,075	9,801	4,072	4,354
UNREALIZED LOSS ON AVAILABLE FOR SALE SECURITIES	-	203	-	115
TOTAL OTHER COMPREHENSIVE LOSS	-	203	-	115
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	12,075	$ 10,004	4,072	$ 4,469
LOSS PER SHARE OF COMMON STOCK:				
BASIC AND DILUTED LOSS PER SHARE OF COMMON STOCK	$ 0.69	$ 0.68	$ 0.23	$ 0.30
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK USED IN COMPUTING BASIC AND DILUTED LOSS PER SHARE OF COMMON STOCK	17,453,185	14,401,623	17,456,683	14,518,878

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

ORAMED PHARMACEUTICALS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
U.S. Dollars in thousands
(UNAUDITED)

	Common Stock		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total stockholders' equity
	Shares	$				
	In thousands					
BALANCE AS OF AUGUST 31, 2018	17,369	$ 207	$ 99,426	$ 702	$ (69,223)	$ 31,112
INITIAL ADOPTION OF ASC 606	-	-	-	-	1,773	1,773
INITIAL ADOPTION OF ASU 2016-01	-	-	-	(702)	702	-
CHANGES DURING THE NINE-MONTH PERIOD ENDED MAY 31, 2019:						
SHARES ISSUED FOR SERVICES	13	*	54	-	-	54
STOCK-BASED COMPENSATION	-	-	693	-	-	693
NET LOSS	-	-	-	-	(12,075)	(12,075)
BALANCE AS OF MAY 31, 2019	17,382	207	100,173	-	(78,823)	21,557

	Common Stock		Additional paid-in capital	Accumulated other comprehensive income	Accumulated loss	Total stockholders' equity
	Shares	$				
	In thousands					
BALANCE AS OF AUGUST 31, 2017	13,668	$ 163	$ 75,170	$ 401	$ (56,496)	$ 19,238
CHANGES DURING THE NINE-MONTH PERIOD ENDED MAY 31, 2018:						
SHARES ISSUED FOR SERVICES	8	*	60	-	-	60
ISSUANCE OF COMMON STOCK, NET	573	7	5,157	-	-	5,164
EXERCISE OF WARRANTS AND OPTIONS	189	2	995	-	-	997
STOCK-BASED COMPENSATION	32	*	1,202	-	-	1,202
NET LOSS	-	-	-	-	(9,801)	(9,801)
OTHER COMPREHENSIVE LOSS	-	-	-	(203)	-	(203)
BALANCE AS OF MAY 31, 2018	14,470	$ 172	$ 82,584	$ 198	$ (66,297)	$ 16,657

* Represents an amount of less than $1.

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

ORAMED PHARMACEUTICALS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
U.S. Dollars in thousands
(UNAUDITED)

	Common Stock		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Total stockholders' equity
	Shares	$				
	In thousands					
BALANCE AS OF FEBRUARY 28, 2019	17,380	207	99,892	-	(74,751)	25,348
CHANGES DURING THE THREE-MONTH PERIOD ENDED MAY 31, 2019:						
SHARES ISSUED FOR SERVICES	2	*	10	-	-	10
STOCK-BASED COMPENSATION	-	-	271	-	-	271
NET LOSS	-	-	-	-	(4,072)	(4,072)
BALANCE AS OF MAY 31, 2019	17,382	207	100,173	-	(78,823)	21,557

	Common Stock		Additional paid-in capital	Accumulated other comprehensive income	Accumulated loss	Total stockholders' equity
	Shares	$				
	In thousands					
BALANCE AS OF FEBRUARY 28, 2018	14,406	171	81,939	313	(61,943)	20,480
CHANGES DURING THE THREE-MONTH PERIOD ENDED MAY 31, 2018:						
SHARES ISSUED FOR SERVICES	3	*	17			17
ISSUANCE OF COMMON STOCK, NET	40	1	282			283
EXERCISE OF WARRANTS AND OPTIONS	-	-	-			-
STOCK-BASED COMPENSATION	21	*	346			346
NET LOSS	-				(4,354)	(4,354)
OTHER COMPREHENSIVE LOSS	-			(115)		(115)
BALANCE AS OF MAY 31, 2018	14,470	$ 172	$ 82,584	$ 198	$ (66,297)	$ 16,657

* Represents an amount of less than $1.

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

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

	Nine months ended May 31,	
	2019	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (12,075)	$ (9,801)
Adjustments required to reconcile net loss to net cash used in operating activities:		
Depreciation	4	4
Exchange differences and interest on deposits and held to maturity bonds	(161)	48
Changes at fair value of investments	270	
Stock-based compensation	693	1,202
Shares issued for services	54	60
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	180	(50)
Accounts payable, accrued expenses and related parties	409	472
Contract liabilities	978	(1,832)
Liability for employee rights upon retirement	1	1
Other liabilities	(25)	(113)
Total net cash used in operating activities	(9,672)	(10,009)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(14)	(3)
Purchase of short-term deposits	(2,900)	(4,351)
Purchase of long-term deposits	(4,237)	(5,540)
Purchase of held to maturity securities	(747)	(2,879)
Proceeds from sale of short-term deposits	14,321	14,716
Proceeds from maturity of held to maturity securities	2,200	1,607
Funds in respect of employee rights upon retirement	(1)	(1)
Total net cash provided by investing activities	8,622	3,549
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock, net of issuance costs	-	5,164
Proceeds from exercise of warrants and options	-	997
Total net cash provided by financing activities	-	6,161
EFFECT OF EXCHANGE RATE CHANGES ON CASH	-	3
DECREASE IN CASH AND CASH EQUIVALENTS	(1,050)	(296)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,996	3,969
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3,946	$ 3,673
SUPPLEMENTARY DISCLOSURE ON CASH FLOWS -		
Interest received	$ 626	$ 592

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

a. General:

1) Incorporation and operations

Oramed Pharmaceuticals Inc. (collectively with its subsidiary, the "Company", unless the context indicates otherwise) was incorporated on April 12, 2002, under the laws of the State of Nevada. From incorporation until March 3, 2006, the Company was an exploration stage company engaged in the acquisition and exploration of mineral properties. On February 17, 2006, the Company entered into an agreement with Hadasit Medical Services and Development Ltd. to acquire the provisional patent related to an orally ingestible insulin capsule to be used for the treatment of individuals with diabetes.

On May 14, 2007, the Company incorporated a wholly-owned subsidiary in Israel, Oramed Ltd. (the "Subsidiary"), which is engaged in research and development.

On March 11, 2011, the Company was reincorporated from the State of Nevada to the State of Delaware.

On November 30, 2015, the Company entered into a Technology License Agreement with Hefei Tianhui Incubator of Technologies Co. Ltd. ("HTIT") and on December 21, 2015, the parties entered into an Amended and Restated Technology License Agreement that was further amended by the parties on June 3, 2016 and July 24, 2016 (the "License Agreement"). According to the License Agreement, the Company granted HTIT an exclusive commercialization license in the territory of the People's Republic of China, Macau and Hong Kong (the "Territory"), related to the Company's oral insulin capsule, ORMD-0801 (the "Product"). Pursuant to the License Agreement, HTIT will conduct, at its own expense, certain pre-commercialization and regulatory activities with respect to the Subsidiary's technology and ORMD-0801 capsule, and will pay to the Subsidiary (i) royalties of 10% on net sales of the related commercialized products to be sold by HTIT in the Territory ("Royalties"), and (ii) an aggregate of $37,500, of which $3,000 was payable immediately, $8,000 was paid subject to the Company entering into certain agreements with certain third parties, and $26,500 is payable upon achievement of certain milestones and conditions. In the event that the Company does not meet certain conditions, the Royalties rate may be reduced to a minimum of 8%. Following the final expiration of the Company's patents covering the technology in the Territory in 2033, the Royalties rate may be reduced, under certain circumstances, to 5%.

The royalty payment obligation shall apply during the period of time beginning upon the first commercial sale of the Product in the Territory, and ending upon the later of (i) the expiration of the last-to-expire licensed patents in the Territory; and (ii) 15 years after the first commercial sale of the Product in the Territory (the "Royalty Term").

The License Agreement shall remain in effect until the expiration of the Royalty Term. The License Agreement contains customary termination provisions.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

Among others, the Company's involvement through the product submission date will include consultancy for the pre-commercialization activities in the Territory, as well as advisory services to HTIT on an ongoing basis.

The initial payment of $3,000 was received in January 2016. Following the achievement of certain milestones, the second and third payments of $6,500 and $4,000, respectively, were received in July 2016, the fourth milestone payment of $4,000 was received in October 2016 and the fifth milestone payment of $3,000 was received in January 2019. Milestone payments received as of May 31, 2019 totaled $20,500.

In addition, on November 30, 2015, the Company entered into a Stock Purchase Agreement with HTIT (the "SPA"). According to the SPA, the Company issued 1,155,367 shares of common stock to HTIT for $12,000. The transaction closed on December 28, 2015.

In July 2015, according to the letter of intent signed between the parties or their affiliates, HTIT's affiliate paid the Subsidiary a non-refundable amount of $500 as a no-shop fee. The no-shop fee was deferred and the related revenue is recognized over the estimated term of the License Agreement.

For revenue recognition policy see note 1c.

2) 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. Based on the Company's current cash resources and commitments, the Company believes it will be able to maintain its current planned development activities and the corresponding level of expenditures for at least the next 12 months and beyond, although no assurance can be given that the Company will not need additional funds prior to such time. If there are unexpected increases in the Company's operating expenses, it may need to seek additional financing during the next 12 months. Successful completion of the Company's development programs and its transition to normal operations is dependent upon obtaining necessary regulatory approvals from the U.S. Food and Drug Administration prior to selling its products within the United States, obtaining foreign regulatory approvals to sell its products internationally, or entering into licensing agreements with third parties. There can be no assurance that the Company will receive regulatory approval of any of its product candidates, and a substantial amount of time may pass before the Company achieves a level of revenues adequate to support its operations, if at all. The Company also expects to incur substantial expenditures in connection with the regulatory approval process for each of its product candidates during their respective developmental periods. Obtaining marketing approval will be directly dependent on the Company's ability to implement the necessary regulatory steps required to obtain marketing approval in the United States and in other countries. The Company cannot predict the outcome of these activities.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

b. Loss per common share

Basic and diluted net loss per common share are computed by dividing the net loss for the period by the weighted average number of shares of common stock outstanding for each period. Outstanding stock options, warrants and restricted stock units ("RSUs") have been excluded from the calculation of the diluted loss per share because all such securities are anti-dilutive for all periods presented. The weighted average number of common stock options, warrants and RSUs excluded from the calculation of diluted net loss was 4,386,209 and 1,429,046 for the nine-month periods ended May 31, 2019 and 2018, respectively, and 4,568,811 and 1,474,042 for the three-month periods ended May 31, 2019 and 2018, respectively.

c. Revenue recognition

The License Agreement and the SPA were considered a single arrangement with multiple deliverables. The Company allocated the total consideration of $49,500 between the License Agreement and the SPA according to their fair value, as follows: $10,617 was allocated to the issuance of common stock (less issuance expenses of $23), based on the quoted price of the Company's shares on the closing date of the SPA on December 28, 2015, and $38,883 was allocated to the License Agreement.

Under Accounting Standards Codification ("ASC") 605 (which was the authoritative revenue recognition guidance applied for all periods prior to September 1, 2018) given the Company's continuing involvement through the expected product submission in June 2023, amounts received relating to the License Agreement were recognized over the period from which the Company was entitled to the respective payment, and the expected product submission date using a time-based model approach over the periods that the fees were earned.

On September 1, 2018, the Company adopted Accounting Standards Update ("ASU") 2014-09 "Revenue from Contracts with Customers (Topic 606)" ("ASC 606"), using the modified retrospective method of adoption. Under this method, the Company applied ASC 606 to the License Agreement at the adoption date and was required to make an adjustment to the September 1, 2018 opening accumulated deficit balance. All prior periods continue to be presented under ASC 605. The most significant impact from adopting ASC 606 was the impact of the timing of recognition of revenue associated with the milestone payment. Under ASC 605, which was the authoritative revenue recognition guidance applied for all periods prior to September 1, 2018, given the Company's continuing involvement through the expected product submission in June 2023, amounts received relating to the License Agreement were recognized over the period from which the Company was entitled to the respective payment and the expected product submission date using a time-based model approach over the periods that the fees were earned. However, under ASC 606, the Company is required to recognize the total transaction price (which includes consideration related to milestones once the criteria for recognition have been satisfied) using the input method over the period the performance obligation is fulfilled. Accordingly, once the consideration associated with a milestone is included in the transaction price, incremental revenue is recognized immediately based on the period of time that has elapsed towards complete satisfaction of the performance obligation. This method results in the recognition of revenue earlier than under ASC 605, and the resulting impact was recorded as a reduction of the opening balance of accumulated deficit at September 1, 2018, as further described below.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

Under ASC 606, the Company identified a single performance obligation in the agreement and determined that the license and services are not distinct as the license and services are highly dependent on each other. In other words, HTIT cannot benefit from the license without the related services, and vice versa.

Since the customer benefits from the services as the entity performs, revenue is recognized over time through the expected product submission date in June 2023, using the input method. The Company used the input method to measure the process for the purpose of recognizing revenue, which approximates the straight line attribution. The Company used significant judgment when it determined the product submission date.

Under ASC 606, the consideration that the Company would be entitled to upon the achievement of contractual milestones, which are contingent upon the occurrence of future events, are a form of variable consideration. When assessing the portion, if any, of such milestones-related consideration to be included in the transaction price, the Company first assesses the most likely outcome for each milestone and excludes the consideration related to milestones of which the occurrence is not considered the most likely outcome.

The Company then evaluates if any of the variable consideration determined in the first step is constrained by including in the transaction price variable consideration to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Company used significant judgment when it determined the first step of variable consideration.

The potential future royalty consideration is also considered a form of variable consideration under ASC 606 as it is based on a percentage of potential future sales of the Company’s products. However, the Company applies the sales-based royalty exception and accordingly will recognize the sales-based royalty amounts at the earlier of the time (a) when the related sale has occurred and (b) the Company has fulfilled the related performance obligation. To date, the Company has not recognized any royalty-related revenue.

As of the adoption date, the Company adjusted its accumulated deficit by $1,773 against contract liabilities due to the effect of variable consideration.

Amounts that were allocated to the License Agreement as of May 31, 2019 aggregated $22,383, all of which was received through the balance sheet date. Through May 31, 2019, the Company recognized revenue associated with this agreement in the aggregate amount of $9,341 (of which $2,022 was recognized in the nine-month period ended May 31, 2019 and $1,773 was recognized as an increase to the September 1, 2018 opening balance of stockholders’ equity associated with the impact of the adoption of ASC 606 under the modified retrospective method of adoption), and deferred the remaining amount of $13,042, which is presented as a contract liability on the condensed consolidated balance sheet. During the nine-month and three-month periods ended May 31, 2019, the Company recognized revenue in the amount of $1,723 and $581, respectively, that was included in the contract liabilities balance at the beginning of the period.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

In accordance with ASC 606, the disclosure of the impact of adoption to the Company's consolidated balance sheet as of August 31, 2018 was as follows:

	As reported August 31, 2018	Updated September 1, 2018	Effect of Change
Contract liabilities (short term)	$ 2,449	$ 1,230	$ (1,219)
Contract liabilities (long term)	11,388	10,834	(554)
Accumulated deficit	69,223	67,450	(1,773)

The impact of adoption of ASC 606 on the condensed consolidated balance sheet as of May 31, 2019 and on the condensed consolidated statement of operations for the nine months ended May 31, 2019 was as follows:

	As reported May 31, 2019	Balances without Adoption of ASC 606	Effect of Change
Revenues	$ 2,022	$ 2,125	$ (103)
Cost of revenues	90	90	-
Contract liabilities (short term)	2,703	3,112	(409)
Contract liabilities (long term)	10,339	11,599	(1,260)
Accumulated deficit	78,823	80,493	(1,670)

The impact of adoption of ASC 606 on the condensed consolidated statement of operations for the three months ended May 31, 2019 was as follows:

	As reported May 31, 2019	Balances without Adoption of ASC 606	Effect of Change
Revenues	$ 682	$ 783	$ (101)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

d. Financial instruments

In January 2016, the Financial Accounting Standards Board ("FASB") issued guidance which updates certain aspects of recognition, measurement, presentation and disclosure of financial assets and financial liabilities ("ASU 2016-01"). The guidance requires entities to recognize changes in fair value in net income rather than in accumulated other comprehensive income. The Company adopted the provisions of this update in the first quarter of fiscal year 2019. Following the adoption, as of September 1, 2018, the Company classified the available for sale securities (investments in equity securities of D.N.A Biomedical Solutions Ltd. ("D.N.A") and Entera Bio Ltd. ("Entera")) to financial assets measured at fair value through profit or loss. The Company adopted the standard using the modified retrospective method and, accordingly, reclassified the cumulative unrealized gain from accumulated other comprehensive income to a reduction of its accumulated deficit in an amount of $702.

e. 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, except as described in note 1f, 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 August 31, 2018 (the "2018 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 2018 Form 10-K. The results for interim periods are not necessarily indicative of a full fiscal year's results.

f. Newly issued and recently adopted Accounting Pronouncements

In May 2014, the FASB issued ASC 606 which supersedes existing revenue recognition guidance, including industry-specific guidance. Under the new standard, a good or service is transferred to the customer when (or as) the customer obtains control of the good or service, which differs from the risk and rewards approach under current guidance. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of the time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The guidance is effective in annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. The Company implemented the guidance for its annual period ending on August 31, 2019 and interim periods within such annual period. The Company adopted the standard using the modified retrospective method. See additional information regarding the adoption in note 1c.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

In January 2016, the FASB issued guidance on recognition and measurement of financial assets and financial liabilities (ASU 2016-01) that supersedes most current guidance. Changes to the U.S. GAAP model primarily affect the accounting for equity investments, financial liabilities under the fair value option and the presentation and disclosure requirements for financial instruments. In addition, the FASB clarified guidance related to the valuation allowance assessment when recognizing deferred tax assets resulting from unrealized losses on available-for-sale debt securities. The accounting for other financial instruments, such as loans, investments in debt securities, and financial liabilities, is largely unchanged. The classification and measurement guidance under ASU 2016-01 became effective as of September 1, 2018. See additional information regarding the adoption in note 1d.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)" ("ASU 2016-02"), which supersedes the existing guidance for lease accounting, "Leases (Topic 840)". ASU 2016-02 requires lessees to recognize leases on their balance sheets, and leaves lessor accounting largely unchanged. The amendments in ASU 2016-02 are effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. Early application is permitted for all entities. ASU 2016-02 requires a modified retrospective approach for all leases existing at, or entered into after, the date of initial application, with an option to elect to use certain transition relief. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

NOTE 2 - COMMITMENTS:

a. In March 2011, the Subsidiary sold shares of its investee company, Entera, to D.N.A, retaining 117,000 ordinary shares (after giving effect to a stock split by Entera in July 2018). In consideration for the shares sold to D.N.A, the Company received, among other payments, ordinary shares of D.N.A (see also note 4).

As part of this agreement, the Subsidiary entered into a patent transfer agreement (the "Patent Transfer Agreement") according to which the Subsidiary assigned to Entera all of its right, title and interest in and to a certain patent application related to the oral administration of proteins that it has licensed to Entera since August 2010. Under this agreement, the Subsidiary is entitled to receive from Entera royalties of 3% of Entera's net revenues (as defined in the agreement) and a license back of that patent application for use in respect of diabetes and influenza. On December 11, 2018, Entera announced that it had entered into a research collaboration and license agreement (the "Amgen License") with Amgen related to research of inflammatory disease and other serious illnesses. As reported by Entera, under the terms of the Amgen License, Entera will receive a modest initial technology access fee from Amgen and will be responsible for preclinical development at Amgen's expense. Entera will be eligible to receive up to $270,000 in aggregate payments, as well as tiered royalties up to mid-single digits, upon achievement of various clinical and commercial milestones if Amgen decides to move all of these programs forward. Amgen is responsible for clinical development, manufacturing and commercialization of any of the resulting programs. To the extent the Amgen License results in net revenues as defined in the Patent Transfer Agreement, the Subsidiary will be entitled to the aforementioned royalties.

In addition, as part of a consulting agreement with a third party, dated February 15, 2011, the Subsidiary is obliged to pay this third party royalties of 8% of the net royalties received in respect of the patent that was sold to Entera in March 2011.

NOTE 2 - COMMITMENTS (continued):

b. On January 3, 2017, the Subsidiary entered into a lease agreement for its office facilities in Israel. The lease agreement is for a period of 60 months commencing October 1, 2016.

The annual lease payment was New Israeli Shekel ("NIS") 119,000 ($33) from October 2016 through September 2018 and NIS 132,000 ($37) from October 2018 through September 2021, and is linked to the increase in the Israeli consumer price index ("CPI") (as of May 31, 2019, the future lease payments will be $85 until the expiration of the lease agreement, based on the exchange rate as of May 31, 2019).

As security for its obligation under this lease agreement, the Company provided a bank guarantee in an amount equal to three monthly lease payments.

c. On March 3, 2016, the Subsidiary entered into an agreement with a vendor for process development and production of its capsules and on November 24, 2016, April 3, 2017 and July 10, 2017 the Subsidiary entered into amendments to such agreement in an amount of up to Swiss Franc ("CHF") 1,000,000 ($1,003), CHF 665,000 ($675) of which was recognized in research and development expenses through May 31, 2019.

d. On May 11, 2016, the Subsidiary entered into a Master Service Agreement with a vendor to retain its services for a pre-clinical toxicology trial for an oral GLP-1 analog capsule for type 2 diabetes patients. As consideration for its services, the Subsidiary will pay the vendor a total amount of $1,283 during the term of the engagement and based on achievement of certain milestones, of which $1,275 was recognized in research and development expenses through May 31, 2019.

e. On June 13, 2016, the Subsidiary entered into a four-year service agreement with a third party and on December 19, 2016, this agreement and all of the third party rights and obligations thereunder were assigned to another third party. This agreement is required by the License Agreement as described in note 1 and will support the Company's research and development. The Subsidiary is obligated to pay the third party a total amount of up to €2,360,000 ($2,702), of which €1,981,015 ($2,280) was recognized in research and development expenses through May 31, 2019.

f. On February 21, 2017, the Subsidiary entered into an agreement with a vendor to retain its services for a pre-clinical toxicology trial for an oral insulin capsule. As consideration for its services, the Subsidiary will pay the vendor a total of up to $952 during the term of the engagement and based on achievement of certain milestones, of which $857 was recognized in research and development expenses through May 31, 2019.

g. On April 8, 2018, the Company entered into a consulting agreement with a third party advisor for a period of one year, pursuant to which such advisor provides investor relations services and is entitled to receive a monthly cash fee and 10,000 shares of the Company's common stock issued in four equal quarterly installments commencing August 1, 2018. As of May 31, 2019, the Company had issued to such advisor 10,000 shares. The fair value of the shares at the grant date was $42, which was recognized in general and administrative expenses.

NOTE 2 - COMMITMENTS (continued):

h. On June 5, 2017, the Subsidiary entered into a clinical research agreement with a vendor, for the conduct of its clamp clinical trial for an oral insulin capsule for type 1 diabetes patients. As consideration for its services, the Subsidiary will pay the vendor a total amount of $958 during the term of the engagement and based on achievement of certain milestones, of which $579 was recognized in research and development expenses through May 31, 2019.

i. On December 18, 2017, the Subsidiary entered into an agreement with a vendor for the process development and production of one of its oral capsule ingredients in the amount of $2,905 that will be paid over the term of the engagement and based on the achievement of certain development milestones, of which $1,542 was recognized in research and development expenses through May 31, 2019.

j. On February 14, 2018, the Subsidiary entered into a Clinical Research Organization Services Agreement with a third party, effective as of November 1, 2017, to retain it as a clinical research organization ("CRO") for the Subsidiary's three-month dose-ranging clinical trial for its oral insulin capsule for type 2 diabetes patients and, on May 20, 2019, the Subsidiary entered into amendments to such agreement. As consideration for its services, the Subsidiary will pay the CRO a total amount of $10,206 during the term of the engagement and based on achievement of certain milestones, of which $5,689 was recognized in research and development expenses through May 31, 2019.

k. On May 21, 2018, the Subsidiary entered into a CRO Services Agreement with a third party to retain it as a CRO for the Subsidiary's food effect clinical trial for its oral insulin capsule. As consideration for its services, the Subsidiary will pay the CRO a total amount of $1,166 during the term of the engagement and based on achievement of certain milestones, of which $996 was recognized in research and development expenses through May 31, 2019.

l. On July 4, 2018, the Subsidiary entered into an agreement with a vendor to retain its services for a pre-clinical six months toxicology trial for its oral insulin capsule. As consideration for its services, the Subsidiary will pay the vendor a total of up to $971 during the term of the engagement and based on achievement of certain milestones, of which $904 was recognized in research and development expenses through May 31, 2019.

m. On July 15, 2018, the Company entered into a consulting agreement with a third party advisor for a period of one year, pursuant to which such advisor provides investor relations services and is entitled to receive a monthly cash fee and shares of the Company's common stock issued in four quarterly installments in an amount equal to $25 per quarter, pursuant to and in accordance with the terms of the agreement, commencing July 15, 2018. The Company terminated this consulting agreement in December 2018. As of the date of termination, the Company had issued to such advisor 9,874 shares and the related expense was recognized in general and administrative expenses.

n. In December 2018, the Company entered into an agreement with HTIT and its affiliate, under which if HTIT does not have an agreement with the relevant subcontractors, Oramed agreed that specific activities under the work plan may be conducted under the existing agreements of Oramed and the subcontractors and HTIT will pay the required payment directly to the subcontractor. In addition, under certain terms and conditions, and upon the Company's decision, the Company will assist HTIT to coordinate payments and may pay certain contractors on behalf of HTIT. Amounts due to the subcontractors and the corresponding amounts from HTIT, are recorded as current assets and current liabilities in the balance sheet.

NOTE 2 - COMMITMENTS (continued):

o. 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 LIBOR.

At the time the grants were received, successful development of the related projects was not assured. The total amount that was received through May 31, 2019 was $2,194.

The royalty expenses which are related to the funded project were recognized in cost of revenues in the quarter ended May 31, 2019 and in prior periods.

NOTE 3 - FAIR VALUE:

The Company measures fair value and discloses fair value measurements for financial assets. Fair value is based on the price that would be received to sell an asset 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 May 31, 2019, the assets measured at fair value are comprised of equity securities (Level 1). The fair value of held to maturity bonds as presented in note 4(d) was based on a Level 1 measurement.

As of May 31, 2019, the carrying amounts of cash equivalents, short-term deposits and accounts payable approximate their fair values due to the short-term maturities of these instruments.

As of May 31, 2019, the carrying amounts of long-term deposits approximate their fair values due to the stated interest rates which approximate market rates.

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

There were no Level 3 items for the nine-month periods ended May 31, 2019 and 2018.

NOTE 4 - MARKETABLE SECURITIES:

The Company's marketable securities include investments in equity securities of D.N.A and Entera, and in held to maturity bonds.

a. Composition:

	May 31, 2019	August 31, 2018
Short-term:		
D.N.A (see b below)	$ 624	$ 666
Entera (see c below)	404	632
Held to maturity bonds (see d below)	3,195	3,294
	$ 4,223	$ 4,592
Long-term:		
Held to maturity bonds (see d below)	$ 1,400	$ 2,785

b. D.N.A

The D.N.A 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.

As of May 31, 2019, the Company owns approximately 6.9% of D.N.A's outstanding ordinary shares.

The cost of the securities as of May 31, 2019 and August 31, 2018 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 4 - MARKETABLE SECURITIES (continued):

d. Held to maturity securities

The amortized cost and estimated fair value of held-to-maturity securities as of May 31, 2019, are as follows:

	May 31, 2019		
	Amortized cost	Gross unrealized gains	Estimated fair value
Short-term:			
Commercial bonds	$ 3,160	$ (2)	$ 3,158
Accrued interest	35	-	35
Long-term	1,400	3	1,403
	$ 4,595	$ 1	$ 4,596

As of May 31, 2019, the contractual maturities of debt securities classified as held-to-maturity are as follows: after one year through two years, $1,400, and the yield to maturity rates vary between 2.55% to 3.2%.

The amortized cost and estimated fair value of held-to-maturity securities as of August 31, 2018, are as follows:

	August 31, 2018		
	Amortized cost	Gross unrealized losses	Estimated fair value
Short-term:			
Commercial bonds	$ 3,259	$ (17)	$ 3,242
Accrued interest	35	-	35
Long-term	2,785	(17)	2,768
	$ 6,079	$ (34)	$ 6,045

As of August 31, 2018, the contractual maturities of debt securities classified as held-to-maturity are as follows: after one year through two years, $2,785 and the yield to maturity rates vary between 1.45% to 3.13%.

Held to maturity securities which will mature during the 12 months from the balance sheet date are included in short-term marketable securities. Held to maturity securities with maturity dates of more than one year are considered long-term marketable securities.

NOTE 5 - STOCKHOLDERS' EQUITY:

On April 2, 2015, the Company entered into an At The Market Issuance Sales Agreement (the "Sales Agreement") with B. Riley FBR, Inc., as successor to FBR Capital Markets & Co. ("FBR"), as amended, pursuant to which the Company may, from time to time and at its option, issue and sell shares of its common stock having an aggregate offering price of up to $25,000 through FBR as its sales agent, subject to certain terms and conditions. Any shares sold will be sold pursuant to the Company's effective shelf registration statement on Form S-3 including a prospectus dated February 2, 2017, as supplemented by a prospectus supplement dated April 5, 2017. The Company will pay FBR a commission of 3.0% of the gross proceeds of the sale of any shares sold through FBR. Through May 31, 2019, 576,834 shares were sold under the Sales Agreement for aggregate net proceeds of $5,198. During the nine months ended May 31, 2019, the Company did not issue shares under the Sales Agreement.

NOTE 6 - STOCK-BASED COMPENSATION:

On February 26, 2019, the Company granted options to purchase an aggregate of 360,000 shares of common stock of the Company at an exercise price of $3.16 per share (equivalent to the closing price of the Company's common stock on the date of grant) as follows: 196,500 to the CEO; 104,000 to the CSO; and 59,500 to employees of the Subsidiary. The options will vest in four equal annual installments, on each of December 31, 2019, 2020, 2021 and 2022. These options expire on February 26, 2029. The fair value of all these options on the date of grant was $731, using the Black Scholes option-pricing model and was based on the following assumptions: stock price of $3.16; dividend yield of 0% for all years; expected volatility of 69.05%; risk-free interest rates of 2.54%; and expected term of 6.25 years.

On April 10, 2019 and April 15, 2019, the Company granted options to its directors to purchase an aggregate of 30,000 shares of common stock of the Company at an exercise price of $4.17 and $4.13 per share, respectively (equivalent to the closing price of the Company's common stock on the date of grant). 20,000 of such options vested immediately and the remaining 10,000 options will vest on December 31, 2019. The fair value of all these options on the date of grant was $64, using the Black Scholes option-pricing model and was based on the following assumptions: stock price of $4.13 and $4.17, respectively; dividend yield of 0% for all years; expected volatility of 53.27% and 66.26%, respectively; risk-free interest rates of 2.37% and 2.28%, respectively; and expected term of 5 and 5.5 years, respectively.

NOTE 7 - RELATED PARTIES - TRANSACTIONS:

On July 1, 2008, the Subsidiary entered into two consulting agreements with KNRY Ltd. ("KNRY"), an Israeli company owned by the Chief Scientific Officer (the "CSO"), whereby the Chief Executive Officer (the "CEO") and the CSO, through KNRY, provide services to the Company (the "Consulting Agreements"). The Consulting Agreements are both terminable by either party upon 140 days prior written notice. The Consulting Agreements, as amended, provide that KNRY will be reimbursed for reasonable expenses incurred in connection with performance of the Consulting Agreements and that the monthly consulting fee paid to the CEO and the CSO is NIS 127,570 ($35) and NIS 80,454 ($22), respectively.

In addition to the Consulting Agreements, based on a relocation cost analysis prepared by consulting company ORI - Organizational Resources International Ltd., the Company pays for certain direct costs, related taxes and expenses incurred in connection with the relocation of the CEO to New York. During the nine months ended May 31, 2019, such relocation expenses totaled $389, compared to $365 for the nine months ended May 31, 2018.

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 (as defined below).

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. Words such as "expects," "anticipates," "intends," "plans," "planned expenditures," "believes," "seeks," "estimates" 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:

- the expected development and potential benefits from our products in treating diabetes;
- 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 the license agreement with Hefei Tianhui Incubator of Technologies Co., Ltd., or HTIT;
- our research and development plans, including pre-clinical and clinical trials plans and the timing of enrollment, obtaining results and conclusion of trials, including without limitation, our expectation that we will initiate two six-month Phase III clinical trials if our Phase IIb three-month dose-ranging clinical trial is successful, and our expectation to file a New Drug Application, thereafter;
- 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 product efficacy, safety, patient convenience, reliability, value and patent position;
- the potential market demand for our products;
- our expectation that in the upcoming year our research and development expenses, net, 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 August 31, 2018, or our Annual Report, as filed with the Securities and Exchange Commission, or the SEC, on November 28, 2018, as well as those discussed elsewhere in our Annual Report and this Quarterly Report on Form 10-Q 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.

Overview of Operations

We are a pharmaceutical company currently engaged in the research and development of innovative pharmaceutical solutions, including an oral insulin capsule to be used for the treatment of individuals with diabetes, and the use of orally ingestible capsules or pills for delivery of other polypeptides.

Recent business developments

Product Candidates

Oral Insulin

In April 2018, we initiated a three-month dose-ranging Phase IIb clinical trial of our proprietary flagship product, an orally ingestible insulin capsule, or ORMD-0801. This placebo controlled, randomized, 90 day treatment clinical trial is being conducted on approximately 300 type 2 diabetic patients in multiple centers throughout the United States pursuant to an Investigational New Drug application, or IND, with the U.S. Food and Drug Administration, or FDA. The primary endpoints of the trial are to assess the safety and evaluate the effect of ORMD-0801 on HbA1c levels over a 90 day treatment period. Secondary endpoints of the trial include measurements of fasting plasma glucose, or FPG, post-prandial glucose, or PPG levels, during a mixed-meal tolerance test, or MMTT, and weight. In May 2019 we began an extension of this protocol for approximately 75 type 2 diabetic patients, to be dosed using a lower dosage. The first part of the trial, which included the initial approximately 300 patients, is projected to be completed in the fourth quarter of calendar year 2019.

We had a call with the FDA in August 2017 regarding ORMD-0801 after the completion of a Phase IIb clinical trial on 180 diabetic patients, which indicated a statistically significant blood glucose lowering effect of ORMD-0801 versus placebo across several endpoints. During the call, the FDA advised that the regulatory pathway for the submission of ORMD-0801 would be a Biologics License Application, or BLA. The BLA pathway would grant us 12 years of marketing exclusivity for ORMD-0801, from the approval date, and an additional six months of exclusivity may be granted to us if the product also receives approval for use in pediatric patients. The FDA confirmed that the approach to nonclinical toxicology, chemistry manufacturing controls and qualification of excipients would be driven by their published guidance documents.

In June 2018, we initiated a glucose clamp study which will quantify insulin absorption in type 1 diabetic patients treated with ORMD-0801. The glucose clamp is a method for quantifying insulin absorption in order to measure a patient's insulin sensitivity and how well a patient metabolizes glucose. This exploratory, randomized, double-blind glucose clamp study is evaluating exposure-response profiles of type 1 diabetic patients treated with ORMD-0801. Six patients with HbA1c levels of 10% or below, aged 18-50, are enrolled in the study.

In June 2018, we also initiated a food effect trial in the United States for ORMD-0801. This single-blind, five period, randomized, placebo-controlled crossover trial is evaluating the pharmacokinetics and pharmacodynamics of ORMD-0801 taken at different times in relation to meals in healthy volunteers and patients with type 1 diabetes. 48 patients are enrolled, including 24 healthy volunteers and 24 patients with type 1 diabetes.

In March 2019, we completed a six-month dosing toxicology study of our oral insulin formulation, which was initiated in September 2018 following the FDA's request. We expect to get the results of this study in the first quarter of calendar year 2020.

Should our Phase IIb three-month dose-ranging clinical trial successfully meet its primary or secondary endpoints, we anticipate initiating two six-month Phase III clinical trials on both type 1 and type 2 diabetic patients, following which we expect to file a BLA with potential FDA approval by the end of the first half of calendar year 2024.

Oral GLP-1 Analog

In addition to our flagship product, the ORMD-0801 insulin capsule, we are using our technology for an orally ingestible GLP-1/exenatide capsule, or ORMD-0901. In September 2018, the FDA cleared our IND application for human trials of ORMD-0901. In February 2019, we completed a Phase I pharmacokinetic trial which was initiated in January 2019 to evaluate the safety and the pharmacokinetics of ORMD-0901 compared to placebo. We expect to get the results of this study in the second half of calendar year 2019. This study was conducted pursuant to the IND and will be followed by a Phase II trial on type 2 diabetic patients which will be conducted in the United States under an IND.

Other products

In April 2017, Israel's Ministry of Health approved our commencement of a proof of concept single dose study for our oral leptin drug candidate to evaluate its pharmacokinetic and pharmacodynamics (glucagon reduction) in 10 type 1 adult diabetic patients. The study is projected to be initiated in calendar year 2019 and be completed during calendar year 2019.

In October 2018, we initiated an exploratory clinical study of ORMD-0801 in patients with nonalcoholic steatohepatitis, or NASH. The three-month treatment study, which was approved by Israel's Ministry of Health, will assess the effectiveness of ORMD-0801 in reducing liver fat content, inflammation and fibrosis in 30 patients with NASH. As requested by Israel's Ministry of Health, the first part of the study will be conducted on 10 participants and is expected to be completed during calendar year 2019.

The table below gives an overview of our primary product pipeline (calendar quarters):

	Phase I	Phase II	Phase III	Timeline
ORMD-0801 oral insulin	Type 2 diabetes			Q2 ’18: Phase IIb 90-day multi-center study initiated (projected completion of the first part of the study Q4 ’19) Q3 ’20: Phase III study projected initiation (projected completion Q3 ’22)
	Type 1 diabetes			Q2 ’18: Clamp study initiated (projected completion Q3 ’19) Q2 ’18: Food effect study initiated (projected completion Q3 ’19) Q3 ’20: Phase III projected initiation (projected completion Q3 ’22)
ORMD-0901 oral GLP-1	Type 2 diabetes			Q1 ’19: Pharmacokinetics clinical study completed (projected results Q3-Q4 ’19) Q1 ’20: Phase II projected initiation (projected completion Q4 ’21)

Out-Licensed Technology

On November 30, 2015, we, our Israeli subsidiary and HTIT entered into a Technology License Agreement, and on December 21, 2015 these parties entered into an Amended and Restated Technology License Agreement that was further amended by the parties on June 3, 2016 and July 24, 2016, or the License Agreement. According to the License Agreement, we granted HTIT an exclusive commercialization license in the territory of the People’s Republic of China, Macau and Hong Kong, or the Territory, related to our oral insulin capsule, ORMD-0801, or the Product. Pursuant to the License Agreement, HTIT will conduct, at its own expense, certain pre-commercialization and regulatory activities with respect to our subsidiary’s technology and ORMD-0801 capsule, and will pay (i) royalties of 10% on net sales of the related commercialized products to be sold by HTIT in the Territory, or Royalties, and (ii) an aggregate of $37.5 million, of which $3 million was payable immediately, $8 million was paid subject to our entry into certain agreements with certain third parties, and $26.5 million is payable upon achievement of certain milestones and conditions. In the event that we will not meet certain conditions, the Royalties rate may be reduced to a minimum of 8%. Following the final expiration of our patents covering the technology in the Territory in 2033, the Royalties rate may be reduced, under certain circumstances, to 5%. The royalty payment obligation shall apply during the period of time beginning upon the first commercial sale of the Product in the Territory, and ending upon the later of (i) the expiration of the last-to-expire licensed patents in the Territory; and (ii) 15 years after the first commercial sale of the Product in the Territory, or the Royalty Term. The License Agreement shall remain in effect until the expiration of the Royalty Term. The License Agreement contains customary termination provisions. Through May 31, 2019, we received aggregate milestone payments of $20.5 million.

On November 30, 2015, we also entered into a separate Securities Purchase Agreement with HTIT, or the SPA, pursuant to which, in December 2015, we issued to HTIT 1,155,367 shares of our common stock for total consideration of $12 million. In connection with the License Agreement and the SPA, we received a non-refundable payment of $500,000 as a no-shop fee.

In March 2019, we were formally informed by HTIT that the Center for Drug Evaluation of the China National Medical Products Administration approved HTIT's IND for two doses of ORMD-0801 and the initiation of clinical trials in China for ORMD-0801, which are expected by HTIT to begin in the second half of calendar year 2019.

Results of Operations

Comparison of nine and three-month periods ended May 31, 2019 and 2018

The following table summarizes certain statements of operations data of the Company for the nine and three-month periods ended May 31, 2019 and 2018 (in thousands of dollars except share and per share data):

	Nine months ended May 31,		Three months ended May 31,	
	2019	2018	2019	2018
Revenues	$ 2,022	$ 1,832	$ 682	$ 617
Cost of revenues	90	(86)	-	(86)
Research and development expenses	11,322	9,245	3,861	4,194
General and administrative expenses	2,896	3,050	899	1,043
Financial income, net	511	576	6	180
Taxes on income	300	-	-	
Net loss for the period	$ 12,075	$ 9,801	$ 4,072	$ 4,354
Loss per common share - basic and diluted	$ 0.69	$ 0.68	$ 0.23	$ 0.30
Weighted average common shares outstanding	17,453,185	14,401,623	17,456,683	14,518,878

Revenues

Revenues consist of proceeds related to the 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 of June 2023 using the input method.

Revenues for the nine-month period ended May 31, 2019 increased by 10% to $2,022,000, from $1,832,000 for the nine-month period ended May 31, 2018. The increase is primarily attributable to the additional milestone payments received under the License Agreement during the nine-month period ended May 31, 2019.

Revenues for the three-month period ended May 31, 2019 increased by 11% to $682,000, from $617,000 for the three-month period ended May 31, 2018. The increase is primarily attributable to the additional milestone payments received under the License Agreement during the second quarter of fiscal year 2019, which increased the revenue recognition for the following period.

Cost of revenues

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

Cost of revenues for the nine-month period ended May 31, 2019 increased to $90,000 compared to income of $86,000 for the nine-month period ended May 31, 2018. The increase is attributable to additional milestone payments received under the License Agreement during the nine-month period ended May 31, 2019. The income in the nine-month period ended May 31, 2018 is attributable to a decrease in the royalties we were obligated to pay to the IIA from 3.5% to 3% due to the amendment of the applicable regulations.

No cost of revenues was recognized during the three-month period ended May 31, 2019 compared to income of $86,000 for the three-month period ended May 31, 2018. The change is attributable to a decrease in the royalties we were obligated to pay to the IIA from 3.5% to 3% due to the amendment of the applicable regulations.

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 studies.

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-study visits, training, and program management.

Clinical trial and pre-clinical 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 nine-month period ended May 31, 2019 increased by 22% to $11,322,000, from $9,245,000 for the nine-month period ended May 31, 2018. The increase is primarily due to expenses related to our Phase IIb three-month treatment clinical trial, food effect, clamp and GLP-1 pharmacokinetics clinical trials and is partially offset by a decrease in expenses related to the scale-up process development and production of our oral capsule ingredients and stock-based compensation expenses. Stock-based compensation costs for the nine-month period ended May 31, 2019 totaled $161,000, as compared to $438,000 during the nine-month period ended May 31, 2018. The decrease is primarily attributable to the progress in amortization and the forfeiture of awards granted in prior periods.

Research and development expenses for the three-month period ended May 31, 2019 decreased by 8% to $3,861,000, from $4,194,000 for the three-month period ended May 31, 2018. The decrease is primarily due to lower expenses related to the scale-up process development and production of our oral capsule ingredients and stock-based compensation expenses and is partially offset by increased expenses related to our Phase IIb three-month treatment clinical trial, GLP-1 pharmacokinetics clinical trial and toxicology expenses. Stock-based compensation costs for the three-month period ended May 31, 2019 totaled $68,000, as compared to $142,000 during the three-month period ended May 31, 2018. The decrease is primarily attributable to the progress in amortization and the forfeiture of awards granted in prior periods.

Government grants

In the nine-month periods ended May 31, 2019 and 2018, we did not recognize any research and development grants. As of May 31, 2019, we incurred liabilities to pay royalties to the IIA of $391,000.

General and administrative expenses

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

General and administrative expenses for the nine-month period ended May 31, 2019 decreased by 5% to $2,896,000 from $3,050,000 for the nine-month period ended May 31, 2018. The decrease in costs related to general and administrative activities during the nine-month period ended May 31, 2019 is primarily attributable to a decrease in stock-based compensation costs and is partially offset by an increase in salaries and related expenses. Stock-based compensation costs for the nine-month period ended May 31, 2019 totaled $532,000, as compared to $765,000 during the nine-month period ended May 31, 2018. The decrease is primarily attributable to the progress in amortization of awards granted to employees and directors during fiscal year 2017 and is partially offset by an increase due to awards granted during fiscal years 2018 and 2019.

General and administrative expenses for the three-month period ended May 31, 2019 decreased by 14% to $899,000 from $1,043,000 for the three-month period ended May 31, 2018. The decrease in costs related to general and administrative activities during the three-month period ended May 31, 2019 is primarily attributable to a decrease in salaries and related expenses. Stock-based compensation costs for the three-month period ended May 31, 2019 totaled $203,000, as compared to $205,000 during the three-month period ended May 31, 2018.

Taxes on income

Taxes on income of $300,000 were recognized for the nine-month period ended May 31, 2019 as compared to no taxes on income for the nine-month period ended May 31, 2018. The increase is due to withholding taxes in connection with the receipt of a milestone payment pursuant to the License Agreement during the more recent period.

No taxes on income were recognized for the three-month periods ended May 31, 2019 and 2018.

Financial income, net

Net financial income decreased by 11% from net income of $576,000 for the nine-month period ended May 31, 2018 to net income of $511,000 for the nine-month period ended May 31, 2019. The decrease is primarily attributable to a decrease in fair value of the ordinary shares of D.N.A Biomedical Solutions Ltd., or D.N.A, and Entera Bio Ltd., or Entera, which was classified in other comprehensive income in fiscal year 2018, prior to the implementation of Accounting Standards Update, or ASU, 2016-01, “Recognition and Measurement of Financial Assets and Financial Liabilities,” or ASU 2016-01, partially offset by an increase in income from bank deposits as a result of an increase in interest rates.

Net financial income decreased by 97% from net income of $180,000 for the three-month period ended May 31, 2018 to net income of $6,000 for the three-month period ended May 31, 2019. The decrease is primarily attributable to a decrease in fair value of the ordinary shares of D.N.A and Entera, which were classified in other comprehensive income in fiscal year 2018, prior to the implementation of ASU 2016-01, partially offset by an increase in income from bank deposits and held to maturity bonds as a result of an increase in interest rates.

Other comprehensive income

No unrealized losses on available for sale securities were recognized for the nine-month period ended May 31, 2019 as compared to losses of $203,000 for the nine-month period ended May 31, 2018. The decrease is due to the implementation of ASU 2016-01, under which changes in fair value of the ordinary shares of D.N.A and Entera that we hold are recognized as financial income or expenses.

No unrealized losses on available for sale securities were recognized for the three-month period ended May 31, 2019 as compared to losses of $115,000 for the three-month period ended May 31, 2018. The decrease is due to the implementation of ASU 2016-01, under which changes in fair value of the ordinary shares of D.N.A and Entera that we hold are recognized as financial income or expenses.

Liquidity and capital resources

From inception through May 31, 2019, we have incurred losses in an aggregate amount of $78,823,000. During that period 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 $77,736,000, net of transaction costs. During that period, we also received cash consideration of $5,877,000 from the exercise of warrants and options. We will seek to obtain additional financing through similar sources in the future, as needed. As of May 31, 2019, we had $3,946,000 of available cash, $27,425,000 of short-term and long-term bank deposits and $4,223,000 of marketable securities.

Management continues to evaluate various financing alternatives for funding 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. Based on our current cash resources and commitments, we believe we will be able to maintain our current planned development activities and the corresponding level of expenditures for at least the next 12 months and beyond.

As of May 31, 2019, our total current assets were $26,588,000 and our total current liabilities were $5,216,000. On May 31, 2019, we had a working capital surplus of $21,372,000 and an accumulated loss of $78,823,000. As of August 31, 2018, our total current assets were $31,037,000 and our total current liabilities were $4,553,000. On August 31, 2018, we had a working capital surplus of $26,484,000 and an accumulated loss of $69,223,000. The decrease in working capital surplus from August 31, 2018 to May 31, 2019 was primarily due to the cash used in operating activities.

During the nine-month period ended May 31, 2019, cash and cash equivalents decreased to $3,946,000 from the $4,996,000 reported as of August 31, 2018, which is due to the reasons described below.

Operating activities used cash of $9,672,000 in the nine-month period ended May 31, 2019, as compared to $10,009,000 used in the nine-month period ended May 31, 2018. Cash used in operating activities in the nine-month period ended May 31, 2019 primarily consisted of net loss resulting from research and development and general and administrative expenses and is partially offset by changes in contract liabilities primarily due to a milestone payment received during the period in the amount of $3,000,000 under the License Agreement, while cash used in operating activities in the nine-month period ended May 31, 2018 primarily consisted of net loss resulting from research and development and general and administrative expenses, as well as changes in contract liabilities due to the License Agreement and is partially offset by changes in stock-based compensation.

Investing activities provided cash of $8,622,000 in the nine-month period ended May 31, 2019, as compared to $3,549,000 used in the nine-month period ended May 31, 2018. Cash provided by investing activities in the nine-month period ended May 31, 2019 consisted primarily of the maturity of short-term deposits and held to maturity securities and is partially offset by the purchase of short-term and long-term deposits and held to maturity securities, while cash used in investing activities in the nine-month period ended May 31, 2018 consisted primarily of the purchase of long-term bank deposits and held to maturity securities and is partially offset by the maturity of held to maturity securities.

Financing activities did not provide cash in the nine-month period ended May 31, 2019, as compared to $6,161,000 provided in the nine-month period ended May 31, 2018. Financing activities in the nine-month period ended May 31, 2018 consisted of aggregate net proceeds of $5,164,000 from our issuance of 572,702 shares of common stock under an At The Market Issuance Sales Agreement, dated April 2, 2015, or the Sales Agreement, with B. Riley FBR, Inc., as successor to FBR Capital Markets & Co., or FBR, as amended, and proceeds from the exercise of warrants and options. Pursuant to the Sales Agreement, we may, from time to time and at our option, issue and sell shares of our common stock having an aggregate offering price of up to $25,000,000 through FBR as 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 February 2, 2017, as supplemented by a prospectus supplement dated April 5, 2017. We will pay FBR a commission of 3.0% of the gross proceeds of the sale of any shares sold through FBR. We may also from time to time consider alternative financing options, depending on market conditions and other factors.

Off-balance sheet arrangements

As of May 31, 2019, we had no off-balance sheet arrangements that have had or that we expect would be reasonably likely to have a future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Critical accounting policies and estimates

Our significant accounting policies are described in the notes to the consolidated financial statements as of August 31, 2018 included in our Annual Report and in the notes to the condensed consolidated financial statements contained in this Quarterly Report on Form 10-Q.

Planned Expenditures

We invest 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.

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 May 31, 2019. 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 May 31, 2019. 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 May 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting, except for new controls with regard to the implementation of ASU 2014-09, “Revenue from Contracts with Customers (Topic 606).

PART II – OTHER INFORMATION

ITEM 1A – RISK FACTORS

An investment in our securities involves a high degree of risk, a number of which risks are described under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended August 31, 2018, or our Annual Report. You should consider carefully the information about these risks in our Annual Report and below, together with the other information contained in our Annual Report and the information contained under the heading "Forward-Looking Statements" and elsewhere in this Quarterly Report on Form 10-Q before making an investment decision. Our business, prospects, financial condition and results of operations may be materially and adversely affected as a result of any of the risks described in our Annual Report or below. The value of our securities could decline as a result of any of these risks. You could lose all or part of your investment in our securities. Some of the statements in "Item 1A. Risk Factors" are forward-looking statements. The following risk factors are not the only risk factors facing us. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, prospects, financial condition and results of operations.

Clinical trials of our products conducted by third parties may encounter delays, suspensions or other problems and are outside of our control.

Third parties who conduct clinical trials of our products may encounter problems that may cause delays, suspensions or other problems at any phase. These problems could include the possibility that they may not be able to conduct clinical trials at their preferred sites, enroll a sufficient number of patients for their clinical trials at one or more sites or begin or successfully complete clinical trials in a timely fashion, if at all. In addition, these third parties are not controlled by us and may conduct these trials in a manner in which we disagree or which may prove to be unsuccessful. Furthermore, domestic or foreign regulatory agencies may suspend clinical trials at any time if they believe the subjects participating in the trials are being exposed to unacceptable health risks or if they find deficiencies in the clinical trial process or conduct of the investigation. If such clinical trials conducted by third parties fail, it could have a material adverse effect on our business, prospects, financial condition and results of operations.

ITEM 2 - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On May 1, 2019, we issued 2,500 shares of our common stock to Corporate Profile, LLC, or Corporate Profile, in payment of a portion of the consulting fee for investor relations services owed to Corporate Profile pursuant to a Letter Agreement, dated April 8, 2018, between us and Corporate Profile.

We issued these shares pursuant to an exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended.

ITEM 6 - EXHIBITS

Number	
10.1*+	Amendment #1 to Clinical Research Organization Services Agreement Protocol # ORA-D-015 between Oramed, Inc. and Integrium, LLC.
10.2*+	Amendment #2 to Clinical Research Organization Services Agreement Protocol # ORA-D-015 between Oramed, Inc. and Integrium, LLC.
10.3*	Employment Agreement, dated May 16, 2019, between Oramed Ltd. and Avraham Gabay.
10.4*	Representative Form of Indemnification Agreements between Oramed Pharmaceuticals Inc. and each of our directors and officers.
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 15d-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 May 31, 2019 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.

* Filed herewith

** Furnished herewith

\+ Certain identified information in the exhibit has been excluded from the exhibit because it is both (i) not material and (ii) would likely cause competitive harm to Oramed Pharmaceuticals Inc. if publicly disclosed.

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: July 10, 2019

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

Date: July 10, 2019

By: /s/ Avraham Gabay
Avraham Gabay
Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO ORAMED PHARMACEUTICALS INC. IF PUBLICLY DISCLOSED. OMISSIONS ARE DENOTED IN BRACKETS THROUGHOUT THIS EXHIBIT.

Amendment #1 to Clinical Research Organization Services Agreement
Protocol # ORA-D-015
between Oramed, Inc. and Integrium, LLC

BASIC PROVISIONS

Study Title: (the "Study"): "A Placebo-controlled, Multi-center, Randomized, Phase 2b Study to Evaluate the Efficacy and Safety of ORMD-0801 in Type 2 Diabetes Mellitus Patients with Inadequate Glycemic Control on Oral Therapy"

Protocol: # (the "Protocol"): ORA-D-015, Amendment #3 dated April 4, 2019

Purpose of Amendment: Revise the contract to reflect two Protocol Amendments, which includes the following changes:

- Subject number has increased as follows
  - Cohort A (the original contract through Protocol Amend #2) increased from 445 screened to 545 screened
  - Cohort B (added in Protocol Amend #3) added 145 patients screened

    [+]
- Sites:
  - Cohort A: 39 Sites
  - Cohort B: 26 Sites
- Protocol Amendment 1,2 added the activities below:
  - Writing of 2 Protocol Amendments
  - Writing of 2 ICF Amendments
  - 8-month delay in timeline increasing project management, site management, medical monitoring, data management and EDC support management
    - a 3.5-month enrollment hold due to a drug delay
    - a 4.5 month increase in enrollment due to limited drug supply and addition of placebo arm
  - Regulatory processing of 2 Protocol Amendments, IRB submission
  - Creation of CSA amendments for the sites
  - Creation of 23 additional eCRF pages to replace electronic diary, screen programming and UAT testing
  - Increased eCRF pages per complete subject from 106 to 129 increasing data management tasks
  - Increase in EDC platform fees for 8 months
  - Increase in printing to print paper diaries

- Protocol Amendment #3 added the activities below:
    - Writing of 1 Protocol Amendment
    - Regulatory Processing of 1 Protocol Amendment, IRB submission
    - Revision of the IWRS system causing a 1.5-month screening delay
    - Addition of 3 months of enrollment to enroll the subjects as stated above in 26 active sites
    - Increase in the number of monitoring visits to monitor the additional subjects
    - Separate Database lock for Cohort A and an additional lock for Cohort B
    - Revision to the SAP and the increase in SAS datasets and TLGs, per Ken
    - Increase in Investigator Grants
    - Increase in IRB processing pass-through fees
    - Increase in EDC platform fees for 4.5 months

Study Timeline: Study timeline increased by 12.5 months

- Cohort A: 8 months
- Cohort B: 4.5 months

Projected Time Period of the Services: Effective from November 1, 2017 to May 15, 2020.

Study Specifications Document: Attached Exhibit 2

Revised Study Budget/Payment Schedule:

(a) Revised Budget: Attached Exhibit 3

	Original Contract	Amendment #1	Revised Total
Service Fees	$[+]	$[+]	$[+]
Grants/Site Expenses	$[+]	$[+]	$[+]
Pass-through Expenses	$[+]	$[+]	$[+]
Total Cost	$[+]	$[+]	$[+]

(b) Revised Payment Schedule/Advanced Payments: Payments will be made based on the revised payment schedule, Exhibit 4. All previous payments made by Oramed under the Contract Research Organization Services Agreement will be credited and reconciled with the value of this Amendment #1.

All other provisions of the Service Order shall remain unchanged and in effect.

This Amendment #1 ("First Amendment") to the Contract Research Organization Agreement (the "Agreement") made this 18th day of April, 2019, by and between Oramed Ltd. ("Sponsor"), an Israeli company, with principal offices located at Hi-Tech Park 2/4 Givat-Ram, P.O. Box 39098, Jerusalem, 91390, Israel ("Sponsor"), and Integrium, LLC., a California limited liability company with its principal place of business located at 14351 Myford Road, Suite A, Tustin, CA 92780 ("Integrium").

WHEREAS, the Agreement by and between Sponsor and Integrium was effective on November 1, 2017; and

WHEREAS, the parties now enter into this First Amendment to the Agreement for the purposes of amending the contract to reflect certain changes in scope and associated costs as indicated on page one of this First Amendment; and

NOW, THEREFORE, for good and valuable consideration contained herein, the exchange, receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Service Order

Pursuant to the Agreement, this First Amendment to Agreement is attached to the Agreement, and Integrium and Sponsor each authorize the other party to attach this First Amendment to the Agreement to the Agreement in its possession.

2. Scope of Services

Integrium shall perform services as required for the execution of the "Protocol", Exhibit "1" and specification of the Services as provided in Exhibit "2". Further revisions to the Protocol and/or any Project Assumptions may require further revisions to the study budget.

3. Compensation and Payment

3.1 For its performance of the services under this Agreement, Integrium shall receive compensation as set forth in the Budget, Exhibit "3" and Payment Schedule included, Exhibit "4". All invoices shall be paid within thirty (30) days of invoice date. Integrium shall not be responsible for any Study timeline delays, due to lack of payment or late payment from Sponsor.

3.2 Payments to Integrium shall be made to:

Integrium, LLC
100 E. Hanover Avenue
Suite 401
Cedar Knolls, NJ 07927 USA
Tax ID#: 33-0796857

Wiring Information:
Bank of the West
4400 MacArthur Blvd
Suite 400
Newport Beach, CA 92660

Routing/ABA # [+]
Bank Account # [+]
Bank Account Name [+]

4. Timelines

It is acknowledged that Sponsor desires to progress the Study at the maximum speed possible, in a manner consistent with good clinical practices and adherence to FDA regulations. Integrium shall use reasonable best efforts to meet the Timeline for the Study set forth in Exhibit "A".

5. Representations and Warranties of Integrium

Integrium represents and warrants to Sponsor that all of the representations and warranties made by Integrium in the Agreement are true and correct on the date of this Amendment #1 to the Agreement as if made on the date of this Amendment #1.

IN WITNESS THEREOF, this Service Order has been executed by the parties hereto through their duly authorized officers as of the date set forth above.

For and on behalf of
Integrium, LLC

/s/ Jessica Coutu
By: Jessica Coutu
Title: Senior Director, Contract Administration
Date: May 1, 2019

For and on behalf of
Oramed Ltd.

/s/ Nadav Kidron
By: Nadav Kidron
Title: CEO
Date: May 1, 2019

/s/ Miriam Kidron
Miriam Kidron
CSO

Integrium/ Oramed

Exhibit 1

Protocol Number: ORA-D-015
Amendment #3
Date: April 4, 2019

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Integrium/Oramed

Exhibit 2

Study Specifications

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Study Specifications Document

Project Identifiers	
Sponsor Company	Oramed Ltd.
Protocol Number	ORA-D-015
Protocol Title	A Placebo-controlled, Multi-center, Randomized, Phase 2b Study to Evaluate the Efficacy and Safety of ORMD-0801 in Type 2 Diabetes Mellitus Patients with Inadequate Glycemic Control on Oral Therapy
Investigational Product(s)	ORMD-0801
Indication	Type 2 Diabetes Mellitus
Therapeutic Area	Metabolic
Study Phase	III
Sponsor Country	Israel
Country Locations	US
Study Assumptions	
Subjects	
# Subjects Screened	[+]
% Screen Failure Rate	[+]%
# Screen Failures	[+]
# Subjects Entering Run-In Phase	[+]
% Run-In Failure Rate	[+]%
# Run-In Failures	[+]
# Subjects Entering Treatment Phase	[+]
% Early Termination Rate	[+]%
# Early Terminations	[+]
# Subjects Complete	[+]
Sites	
# Sites Identified	[+]
Total Sites Cohort A	[+]
# Central IRB Sites	[+]
# Local IRB Sites	[+]
Total Sites Active Cohort B	[+]
Enrollment	
# Screened/site	[+]
# Screened/site/week	[+]
# Enrolled/site	[+]
# Enrollment Rate (per site/per month)	[+]
# Randomized/site	[+]
# Randomization Rate (per site/ month)	[+]

Third Party Vendors		
Meeting Planner	1	
Central IRB	1	
Central Lab	1	
CGM Monitors/Supply Vendor	1 - Contracted by Sponsor	
Centralized CGM Reader Vendor	1 - Contracted by Sponsor	
eDiary/Glucometer Vendor	1 - Contracted by Sponsor	
Product Packaging & Distribution	1 - Contracted by Sponsor	
IWRS	1 - Contracted by Sponsor	
Project Meetings	# Meetings	Assumptions
Investigator/CRA Training Meeting	[+]	[+]
Launch Meeting	[+]	[+]
Sponsor Team Teleconferences	[+]	[+]
Internal Team Teleconferences	[+]	[+]
CRA Teleconferences	[+]	[+]
Monitoring Assumptions		
# CRAs	[+]	
# Pre-Study Selection Visits	[+]	
# Initiation Visits	[+]	
	For sites where PI and Study Coordinator do not attend Invest. Mtg	
# Interim Monitoring Visits	[+]	
Monitoring Interval (Maximum - weeks)	[+]	
# Interim Monitoring Visits/site	[+]	
# Additional Days on-site/site	[+]	
# 1-day Interim Monitoring Visits	[+]	
# Additional Days	[+]	
# Close-out Visits	[+]	
Safety Assumptions		
SAE rate (%)	[+]%	
Estimated # SAEs	[+]	
Estimated # Expedited SAEs	[+]	
Data Management		
CRF pgs per randomized patient	[+]	
Unique CRFs/Subject	[+]	
Non-Unique CRFs/Subject	[+]	
CRF pgs per early term	[+]	
CRF pgs per screen failure	[+]	

Total CRF Pages	[+]
Complete subjects	[+]
Early Terms	[+]
Screen Failures	[+]
Total DM Datasets	[+]
Total Edit Checks	[+]
Estimated # Total Queries	[+]
Estimated # Queries/Patient (1/5 pages)	[+]
Manual Coding	
# Medical History/Subject	[+]
# ConMeds/Subject	[+]
# AEs/Subject	[+]
Data Transfers	
# Sponsor Transfers	[+] test, final
# Lab Transfers	[+] test, monthly, final
# PK Transfers	N/A
# Electronic Diary Lab Transfers	[+] test, quarterly, final
# Central CGM Reader Transfers	[+] test, quarterly, final
# IWRS Transfers	No charge, integrated with EDC
Statistical Analysis	The following assumptions are estimates. The total number of TLGs will be defined upon the finalization of the Statistical Analysis Plan. An amendment to the budget will be issued at that time, if applicable.
# SAS Datasets	[+]
Estimated Tables	
# Standard and Non-Standard Repeat	[+]
# Non-Standard Unique	[+]
Estimated Listings	
# Standard and Non-Standard Repeat	[+]
# Non-Standard Unique	[+]
Estimated Graphs	
# Standard and Non-Standard Repeat	[+]
# Non-Standard Unique	[+]
Exploratory Output	
# Exploratory Tables	[+]
# Exploratory Listings	[+]
# Exploratory Graphs	[+]
pK Parameters	[+]
Post-hoc Analysis	[+]

EDC – DSG	
Number of Screens	
Unique Screens	[+]
Redundant Screens	[+]
Site Patient Activity Duration (Months)	[+]
Enrollment Duration (Months)	[+]
Server Activity Duration (Months)	[+]
Usage Fee/Help Desk Fees	
Product Usage Fee/Month	$[+]
Intregrium Archiving Pricing	
CD/DVD per site	$[+]
Clinical Study Report	**The budget is based on one draft and one final version of the CSR, assuming there will be no hyperlinking. If hyperlinking and/or additional versions of the CSR are requested, they will be provided at the study hourly rate for the actual additional hours.**

Project Timeline			
Project Activity	Date	Month #	Week #
Study Start Date	[+]	[+]	[+]
Final Protocol Date	[+]	[+]	[+]
First Patient enrolled at OCRC	[+]	[+]	[+]
EDC Set-Up Complete	[+]	[+]	[+]
Investigators' Meeting	[+]	[+]	[+]
First Patient Screened	[+]	[+]	[+]
First Patient Enter Run-In Period	[+]	[+]	[+]
First Patient Enter Part 1 Titration	[+]	[+]	[+]
First Patient Enter Part 2 Maintenance	[+]	[+]	[+]
Start of Screening Hold	[+]	[+]	[+]
End of Screening Hold	[+]	[+]	[+]
First Patient Last Visit	[+]	[+]	[+]
Additional Full Placebo at CSM with all required documents	[+]	[+]	[+]
Additional Full Placebo packaged/ready for shipment to site	[+]	[+]	[+]
Last Patient Screened Cohort A	[+]	[+]	[+]
Last Patient Enter Run-In Period Cohort A	[+]	[+]	[+]
Last Patient Part 1 Titration Cohort A	[+]	[+]	[+]
Last Patient Enter Part 1 Cohort A	[+]	[+]	[+]
Last Patient Part 2 Maintenance Cohort A	[+]	[+]	[+]
Last Patient Last Visit Cohort A	[+]	[+]	[+]
Last IMV Cohort A	[+]	[+]	[+]
Cohort A Database Lock	[+]	[+]	[+]
Cohort A Draft Final TLGs	[+]	[+]	[+]
Cohort A Final TLGs	[+]	[+]	[+]
Draft CSR	[+]	[+]	[+]
Final CSR	[+]	[+]	[+]
Estimated IWRS Cohort B Go-live Date	[+]	[+]	[+]
First Subject Screened Cohort B	[+]	[+]	[+]
First Subject Run-in Cohort B	[+]	[+]	[+]
First Subject Randomized Cohort B	[+]	[+]	[+]
First Subject Last Visit Cohort B	[+]	[+]	[+]
Last Subject Screened Cohort B	[+]	[+]	[+]
Last Subject Run-in Cohort B	[+]	[+]	[+]
Last Subject Randomized Cohort B	[+]	[+]	[+]
Last Subject Last Visit Cohort B	[+]	[+]	[+]
Last IMV	[+]	[+]	[+]
Database Lock	[+]	[+]	[+]
Draft Final TLGs	[+]	[+]	[+]
Final TLGs	[+]	[+]	[+]
Draft CSR	[+]	[+]	[+]
Final CSR	[+]	[+]	[+]
CRO End Date	[+]	[+]	[+]
Total Project Duration (Months)	[+]		

	Months	**Weeks**	**Phase**
Start-up	[+]	[+]	I
Enrollment	[+]	[+]	II
Treatment	[+]	[+]	III
LPLV-DBL	[+]	[+]	IV
DBL-CRO End	[+]	[+]	V
	[+]	[+]	

Integrium/Oramed

EXHIBIT 3

Study Budget

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Study Budget

	STUDY START-UP	***UNIT COST***	***UNITS***	***MEASURE OF UNIT***	***TOTAL***
1	Project Management (Start Up)	$[+]	5.6	Month	$[+]
2	Develop/Finalize Project Management Plan	$[+]	1	Plan	$[+]
3	Project Launch Webcast Meeting/Training	$[+]	1	Meeting	$[+]
41	Study Materials Management	$[+]	39.0	Site	$[+]
42	Source Documentation Development	$[+]	1.0	Total	$[+]
43	Site Identification	$[+]	41.0	Site	$[+]
44	Pre-study Site Evaluation Visit	$[+]	22.0	Visit	$[+]
45	Develop/Finalize CRA Monitoring Plan	$[+]	1	Plan	$[+]
46	Study Manual/Quality Plan	$[+]	1	Total	$[+]
47	Data Management Plan ("DMP")	$[+]	1	Total	$[+]
48	Regulatory Document Collection - Start Up	$[+]	39.0	Site	$[+]
	Reg. Doc. Collection - Protocol Amendments	$[+]	106.0	Amend*Site	$[+]
49	Investigator Budget/Contract Negotiations	$[+]	39.0	Site	$[+]
	Site CSA Amendments	$[+]	38.0	Site	$[+]
50	Investigator Meeting and Preparation	$[+]	1	Meeting	$[+]
51	Clinical System Set-Up Configuration/Maintenance	$[+]	40	Total	$[+]
52	Generate Randomization Codes	$[+]	1	Randomization	$[+]
	STUDY START-UP FEES TOTAL				$[+]
	EDC STUDY START-UP	***UNIT COST***	***UNITS***	***MEASURE OF UNIT***	***TOTAL***
17	eCRF Development	$[+]	1.0	Total	$[+]
18	eCRF Completion Instructions	$[+]	1.0	Total	$[+]
19	Edits Specifications and Programming	$[+]	1.0	Total	$[+]
20	Validate/Test Data Entry Screens (UAT)	$[+]	1.0	Total	$[+]
21	Annotate CRF	$[+]	1	Total	$[+]
22	Clinical Database Development-SDTM Dataset Creation/Documentation	$[+]	1.0	Total	$[+]
23	Platform Study Set-up Fee	$[+]	1	Total	$[+]
24	Database Design and Validation Specifications	$[+]	1.0	Database	$[+]
25	EDC Kick-Off Meeting	$[+]	1	Meeting	$[+]
26	Set-up Standard Data Entry Screens	$[+]	1.0	Total	$[+]
27	Training Session	$[+]	1	Study	$[+]
28	Project Manage all aspects of EDC start-up	$[+]	1	Start-up	$[+]
29	Create Enrollment Screen	$[+]	1	Total	$[+]
30	Integrating EDC System with IWRS System	$[+]	1	Total	$[+]
31	Data Export Programming	$[+]	35.0	Dataset	$[+]
32	Create Custom Reports	$[+]	1	Report	$[+]
33	Register users and maintain passwords for life of study (per user (4 per site + 6 for sponsor))	$[+]	162.0	Per User	$[+]
	EDC START-UP FEES TOTAL				$[+]

	CLINICAL MONITORING	*UNIT COST*	*UNITS*	*MEASURE OF UNIT*	*TOTAL*
34	Project Management (enrollment phase)	$[+]	15.6	Month	$[+]
35	Project Management (treatment phase)	$[+]	4.4	Month	$[+]
36	Project Management Study (LPLV to DBL)	$[+]	2.1	Month	$[+]
37	Project Management Study (DBL to CRO end)	$[+]	2.9	Month	$[+]
38	Sponsor Team Teleconferences	$[+]	66.0	Telecon	$[+]
39	Internal Team Teleconferences	$[+]	6	Telecon	$[+]
40	CRA Teleconferences	$[+]	12	Telecon	$[+]
41a	Trial Master File Cohort A	$[+]	40	Site, Gen. File	$[+]
41b	Trial Master File Cohort B	$[+]	29	Site, Gen. File	$[+]
42a	Regulatory Document Maintenance Cohort A	$[+]	897	Month	$[+]
42b	Regulatory Document Maintenance Cohort B	$[+]	196	Month	$[+]
43	Site Initiation Visits	$[+]	23	Site	$[+]
44a	Site Management Cohort A	$[+]	920	Site*Month	$[+]
44b	Site Management Cohort B	$[+]	203	Site*Month	$[+]
45	Interim Monitoring Visits - One Day	$[+]	350	Visit	$[+]
46	Interim Monitoring Visits - Additional Day On-site	$[+]	100	Day	$[+]
47	Close-out Visits	$[+]	39.0	Visit	$[+]
48a	Site Grant Administration Cohort A	$[+]	20.0	Month	$[+]
48b	Site Grant Administration Cohort B	$[+]	5.0	Month	$[+]
	CLINICAL MONITORING/LOGISTICS SERVICES SUBTOTAL				$[+]
	MEDICAL/SAE MANAGEMENT	***UNIT COST***	***UNITS***	***MEASURE OF UNIT***	***TOTAL***
49	Medical Management	$[+]	22	Month	$[+]
50	Create Safety Plan	$[+]	1	Plan	$[+]
51	Review Protocol Deviation Log	$[+]	22	Month	$[+]
52	Tracking Protocol Waivers	$[+]	22	Month	$[+]
53	Lab Alert/Patient Review	$[+]	22	Month	$[+]
54	Review of AE Data Listings on a Monthly basis	$[+]	22	Month	$[+]
55	Create Safety Database	$[+]	1	Database	$[+]
62	SAE Management	$[+]	19.0	SAE	$[+]
	MEDICAL/SAE MANAGEMENT SERVICES SUBTOTAL				$[+]
	DATA MANAGEMENT	***UNIT COST***	***UNITS***	***MEASURE OF UNIT***	***TOTAL***
56	Data Entry Activities	$[+]	56,264	CRF Pg	$[+]
57	Generate/Track/Resolve Queries	$[+]	11253	Query	$[+]
58	Data Cleaning/Manual Listing Review	$[+]	417	Patient	$[+]
59	Import Other Data	$[+]	25	Transfer	$[+]
60	Export Data to Sponsor	$[+]	2	Transfer	$[+]
61	Manual Coding	$[+]	4170	Manual Code	$[+]
63	Archive Study Records, Database	$[+]	1	Database	$[+]
64	Data Base Lock Activities - Cohort A	$[+]	1	Total	$[+]
	Data Base Lock Activities - Cohort B	$[+]	1	Total	$[+]
	DATA MANAGEMENT FEES SUBTOTAL				$[+]

	EDC SYSTEM MAINTAINANCE	***UNIT COST***	***UNITS***	***MEASURE OF UNIT***	***TOTAL***
65	Coding System (Set-up Cost) [WHO/MEDRA]	$[+]	1	Access User	$[+]
66	Third Party Data Integrations	$[+]	32	Transfer	$[+]
67	SAS Platform (months)	$[+]	30	Month	$[+]
68	Help Desk Support	$[+]	22	Month	$[+]
69	Ongoing Support Project Management	$[+]	15	Month	$[+]
70	CRF Export Programming (Site Archives, eCRFs for Submission)	$[+]	1	Total	$[+]
71	Provide End of Study Archives to All Sites and 2 Copies to Sponsor	$[+]	1.0	Total	$[+]
	EDC SYSTEM SET-UP AND MAINTAINANCE SUBTOTAL				$[+]
	BIOSTATISTICAL ANALYSIS	***UNIT COST***	***UNITS***	***MEASURE OF UNIT***	***TOTAL***
72	Draft & Final Statistical Analysis Plan (SAP)	$[+]	1	SAP	$[+]
73	Analysis DataSets	$[+]	17	Dataset	$[+]
74	Create/Document ADaM (Submission Ready) Datasets	$[+]	17	Dataset	$[+]
75	Statistical Programming Deliverables (TLGs)	$[+]	191	T/L/G	$[+]
76	Generate/QC TLFs	$[+]	208	Appendix	$[+]
77	Output Review/Dry Runs	$[+]	3	Dry Run	$[+]
78	Post-hoc Analysis Hours	$[+]	120	Hour	$[+]
	BIOSTATISTICAL ANALYSIS SUBTOTAL				$[+]
	MEDICAL WRITING	***UNIT COST***	***UNITS***	***MEASURE OF UNIT***	***TOTAL***
79a	Finalize Protocol	$[+]	1	Protocol	$[+]
79b	Write Protocol Amendment	$[+]	3	Amendment	$[+]
80a	Develop/Finalize ICF	$[+]	1	Total	$[+]
80b	Develop/Finalize ICF Amendment	$[+]	2	Amendment	$[+]
81	Final CSR	$[+]	1	Total	$[+]
	MEDICAL WRITNG SUBTOTAL				$[+]
	CRO SERVICE FEES GRAND TOTAL				$[+]
	PASS THROUGH COSTS	***UNIT COST***	***UNITS***	***MEASURE OF UNIT***	***TOTAL***
1	Pre-study Site Evaluation Visit	$[+]	22	Visit	$[+]
2	Site Initiation Visit	$[+]	23	Visit	$[+]
3a	Interim Monitoring Visits - One Day	$[+]	350	Visit	$[+]
3b	Interim Monitoring Visits - Additional Day On-site	$[+]	100	Day	$[+]
4	Close-out Visits	$[+]	39	Visit	$[+]
5	Investigators' Meeting Planner	$[+]	1	Meeting	$[+]
6	Investigator Grants	$[+]			$[+]
6a	# Patients Completed	$[+]	317	Patient	$[+]
6b	# Screen Failures	$[+]	273	Patient	$[+]
6c	# Run-In Failures	$[+]	57	Patient	$[+]
6d	# Early Terminations	$[+]	43	Patient	$[+]
6e	# Rescue Visits	$[+]	1	Visit	$[+]
6f	# Unscheduled visits	$[+]	1	Visit	$[+]
7	Site: Advertising/Patient Recruitment	$[+]	39	Site	$[+]
8	Site: Archive Fees	$[+]	39	Site	$[+]
9	Site: Start-up Costs	$[+]	39	Site	$[+]
10	Site: Estimated Rescue Meds	$[+]	40	Site	$[+]

	PASS THROUGH COSTS	***UNIT COST***	***UNITS***	***MEASURE OF UNIT***	***TOTAL***
11	Site: Regulatory Fee	$[+]	1	Site	$[+]
12	Site: Pharmacy Fee	$[+]	1	Total	$[+]
13	Central Laboratory Fees	$[+]	1.0	Total	$[+]
14	IWRS Fees	$[+]	1	Total	$[+]
15a	Central IRB - Protocol & Advertising Submission	$[+]	1	Protocol	$[+]
15b	Central IRB - Site Submissions	$[+]	39	Protocol	$[+]
15	Central IRB annual renewal	$[+]	39	Year	$[+]
15d	Central IRB Amendments	$[+]	67	Amendment	$[+]
15e	Central IRB Closeout Fee	$[+]	39	Site	$[+]
15f	Central IRB PI Change	$[+]	1	Site	$[+]
15g	Central IRB - Site Specific Translations	$[+]	2	Translation	$[+]
15h	Central IRB - Advertising Approval	$[+]	4	Approval	$[+]
16	Mixed Meal Tolerance Test Supplies: Ensure	$[+]	40	Site	$[+]
17a	EDC Platform Product Usage	$[+]	25	Total	$[+]
17b	EDC Coding System Integration Fee [WHO/MEDRA]	$[+]	1	Total	$[+]
18	End of study archive CDs to sites; 2 copies to Sponsor	$[+]	41	Total	$[+]
19	Launch Binders	$[+]	40	Binder	$[+]
20	Regulatory Binders	$[+]	40	Binder	$[+]
21	Copying/ Printing	$[+]	1	Total	$[+]
22	Postal & Shipping Fees	$[+]	1	Total	$[+]
23	Sponsor/Internal - Teleconferences	$[+]	1	Total	$[+]
	PASS-THROUGH COSTS TOTAL				$[+]
	PROJECT'S OVER-ALL TOTAL COST				$[+]

Exhibit 4
Study Payment Schedule

Payment Schedule

Monthly Management Fees	Month	$ Amount	Verification of Milestone Completion/Deliverables
Project Management Fees	**November 2017**	$[+]	Paid
Project Management Fees	**December 2017**	$[+]	Paid
Project Management Fees	**January 2018**	$[+]	Paid
Project Management Fees	**February 2018**	$[+]	Paid
Project Management Fees	**March 2018**	$[+]	Paid
Project Management Fees	**April 2018**	$[+]	Paid
Project Management Fees	**May 2018**	$[+]	Paid
Project Management Fees	**June 2018**	$[+]	Paid
Project Management Fees	**July 2018**	$[+]	Paid
Project Management Fees	**August 2018**	$[+]	Paid
Project Management Fees	**September 2018**	$[+]	Paid
Project Management Fees	**October 2018**	$[+]	Paid
Project Management Fees	**November 2018**	$[+]	Paid
Project Management Fees	**December 2018**	$[+]	Paid
Project Management Fees	**January 2019**	$[+]	Paid
Project Management Fees	**February 2019**	$[+]	Paid
Project Management Fees	**March 2019**	$[+]	Paid
Project Management Fees	**April 2019**	$[+]	Invoiced Monthly
Project Management Fees	**May 2019**	$[+]	Invoiced Monthly
Project Management Fees	**June 2019**	$[+]	Invoiced Monthly
Project Management Fees	**July 2019**	$[+]	Invoiced Monthly
Project Management Fees	**August 2019**	$[+]	Invoiced Monthly
Project Management Fees	**September 2019**	$[+]	Invoiced Monthly
Project Management Fees	**October 2019**	$[+]	Invoiced Monthly
Project Management Fees	**November 2019**	$[+]	Invoiced Monthly
Project Management Fees	**December 2019**	$[+]	Invoiced Monthly
Project Management Fees	**January 2020**	$[+]	Invoiced Monthly
Project Management Fees	**February 2020**	$[+]	Invoiced Monthly
Project Management Fees	**March 2020**	$[+]	Invoiced Monthly
Project Management Fees	**April 2020**	$[+]	Invoiced Monthly
Project Management Fees	**May 2020**	$[+]	Invoiced Monthly
	Total Monthly Management Fees:	$[+]	

Monthly Service Fees	Date	% Total Service Budget	% Milestone Service Budget	$ Amount	Verification of Milestone Completion/Deliverables
Contract Execution	12/1/2017	**4.15%**	**10.48%**	$[+]	Paid
Cohort A: 1st Subject Entered	4/20/2018	**2.08%**	**4.18%**	$[+]	Paid
Cohort A: 25% Subjects Randomized	6/4/2018	**3.46%**	**6.97%**	$[+]	Paid
Cohort A: 50% Subjects Randomized	7/19/2018	**3.46%**	**6.97%**	$[+]	Paid
Cohort A: 75% Subjects Randomized	9/2/2018	**3.46%**	**6.97%**	$[+]	Paid
Cohort A: 100% Subjects Randomized	3/29/2019	**3.46%**	**6.97%**	$[+]	Paid
Cohort A: 1st Subject Last Visit	8/22/2018	**2.08%**	**4.18%**	$[+]	Paid
Cohort A: 25% Subjects Last Visit	10/15/2018	**2.08%**	**4.18%**	$[+]	Paid

Cohort A: 50% Subjects Last Visit	11/29/2018	**2.08%**	**4.18%**	$[+]	Paid
Cohort A: 75% Subjects Last Visit	1/13/2019	**2.08%**	**4.18%**	$[+]	Billed pending payment
Execution of Amendment 1	4/18/2019	**2.08%**	**4.18%**	$[+]	Upon execution of Amend. #1
Cohort A: 100% Subjects Last Visit	8/9/2019	**2.08%**	**4.18%**	$[+]	Enrollment log
Cohort A: Database Lock	2/18/2020	**4.15%**	**8.37%**	$[+]	Database Lock
Cohort A: Draft Final TLGs	3/10/2020	**1.80%**	**3.63%**	$[+]	Draft Final TLGs
Cohort B: 1st Subject Entered	5/6/2019	**0.83%**	**1.67%**	$[+]	Billed
Cohort B: 25% Subjects Randomized	6/3/2019	**0.97%**	**1.95%**	$[+]	Billed
Cohort B: 50% Subjects Randomized	7/1/2019	**0.97%**	**1.95%**	$[+]	Billed
Cohort B: 75% Subjects Randomized	7/29/2019	**0.97%**	**1.95%**	$[+]	Enrollment log
Cohort A: 100% Subjects Randomized	9/10/2019	**0.97%**	**1.95%**	$[+]	Enrollment log
Cohort B: 1st Subject Last Visit	9/16/2019	**0.97%**	**1.95%**	$[+]	Billed
Cohort B: 25% Subjects Last Visit	10/4/2019	**0.97%**	**1.95%**	$[+]	Enrollment log
Cohort B: 50% Subjects Last Visit	11/1/2019	**0.97%**	**1.95%**	$[+]	Enrollment log
Cohort B: 75% Subjects Last Visit	11/29/2019	**0.97%**	**1.95%**	$[+]	Enrollment log
Cohort B: 100% Subjects Last Visit	12/17/2019	**0.97%**	**1.95%**	$[+]	Enrollment log
Cohort B: Database Lock	2/18/2020	**1.11%**	**2.23%**	$[+]	Database Lock
Cohort B: Draft Final TLGs	2/25/2020	**0.48%**	**0.96%**	$[+]	Draft Final TLGs
Total Milestone Based Services:		**49.59%**	**100.00%**	$[+]	

Unit Based Payments: Actual Units Invoiced Monthly	**% Total Services Budget**	**# Units**	**Unit Cost**	**$ Amount**	**Verification of Milestone Completion/Deliverables**
SAE Management	**0.79%**	19	$[+]	$[+]	Invoiced monthly as occurred
			Total Unit Based Services:	$[+]	

Total Services:	$[+]

Pass-through expenses	**$ Amount**	**Verification of Milestone Completion/Deliverables**
Monitoring Visit Travel Expenses	$[+]	Invoiced as Actuals Monthly
Investigator Grants	$[+]	Invoiced and Paid in Advance of Payment to Vendor
Site Start-up Costs	$[+]	Invoiced and Paid in Advance of Payment to Sites
Site Advertising	$[+]	Invoiced as Actuals Monthly
Site Archiving Fees	$[+]	Invoiced as Actuals Monthly
IRB Fees	$[+]	Invoiced as Actuals Monthly
Meeting Planner	$[+]	Invoiced and Paid in Advance of Payment to Vendor
Central Lab Vendor	$[+]	Invoiced and Paid in Advance of Payment to Vendor
IWRS Vendor	$[+]	Invoiced and Paid in Advance of Payment to Vendor
EDC Platform Usage Fees	$[+]	Invoiced as Actuals Monthly
Copying/Printing/Supplies	$[+]	Invoiced as Actuals Monthly
Postal & Shipping Fees	$[+]	Invoiced as Actuals Monthly
Sponsor/Internal - Teleconference System	$[+]	Invoiced as Actuals Monthly
Total Pass-through Budget:	$[+]	

Grand Total Budget:	$[+]

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD LIKELY CAUSE COMPETITIVE HARM TO ORAMED PHARMACEUTICALS INC. IF PUBLICLY DISCLOSED. OMISSIONS ARE DENOTED IN BRACKETS THROUGHOUT THIS EXHIBIT.

Amendment #2 to Clinical Research Organization Services Agreement
Protocol # ORA-D-015
between Oramed, Inc. and Integrium, LLC

BASIC PROVISIONS

Study Title: (the "Study"): "A Placebo-controlled, Multi-center, Randomized, Phase 2b Study to Evaluate the Efficacy and Safety of ORMD-0801 in Type 2 Diabetes Mellitus Patients with Inadequate Glycemic Control on Oral Therapy"

Protocol: # (the "Protocol"): ORA-D-015, Amendment #3 dated April 4, 2019

Purpose of Amendment: Revision to payment schedule based on actuals invoiced and paid to date as well as revision to future payments based on the Amendment #1 revised contract values. This is essentially an administrative amendment and total contract value is unchanged.

Projected Time Period of the Services: Effective from November 1, 2017 to May 15, 2020.

Revised Study Budget/Payment Schedule:

(a) Revised Budget: Attached Exhibit 3

	Original Contract	Amendment #1	Revised Total
Service Fees	$[+]	$[+]	$[+]
Grants/Site Expenses	$[+]	$[+]	$[+]
Pass-through Expenses	$[+]	$[+]	$[+]
Total Cost	$[+]	$[+]	$[+]

(b) Revised Payment Schedule/Advanced Payments: Payments will be made based on the revised payment schedule, Exhibit 4. All previous payments made by Oramed under the Contract Research Organization Services Agreement will be credited and reconciled with the value of this Amendment #2.

All other provisions of the Clinical Research Organization Services Agreement shall remain unchanged and in effect.

This Amendment #2 ("Second Amendment") to the Contract Research Organization Agreement (the "Agreement") made this 14th day of May, 2019, by and between Oramed Ltd. ("Sponsor"), an Israeli company, with principal offices located at Hi-Tech Park 2/4 Givat-Ram, P.O. Box 39098, Jerusalem, 91390, Israel ("Sponsor"), and Integrium, LLC., a California limited liability company with its principal place of business located at 14351 Myford Road, Suite A, Tustin, CA 92780 ("Integrium").

WHEREAS, the Agreement by and between Sponsor and Integrium was effective on November 1, 2017; and

WHEREAS, Amendment #1 to the Agreement was effective on April 18, 2019; and

WHEREAS, the parties now enter into this Second Amendment (an "Administrative Amendment") to the Agreement for the purposes of amending the payment schedule to reflect actual payments received and paid by Oramed as indicated on page one of this Second Amendment; and

NOW, THEREFORE, for good and valuable consideration contained herein, the exchange, receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Compensation and Payment

For its performance of the services under this Agreement, Integrium shall receive compensation as set forth in the Payment Schedule included, Exhibit "1". All invoices shall be paid within thirty (30) days of invoice date. Integrium shall not be responsible for any Study timeline delays, due to lack of payment or late payment from Sponsor.

2. Representations and Warranties of Integrium

Integrium represents and warrants to Sponsor that all of the representations and warranties made by Integrium in the Agreement are true and correct on the date of this Amendment #2 to the Agreement as if made on the date of this Amendment #2.

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IN WITNESS THEREOF, this Service Order has been executed by the parties hereto through their duly authorized officers as of the date set forth above.

For and on behalf of **Integrium, LLC**	For and on behalf of **Oramed Ltd.**	
/s/ Jessica Coutu	/s/ Nadav Kidron	/s/ Miriam Kidron
By: Jessica Coutu Title: Senior V.P., Clinical Operations Date: May 20, 2019	By: Nadav Kidron Title: CEO Date: May 20, 2019	Miriam Kidron CSO

Exhibit 1
Study Payment Schedule

Payment Schedule

Monthly Management Fees	Month	$ Amount	Verification of Milestone Completion/Deliverables
Project Management Fees	**November 2017**	**$[+]**	Paid
Project Management Fees	**December 2017**	**$[+]**	Paid
Project Management Fees	**January 2018**	**$[+]**	Paid
Project Management Fees	**February 2018**	**$[+]**	Paid
Project Management Fees	**March 2018**	**$[+]**	Paid
Project Management Fees	**April 2018**	**$[+]**	Paid
Project Management Fees	**May 2018**	**$[+]**	Paid
Project Management Fees	**June 2018**	**$[+]**	Paid
Project Management Fees	**July 2018**	**$[+]**	Paid
Project Management Fees	**August 2018**	**$[+]**	Paid
Project Management Fees	**September 2018**	**$[+]**	Paid
Project Management Fees	**October 2018**	**$[+]**	Paid
Project Management Fees	**November 2018**	**$[+]**	Paid
Project Management Fees	**December 2018**	**$[+]**	Paid
Project Management Fees	**January 2019**	**$[+]**	Paid
Project Management Fees	**February 2019**	**$[+]**	Paid
Project Management Fees	**March 2019**	**$[+]**	Paid
Project Management Fees	**April 2019**	**$[+]**	Pending
Project Management Fees	**May 2019**	**$[+]**	Invoiced Monthly
Project Management Fees	**June 2019**	**$[+]**	Invoiced Monthly
Project Management Fees	**July 2019**	**$[+]**	Invoiced Monthly
Project Management Fees	**August 2019**	**$[+]**	Invoiced Monthly
Project Management Fees	**September 2019**	**$[+]**	Invoiced Monthly
Project Management Fees	**October 2019**	**$[+]**	Invoiced Monthly
Project Management Fees	**November 2019**	**$[+]**	Invoiced Monthly
Project Management Fees	**December 2019**	**$[+]**	Invoiced Monthly
Project Management Fees	**January 2020**	**$[+]**	Invoiced Monthly
Project Management Fees	**February 2020**	**$[+]**	Invoiced Monthly
Project Management Fees	**March 2020**	**$[+]**	Invoiced Monthly
Project Management Fees	**April 2020**	**$[+]**	Invoiced Monthly
Project Management Fees	**May 2020**	**$[+]**	Invoiced Monthly
	Total Monthly Management Fees:	**$[+]**	

Monthly Service Fees	Date	% Total Service Budget	% Milestone Service Budget	$ Amount	Verification of Milestone Completion/Deliverables
Contract Execution	12/1/2017	**[+]%**	**[+]%**	**$[+]**	Paid
Cohort A: 1st Subject Entered	4/20/2018	**[+]%**	**[+]%**	**$[+]**	Paid
Cohort A: 25% Subjects Randomized	6/4/2018	**[+]%**	**[+]%**	**$[+]**	Paid
Cohort A: 50% Subjects Randomized	7/19/2018	**[+]%**	**[+]%**	**$[+]**	Paid
Cohort A: 75% Subjects Randomized	9/2/2018	**[+]%**	**[+]%**	**$[+]**	Paid
Cohort A: 100% Subjects Randomized	3/29/2019	**[+]%**	**[+]%**	**$[+]**	Paid
Cohort A: 1st Subject Last Visit	8/22/2018	**[+]%**	**[+]%**	**$[+]**	Paid
Cohort A: 25% Subjects Last Visit	10/15/2018	**[+]%**	**[+]%**	**$[+]**	Paid
Cohort A: 50% Subjects Last Visit	11/29/2018	**[+]%**	**[+]%**	**$[+]**	Paid
Cohort A: 75% Subjects Last Visit	1/13/2019	**[+]%**	**[+]%**	**$[+]**	paid
Execution of Amendment 1	4/18/2019	**[+]%**	**[+]%**	**$[+]**	Upon execution of Amendment #1
Cohort A: 100% Subjects Last Visit	8/9/2019	**[+]%**	**[+]%**	**$[+]**	Enrollment log
Cohort A: Database Lock	2/18/2020	**[+]%**	**[+]%**	**$[+]**	Database Lock
Cohort A: Draft Final TLGs	3/10/2020	**[+]%**	**[+]%**	**$[+]**	Draft Final TLGs
Cohort B: 1st Subject Entered	5/6/2019	**[+]%**	**[+]%**	**$[+]**	Enrollment log
Cohort B: 25% Subjects Randomized	6/3/2019	**[+]%**	**[+]%**	**$[+]**	Enrollment log
Cohort B: 50% Subjects Randomized	7/1/2019	**[+]%**	**[+]%**	**$[+]**	Enrollment log
Cohort B: 75% Subjects Randomized	7/29/2019	**[+]%**	**[+]%**	**$[+]**	Enrollment log
Cohort A: 100% Subjects Randomized	9/10/2019	**[+]%**	**[+]%**	**$[+]**	Enrollment log
Cohort B: 1st Subject Last Visit	9/16/2019	**[+]%**	**[+]%**	**$[+]**	Enrollment log
Cohort B: 25% Subjects Last Visit	10/4/2019	**[+]%**	**[+]%**	**$[+]**	Enrollment log
Cohort B: 50% Subjects Last Visit	11/1/2019	**[+]%**	**[+]%**	**$[+]**	Enrollment log
Cohort B: 75% Subjects Last Visit	11/29/2019	**[+]%**	**[+]%**	**$[+]**	Enrollment log
Cohort B: 100% Subjects Last Visit	12/17/2019	**[+]%**	**[+]%**	**$[+]**	Enrollment log
Cohort B: Database Lock	2/18/2020	**[+]%**	**[+]%**	**$[+]**	Database Lock
Cohort B: Draft Final TLGs	2/25/2020	**[+]%**	**[+]%**	**$[+]**	Draft Final TLGs
Total Milestone Based Services:		**[+]%**	**[+]%**	**[+]%**	

Unit Based Payments: Actual Units Invoiced Monthly	**% Total Services Budget**	**# Units**	**Unit Cost**	**$ Amount**	**Verification of Milestone Completion/Deliverables**
SAE Management	**[+]%**	19	**$[+]**	**$[+]**	Invoiced monthly as occurred
			Total Unit Based Services:	**$[+]**	
			Total Services:	**$[+]**	

Pass-through expenses	**$ Amount**	**Verification of Milestone Completion/Deliverables**
Monitoring Visit Travel Expenses	**$[+]**	Invoiced as Actuals Monthly
Investigator Grants	**$[+]**	Invoiced and Paid in Advance of Payment to Vendor
Site Start-up Costs	**$[+]**	Invoiced and Paid in Advance of Payment to Sites
Site Advertising	**$[+]**	Invoiced as Actuals Monthly
Site Archiving Fees	**$[+]**	Invoiced as Actuals Monthly
IRB Fees	**$[+]**	Invoiced as Actuals Monthly
Meeting Planner	**$[+]**	Invoiced and Paid in Advance of Payment to Vendor
Central Lab Vendor	**$[+]**	Invoiced and Paid in Advance of Payment to Vendor
IWRS Vendor	**$[+]**	Invoiced and Paid in Advance of Payment to Vendor
EDC Platform Usage Fees	**$[+]**	Invoiced as Actuals Monthly
Copying/Printing/Supplies	**$[+]**	Invoiced as Actuals Monthly
Postal & Shipping Fees	**$[+]**	Invoiced as Actuals Monthly
Sponsor/Internal - Teleconference System	**$[+]**	Invoiced as Actuals Monthly
Total Pass-through Budget:	**$[+]**	
Grand Total Budget:	**$[+]**	

Employment Agreement

This Employment Agreement is made on 16th day of May 2019, by and between **Avi Gabay**, an individual residing in Modiin, Israel (the "**Executive**"), and **ORAMED Ltd.,** a company incorporated under the laws of the State of Israel, with an address at Hi-Tech Park 2/4 Givat Ram, Jerusalem, Israel 91390 (the "**Company**").

WHEREAS, the Company has agreed to engage the Executive to serve in the role of Chief Financial Officer, Secretary and Treasurer of the Company and ORAMED PHARMACEUTICALS INC. in accordance with the terms as described below.

NOW, THEREFORE, the Company and the Executive agree as follows:

1. ENGAGEMENT

1.1 Engagement of Executive. The Company hereby agrees to employ the Executive in accordance with the terms and provisions hereof.

1.2 Term. The term of employment under this Agreement shall commence on June 1, 2019 (the "**Effective Date**") and shall continue until terminated by either party as provided herein (the "**Term**").

1.3 Service.

(a) As of June 1, 2019, the Executive shall serve in the role of Chief Financial Officer, Secretary and Treasurer of the Company and ORAMED PHARMACEUTICALS INC. (the "**Parent**").

(b) Scope of service – from the Effective Date, the Executive shall perform his work on the basis of a full-time position. The Company's standard working days and hours are 5 days a week between Sunday and Thursday, four days of 9 gross hours (including lunch and rest breaks) per day and one shorten day of 8 gross hours including breaks. The working hours of the Executive shall be as required by the nature of the Executive's position in the Company, including during additional and overtime hours if it is so required in order to fulfill the Executive's obligations according to this Agreement. The regular weekly rest day is Saturday.

(c) In consideration of the conditions and circumstances of the Executive's senior position and duties in the Company which requires a special degree of trust and as the conditions and circumstances of employment do not enable the Company to supervise the Executive's hours of work, the provisions of the Hours of Work and Rest Law, 1951 shall not apply to the Executive and he shall not be entitled to any additional consideration for work during overtime hours and/or on days that are not regular business days, except as specified in this Agreement. The Executive acknowledges that the consideration set for his hereunder nevertheless includes within it consideration that would otherwise have been due to him by law.

(d) The Executive agrees to faithfully, honestly and diligently serve the Company and to devote Executive's attention and best efforts to further the business and interests of the Company. The Executive agrees and undertakes to inform the Company's Chief Executive Officer (the "**CEO**") immediately after becoming aware of any matter that may in any way raise a conflict of interest between the Executive and the Company. For the avoidance of doubt, nothing in this Section 1.3 shall degrade from the Executive's obligation to continue observing all of his undertakings under this Agreement in their entirety, including, without limitation, his obligations of confidentiality and non-disclosure.

1.4 Duties. The Executive's services hereunder shall be provided on the basis of the following terms and conditions:

(a) reporting to the Company's CEO as the Executive Supervisor and to the Company's and Parent's Board of Directors (the "**Board**");

(b) the Executive shall be responsible for the financial reporting and controls of the Company and Parent, all subject to any applicable law and to instructions provided by the Board from time to time;

(c) the Executive shall faithfully, honestly and diligently serve the Company and the Parent and cooperate with the Company and the Parent and utilize his professional skill and care to ensure that all services rendered hereunder are to the satisfaction of the Company and the Parent, acting reasonably, and the Executive shall provide any other services not specifically mentioned herein, but which by reason of the Executive's capability the Executive knows or ought to know to be necessary to ensure that the best interests of the Company and the Parent are maintained;

(d) the Executive shall assume, obey, implement and execute such duties, directions, responsibilities, procedures, policies and lawful orders as may be determined or given from time to time by the Board, and/or CEO; and

(e) the Executive shall report the results of his duties hereunder to the CEO and/or the Board as it may request from time to time.

(f) The Executive shall not, without the prior written authorization of the Company, directly or indirectly undertake any other employment, whether as an employee of another employer or independently as an agent, consultant, director or in any other manner (whether for compensation or otherwise), and shall not assume any position or render services in any of the above-stated manners to any other entity or person.

(g) The Executive undertakes to fulfill the responsibilities described in this Agreement and assist the Company, its affiliates, subsidiaries, related corporations and parent company now or hereafter existing (collectively, "**Affiliates**") and to make herself available to them, during the employment period and even after the termination of his employment relations with the Company, for any reason, in any matter which the Company may reasonably request his assistance, including for the purpose of providing any information relating to his work or actions taken by him and including in the framework of disputes (including legal or quasi-legal proceedings). If the Company requires the Executive's services after the termination of the employment relations with him, for any reason, it shall reimburse the Executive for his expenses in connection with performing the provisions of this Section.

(h) The Executive shall not receive any payment and/or benefit from any third party, directly or indirectly, in connection with his employment with the Company. In the event the Executive breaches this Sub-section, without derogating from any of the Company's right by law or contract, such benefit or payment shall become the sole property of the Company and the Company may set-of such amount from any sums due to the Executive.

(i) The Executive acknowledges that the Company is committed to the restrictions as mentioned in the Prevention of Sexual Harassment Law, 1998, and that sexual harassment is a severe disciplinary offence.

(j) The Executive undertakes not to make improper use of computer, computer devices, internet and/or e-mails, including (but not limited to) use of illegal software or the receipt and/or transfer of pornographic material, and/or any other material that is not connected with his work and may be harmful to the Company, other employees or any other third party, as further detailed in the Company's policy as may be amended from time. The current policy is attached hereto as **Annex A**.

(k) The Executive acknowledges and agrees that personal information related to his and the Executive's terms of employment at the Company, as shall be received and held by the Company will be held and managed by the Company, and that the Company shall be entitled to transfer such information to third parties, in Israel or abroad. The information will be collected, retained, used, and transferred for legitimate business purposes and to the reasonable and necessary scope only, including: human resources management, business management and customer relations, assessment of potential transactions and relating to such transactions, compliance with law and other requests and requirements from government authorities and audit, compliance checks and internal investigations.

2. COMPENSATION AND ADDITIONAL TERMS

2.1 Salary. For services rendered by the Executive during the Term, as the Chief Financial Officer, Secretary and Treasurer of the Company and ORAMED PHARMACEUTICALS INC. on a full-time basis, the Executive shall be paid a monthly salary, as follows:

(a) the Executive shall be entitled to a gross monthly amount of NIS 35,000 (the "**Salary**").

(b) As mentioned above, the Executive's positions is of a management or those requiring a special degree of personal trust, and the Company is not able to supervise the number of working hours of the Executive; therefore the provisions of the Israeli Hours of Work and Rest Law - 1951, will not apply to the Executive and he will not be entitled to any additional remuneration whatsoever for his work with the exception of that specifically set out in this Agreement.

(c) The aforementioned Salary and the fringe benefits that are described below constitutes the overall consideration for the Executive's work and in view of his position and status, and he shall not be entitled to any additional consideration, of any form, for his work including during additional and overtime hours and on weekends or holidays, insofar as required. The Salary will be paid to the Executive in accordance with the Company's normal and reasonable pay-roll practices, no later than the 9th day of each month. Any payment or benefit under this Agreement (including any bonuses or the like), other than the Salary, shall not be considered as a salary for any purpose whatsoever, and the Executive shall not maintain or claim otherwise.

(d) Executive's Salary and other benefits shall be annually reviewed by the Board based on his and the Company's performance, all at the Board's sole and absolute discretion.

2.2 Company Vehicle. The Executive shall be entitled to the use of a Class 2 vehicle, as shall be determined by the Company (the "**Car**"). The Company shall incur all reasonable expenses associated with use of the Car, including fuel expenses, however excluding personal traffic fines, payments to the tax authorities resulting from the use of the Car ("**Shovi Shimush**") and the like, and the Executive hereby authorizes the Company to deduct any such amount from any amount owing to him thereby, including from the Salary. The use of the Car shall be in accordance with the provisions of the Company's car internal procedures, as may be amended from time to time by the Company and the Executive hereby authorizes the Company to deduct any amount needs to be deducted according to such internal procedures from any amount owing to him thereby, including from the Salary. The Executive shall bear any tax payments resulting from the aforesaid, to the extent applicable. The Car will be returned to the Company by the Executive immediately upon termination of Executive's employment by the Company, for any reason whatsoever, or upon any request by the Company at any time. The Car is in lieu of travel expenses from Executive's premises to work and back in accordance with the law.

2.3 Expenses. The Executive will be reimbursed by the Company for pre-approved business expenses incurred by the Executive in connection with his duties, and in accordance with Company's policy.

2.4 Vacation; Sick Leave and Recreation Pay. The Executive shall be entitled to 18 vacation days per year. The Executive shall be entitled to accrue a maximum of 24 vacation days (the "**Maximum**"). Any days accrued beyond the Maximum shall be erased. In addition, Executive shall be entitled to sick leave and Recreation Pay according to applicable law. Executive shall be entitled to cash redemption of vested vacation only upon termination of his employment.

2.5 Additional Benefits. The Executive shall be entitled to the use of a Company paid mobile phone for business purposes, according to the Company's policies and instructions, as amended from time to time. In addition, the Executive shall be entitled to the use of a Company owned laptop computer, according to the Company's policies and instructions, as amended from time to time. The Executive shall bear any tax payments resulting from the aforesaid, to the extent applicable.

2.6 Deductions. The Executive acknowledges that all payments by the Company in respect of the services provided by the Executive shall be subject to the deduction of any amount which the Company as an employer is required to deduct or withhold from the Salary or other payments to an executive in accordance with statutory requirements (including, without limitation, income tax, employee contributions and unemployment insurance contributions).

3. SOCIAL INSURANCE AND BENEFITS

3.1 The Executive shall be entitled to a pension arrangement, a Managers' Insurance Policy (the "**Policy**") and/or Pension Fund (the "**Pension Fund**") as follows:

The Company shall contribute 8.33% of the Salary for severance compensation (the "**Severance Contribution**").

In addition, the Company shall contribute 6.5% of the Salary for pension compensation (Tagmulim) towards Policy/Pension Fund.

In the event that the Executive chooses Policy arrangement, the pension compensation (Tagmulim) shall include the Company's payment for purchase of disability insurance coverage sufficient to secure 75% of the Salary; provided that the Company's contributions solely for pension compensation (Tagmulim) shall be not less than 5% and subject to the consent of the insurance company to insure the Executive. For the avoidance of any doubt, in the event that the cost to the Company shall be more than the required contributions rates towards pension compensation (6.5% as described above) due to the cost of the disability insurance, the total cost of the Company's contributions to pension compensation and disability insurance collectively shall not exceed 7.5% of the Salary.

The Company shall deduct from the Salary the Executive's contributions for pension compensation (Tagmulim) in an amount of 6% of the Salary towards Policy/Pension Fund.

Any tax liability in connection with pension arrangement shall be borne solely by the Executive.

The Executive agrees and acknowledges that the Company's Severance Contribution in accordance with the foregoing, shall be in lieu of 100% of the severance payment to which the Executive (or his beneficiaries) shall be entitled with respect to the Salary and the contributions were made and for the period in which they were made, pursuant to Section 14 of the Severance Pay Law, 1963 (the "Severance Law") in accordance with the instructions of "*The General Approval Regarding Employers' Payments to Pension Fund and Insurance Fund Instead of Severance Pay*" (the "**General Approval**", a copy of which is attached hereto as **Exhibit A**), as amended from time to time in case the Executive chooses a Policy and in the event that the Executive chooses Pension Fund arrangement in accordance with Sections 7 and 9 to the Extension Order General Insurance Pension In The Israeli Market.

The Company hereby waives any of its rights to refund monies from the payments it transfers to the Policy/Pension Fund in accordance with this Section, unless the Executive's right to severance pay is denied by virtue of a court order, under Sections 16 or 17 of the Severance Law, and in the same amount which was denied, or the Executive withdraws monies from the Policy and/or the Pension Fund not due to a Granting Event. The term "Granting Event" shall mean - death, disability or retirement at the age of sixty or more.

3.2 Keren Hishtalmut. The Company shall make monthly contributions on the Executive's behalf to a recognized advanced study fund (the "**Fund**" ("Keren Hishtalmut")) in an amount equal to 7.5% of the Salary. In addition, the Company shall deduct 2.5% from the Salary and transfer those monies to the Study Fund. The Employee shall bear any and all taxes, which may apply with respect to such benefit.

3.3 Liability Insurance Indemnification. The Company shall provide the Executive (including his heirs, executors and administrators) with coverage under a standard directors' and officers' liability insurance policy at the Company's expense.

4. CONFIDENTIALITY, NON-COMPETITION AND INTELLECTUAL PROPERTY

The Executive agrees to be bound by, and shall have executed and delivered to the Company, the Confidential Information, Non-Compete, Non-Solicitation and Invention Assignment Agreement, substantially in the form of **Exhibit B** hereto

4.1 Fiduciary Obligation. The Executive declares that the Executive's relationship to the Company is that of fiduciary, and the Executive agrees to act towards the Company and otherwise behave as a fiduciary of the Company.

4.2 Remedies. The parties to this Agreement recognize that any violation or threatened violation by the Executive of any of the provisions contained in this Article 4 may result in immediate and irreparable damage to the Company and that the Company could not adequately be compensated for such damage by monetary award alone. Accordingly, the Executive agrees that in the event of any such violation or threatened violation, the Company shall, in addition to any other remedies available to the Company at law or in equity, be entitled as a matter of right to apply to such relief by way of restraining order, temporary or permanent injunction and to such other relief as any court of competent jurisdiction may deem just and proper.

4.3 Reasonable Restrictions. The Executive agrees that all restrictions in this Article 4 are reasonable and valid, and all defenses to the strict enforcement thereof by the Company are hereby waived by the Executive.

5. TERMINATION

5.1 Termination For Cause or Disability. This Agreement may be terminated at any time by the Company without notice, for Cause or in the event of the Disability of Executive. For the purposes of this Agreement, "**Cause**" shall mean circumstances upon the occurrence of which the Executive would not be entitled to severance pay according to the Severance Pay Law, 1963, and shall also means that the Executive shall have:

(a) committed an act of fraud, embezzlement or theft in connection with the Executive's duties or in the course of the Executive's employment with the Company;

(b) intentionally and wrongfully damaged property of the Company, or any of its respective affiliates, associates or customers;

(c) intentionally or wrongfully disclosed any of the Confidential Information;

(d) made material personal benefit at the expense of the Company without the prior written consent of the management of the Company;

(e) accepted shares or options or any other gifts or benefits from a vendor without the prior written consent of the management of the Company;

(f) fundamentally breached any of the Executive's material covenants contained in this Agreement; or

(g) willfully and persistently, without reasonable justification, failed or refused to follow the lawful and proper directives of the Company specifying in reasonable detail the alleged failure or refusal and after a reasonable opportunity for the Executive to cure the alleged failure or refusal.

For the purposes of this Agreement, an act or omission on the part of the Executive shall not be deemed "intentional," if it was due to an error in judgment or negligence, but shall be deemed "intentional" if done by the Executive not in good faith and without reasonable belief that the act or omission was in the best interests of the Company, or its respective affiliates, associates or customers.

For the purposes of this Agreement, "**Disability**" shall mean any physical or mental illness or injury as a result of which Executive remains absent from work for a period of six (6) successive months, or an aggregate of six (6) months in any twelve (12) month period. Disability shall occur upon the end of such six-month period.

5.2 Termination Without Cause. Either the Executive or the Company may terminate the Executive's employment without Cause, for any reason whatsoever, with 30 days prior written notice within the first 12 months of the Executive's engagement, and 60 days, prior written notice thereafter.

5.3 The Notice Period.

(a) During the period following the notice of termination (the "**Notice Period**"), Executive shall cooperate with the Company and use his best efforts to assist the integration into the Company's organization of the person or persons who will assume Executive's responsibilities, and shall act according to the instructions of the Company.

(b) During the Notice Period, the Executive shall continue to perform his duties until the conclusion of the Notice Period. Nevertheless, the Company shall be entitled, but not obligated, at any time prior to the expiration of the Notice Period, at its sole discretion: (i) to waive the Executive's actual work during the Notice Period, or to reduce the scope of the Executive's work hours, while continuing to pay the Executive his regular payments and benefits until the completion of the Notice Period; or (ii) terminate this Employment Agreement and the employment relationship, at any time prior to the expiration of the Notice Period, and pay a cash equivalent to his Salary for the remainder of the Noticed Period as a payment in lieu of prior notice in accordance with the law.

(c) It is hereby expressly stated that the Company reserves the right to terminate the Executive's employment at any time during the Notice Period, regardless of whether notice of termination of employment was delivered by the Company or whether such notice was delivered by the Executive. In the latter case, such termination shall not constitute a dismissal of the Executive by the Company.

(d) Notwithstanding the foregoing, the Company may terminate the Executive's employment without the delivery of prior written notice, in the event of termination under circumstances as described in Section 5.1 above.

(e) In the event that the Executive terminates his employment with the Company, for any reason, without the delivery of a written notice in accordance with Section 5.2 above, or without the completion of the Notice Period or any part thereof, the Company will be entitled to deduct from any debt which it may owe the Executive an amount equal to the salary that would have been paid to the Executive during the Notice Period, had he worked.

5.4 Return of Materials. Upon termination of employment hereunder, or upon any request by the Company at any time, the Executive will return or cause to be returned any and all Confidential Information and other assets of the Company (including all originals and copies thereof), which "assets" include, without limitation, hardware, software, keys, security cards and backup tapes that were provided to the Executive either for the purpose of performing the employment services hereunder or for any other reason. The Executive acknowledges that the Confidential Information and the assets are proprietary to the Company, and the Executive agrees to return them to the Company in the same condition as the Executive received such Confidential Information and assets. In addition, immediately upon the termination of his employment with the Company (for any reason) or at such other time as directed by the Company, following coordination with the Company's IT persons, he shall delete any information relating to the Company or its business from his personal computer, if any.

5.5 Effect of Termination. Articles 4 and Exhibit B hereto shall remain in full force and effect after termination of this Agreement, for any reason whatsoever.

6. MUTUAL REPRESENTATIONS

6.1 Executive represents and warrants to the Company that the execution and delivery of this Agreement and the fulfillment of the terms hereof (i) will not constitute a default under or conflict with any agreement or other instrument to which he is a party or by which he is bound, and (ii) do not require the consent of any person or entity.

6.2 The Company represents and warrants to Executive that this Agreement has been duly authorized, executed and delivered by the Company and that the fulfillment of the terms hereof (i) will not constitute a default under or conflict with any agreement of other instrument to which it is a party or by which it is bound, and (ii) do not require the consent of any person of entity.

6.3 Each party hereto warrants and represents to the other that this Agreement constitutes the valid and binding obligation of such party enforceable against such party in accordance with its terms subject to applicable bankruptcy, insolvency, moratorium and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless if enforcement is sought in proceeding in equity or at law).

7. NOTICES

7.1 Notices. All notices required or allowed to be given under this Agreement shall be made either personally by delivery to or by facsimile transmission to the address as hereinafter set forth or to such other address as may be designated from time to time by such party in writing:

(a) in the case of the Company, to:

Oramed Ltd.
2/4 High-Tech Park
PO Box 39098
Givat Ram, Jerusalem
Israel 91390
Fax: 972 2 5660004

(b) and in the case of the Executive, to the Executive's last residence address known to the Company.

7.2 Change of Address. Any party may, from time to time, change its address for service hereunder by written notice to the other party in the manner aforesaid.

8. GENERAL

8.1 Entire Agreement. As of from the date hereof, any and all previous agreements, written or oral between the parties hereto or on their behalf relating to the employment of the Executive by the Company are null and void. The parties hereto agree that they have expressed herein their entire understanding and agreement concerning the subject matter of this Agreement and it is expressly agreed that no implied covenant, condition, term or reservation or prior representation or warranty shall be read into this Agreement relating to or concerning the subject matter hereof or any matter or operation provided for herein.

8.2 Personal Agreement. The provisions of this Agreement are in lieu of the provisions of any collective bargaining agreement, and therefore, no collective bargaining agreement shall apply with respect to the relationship between the parties hereto (subject to the applicable provisions of law).

8.3 Further Assurances. Each party hereto will promptly and duly execute and deliver to the other party such further documents and assurances and take such further action as such other party may from time to time reasonably request in order to more effectively carry out the intent and purpose of this Agreement and to establish and protect the rights and remedies created or intended to be created hereby.

8.4 Waiver. No provision hereof shall be deemed waived and no breach excused, unless such waiver or consent excusing the breach is made in writing and signed by the party to be charged with such waiver or consent. A waiver by a party of any provision of this Agreement shall not be construed as a waiver of a further breach of the same provision.

8.5 Amendments in Writing. No amendment, modification or rescission of this Agreement shall be effective unless set forth in writing and signed by the parties hereto.

8.6 Assignment. Except as herein expressly provided, the respective rights and obligations of the Executive and the Company under this Agreement shall not be assignable by either party without the written consent of the other party and shall, subject to the foregoing, enure to the benefit of and be binding upon the Executive and the Company and their permitted successors or assigns. Nothing herein expressed or implied is intended to confer on any person other than the parties hereto any rights, remedies, obligations or liabilities under or by reason of this Agreement.

8.7 Severability. In the event that any provision contained in this Agreement shall be declared invalid, illegal or unenforceable by a court or other lawful authority of competent jurisdiction, such provision shall be deemed not to affect or impair the validity or enforceability of any other provision of this Agreement, which shall continue to have full force and effect.

8.8 Headings. The headings in this Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

8.9 Number and Gender. Wherever the singular or masculine or neuter is used in this Agreement, the same shall be construed as meaning the plural or feminine or a body politic or corporate and vice versa where the context so requires.

8.10 Governing Law. This Agreement shall be exclusively construed and interpreted in accordance with the laws of the state of Israel applicable therein, and each of the parties hereto expressly agrees to the jurisdiction of the courts of the state of Israel. The sole and exclusive place of jurisdiction in any matter arising out of or in connection with this Agreement shall be the applicable Tel-Aviv court.

8.11 Enurement. This Agreement is intended to bind and enure to the benefit of the Company, its successors and assigns, and the Executive and the personal legal representatives of the Executive.

8.12 This Agreement shall be deemed due notification regarding the Executive’s employment terms in accordance with the provisions of the Notice to Executive and to Candidate (Employment Terms and Screening and Acceptance to Work Proceedings) Law, 2002 and the regulations thereunder.

IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the date first written above.

Oramed Ltd.

/s/ Nadav Kidron	/s/ Avi Gabay
Nadav Kidron, CEO	Avi Gabay, Executive

Exhibit A
To the Personal Employment Agreement by and between
Oramed Ltd. and Avi Gabay
הסכם עפ"י סעיף 14 לחוק פיצויי פיטורים

אני הח"מ, מאשר/ת בזאת כי אני מסכים/מה לאמץ את התנאים המפורטים להלן בדבר תשלומים שוטפים בלבד של המעביד לקופת הביטוח (ביטוח מנהלים) למטרת קיצבה ו/או לקרן פיטורים, כפי שפורסמו בי"פ 4659 מיום 30.6.98 בע"מ 4394 (תיקון אחרון – י"פ 4970, בעמ' 1949):

"בתוקף סמכותי לפי סעיף 14 לחוק פיצויי פיטורים התשכ"ג – 1963 (להלן – החוק), אני מאשר כי תשלומים ששילם מעביד החל ביום פרסומו של אישור זה, בעד עובדו לפנסיה מקיפה בקופת גמל לקצבה שאינה קופת ביטוח כמשמעותה בתקנות מס הכנסה (כללים לאישור ולניהול קופת גמל) התשכ"ד – 1964 (להלן – קרן פנסיה), או לביטוח מנהלים הכולל אפשרות לקצבה או שילוב של תשלומים לתכנית קצבה ולתכנית שאינה לקצבה בקופת ביטוח כאמור (להלן – קופת ביטוח), לרבות תשלומים ששילם תוך שילוב של תשלומים לקרן פנסיה ולקופת ביטוח בין אם יש בקופת הביטוח תכנית לקצבה ובין אם לאו (להלן – תשלומי המעביד), יבואו במקום פיצויי הפיטורים המגיעים לעובד האמור בגין השכר שממנו שולמו התשלומים האמורים ולתקופה ששולמו (להלן – השכר המופטר), ובלבד שנתקיימו כל אלה:

1. **תשלומי המעביד** -

(א) לקרן פנסיה אינם פחותים מ- 14.33% מן השכר המופטר או 12% מן השכר המופטר אם משלם המעביד בעד עובדו בנוסף לכך גם תשלומים להשלמת פיצויי פיטורים לקופת גמל לפיצויים או לקופת ביטוח על שם העובד בשיעור של 2.33% מן השכר המופטר. לא שילם המעביד בנוסף ל- 12% גם 2.33% כאמור, יבואו תשלומיו במקום 72% מפיצויי הפיטורים של העובד, בלבד;
(ב) לקופת ביטוח אינם פחותים מאחד מאלה:

(1) 13.33% מן השכר המופטר, אם משלם המעביד בעד עובדו בנוסף לכך גם תשלומים להבטחת הכנסה חודשית במקרה אובדן כושר עבודה, בתכנית שאישר הממונה על שוק ההון ביטוח וחיסכון במשרד האוצר, בשיעור הדרוש להבטחת 75% מן השכר המופטר לפחות או בשיעור לפי 2.5% מהשכר המופטר, לפי הנמוך מביניהם (להלן – תשלום לביטוח אובדן כושר עבודה);

(2) 11% מן השכר המופטר, אם שילם המעביד בנוסף גם תשלום לביטוח אובדן כושר עבודה, ובמקרה זה יבואו תשלומי המעביד במקום 72% מפיצויי הפיטורים של העובד, בלבד; שילם המעביד נוסף על אלה גם תשלומים להשלמת פיצויי פיטורים לקופת גמל לפיצויים או לקופת ביטוח על שם העובד בשיעור של 2.33% מן השכר המופטר, יבואו תשלומי המעביד במקום 100% פיצויי הפיטורים של העובד.

2. לא יאוחר משלושה חודשים מתחילת ביצוע תשלומי המעביד נערך הסכם בכתב בין המעביד לבין העובד ובו – (א) הסכמת העובד להסדר לפי אישור זה בנוסח המפרט את תשלומי המעביד ואת קרן הפנסיה וקופת הביטוח, לפי העניין; בהסכם האמור ייכלל גם נוסחו של אישור זה; (ב) ויתור המעביד מראש על כל זכות שיכולה להיות לו להחזר כספים מתוך תשלומיו, אלא אם כן נשללה זכות העובד לפיצויי פיטורים בפסק דין מכוח סעיפים 16 או 17 לחוק ובמידה שנשללה או משך העובד כספים מקרן הפנסיה או מקופת הביטוח שלא בשל אירוע מזכה; לעניין זה, "אירוע מזכה" – מוות, נכות או פרישה בגיל שישים ויותר

3. אין באישור זה כדי לגרוע מזכותו של עובד לפיצויי פיטורים לפי החוק, הסכם קיבוצי, צו הרחבה או חוזה עבודה, בגין שכר שמעבר לשכר המופטר.

/s/ Nadav Kidron	/s/ Avi Gabay
החברה	העובד

[English Summary of Exhibit A][1]

GENERAL APPROVAL REGARDING PAYMENTS BY EMPLOYERS TO A PENSION FUND AND INSURANCE FUND IN LIEU OF SEVERANCE PAY

By virtue of my power under Section 14 of the Severance Pay Law, 1963 (the **"Law"),** I certify that payments made by an employer commencing from the date of the publication of this approval publication for his employee to a comprehensive pension benefit fund that is not an insurance fund within the meaning thereof in the Income Tax (Rules for the Approval and Conduct of Benefit Funds) Regulations, 1964 (the **"Pension Fund")** or to managers insurance including the possibility of an insurance pension fund or a combination of payments to an annuity fund and to a non-annuity fund (the **"Insurance Fund),** including payments made by him by a combination of payments to a Pension Fund and an Insurance Fund, whether or not the Insurance Fund has an annuity fund (the **"Employer's Payments),** shall be made in lieu of the severance pay due to the said employee in respect of the salary from which the said payments were made and for the period they were paid (the **"Exempt Salary"),** provided that all the following conditions are fulfilled:

(1) The Employer's Payments -

(A) To the Pension Fund are not less than 14.33% aof the Exempt Salary or12% of the Exempt Salary if the employer pays for his employee in addition thereto also payments to supplement severance pay to a benefit fund for severance pay or to an Insurance Fund in the employee's name in an amount of 2.33% of the Exempt Salary. In the event the employer has not paid an addition to the said12%, his payments shall be only in lieu of 72% of the employee's severance pay;

(B) To the Insurance Fund are not less than one of the following:

(1) 13.3% of the Exempt Salary, if the employer pays for his employee in addition thereto also payments to secure monthly income in the event of disability, in a plan approved by the Commissioner of the Capital Market, Insurance and Savings Department of the Ministry of Finance, in an amount required to secure at least 75% of the Exempt Salary or in an amount of250% of the Exempt Salary, the lower of the two (the **"Disability Insurance");**

(2) 11% of the Exempt Salary, if the employer paid, in addition, a payment to the Disability Insurance, and in such case the Employer's Payments shall only replace 72% of the employee's severance pay; In the event the employer has paid in addition to the foregoing payments to supplement severance pay to a benefit fund for severance pay or to an Insurance Fund in the employee's name in an amount of 2.33% of the Exempt Salary, the Employer's Payments shall replace 100% of the employee's severance pay.

(2) No later than three months from the commencement of the Employer's Payments, a written agreement is executed between the employer and the employee in which -

(A) The employee has agreed to the arrangement pursuant to this approval in a text specifying the Employer's Payments, the Pension Fund and Insurance Fund, as the case may be; the said agreement shall also include the text of this approval;

(B) The employer waives in advance any right, which it may have to a refund of monies from his payments, unless the employee's right to severance pay has been revoked by a judgment by virtue of Section 16 and 17 of the Law, and to the extent so revoked and/or the employee has withdrawn monies from the Pension Fund or Insurance Fund other than by reason of an entitling event; in such regard "Entitling Event" means death, disability or retirement at after the age of 60.

(3) This approval is not such as to derogate from the employee's right to severance pay pursuant to any law, collective agreement, extension order or employment agreement, in respect of salary over and above the Exempt Salary.

June 9th 1998, Eliyahu Ishai, Ministry of Labor

[1] This is not an official translation of Exhibit A and should not be relied upon for its accuracy. In any event, the Hebrew version prevails.

EXHIBIT B – PROPRIETARY INFORMATION, NON COMPETE

AND PROTECTION OF INTELLECTUAL PROPERTY undertaking (The "Undertaking")

This undertaking is an Exhibit B to the Employment Agreement dated May 16, 2019 by and between Avi Gabay, I.D. Number 066534629, residing in Modiin, Israel (the "**Executive**") and Oramed Ltd. (the "**Employment Agreement**").

The Executive warrants and undertakes that during his/her relationship with the Company and thereafter, he/she shall maintain in complete confidence any matters that relate to the Company (together with its Affiliates shall be defined as the "**Company**), its affairs or business, including regarding the terms and conditions of his/her employment, and that he/she shall not harm its goodwill or reputation, and he/she agrees to the provisions of the confidentiality, non-competition, non-solicitation and intellectual property clauses as specified below.

For avoidance of any doubt, it is hereby clarified that the Executive's obligations and representations and the Company's rights under this Undertaking shall apply retroactively as of the commencement of the parties' engagement, regardless of the date of execution of this Undertaking.

The Executive's obligations pursuant to this Undertaking derive from his/her status and his/her position in the Company, along with all matters connected therewith, and the terms and conditions of the Executive's employment pursuant to the Employment Agreement, including his/her compensation and benefits, have been determined in part, inter alia, in consideration of this undertaking and constitute sufficient consideration for his/her obligations hereunder.

1. **Confidentiality**

1.1 The Executive undertakes to maintain the Confidential Information (as defined below) of the Company during the term of his/her engagement with the Company and after the termination of such, for any reason. The Executive acknowledges that the Confidential Information constitutes a proprietary right, which the Company is entitled to protect.

1.2 Without derogating from the generality of the foregoing, the Executive hereby agrees that he/she shall not, directly or indirectly, disclose or transfer to any person or entity, at any time, either during or subsequent to his/her engagement with the Company, any trade secrets or other confidential information, whether patentable or not, of the Company, including but not limited to, any (i) processes, formulas, trade secrets, innovations, inventions, discoveries, improvements, research or development and test results, survey, specifications, data and know-how; (ii) marketing plans, business plans, strategies, forecasts, unpublished financial information, budgets, projections, product plans and pricing; (iii) personnel information, including organizational structure, salary, and qualifications of employees; (iv) customer and supplier information, including identities, product sales and purchase history or forecasts and agreements; and (v) any other information which is not known to the public (collectively, "**Confidential Information**"), of which the Executive is or becomes informed or aware during his/her engagement period with the Company, whether or not developed by the Executive.

Exceptions. The general prohibition contained in Sections 1.1 and 1.2 against the unauthorized disclosure, use or dissemination of the Confidential Information shall not apply in respect of any Confidential Information that: (i) is available to the public generally in the form disclosed; (ii) becomes part of the public domain through no fault of the Executive; (iii) is already in the lawful possession of the Executive at the time of receipt of the Confidential Information, as can be proven by written documentation; or (iv) is compelled by applicable law to be disclosed, provided that the Executive gives the Company prompt written notice of such requirement prior to such disclosure and provides assistance in obtaining an order protecting the Confidential Information from public disclosure.

1.3 The Executive undertakes not to directly or indirectly give or transfer, directly or indirectly, to any person or entity, any material, raw material, product, part of a product, model, document or other information storage media, or any photocopied, printed or duplicated object containing any or all of the Confidential Information.

1.4 The Executive undertakes, that the Company may receive from third parties confidential or proprietary information ("**Third Party Information**") subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the term of the Executive's relationship with the Company, and thereafter, the Executive will hold Third Party Information in the strictest confidence and will not disclose to anyone (other than Company personnel who need to know such information in connection with their work for the Company) or use, except solely for the purpose of and in connection with his/her work for the Company, Third Party Information unless expressly authorized by the Company in writing.

1.5 During the Executive's relationship with the Company the Executive shall not improperly use or disclose any confidential information or trade secrets, if any, of any former employer or any other person to whom the Executive has an obligation of confidentiality, and the Executive did not and will not bring onto the premises of the Company any unpublished documents or any property belonging to any former employer or any other person to whom he/she has an obligation of confidentiality unless consented to in writing by that former employer or person.

1.6 In the event the Executive is in breach of any of his/her above obligations, he/she shall be liable to compensate the Company in respect of all damages or expenses incurred by the Company as a result of such breach, including trial costs and legal fees and statutory VAT, without derogating from any other relief or remedy available to the Company by virtue of any law.

2. **Non-Competition/ Non-Solicitation**

The Executive undertakes that during the period of his/her engagement with the Company and for a period of (12) months following termination of his/her engagement with the Company, for any reason:

2.1 he shall not, anywhere in the world, do business, as an employee, independent contractor, consultant or otherwise, and shall not directly or indirectly participate in or accept any position, proposal or job offer that may directly or indirectly compete with or harm the Company, or in the field in which the Company engages, is engaged or the Company contemplates in good faith to be materially engaged in within six (6) months thereafter, provided that the Company has taken demonstrable actions to promote such engagement or that the Company's Board of Directors has adopted a resolution authorizing such actions prior to the date of termination(the "**Competitive Occupation**"); provided, however, that Executive may own securities of any corporation which is engaged in such business and is publicly owned and traded but in an amount not to exceed at any one time one percent (1%) of any class of stock or securities of such company, so long as he has no active role in the publicly owned and traded company as director, employee, consultant or otherwise.

2.2 Without derogating from the generality of the foregoing, the Executive undertakes not to maintain any business relations of any type whatsoever, including a proposal to conduct business relations, directly or indirectly, with any of the Company's customers, suppliers or agents, including customers, suppliers or agents with whom the Company conducted negotiations towards an agreement at the time of the termination of his/her employment with the Company or prior thereto.

2.3 In addition, the Executive undertakes not to approach, solicit or recruit any employee of the Company or any consultant, service provider, agent, distributor, customer or supplier of the Company, to terminate, reduce or modify the scope of such person's engagement with the Company.

2.4 The foregoing shall apply irrespective of whether the Competitive Occupation is carried out by the Executive alone or in cooperation with others and shall apply to the participation of the Executive in a Competitive Occupation, whether as a controlling shareholder or as an interested party.

3 **Intellectual Property, Copyright and Patents**

3.1 The Executive hereby acknowledges and agrees that the Company exclusively owns and shall own all right, title and interest in and to any work, products, processes, materials, inventions, texts, algorithms, designs, sketches, ideas or discoveries, all derivatives, enhancements or improvements thereof and any and all Intellectual Property Rights associated therewith, created, conceived made or discovered by the Executive (whether solely or jointly with others) during the term of employment; or in connection therewith; or in connection with the Company, its business (actual or contemplated), products, technology or know how ("**Company IPR**"). "**Intellectual Property Rights"** means all worldwide (a) patents, patent applications, designs and patent rights; (b) rights associated with works of authorship, including, but not limited to, copyrights, copyrights applications, copyrights restrictions, mask work rights, mask work applications and mask work registrations; (c) rights relating to the protection of trade secrets and confidential information; (d) moral rights, trademarks, service marks, logos, domain names, trade dress and goodwill; (e) rights analogous to those set forth herein and any other proprietary rights relating to intangible property including ideas; and (f) divisions, continuations, renewals, reissues and extensions of the foregoing (as applicable) now existing or hereafter filed, issued, or acquired.

3.2 The Executive acknowledges and agrees that all Company IPR and all modifications, derivatives and enhancements thereof belong to, and shall be the sole property of, the Company (or its designees) upon creation thereof. The Executive hereby irrevocably assigns to the Company or its designee and shall assign all right, title and interest the Executive may have or may acquire in and to Company IPR upon its creation. The Executive acknowledges and agrees that no rights relating to any Company IPR are reserved to Executive.

The Executive will assist the Company, upon Company's first request, to obtain, and from time to time enforce, any Company IPR worldwide, including without limitation, executing, verifying and delivering such documents and performing such other acts as the Company may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing such Company IPR. Such obligation shall remain in effect beyond the termination of the Executive's relationship with the Company, all for no additional consideration, provided that Executive shall not be required to bear any expenses as a result of such assignment. In the event the Company is unable for any reason, after reasonable effort, to secure Executive's signature on any document required, Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as its agent and attorney in fact to act for and on its behalf to further the above purposes.

3.3 The Executive irrevocably confirms that the consideration explicitly set forth in the employment agreement between the Executive and the Company is inclusive of any and all rights for compensation that may arise in connection with the Company IPR under applicable law and the Executive irrevocably waives any legal right he/she may have in connection with the Company IPR, including without limitation any right, moral rights or right to claim royalties or any other additional consideration from the Company with regard to the assigned Company IPR, including without limitation, in respect of Section 134 of the Patent Law 5727-1967 or other applicable laws. The foregoing waiver relates to any claims or demands whatsoever, whether in the present, past or future, and whether under contract or other legal or equitable theory.

3.4 The Executive represents and warrants that upon execution hereof, he/she has not created and does not have any right, title or interest in and to any Intellectual Property Rights related, similar to and/or required for Company's business, products or Intellectual Property Rights ("**Prior Inventions**"). The Executive undertakes not to incorporate any Prior Inventions or third party's Intellectual Property Rights (including of a former employer) in any Company IPR.

3.5 The Executive undertakes to immediately inform and deliver IN WRITING to the Company, written notice of any Company IPR conceived or invented by him or personnel of the Company or its successors who are subordinate to him, immediately upon the discovery thereof.

3.6 The Executive 's obligations pursuant to this Section 3 shall survive the termination of his/her employment with the Company or its successors and assigns with respect to inventions conceived by him during the term of his/her employment or as a result of his/her employment with the Company.

4. Executive acknowledges that the restricted period of time and geographical are as specified hereunder are reasonable, in view of his/her position and the nature of the business in which the Company is engaged, the Executive's knowledge of the Company's business and the compensation he/she receives. Notwithstanding anything contained herein to the contrary, if the period of time or the geographical area specified herein should be determined to be unreasonable in any judicial proceeding, then the period of time and area of the restriction shall be reduced so that this Undertaking may be enforced in such area and during such period of time as shall be determined to be reasonable by such judicial proceeding. The Executive acknowledges that the compensation and benefits granted to him by the Company under the Employment were determined, inter alia, in consideration for his/her obligations under this Undertaking.

5. This Undertaking, the rights of the Company hereunder, and the obligations of Employee hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company may assign any of its rights under this Undertaking. Employee may not assign, whether voluntarily or by operation of law, any of its obligations under this Undertaking, except with the prior written consent of the Company.

6. This Undertaking and all rights and duties of the parties hereunder shall be exclusively governed by and interpreted in accordance with the laws of the State of Israel. The competent courts of the State of Israel, Tel Aviv Jaffa district, shall have the exclusive jurisdiction over the parties with regard to this Undertaking, its execution, interpretation and performance.

7. Capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed to them in the Employment Agreement.

8. This Undertaking is the entire agreement between the parties with respect to the subject matter hereof, and supersedes all prior understandings, agreements and discussions between them, oral or written.

I, AVRAHAM GABAY, HAVE READ THIS UNDERTAKING CAREFULLY AND UNDERSTAND ITS TERMS.

ACCEPTED AND AGREED TO:

/s/ Avraham Gabay Date: 16/5/19

ANNEX "A"

Use of computer systems, internet browsing and company email

1. It is strictly forbidden to make use of company[2] computers, internet browsing or company email for any purposes which are illegal, inappropriate or unsuitable, including accessing inappropriate or unsuitable websites (such as pornographic websites). it is additionally forbidden to install any programs on company computer systems, or make use of any such system to transfer materials unrelated to work or detrimental to the company, its clients, employees, or any other third party. misuse of company computers, internet browsing or company emails may cause considerable harm to the company or other third parties, as well as the computer systems themselves and their users. if in doubt, please refer to the company it manager.

2. We would like to clarify that the company does not forbid private use of the computer made available to you for work purpose or the office internet connection, within reasonable bounds, and while always maintaining confidentiality (as set forth in your employment agreement), without derogating from work requirements and subject to section 1 above. nonetheless, it is important to clarify that due to the nature of the company computer systems, network operational maintenance requirements, as well as for the implementation of this section 2, the company may block certain websites from access, and the company it manager may access any computer on the company network, and accordingly, any information found on your computer may be exposed to the company it manager and his/her /her superiors.

3. The company provides you with an email account exclusively for professional use as required within the scope of your position in the company. therefore, the company shall be entitled to monitor and conduct surveillance of the communicated data in any such professional mailbox. you are aware, and hereby consent that the company shall be permitted to access the contents of such mailbox, should an urgent professional need arise or in case there is grave concern or reasonable grounds for concern regarding activity which is illegal or harmful to the company or any third party (including violation of the terms above), or in any other case in accordance with the law. such monitoring shall be conducted proportionally, in adherence to the goals as stated above, and the information, if aggregated, shall be stored solely for the period of time required for the purposes as stated above. the monitored information, if and any as such, shall not be transferred to any third party, excluding the security and support service provider of the company's computer systems, any security and support service provider which shall replace it in the future, or in accordance with the law, subject to the aforementioned. accordingly, any information found in the professional electronic mailbox may be accessible to the company, and as such it should be taken into account that any private use of the professional mailbox should be avoided. at the expiration of your position with the company, any private correspondence saved in the professional mailbox must be removed (if any such correspondence exists despite the above) and any information found in the professional mailbox (which should contain solely professional correspondence) shall be exposed to the relevant parties in the company. if you wish to do so, you may make private use of electronic mail correspondence using a private and external mail service (such as gmail), with which you may send and receive private correspondence which will not be exposed to the company, and so long as such use is made reasonably and in adherence to the company policy as stated above.

4. It is also clarified that the company may allow other employees and other third parties and use the personal laptop / laptop that is given to you for your work. since the computer, e-mail, corporate network and internet connection are provided for professional purposes only, the company has the right to disconnect you from such systems at its sole discretion at any time. without prejudice to the foregoing, it is prohibited to leave these tools and / or to give access to any of these tools without supervision and / or contrary to the company's policy. in any case where there is a concern that another party, other than you, has access to these tools (for example, in the event of password disclosure, theft and / or loss), contact the computer administrator immediately.

[2] All terms not defined herein shall have the meaning ascribed to them in the Employment Agreement.

5. In addition, you are to avoid using the internet in general and social networks in particular in a manner that is likely to create the impression that your private use of the social networks is on behalf of the company and/or in its name. thus, for example, it is forbidden to upload pictures or other information connected to the company or the company's events or the company's employees, or make use of the company's name or any insignia in a manner that indicates that your publication is an official publication of the company, as opposed to your private publication, upon your own authority. in any event of doubt, you may contact the it manager with any questions.

6. For the avoidance of any doubt, the it manager, anyone acting on his/her behalf, and any other person who has access to the e-mail, computer and the various folders, are to refrain from any use at all of the information therein, including its publication or any other personal use, beyond the purposes delineated in this policy, and to keep this information in strictest confidence.

7. It is preferable, that during your absence from work, for whatever reason, you leave an orderly "out of office" email message with the date of your return and a referral to whomever is substituting for you during the period of your absence.

8. You undertake that, at the termination of your employment, you transfer the content of the computer and your email account, as is, to the it manager. if you wish to delete personal and private files or to remove them from the computer – this shall be done only with the approval of and in coordination with the it manager.

9. After termination of your employment, the company, by means of the direct supervisor and it manager, shall be entitled to access your computer, email account and folders.

10. You are required to keep current regarding the company's policy of computer use as will be updated from time to time.

I hereby read and declare I read this annex A, understood its provisions and agree thereto.

Avi Gabay: /s/ Avi Gabay Date: 16/5/19

Exhibit 10.4

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "**Agreement**") is made and entered into as of August 30, 2016 between **Oramed Pharmaceuticals Inc.**, a Delaware corporation (the "**Company**"), and Kevin Rakin ("**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 l(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: /s/ Nadav Kidron
Name: Nadav Kidron
Title: Chief Executive Officer

INDEMNITEE

/s/ Kevin Rakin
Name: Kevin Rakin

Address: 36 Church Lane, Westport, CT 06880, USA

Schedule to Exhibit 10.4

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 Director	March 26, 2017
Miriam Kidron Chief Medical and Technology Officer and Director	March 26, 2017
Avraham Gabay Chief Financial Officer	May 19, 2019
Hilla Eisenberg Former Chief Financial Officer	July 20, 2017
Joshua Hexter Chief Operating Officer and VP Business Development	March 26, 2017
Mark Hasleton VP Business Development	November 15, 2018
Aviad Friedman Director	March 26, 2017
Xiaopeng Li Former Director	March 26, 2017
Leonard Sank Director	January 26, 2017
David Slager Director	January 19, 2017
Gao Xiaoming Director	June 28, 2019

Exhibit 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

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 quarterly 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.

Dated: July 10, 2019

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

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Avraham Gabay, 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 quarterly 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.

Dated: July 10, 2019

/s/ Avraham Gabay
Avraham Gabay
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
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 May 31, 2019 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 and 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.

Dated: July 10, 2019

/s/ Nadav Kidron

Nadav Kidron,
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
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 May 31, 2019 as filed with the Securities and Exchange Commission on the date hereof, or the Report, I, Avraham Gabay, 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 and 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.

Dated: July 10, 2019

/s/ Avraham Gabay
Avraham Gabay,
Chief Financial Officer