

**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, 2015**

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

(State or Other Jurisdiction of
Incorporation or Organization)

98-0376008

(I.R.S. Employer
Identification No.)

**Hi-Tech Park 2/4 Givat Ram
PO Box 39098
Jerusalem, Israel**

(Address of Principal Executive Offices)

91390

(Zip Code)

+ 972-2-566-0001

(Registrant's Telephone Number, Including Area Code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of June 30, 2015, there were 11,550,846 shares of the issuer's common stock, \$0.012 par value per share, outstanding.

ORAMED PHARMACEUTICALS INC.
FORM 10-Q
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As used in this Quarterly Report on Form 10-Q, the terms “we,” “us,” “our” 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, 2015, the exchange rate between the New Israeli Shekel, or NIS, and the dollar, as quoted by the Bank of Israel, was NIS 3.876 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, 2015

ORAMED PHARMACEUTICALS INC.
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF MAY 31, 2015

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

	<u>May 31,</u> <u>2015</u>	<u>August 31,</u> <u>2014</u>
Assets		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,847	\$ 1,762
Short term deposits	12,549	18,481
Marketable securities	758	1,047
Restricted cash	16	16
Prepaid expenses and other current assets	100	64
Related parties	-	330
Grants receivable from the Office of the Chief Scientist	33	78
Total current assets	<u>17,303</u>	<u>21,778</u>
LONG TERM DEPOSITS AND INVESTMENT	<u>4,806</u>	<u>3</u>
AMOUNTS FUNDED IN RESPECT OF EMPLOYEE RIGHTS UPON RETIREMENT	<u>8</u>	<u>7</u>
PROPERTY AND EQUIPMENT, NET	<u>12</u>	<u>14</u>
Total assets	<u>\$ 22,129</u>	<u>\$ 21,802</u>
Liabilities and stockholders' equity		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 731	\$ 926
Related parties	34	47
Total current liabilities	<u>765</u>	<u>973</u>
LONG TERM LIABILITIES:		
Employee rights upon retirement	10	9
Provision for uncertain tax position	27	27
	<u>37</u>	<u>36</u>
COMMITMENTS (note 2)		
STOCKHOLDERS' EQUITY:		
Common stock, \$ 0.012 par value (30,000,000 authorized shares; 10,836,560 and 10,102,555 shares issued and outstanding as of May 31, 2015 and August 31, 2014, respectively)	129	121
Additional paid-in capital	53,971	48,040
Accumulated other comprehensive income	163	452
Accumulated loss	(32,936)	(27,820)
Total stockholders' equity	<u>21,327</u>	<u>20,793</u>
Total liabilities and stockholders' equity	<u>\$ 22,129</u>	<u>\$ 21,802</u>

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

ORAMED PHARMACEUTICALS INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(UNAUDITED)

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

	Nine months ended		Three months ended	
	May 31, 2015	May 31, 2014	May 31, 2015	May 31, 2014
RESEARCH AND DEVELOPMENT EXPENSES, NET	\$ 3,353	\$ 2,513	\$ 915	\$ 1,089
GENERAL AND ADMINISTRATIVE EXPENSES	1,857	1,744	719	814
OPERATING LOSS	5,210	4,257	1,634	1,903
FINANCIAL INCOME	(105)	(200)	(51)	(79)
FINANCIAL EXPENSES	11	10	-	4
NET LOSS FOR THE PERIOD	5,116	4,067	1,583	1,828
SUBSEQUENT DECREASE (INCREASE) IN THE FAIR VALUE OF AVAILABLE FOR SALE SECURITIES PREVIOUSLY WRITTEN DOWN AS IMPAIRED	8	(34)	(1)	20
RECLASSIFICATION ADJUSTMENT TO FINANCIAL INCOME OF GAINS ON AVAILABLE-FOR-SALE SECURITIES	-	80	-	36
UNREALIZED LOSS (GAIN) ON AVAILABLE FOR SALE SECURITIES	281	(211)	(62)	323
TOTAL OTHER COMPREHENSIVE LOSS (INCOME)	289	(165)	(63)	379
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>\$ 5,405</u>	<u>\$ 3,902</u>	<u>\$ 1,520</u>	<u>\$ 2,207</u>
LOSS PER COMMON SHARE:				
BASIC AND DILUTED LOSS PER COMMON SHARE	<u>\$ 0.48</u>	<u>\$ 0.45</u>	<u>\$ 0.15</u>	<u>\$ 0.18</u>
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK USED IN COMPUTING BASIC AND DILUTED LOSS PER COMMON STOCK	<u>10,598,692</u>	<u>8,988,446</u>	<u>10,827,898</u>	<u>9,888,126</u>

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

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

	<u>Common Stock</u>		<u>Additional paid-in capital</u>	<u>Accumulated other comprehensive income</u>	<u>Accumulated loss</u>	<u>Total stockholders' equity</u>
	<u>Shares</u>	<u>\$</u>				
	<u>In thousands</u>					
BALANCE AS OF AUGUST 31, 2014	10,103	\$ 121	\$ 48,040	\$ 452	\$ (27,820)	\$ 20,793
SHARES ISSUED FOR CASH, NET	696	8	4,825	-	-	4,833
SHARES ISSUED FOR SERVICES	11	*	69	-	-	69
EXERCISE OF OPTIONS	1	*	8	-	-	8
STOCK-BASED COMPENSATION	25	*	1,029	-	-	1,029
NET LOSS	-	-	-	-	(5,116)	(5,116)
OTHER COMPREHENSIVE LOSS	-	-	-	(289)	-	(289)
BALANCE AS OF MAY 31, 2015	<u>10,836</u>	<u>\$ 129</u>	<u>\$ 53,971</u>	<u>\$ 163</u>	<u>\$ (32,936)</u>	<u>\$ 21,327</u>

* 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
(UNAUDITED)
U.S. dollars in thousands

	Nine months ended	
	May 31, 2015	May 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (5,116)	\$ (4,067)
Adjustments required to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	4	4
Exchange differences and interest on deposits	(35)	(13)
Stock-based compensation	1,029	1,040
Common stock issued for services	69	64
Gain on sale of investment	-	(80)
Changes in operating assets and liabilities:		
Prepaid expenses, other current assets and related parties	339	(212)
Accounts payable, accrued expenses and related parties	(208)	(3)
Liability for employee rights upon retirement	1	1
Total net cash used in operating activities	<u>(3,917)</u>	<u>(3,266)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(2)	(12)
Purchase of short term and long term deposits	(11,525)	(48,245)
Proceeds from sale of short term deposits	12,701	34,941
Proceeds from sale of marketable securities	-	138
Funds in respect of employee rights upon retirement	(1)	(1)
Total net cash derived from (used in) investing activities	<u>1,173</u>	<u>(13,179)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock - net of issuance expenses*	4,833	14,887
Proceeds from exercise of warrants and options	8	1,751
Net cash derived from financing activities	<u>4,841</u>	<u>16,638</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH	<u>(12)</u>	<u>10</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>2,085</u>	<u>203</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>1,762</u>	<u>2,272</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 3,847</u>	<u>\$ 2,475</u>

* See note 5.

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

ORAMED PHARMACEUTICALS INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
U.S. Dollars in thousands (except share and per share data)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

a. General:

1) Incorporation and operations

Oramed Pharmaceuticals Inc. (the “Company”) was incorporated on April 12, 2002, under the laws of the State of Nevada. On February 17, 2006, the Company entered into an agreement with Hadasit Medical Services and Development Ltd (“Hadasit”) to acquire the provisional patent related to an orally ingestible insulin capsule to be used for the treatment of individuals with diabetes.

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

On May 14, 2007, the Company incorporated a wholly-owned subsidiary in Israel, Oramed Ltd. (the “Subsidiary”), which is engaged in research and development. Unless the context indicates otherwise, the term “Group” refers to Oramed Pharmaceuticals Inc. and the Subsidiary.

Following the adoption of Accounting Standards Update (“ASU”) 2014-10, Development Stage Entities (Topic 915), the Company removed the inception to date information and all reference to development.

2) Development and liquidity risks

The Group 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 any revenues from its operations. Continued operation of the Company is contingent upon obtaining sufficient funding until it becomes profitable.

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, and foreign regulatory approvals must be obtained to sell its products internationally. 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.

ORAMED PHARMACEUTICALS INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
U.S. Dollars in thousands (except share and per share data)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

Based on its current cash resources and commitments, and cash received in private and public offerings in the nine month period ended May 31, 2015 and in the year ended August 31, 2014, 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 the date that the financial statements are issued, although no assurance can be given that it will not need additional funds prior to such time. If there are unexpected increases in general and administrative expenses or research and development expenses, the Company may need to seek additional financing during the next 12 months.

b. Newly issued and recently adopted Accounting Pronouncements

In August 2014, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2014-15, Presentation of Financial Statements-Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern ("ASU 2014-15"). This new standard requires management to assess the entity's ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. Specifically, the amendments (1) provide a definition of the term substantial doubt, (2) require an evaluation every reporting period including interim periods, (3) provide principles for considering the mitigating effect of management's plans, (4) require certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated, and (6) require an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). ASU 2014-15 will be effective prospectively for annual reporting periods ending after the first annual period ending after December 15, 2016 and interim periods therein. Early application of the standard is permitted for any annual reporting period or interim period for which the entity's financial statements have not yet been issued. The Company has elected to early adopt the provisions of ASU 2014-15 in fiscal year 2014. The adoption of ASU 2014-15 did not have any material effect on the consolidated financial statement presentation.

ORAMED PHARMACEUTICALS INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
U.S. Dollars in thousands (except share and per share data)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

c. Condensed Consolidated Financial Statements Preparation

The condensed consolidated financial statements included herein have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP") and on the same basis as the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2014 (the "2014 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 2014 Form 10-K. The results for interim periods are not necessarily indicative of a full fiscal year's results.

NOTE 2 - COMMITMENTS:

- a. On September 11, 2011, the Subsidiary entered into an agreement with Hadasit, the Company's Chief Medical and Technology Officer (the "CTO") and Dr. Daniel Schurr (the "Hadasit Agreement") to retain consulting and clinical trial services. According to the Hadasit Agreement, Hadasit will be entitled to a consideration of \$200 to be paid by the Subsidiary in accordance with the actual progress of the studies, \$105 of which were recognized through May 31, 2015. See also note 1a(1).
- b. On February 15, 2011, the Subsidiary entered into a consulting agreement with a third party (the "Consultant") for a period of five years, pursuant to which the Consultant will provide consultation on scientific and clinical matters. The Consultant is entitled to a fixed monthly fee of \$8, royalties of 8% of the net royalties actually received by the Subsidiary in respect of the patent that was sold to Entera Bio Ltd. ("Entera") on March 31, 2011 and an option to purchase up to 20,834 shares of the Company at an exercise price of \$6.00 per share. The option vests in five annual installments commencing February 16, 2012 and expires on February 16, 2021. The fair value of the option as of May 31, 2015 was \$106, using the following assumptions: dividend yield of 0%; expected term of 5.72 years; expected volatility of 81.40%; and risk-free interest rate of 1.86%. The fair value of the unvested options is remeasured at each balance sheet reporting date and is recognized over the related service period using the straight-line method.

ORAMED PHARMACEUTICALS INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
U.S. Dollars in thousands (except share and per share data)

NOTE 2 - COMMITMENTS (continued):

- c. On April 28, 2013, the Subsidiary entered into a new lease agreement for its office facilities in Israel, which replaced the lease agreement from 2012. The new lease agreement is for a period of 36 months commencing November 4, 2013. The annual lease payment is NIS 89,000 from 2014 through 2016, and will be linked to the increase in the Israeli consumer price index ("CPI") (as of May 31, 2015, the future annual lease payments under the new agreement will be \$24, based on the exchange rate as of May 31, 2015).

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

- d. On May 13, 2014, the Company entered into a consulting agreement with a third party advisor for a period of twelve months, pursuant to which the advisor provided investor relations services and was entitled to receive a monthly cash fee and 15,000 shares of the Company's common stock issued in four equal installments, on or about each of August 1, 2014, November 1, 2014, February 1, 2015 and May 1, 2015. As of May 31, 2015, the Company issued to such advisor 15,000 shares. The aggregate fair value of the shares at the date of the grant was \$107.
- e. On February 6, 2014, the Subsidiary entered into a second agreement with a clinical research organization ("CRO"), for its Phase IIa clinical trial for an oral insulin capsule for type 1 diabetes patients, which was completed in October 2014. As consideration for its services, the Subsidiary paid the CRO a total amount of approximately \$280 during the term of the engagement and based on achievement of certain milestones, all of which were recognized through May 31, 2015.

On July 22, 2014, the Subsidiary entered into a third agreement with the same CRO, for its Phase IIb clinical trial for an oral insulin capsule for type 2 diabetes patients, which began in the second quarter of calendar year 2015. As consideration for its services, the Subsidiary will pay the CRO a total amount of approximately \$3,290 during the term of the engagement and based on achievement of certain milestones, \$768 of which were recognized through May 31, 2015.

- f. On March 3, 2014, the Subsidiary entered into an additional agreement with a vendor, for the process development and production of one of its oral capsule ingredients in the amount of \$311, \$40 of which were recognized through May 31, 2015, and bonus payments of up to \$600 that will be paid upon achieving certain milestones, as described in the agreement and which were not recognized through May 31, 2015.

On May 15, 2014, the Subsidiary entered into an additional agreement with the same vendor, for the process development and production of the same capsule ingredients in the amount of \$217, all of which was recognized through May 31, 2015.

On December 12, 2014, the Subsidiary entered into an additional agreement with the same vendor, for the process development and production of the same capsule ingredients in the amount of \$550, \$430 of which was recognized through May 31, 2015.

ORAMED PHARMACEUTICALS INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
U.S. Dollars in thousands (except share and per share data)

NOTE 2 - COMMITMENTS (continued):

- g. On May 26, 2014, the Subsidiary entered into a supply agreement with another vendor, according to which the vendor will manufacture capsules for total consideration of \$214, \$174 of which was recognized through May 31, 2015.
- h. On February 2, 2015, the Subsidiary entered into an agreement with a different CRO, for a glucose clamp clinical study for its oral insulin capsule. As consideration for its services, the Subsidiary will pay the CRO a total amount of approximately \$276 during the term of the engagement and based on achievement of certain milestones, \$55 of which was recognized through May 31, 2015.
- i. On January 20, 2015, the Subsidiary entered into a purchase order for the manufacturing of insulin capsules for total consideration of Swiss Franc (“CHF”) 211 (approximately \$241) of which CHF 104 (approximately \$118) was recognized through May 31, 2015.
- j. Grants from Bio-Jerusalem

The Subsidiary is committed to pay royalties to the Bio-Jerusalem fund on proceeds from future sales at a rate of 4% and up to 100% of the amount of the grant received by the Company (Israeli CPI linked) at the total amount of \$65. As of May 31, 2015, the Subsidiary had not yet realized any revenues and did not incur any royalty liability.

During the nine month period ended May 31, 2015, the Company received no grants from the Bio-Jerusalem fund.

- k. Grants from the Office of the Chief Scientist of the Ministry of Economy (formerly the Ministry of Industry, Trade and Labor) of Israel (“OCS”).

Under the terms of the Company’s funding from the OCS, royalties of 3%-3.5% are payable on sales of products developed from a project so funded, up to 100% of the amount of the grant received by the Company (dollar linked) with the addition of annual interest at a rate based on LIBOR.

At the time the grants were received, successful development of the related projects was not assured. In case of failure of a project that was partly financed as above, the Company is not obligated to pay any such royalties.

As of May 31, 2015, the Subsidiary had not yet realized any revenues from said projects and did not incur any royalty liability. The total amount that was actually received through May 31, 2015 was \$2,160.

- l. For the nine and three month periods ended May 31, 2015, the research and development expenses are presented net of OCS and Bio-Jerusalem fund grants, in the total amount of \$48 and \$31, respectively.

ORAMED PHARMACEUTICALS INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
U.S. Dollars in thousands (except share and per share data)

NOTE 3 - FAIR VALUE:

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

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable prices that are based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

As of May 31, 2015, the assets or liabilities measured at fair value were comprised of available for sale securities (Level 1). See also note 4.

As of May 31, 2015, the carrying amount of cash and cash equivalents, short term deposits, other current assets, accounts payables and accrued expenses approximates their fair values due to the short-term maturities of these instruments.

The fair value of long-term deposits also approximates their carrying value, since they bear interest at rates close to the prevailing market rates. The long-term bank deposits bear an annual interest rate of 0.93%-1.00% and will mature during the fourth quarter of fiscal year 2016. The amounts funded in respect of employee rights are stated at cash surrender value which approximates its fair value.

NOTE 4 - MARKETABLE SECURITIES:

Available-for-sale securities are reported at fair value, with unrealized gains and losses recorded as a separate component of other comprehensive income in equity until realized. Unrealized losses that are considered to be other-than-temporary are charged to statement of operations as an impairment charge and are included in the consolidated statement of operations under impairment of available-for-sale securities.

The Company considers available evidence in evaluating potential impairments of its investments, including the duration and extent to which fair value is less than cost, and the Company's ability and intent to hold the investment. Realized gains and losses on sales of the securities are included in the consolidated statement of operations as financial income or expenses.

As of May 31, 2015, marketable securities consisted wholly of equity securities of D.N.A Biomedical Solutions Ltd ("D.N.A"). D.N.A's ordinary shares are traded on the Tel Aviv Stock Exchange and have a quoted price. The fair value of those securities is measured at the quoted prices of the securities on the measurement date.

ORAMED PHARMACEUTICALS INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
U.S. Dollars in thousands (except share and per share data)

NOTE 4 - MARKETABLE SECURITIES (continued):

During the nine month period ended May 31, 2014, the Subsidiary sold in aggregate 2,625,989 of the D.N.A ordinary shares for total consideration of \$138. During the nine month period ended May 31, 2015, the Group did not sell any of the D.N.A ordinary shares.

As of May 31, 2015, the Group owns approximately 9.6% of D.N.A's outstanding ordinary shares.

The cost of the securities as of May 31, 2015 and August 31, 2014 is \$595.

The cost of the securities sold and the amount reclassified out of accumulated other comprehensive income into financial income (amounting to \$0 and \$80 during the nine month periods ended May 31, 2015 and 2014, respectively, and to \$0 and \$36 during the three month periods ended May 31, 2015 and 2014, respectively) were determined by specific identification.

NOTE 5 - STOCK HOLDERS' EQUITY:

- a. On November 3, 2014, the Company entered into a Stock Purchase Agreement with Guangxi Wuzhou Pharmaceutical (Group) Co., Ltd. (the "Investor"), pursuant to which the Company issued to the Investor an aggregate of 696,378 shares of common stock, at a price of \$7.18 per share, which was equal to the closing price of the Company's common stock on the Nasdaq Capital Market on October 31, 2014, for aggregate gross proceeds of approximately \$5,000. The net proceeds to the Company from the offering were approximately \$4,833, after deducting a finder's fee of \$150 and other offering expenses of the Company. The offering closed on November 28, 2014.
- b. On April 2, 2015, the Company entered into an at the market issuance sales agreement (the "Sales Agreement") with MLV & Co. LLC ("MLV") pursuant to which the Company may issue and sell shares of its common stock having an aggregate offering price of up to \$25 million from time to time, at its option, through MLV 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 (Registration No. 333-193557), including a prospectus dated April 10, 2014, as supplemented by a prospectus supplement dated April 2, 2015. The Company will pay MLV a commission of 3.0% of the gross proceeds of the sale of any shares sold through MLV. To date, no shares have been sold under the Sales Agreement.

ORAMED PHARMACEUTICALS INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
U.S. Dollars in thousands (except share and per share data)

NOTE 6 - STOCK-BASED COMPENSATION:

- a. On November 13, 2014, the Company granted a total of 19,576 restricted stock units (“RSUs”) representing a right to receive shares of the Company’s common stock to the Company’s Chief Executive Officer and director (the “CEO”), and the CTO, both related parties. The RSUs vested in two equal installments, each of 9,788 shares, on November 30 and December 31, 2014. The total fair value of these RSUs on the date of grant was \$135, using the quoted closing market share price of \$6.90 on the Nasdaq Capital Market on the date of grant. The shares of common stock underlying the RSUs will be issued upon request of the grantee. As of May 31, 2015, a total of 19,576 RSUs were vested and outstanding.
- b. On November 13, 2014, the Company granted a total of 10,872 RSUs representing a right to receive shares of the Company’s common stock to four members of the Company's Board of Directors. The RSUs vested on January 1, 2015. The total fair value of these RSUs on the date of grant was \$75, using the quoted closing market share price of \$6.90 on the Nasdaq Capital Market on the date of grant.
- c. On February 23, 2015, the Company granted a total of 159,696 RSUs representing a right to receive shares of the Company’s common stock to the Company’s CEO and the CTO, both related parties. The RSUs vest in 23 installments consisting of one installment of 13,308 shares on February 28, 2015 and 22 equal monthly installments of 6,654 shares each, commencing March 31, 2015. The total fair value of these RSUs on the date of grant was \$728, using the quoted closing market share price of \$4.56 on the Nasdaq Capital Market on the date of grant. The shares of common stock underlying the RSUs will be issued upon request of the grantee. As of May 31, 2015, a total of 33,270 RSUs were vested and outstanding.
- d. On February 23, 2015, the Company granted a total of 88,712 RSUs representing a right to receive shares of the Company’s common stock to four members of the Company's Board of Directors (22,178 RSUs to each director). The RSUs vest in two equal installments, each of 44,356 shares, on December 31, 2015 and December 31, 2016. The total fair value of these RSUs on the date of grant was \$405, using the quoted closing market share price of \$4.56 on the Nasdaq Capital Market on the date of grant.
- e. On February 23, 2015, the Company granted a total of 46,560 RSUs to an employee of the Subsidiary. The RSUs vest in 23 installments, consisting of one installment of 3,880 shares on February 28, 2015 and 22 equal monthly installments of 1,940 shares each, commencing March 31, 2015. The total fair value of these RSUs on the date of grant was \$212, using the quoted closing market share price of \$4.56 on the Nasdaq Capital Market on the date of grant.
- f. On February 23, 2015, the Company granted a total of 16,656 RSUs to employees of the Subsidiary. The RSUs vest in 23 installments, consisting of one installment of 1,388 shares on February 28, 2015 and 22 equal monthly installments of 694 shares each, commencing March 31, 2015. The total fair value of these RSUs on the date of grant was \$76, using the quoted closing market share price of \$4.56 on the Nasdaq Capital Market on the date of grant.

ORAMED PHARMACEUTICALS INC.
(A development stage company)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
U.S. Dollars in thousands (except share and per share data)

NOTE 6 - STOCK BASED COMPENSATION (continued):

- g. On April 1, 2015, the Company granted a total of 4,632 RSUs to an employee of the Subsidiary. The RSUs vest in 21 installments, consisting of one installment of 772 shares on April 30, 2015 and 20 equal monthly installments of 193 shares each, commencing May 31, 2015. The total fair value of these RSUs on the date of grant was \$30, using the quoted closing market share price of \$6.39 on the Nasdaq Capital Market on the date of grant.

NOTE 7 - RELATED PARTIES - TRANSACTIONS:

On July 1, 2008, the Subsidiary entered into two consulting agreements with KNRV Ltd. (“KNRV”), an Israeli company owned by the CEO, whereby the CEO and the CTO, through KNRV, provide services to the Group (the “Consulting Agreements”). The Consulting Agreements are both terminable by either party upon 60 days prior written notice. The Consulting Agreements provide that KNRV (i) will be paid a gross amount of NIS 50,400 per month for each of the CEO and CTO (\$14) and (ii) will be reimbursed for reasonable expenses incurred in connection with performance of the Consulting Agreements.

On July 17, 2013, the Subsidiary entered into amendments to the Consulting Agreements with KNRV, according to which, the CEO's and CTO's annual payment was set at \$250 and \$200, respectively, calculated at an exchange rate of NIS 3.6 per U.S. dollar, and in addition to such payment they were granted the use of a company car and certain cash bonus payments, effective July 1, 2013.

On November 13, 2014, the Subsidiary entered into an amendment to the Consulting Agreements (the “Amendment Agreement”), according to which, the CEO and the CTO made some representations with regards to their relationship with KNRV and agreed to indemnify the Subsidiary in certain circumstances as defined in the amendment, among other revisions.

NOTE 8 - SUBSEQUENT EVENT

On June 4, 2015, the Company entered into a letter agreement (the “Engagement Letter”) with H.C. Wainwright & Co., LLC (“HCW”), pursuant to which HCW agreed to serve as exclusive agent, advisor or underwriter in any offering of the Company occurring between June 4, 2015 and July 4, 2015. On June 5, 2015, the Company entered into a Securities Purchase Agreement, pursuant to which the Company agreed to sell, in a registered direct offering (the “June 2015 Offering”): (1) an aggregate of 714,286 shares (the “Shares”) of the Company's common stock at a price of \$7.50 per Share to six investors (the “Purchasers”) and (2) at the option of each Purchaser (the “Overallotment Right”), additional shares of the Company's common stock (the “Overallotment Shares”) up to the number equal to the number of Shares purchased by such Purchaser and at a price of \$10.00 per Overallotment Share. The closing of the sale of the Shares occurred on June 10, 2015. The Overallotment Right shall be exercisable beginning December 10, 2015, and shall remain exercisable until December 10, 2016. Pursuant to the Engagement Letter, HCW received, for its services in the June 2015 Offering, a fee equal to 7% of the gross proceeds raised in the June 2015 Offering and an expense allowance of 1% of the gross proceeds raised in the June 2015 Offering, and affiliates of HCW received warrants to purchase 28,571 shares of common stock of the Company, exercisable for a period of three years and with an exercise price of \$10.00 per share. The net proceeds to the Company from the June 2015 Offering were approximately \$4,900, after deducting HCW's expenses and other offering expenses of the Company.

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

This Quarterly Report on Form 10-Q (including the section regarding Management's Discussion and Analysis of Financial Condition and Results of Operations) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws, regarding our business, clinical trials, financial condition, expenditures, results of operations and prospects. 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.

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, 2014, or our Annual Report, as filed with the Securities and Exchange Commission, or the SEC, on November 14, 2014, as well as those discussed elsewhere in our Annual Report and in this Quarterly Report on Form 10-Q. 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




In September 2013, we submitted a pre-Investigational New Drug, or pre-IND, package to the U.S. Food and Drug Administration, or FDA, for ORMD-0901, our oral exenatide capsule, for a Phase 2 clinical trial on healthy volunteers and type 2 diabetic patients. We began pre-clinical studies in November 2014 and expect to begin non-U.S. based Phase Ib trials and IND-enabling studies in the third quarter of calendar year 2015. We then intend to then file an IND and move immediately and directly into a large Phase II multi-center trial in the United States.

We originally filed an IND with the FDA in December 2012 for clearance to begin a Phase II clinical trial of ORMD-0801, in order to evaluate the safety, tolerability and efficacy of our oral insulin capsule on type 2 diabetic volunteers. Because the identical formulation of ORMD-0801 had not yet been studied in humans at bedtime, in February 2013 the FDA noted concerns about mitigating potential risks of severe hypoglycemia and requested that we perform a sub-study in a controlled in-patient setting for a one-week period prior to beginning the larger multi-centered Phase II trial. As a result, we withdrew the original IND and, in April 2013, we submitted a new IND for the Phase IIa sub-study. Following the FDA's clearance to proceed in May 2013, we began the Phase IIa sub-study in July 2013. As we announced in January 2014, the Phase IIa sub-study met all primary and secondary endpoints. Specifically, the Phase IIa study evaluated the pharmacodynamic effects of ORMD-0801 on mean nighttime glucose (determined using a continuous glucose monitor). The results showed that ORMD-0801 exhibited a sound safety profile, led to reduced mean daytime and nighttime glucose readings and lowered fasting blood glucose concentrations, when compared to placebo. In addition, no serious adverse events occurred during this study, and the only adverse events that occurred were not drug related. In light of these results, we moved forward and initiated the Phase IIb clinical trial on 180 type 2 diabetic patients and will be conducted in approximately 30 sites in the United States, beginning in June 2015. This double-blind, randomized, 28-day study clinical trial is designed to assess the safety and efficacy of ORMD-0801 and will investigate ORMD-0801 over a longer treatment period and which will have statistical power to give us greater insight into the drug's efficacy. We anticipate the last patient will complete this trial during the second quarter of calendar year 2016.

We are also conducting additional study of our oral insulin capsule on type 2 diabetic volunteers that will be performed at The University of Texas Health Science Center at San Antonio and University Health System's Texas Diabetes Institute. 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. As previously announced, the first patient has been enrolled and we anticipate completing the study in the fourth quarter of calendar year 2015.

In February 2014, we submitted a protocol to the FDA to initiate a Phase IIa trial of our oral insulin capsule for type 1 diabetes volunteers. The protocol was submitted under our existing IND to include both type 1 and type 2 diabetes indications. The double-blind, randomized, placebo controlled, seven-day study design was carried out at an inpatient setting on 25 type 1 diabetic patients. We began this study in March 2014. As we announced in October 2014, the results showed that ORMD-0801 oral insulin given before meals appeared to be safe and well-tolerated for the dosing regimen in this study. Although the study was not powered to show statistical significance, there were internally consistent trends observed. Consistent with the timing of administration, the data showed a decrease in rapid acting insulin, a decrease in post-prandial glucose, a decrease in daytime glucose by continual glucose monitoring and an increase in post-prandial hypoglycemia in the active group.

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

		Phase I	Phase II	Phase III	Timeline
ORMD-0801	oral insulin Type 2 diabetes				Q1 '14: Phase IIa completed Q2 '15: Phase IIb multi-center study initiated
					Q3 '14: Phase IIa completed
ORMD-0901	oral GLP-1 Type 2 diabetes				Q3 '14: Preclinical/IND studies initiated Q3 '15: Phase Ib ex-US study projected initiation. Q2 '16: Phase II multi-center study projected initiation

Results of Operations

Comparison of nine and three month periods ended May 31, 2015 and 2014

The following table summarizes certain statements of operations data for the Company for the nine and three month periods ended May 31, 2015 and 2014 (in thousands of dollars except share and per share data):

	Nine months ended May 31,		Three months ended May 31,	
	2015	2014	2015	2014
Research and development expenses, net	\$ 3,353	\$ 2,513	\$ 915	\$ 1,089
General and administrative expenses	1,857	1,744	719	814
Financial income, net	(94)	(190)	(51)	(75)
Net loss for the period	\$ 5,116	\$ 4,067	\$ 1,583	\$ 1,828
Loss per common share – basic and diluted	\$ (0.48)	\$ (0.45)	\$ (0.15)	\$ (0.18)
Weighted average common shares outstanding	10,598,692	8,988,446	10,827,898	9,888,126

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, payroll taxes, 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 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 months ended May 31, 2015 increased by 33% to \$3,353,000, from \$2,513,000 for the nine months ended May 31, 2014. The increase is mainly attributable to preparing for the initiation of our Phase IIb clinical trial. Stock-based compensation costs for the nine months ended May 31, 2015 totaled \$479,000, as compared to \$665,000 during the nine months ended May 31, 2014.

Research and development expenses for the three months ended May 31, 2015 decreased by 16% to \$915,000, from \$1,089,000 for the three months ended May 31, 2014. The decrease is mainly attributable to a decrease in stock-based compensation costs which decreased from \$370,000 during the three months ended May 31, 2014, to \$186,000 in the three months ended May 31, 2015.

Government grants

In March 2014, our Israeli subsidiary, Oramed Ltd., was granted a fifth grant amounting to a total amount of NIS 1,206,990 (approximately \$345,000) from the Office of the Chief Scientist of the Ministry of Economy of Israel, or OCS, which was designated for research and development expenses for the period of November 2013 to October 2014. In September 2014, the OCS extended the period of this fifth year until December 2014. We used the funds to support further research and development and clinical studies of our oral insulin capsule and oral GLP-1 analog.

In the nine and three month periods ended May 31, 2015, we recognized research and development grants in an amount of \$48,000 and \$31,000, respectively, and in the nine and three months ended May 31, 2014, we recognized research and development grants in an amount of \$334,000 and \$194,000, respectively. As of May 31, 2015, we had no contingent liabilities to the OCS.

General and administrative expenses

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

General and administrative expenses for the nine months ended May 31, 2015 increased by 6% to \$1,857,000 from \$1,744,000 for the nine months ended May 31, 2014. The increase in costs incurred related to general and administrative activities during the nine months ended May 31, 2015 is mainly due to the increase in stock-based compensation expenses, which increased from \$375,000 during the nine months ended May 31, 2014 to \$550,000 in the nine months ended May 31, 2015, which is attributed to awards granted to directors and officers during the nine months ended May 31, 2015.

General and administrative expenses for the three months ended May 31, 2015 decreased by 12% to \$719,000 from \$814,000 for the three months ended May 31, 2014. The decrease in costs incurred related to general and administrative activities during the three months ended May 31, 2015 is mainly due to the decrease in stock-based compensation expenses, which decreased from \$337,000 during the three months ended May 31, 2014 to \$278,000 in the three months ended May 31, 2015.

Financial income, net

Net financial income decreased by 51% from net income of \$190,000 for the nine months ended May 31, 2014 to net income of \$94,000 for the nine months ended May 31, 2015. The decrease is mainly due to a decrease in income from exchange rate differences and to a decrease in capital gain on marketable securities, which decreased from \$80,000 during the nine months ended May 31, 2014 to zero in the nine months ended May 31, 2015.

During the three months ended May 31, 2015, net financial income totaled \$51,000, compared to \$75,000 for the three months ended May 31, 2014. The decrease of 27% in net financial income during the three months ended May 31, 2015, as compared to the three months ended May 31, 2014, is attributable to the same reasons described above.

Other comprehensive income

Subsequent decrease in the fair value of available for sale securities previously written down as impaired for the nine months ended May 31, 2015 of \$8,000 resulted from the decrease in fair value of the ordinary shares of D.N.A Biomedical Solutions Ltd, or D.N.A, that we hold, and subsequent increase in the fair value of available for sale securities previously written down as impaired for the nine months ended May 31, 2014 of \$34,000 resulted from the increase in fair value of the shares of D.N.A that we hold. Unrealized losses on available for sale securities for the nine months ended May 31, 2015 of \$281,000 resulted from the decrease in fair value of our D.N.A ordinary shares. Unrealized gains on available for sale securities for the nine months ended May 31, 2014 of \$211,000 resulted from the increase in fair value of our D.N.A ordinary shares. Reclassification adjustments for gains included in net loss for the nine months ended May 31, 2014 of \$80,000 resulted from the sale of 1,625,989 of our D.N.A ordinary shares in October and November 2013 and January 2014.

Subsequent increase in the fair value of available for sale securities previously written down as impaired for the three months ended May 31, 2014 of \$20,000 resulted from the increase in fair value of the D.N.A ordinary shares, while there was no change in the fair value of available for sale securities previously written down as impaired for the three months ended May 31, 2015. Unrealized gain on available for sale securities for the three months ended May 31, 2015 of \$62,000 resulted from the increase in fair value of our D.N.A ordinary shares. Unrealized loss on available for sale securities for the three months ended May 31, 2014 of \$323,000 resulted from the decrease in fair value of our D.N.A ordinary shares.

Liquidity and capital resources

From inception through May 31, 2015, we have incurred losses in an aggregate amount of \$32,936,000. 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 \$40,580,000, net of transaction costs. During that period we also received cash consideration of \$1,870,000 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, 2015, we had \$3,847,000 of available cash, \$12,549,000 of short term bank deposits, \$4,802,000 of long term bank deposits and \$758,000 of marketable securities. We anticipate that we will require approximately \$11.6 million to finance our activities during the 12 months following May 31, 2015.

On June 4, 2015, we entered into a letter agreement, or the Engagement Letter, with H.C. Wainwright & Co., LLC, or HCW, pursuant to which HCW agreed to serve as exclusive agent, advisor or underwriter in any offering by us occurring between June 4, 2015 and July 4, 2015. On June 5, 2015, we entered into a Securities Purchase Agreement, pursuant to which we agreed to sell, in a registered direct offering, or the June 2015 Offering: (1) an aggregate of 714,286 of shares, or the Shares, of our common stock at a price of \$7.50 per Share to six investors, or the Purchasers, and (2) at the option of each Purchaser, or the Overallotment Right, additional shares of our common stock, or the Overallotment Shares, up to the number equal to the number of Shares purchased by such Purchaser and at a price of \$10.00 per Overallotment Share. The closing of the sale of the Shares occurred on June 10, 2015. The Overallotment Right shall be exercisable beginning December 10, 2015, and shall remain exercisable until December 10, 2016. Pursuant to the Engagement Letter, HCW received, for its services in the June 2015 Offering, a fee equal to 7% of the gross proceeds raised in the June 2015 Offering and an expense allowance of 1% of the gross proceeds raised in the June 2015 Offering, and affiliates of HCW received warrants to purchase 28,571 shares of our common stock, exercisable for a period of three years and with an exercise price of \$10.00 per share. The net proceeds to us from the June 2015 Offering, after deducting HCW's fees and expenses and our offering expenses, were approximately \$4,900,000.

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 ongoing financing discussions with third party investors, including the investor in connection with the private placement entered into in November 2014, the June 2015 Offering and future public offerings. Based on our current cash resources and commitments, including cash received in a private placement in the period ended May 31, 2015, and the June 2015 Offering, 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, 2015, our total current assets were \$17,303,000 and our total current liabilities were \$765,000. On May 31, 2015, we had a working capital surplus of \$16,538,000 and an accumulated loss of \$32,936,000. As of August 31, 2014, our total current assets were \$21,778,000 and our total current liabilities were \$973,000. On August 31, 2014, we had a working capital surplus of \$20,805,000 and an accumulated loss of \$27,820,000. The decrease in working capital from August 31, 2014 to May 31, 2015 was primarily due to the investment of a portion of the proceeds from our private placement completed in November 2014 in long term bank deposits.

During the nine month period ended May 31, 2015, cash and cash equivalents increased to \$3,847,000 from the \$1,762,000 reported as of August 31, 2014, which is due to the reasons described below.

Operating activities used cash of \$3,917,000 in the nine month period ended May 31, 2015, as compared to \$3,266,000 used in the nine months ended May 31, 2014. Cash used for operating activities in the nine months ended May 31, 2015 and 2014 primarily consisted of net loss resulting from research and development and general and administrative expenses, partially offset by stock-based compensation amounts.

During the nine month period ended May 31, 2015, we received \$93,000 in OCS grants towards our research and development expenses, while we recognized the amount of \$48,000 during such period and \$334,000 was recognized in the nine month period ended May 31, 2014. During the nine month period ended May 31, 2014, we received \$125,000 in OCS grants. The amounts that were received but not recognized during the nine month period ended May 31, 2015, were recognized during fiscal year 2014. The OCS has supported our activity in the past five years.

Investing activities provided cash of \$1,173,000 in the nine month period ended May 31, 2015, as compared to \$13,179,000 used in the nine month period ended May 31, 2014. Cash provided by investing activities in the nine months ended May 31, 2015 consisted primarily of the proceeds from short term bank deposits, while cash used in investing activities in the nine months ended May 31, 2014 consisted primarily of the acquisition of short-term bank deposits.

Financing activities provided cash of \$4,841,000 in the nine month period ended May 31, 2015, as compared to \$16,638,000 in the nine month period ended May 31, 2014. Financing activities in the nine month periods ended May 31, 2015 and 2014 consisted of proceeds from our issuance of common stock and proceeds from exercise of warrants and options in each period.

Off-balance sheet arrangements

As of May 31, 2015, 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.

Planned Expenditures

The estimated expenses referenced herein are in accordance with our business plan. Since our technology is still in the development stage, it can be expected that there will be changes in some budgetary items. Our planned expenditures for the twelve months beginning June 1, 2015 are as follows (in thousands):

Category	Amount
Research and development	\$ 9,420
General and administrative expenses	2,240
Financial income, net	(100)
Total	<u>\$ 11,560</u>

In June 2015, we initiated a Phase IIb clinical trial for our orally ingested insulin and we are conducting, or planning to conduct, further clinical studies with our oral exenatide capsule, and others. Our ability to complete these expected activities is dependent on several major factors including the ability to attract sufficient financing on terms acceptable to us.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There has been no significant change in our exposure to market risk during the three months ended May 31, 2015. 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, 2015. 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, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

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

On each of March 4 and May 3, 2015, we issued 3,750 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 May 13, 2014, between us and Corporate Profile and a Stock Purchase Agreement, dated May 13, 2014, 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	Exhibit
4.1	Form of Warrant issued on June 10, 2015.*
10.1	Securities Purchase Agreement, dated June 5, 2015, between the Company and the purchasers party thereto (incorporated by reference from the Company's Current Report on Form 8-K filed June 5, 2015).
10.2	Engagement Letter, dated June 4, 2015, between the Company and H.C. Wainwright & Co., LLC (incorporated by reference from the Company's Current Report on Form 8-K filed June 5, 2015).
31.1*	Certification Statement 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 Statement 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 Statement of Principal Executive Officer pursuant to 18 U.S.C. Section 1350.
32.2**	Certification Statement 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, 2015, formatted in XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Comprehensive Loss, (iii) Condensed Consolidated Statements of Changes in Stockholders' Equity, (iv) Condensed Consolidated Statements of Cash Flows and (v) the Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and in detail.

* Filed herewith

** Furnished herewith

SIGNATURES

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

ORAMED PHARMACEUTICALS INC.

Date: July 1, 2015

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

Date: July 1, 2015

By: /s/ Yifat Zommer
Yifat Zommer
Chief Financial Officer
(principal financial and accounting officer)

COMMON STOCK PURCHASE WARRANT

ORAMED PHARMACEUTICALS INC.

Warrant Shares: _____

Initial Exercise Date: June 10, 2015

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, _____ or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to 5:00 p.m. Eastern Time on the three (3) year anniversary of the Initial Exercise Date (the "Termination Date") but not thereafter, to subscribe for and purchase from Oramed Pharmaceuticals Inc., a Delaware corporation (the "Company"), up to _____ shares (as subject to adjustment hereunder, the "Warrant Shares") of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Securities Purchase Agreement (the "Purchase Agreement"), dated June 5, 2015, among the Company and the purchasers signatory thereto.

Section 2. Exercise.

a) Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile copy (or e-mail attachment to the Company's Chief Executive Officer or Chief Financial Officer) of the Notice of Exercise in the form annexed hereto. Within three (3) Trading Days following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer unless the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise form be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Business Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be **\$10.00**, subject to adjustment hereunder (the "Exercise Price").

c) Cashless Exercise. If at the time of exercise hereof there is no effective registration statement registering, or the prospectus contained therein is not available for the issuance of the Warrant Shares to the Holder, then this Warrant may also be exercised, in whole or in part, at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = the VWAP on the Trading Day immediately preceding the date on which Holder elects to exercise this Warrant by means of a "cashless exercise," as set forth in the applicable Notice of Exercise;

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the registered characteristics of the Warrants being exercised. The Company agrees not to take any position contrary to this Section 2(c).

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported in the "Pink Sheets" published by OTC Markets, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Purchasers of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by Holder or (B) this Warrant is being exercised via cashless exercise, and otherwise by physical delivery of a certificate, registered in the Company's share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is three (3) Trading Days after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"), provided that the Company shall not be obligated to deliver Warrant Shares hereunder unless the Company has received the aggregate Exercise Price on or before the Warrant Share Delivery Date. The Warrant Shares shall be deemed to have been issued, and Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised, with payment to the Company of the Exercise Price (or by cashless exercise, if permitted) and all taxes required to be paid by the Holder, if any, pursuant to Section 2(d)(vi) prior to the issuance of such shares, having been paid.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. [RESERVED]

iv. [RESERVED]

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within two Trading Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) [RESERVED]

c) [RESERVED]

d) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a “Distribution”), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation). To the extent that this Warrant has not been partially or completely exercised at the time of such Distribution, such portion of the Distribution shall be held in abeyance for the benefit of the Holder until the Holder has exercised this Warrant.

e) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(e) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

f) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

g) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly mail to the Holder a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be mailed to the Holder at its last address as it shall appear upon the Warrant Register of the Company, at least 10 Trading Days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. If the content of such notice has been publicly disclosed, the Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. Neither this Warrant nor any Warrant Shares issued upon exercise of this Warrant shall be sold, transferred, assigned, pledged or hypothecated, or be the subject of any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of the securities by any person for a period of 180 days immediately following the date of effectiveness or commencement of sales of the offering pursuant to which this Warrant is being issued, except the transfer of any security:

- (i) by operation of law or by reason of reorganization of the Company;
- (ii) to any FINRA member firm participating in the offering and the officers and partners thereof, if all securities so transferred remain subject to the lock-up restriction in this Section 4(a) for the remainder of the time period;
- (iii) if the aggregate amount of securities of the Company held by the Holder or related person do not exceed 1% of the securities being offered;
- (iv) that is beneficially owned on a pro-rata basis by all equity owners of an investment fund, provided that no participating member manages or otherwise directs investments by the fund, and participating members in the aggregate do not own more than 10% of the equity in the fund; or
- (v) the exercise or conversion of any security, if all securities received remain subject to the lock-up restriction in this Section 4(a) for the remainder of the time period.

Subject to the foregoing restriction, This Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date the Holder delivers an assignment form to the Company assigning this Warrant full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the initial issuance date of this Warrant and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares.

The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

- e) Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the Purchase Agreement.
- f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.
- g) Nonwaiver. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies.
- h) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Purchase Agreement.
- i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.
- j) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.
- k) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.
- l) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.

m) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

ORAMED PHARMACEUTICALS INC.

By: _____

Name:

Title:

NOTICE OF EXERCISE

TO: ORAMED PHARMACEUTICALS INC.

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

in lawful money of the United States; or

if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

The Warrant Shares shall be delivered to the following DWAC Account Number:

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name:

_____ (Please Print)

Address:

_____ (Please Print)

Dated: _____, _____

Holder's Signature: _____

Holder's Address: _____

**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 1, 2015

/s/ Nadav Kidron

Nadav Kidron
President and Chief Executive Officer

**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, Yifat Zommer, 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 1, 2015

/s/ Yifat Zommer

Yifat Zommer
Chief Financial Officer

**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, 2015 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 1, 2015

/s/ Nadav Kidron

Nadav Kidron,
President and Chief Executive Officer

**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, 2015 as filed with the Securities and Exchange Commission on the date hereof, or the Report, I, Yifat Zommer, 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 1, 2015

/s/ Yifat Zommer

Yifat Zommer,
Chief Financial Officer