

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 June 30, 2024

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

Commission file number: 001-35813

**ORAMED PHARMACEUTICALS INC.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or Other Jurisdiction of  
Incorporation or Organization)

**98-0376008**

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

**1185 Avenue of the Americas, Third Floor,  
New York, NY**

(Address of Principal Executive Offices)

**10036**

(Zip Code)

**844-967-2633**

(Registrant's Telephone Number, Including Area Code)

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

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

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

Yes  No

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

Yes  No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

Yes  No

As of August 13, 2024, there were 40,769,027 shares of the issuer's common stock, \$0.012 par value per share, outstanding.

**ORAMED PHARMACEUTICALS INC.**  
**FORM 10-Q**

**TABLE OF CONTENTS**

<a href="#"><u>PART I - FINANCIAL INFORMATION</u></a>	1
<a href="#"><u>ITEM 1 - FINANCIAL STATEMENTS</u></a>	1
<a href="#"><u>ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u></a>	15
<a href="#"><u>ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u></a>	21
<a href="#"><u>ITEM 4 - CONTROLS AND PROCEDURES</u></a>	21
<a href="#"><u>PART II - OTHER INFORMATION</u></a>	21
<a href="#"><u>ITEM 2- UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u></a>	21
<a href="#"><u>ITEM 6 - EXHIBITS</u></a>	22

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

On June 30, 2024, the exchange rate between the New Israeli Shekel, or NIS, and the dollar, as quoted by the Bank of Israel, was NIS 3.759 to \$1.00. Unless indicated otherwise by the context, statements in this Quarterly Report on Form 10-Q that provide the dollar equivalent of NIS amounts or provide the NIS equivalent of dollar amounts are based on such exchange rate.

## Cautionary Statement Regarding Forward-Looking Statements

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

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

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

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

**PART I – FINANCIAL INFORMATION**

**ITEM 1 - FINANCIAL STATEMENTS**

**ORAMED PHARMACEUTICALS INC.**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

AS OF JUNE 30, 2024

**TABLE OF CONTENTS**

	<b>Page</b>
<b>CONDENSED CONSOLIDATED FINANCIAL STATEMENTS:</b>	
<a href="#">Balance sheets</a>	2
<a href="#">Statements of comprehensive income (loss)</a>	3
<a href="#">Statements of changes in stockholders' equity</a>	4
<a href="#">Statements of cash flows</a>	5
<a href="#">Notes to financial statements</a>	6-20

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

	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
<b>Assets</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 84,753	\$ 9,055
Short-term deposits	1,778	95,279
Investments at fair value	66,206	57,713
Prepaid expenses and other current assets	533	537
Total current assets	<u>153,270</u>	<u>162,584</u>
<b>LONG-TERM ASSETS:</b>		
Long-term deposits	2	7
Investments at fair value	23,723	51,035
Marketable securities	2,345	1,807
Other non-marketable equity securities	3,524	3,524
Amounts funded in respect of employee rights upon retirement	28	27
Property and equipment, net	765	873
Operating lease right-of-use assets	566	694
Total long-term assets	<u>30,953</u>	<u>57,967</u>
Total assets	<u>\$ 184,223</u>	<u>\$ 220,551</u>
<b>Liabilities and stockholders' equity</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 3,483	\$ 1,609
Short-term borrowings	-	51,013
Payable to related parties	-	325
Operating lease liabilities	250	267
Total current liabilities	<u>3,733</u>	<u>53,214</u>
<b>LONG-TERM LIABILITIES:</b>		
Long-term deferred revenues	4,000	4,000
Employee rights upon retirement	29	28
Provision for uncertain tax position	11	11
Operating lease liabilities	236	342
Other liabilities	60	63
Total long-term liabilities	<u>4,336</u>	<u>4,444</u>
<b>Equity</b>		
<b>EQUITY ATTRIBUTABLE TO COMPANY'S STOCKHOLDERS:</b>		
Common stock, \$0.012 par value (60,000,000 authorized shares; 40,628,924 and 40,338,979 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively)	488	485
Additional paid-in capital	323,385	320,892
Accumulated deficit	(146,808)	(157,556)
Total stockholders' equity	<u>177,065</u>	<u>163,821</u>
Non-controlling interests	(911)	(928)
Total equity	<u>176,154</u>	<u>162,893</u>
Total liabilities and equity	<u>\$ 184,223</u>	<u>\$ 220,551</u>

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

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

	<b>Six months ended</b>		<b>Three months ended</b>	
	<b>June 30, 2024</b>	<b>June 30, 2023</b>	<b>June 30, 2024</b>	<b>June 30, 2023</b>
<b>REVENUES</b>	\$ -	1,340	\$ -	674
<b>RESEARCH AND DEVELOPMENT EXPENSES</b>	(2,621)	(6,248)	(1,442)	(1,821)
<b>SALES AND MARKETING EXPENSES</b>	-	(376)	-	(192)
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	(3,476)	(3,715)	(1,693)	(2,452)
<b>OPERATING LOSS</b>	(6,097)	(8,999)	(3,135)	(3,791)
<b>INTEREST EXPENSES</b>	(853)	-	(261)	-
<b>FINANCIAL INCOME, NET</b>	19,322	4,075	14,234	2,478
<b>INCOME (LOSS) BEFORE TAX EXPENSES</b>	\$ 12,372	(4,924)	\$ 10,838	(1,313)
<b>TAX EXPENSES</b>	(1,634)	-	(1,634)	-
<b>NET INCOME (LOSS)</b>	\$ 10,738	(4,924)	\$ 9,204	(1,313)
<b>NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>	(10)	(335)	(8)	(119)
<b>NET INCOME (LOSS) ATTRIBUTABLE TO STOCKHOLDERS</b>	10,748	(4,589)	9,212	(1,194)
<b>BASIC EARNINGS (LOSS) PER SHARE OF COMMON STOCK</b>	\$ 0.26	\$ (0.11)	\$ 0.22	\$ (0.03)
<b>DILUTED EARNINGS (LOSS) PER SHARE OF COMMON STOCK</b>	\$ 0.26	\$ (0.11)	\$ 0.22	\$ (0.03)
<b>WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK USED IN COMPUTING BASIC EARNINGS (LOSS) PER SHARE OF COMMON STOCK</b>	40,899,275	40,144,725	40,959,759	40,225,594
<b>WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK USED IN COMPUTING DILUTED EARNINGS (LOSS) PER SHARE OF COMMON STOCK</b>	41,427,849	40,144,725	41,591,007	40,225,594

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

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

	<u>Common Stock</u>		<u>Additional paid-in capital</u>	<u>Accumulated deficit</u>	<u>Total stockholders' equity</u>	<u>Non- controlling interests</u>	<u>Total equity</u>
	<u>Shares</u>	<u>\$</u>					
	In thousands						
<b>BALANCE AS OF DECEMBER 31, 2023</b>	40,339	\$ 485	\$ 320,892	\$ (157,556)	\$ 163,821	\$ (928)	\$ 162,893
<b>CHANGES DURING THE SIX MONTH PERIOD ENDED JUNE 30, 2024</b>							
<b>STOCK-BASED COMPENSATION</b>	290	3	2,493	-	2,496	-	2,496
<b>STOCK-BASED COMPENSATION OF SUBSIDIARY</b>	-	-	-	-	-	27	27
<b>NET INCOME</b>	-	-	-	10,748	10,748	(10)	10,738
<b>BALANCE AS OF JUNE 30, 2024</b>	<u>40,629</u>	<u>\$ 488</u>	<u>\$ 323,385</u>	<u>\$ (146,808)</u>	<u>\$ 177,065</u>	<u>\$ (911)</u>	<u>\$ 176,154</u>
	<u>Common Stock</u>		<u>Additional paid-in capital</u>	<u>Accumulated deficit</u>	<u>Total stockholders' equity</u>	<u>Non- controlling interests</u>	<u>Total equity</u>
	<u>Shares</u>	<u>\$</u>					
	In thousands						
<b>BALANCE AS OF DECEMBER 31, 2022</b>	39,564	\$ 476	\$ 314,417	\$ (163,081)	\$ 151,812	\$ (656)	\$ 151,156
<b>CHANGES DURING THE SIX MONTH PERIOD ENDED JUNE 30, 2023:</b>							
<b>ISSUANCE OF COMMON STOCK, NET</b>	193	2	2,428	-	2,430	-	2,430
<b>STOCK-BASED COMPENSATION</b>	462	6	1,887	-	1,893	-	1,893
<b>STOCK-BASED COMPENSATION OF SUBSIDIARY</b>	-	-	-	-	-	100	100
<b>NET LOSS</b>	-	-	-	(4,589)	(4,589)	(335)	(4,924)
<b>BALANCE AS OF JUNE 30, 2023</b>	<u>40,219</u>	<u>\$ 484</u>	<u>\$ 318,732</u>	<u>\$ (167,670)</u>	<u>\$ 151,546</u>	<u>\$ (891)</u>	<u>\$ 150,655</u>
	<u>Common Stock</u>		<u>Additional paid-in capital</u>	<u>Accumulated deficit</u>	<u>Total stockholders' equity</u>	<u>Non- controlling interests</u>	<u>Total equity</u>
	<u>Shares</u>	<u>\$</u>					
	In thousands						
<b>BALANCE AS OF MARCH 31, 2024</b>	40,519	\$ 487	\$ 322,172	\$ (156,020)	\$ 166,639	\$ (918)	\$ 165,721
<b>CHANGES DURING THE THREE MONTH PERIOD ENDED JUNE 30, 2024:</b>							
<b>STOCK-BASED COMPENSATION</b>	110	1	1,213	-	1,214	-	1,214
<b>STOCK-BASED COMPENSATION OF SUBSIDIARY</b>	-	-	-	-	-	15	15
<b>NET INCOME</b>	-	-	-	9,212	9,212	(8)	9,204
<b>BALANCE AS OF JUNE 30, 2024</b>	<u>40,629</u>	<u>\$ 488</u>	<u>\$ 323,385</u>	<u>\$ (146,808)</u>	<u>\$ 177,065</u>	<u>\$ (911)</u>	<u>\$ 176,154</u>
	<u>Common Stock</u>		<u>Additional paid-in capital</u>	<u>Accumulated deficit</u>	<u>Total stockholders' equity</u>	<u>Non- controlling interests</u>	<u>Total equity</u>
	<u>Shares</u>	<u>\$</u>					
	In thousands						
<b>BALANCE AS OF MARCH 31, 2023</b>	39,970	\$ 481	\$ 316,965	\$ (166,476)	\$ 150,970	\$ (822)	\$ 150,148
<b>CHANGES DURING THE THREE MONTH PERIOD ENDED JUNE 30, 2023:</b>							
<b>STOCK-BASED COMPENSATION</b>	249	3	1,767	-	1,770	-	1,770
<b>STOCK-BASED COMPENSATION OF SUBSIDIARY</b>	-	-	-	-	-	50	50
<b>NET LOSS</b>	-	-	-	(1,194)	(1,194)	(119)	(1,313)
<b>BALANCE AS OF JUNE 30, 2023</b>	<u>40,219</u>	<u>\$ 484</u>	<u>\$ 318,732</u>	<u>\$ (167,670)</u>	<u>\$ 151,546</u>	<u>\$ (891)</u>	<u>\$ 150,655</u>

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



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

	Six months ended	
	June,	
	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ 10,738	\$ (4,924)
Adjustments required to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	110	89
Exchange differences and interest on deposits and held to maturity bonds	3,856	(457)
Changes in fair value of investments	(16,719)	(820)
Stock-based compensation	2,523	1,993
Gain on amounts funded in respect of employee rights upon retirement	(1)	(2)
Change in accrued interest on short-term borrowings	(1,463)	-
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	4	620
Accounts payable, accrued expenses and related parties	1,549	(3,328)
Net changes in operating lease	5	(25)
Deferred revenues	-	(1,340)
Liability for employee rights upon retirement	1	6
Other liabilities	(3)	5
Total net cash provided by (used in) operating activities	<u>600</u>	<u>(8,183)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of short-term deposits	(4,000)	(89,919)
Proceeds from short-term deposits	93,650	59,500
Proceeds from maturity of held to maturity securities	-	2,725
Proceeds from long-term deposits	5	-
Proceeds from long-term investments	35,000	-
Purchase of property and equipment	(2)	(219)
Total net cash provided by (used in) investing activities	<u>124,653</u>	<u>(27,913)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issuance of common stock, net of issuance costs	-	2,430
Loans repaid	(49,550)	-
Total net cash provided by (used in) financing activities	<u>(49,550)</u>	<u>2,430</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>(5)</u>	<u>(31)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>75,698</b>	<b>(33,697)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>9,055</b>	<b>40,464</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 84,753</b>	<b>\$ 6,767</b>
<b>(A) SUPPLEMENTARY DISCLOSURE ON CASH FLOWS -</b>		
Interest received	\$ 6,439	\$ 2,866
Interest paid	\$ (2,316)	\$ -
<b>(B) SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES -</b>		
Recognition of operating lease right-of-use assets and liabilities	58	-
Derecognition of right-of-use asset	(26)	-
Derecognition of lease liability	<u>23</u>	<u>-</u>

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

**ORAMED PHARMACEUTICALS INC.**  
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
U.S. Dollars in thousands (except share and per share data)  
(UNAUDITED)

**NOTE 1 - GENERAL:**

**a. Incorporation and Operations**

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

On March 18, 2021, Oravax Medical Inc. (“Oravax”) was established by the Company and others. The Company holds a 63% interest in Oravax. Consequently, the Company consolidates Oravax in its consolidated financial statements since that time.

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

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

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

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

The consummation of the JV Agreement is subject to and contingent upon the parties entering into additional agreements pursuant to the JV Agreement. There is no assurance that the parties will complete and sign these additional agreements.

**ORAMED PHARMACEUTICALS INC.**  
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
U.S. Dollars in thousands (except share and per share data)  
(UNAUDITED)

**NOTE 1 - GENERAL** (continued):

**b. Development and Liquidity Risks**

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

Based on the Company's current cash resources and commitments, the Company believes it will be able to maintain its current planned activities and the corresponding level of expenditures for at least the next 12 months.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES:**

**a. Condensed consolidated financial statements preparation**

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

**b. earnings (loss) per common share**

Basic net earnings (loss) per common share are computed by dividing the net earnings (loss) attributable to stockholders for the period by the weighted average number of shares of common stock outstanding for each period, including vested restricted stock units ("RSUs"). Outstanding stock options, warrants and RSUs have been excluded from the calculation of diluted loss per share for the three and six month periods ended June 30, 2023, because all such securities are anti-dilutive for these periods.

For the diluted earnings per share calculation for each of the three and six month periods ended June 30, 2024, the weighted average number of shares outstanding during the three and six month periods ended June 30, 2024 is adjusted for the potential dilution that could occur in connection with employee share-based payment, using the treasury stock method.

**ORAMED PHARMACEUTICALS INC.**  
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
U.S. Dollars in thousands (except share and per share data)  
(UNAUDITED)

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES** (continued):

The weighted average number of stock options, warrants and RSUs excluded from the calculation of the diluted net income was 4,206,451 for the six month period ended June 30, 2024.

The weighted average number of stock options, warrants and RSUs excluded from the calculation of the diluted net loss was 3,694,057 for the six month period ended June 30, 2023.

The weighted average number of stock options, warrants and RSUs excluded from the calculation of diluted income was 3,993,552 for the three month period ended June 30, 2024.

The weighted average number of stock options, warrants and RSUs excluded from the calculation of diluted net loss was 4,026,508 for the three month period ended June 30, 2023.

**c. Recently issued accounting pronouncements, not yet adopted**

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

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

**ORAMED PHARMACEUTICALS INC.**  
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
U.S. Dollars in thousands (except share and per share data)  
(UNAUDITED)

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES** (continued):

**d. Fair value**

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

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

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

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

The Company's financial assets subject to fair value measurements on a recurring basis and the level of inputs used in such measurements were as follows:

	<b>June 30, 2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Assets:				
Marketable Securities				
DNA (as defined below)	330	-	-	330
Entera (as defined below)	215	-	-	215
Transferred Warrants (see note 4)	1,800	-	-	1,800
Closing Penny Warrant (see note 4)	-	8,685	-	8,685
Subsequent Penny Warrants (see note 4)	-	-	15,038	15,038
The Note (see note 4)	-	-	66,206	66,206
	<b>\$ 2,345</b>	<b>\$ 8,685</b>	<b>\$ 81,244</b>	<b>\$ 92,274</b>

	<b>December 31, 2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Assets:				
Marketable Securities				
DNA	297	-	-	297
Entera	70	-	-	70
Transferred Warrants (see note 4)	1,440	-	-	1,440
Closing Penny Warrant (see note 4)	-	9,180	-	9,180
Subsequent Penny Warrants (see note 4)	-	-	6,502	6,502
The Note (see note 4)	-	-	93,066	93,066
	<b>\$ 1,807</b>	<b>\$ 9,180</b>	<b>\$ 99,568</b>	<b>\$ 110,555</b>

As of June 30, 2024 and December 31, 2023, the carrying amounts of cash equivalents, short-term deposits, and accounts payable approximate their fair values due to the short-term maturities of these instruments.

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

**ORAMED PHARMACEUTICALS INC.**  
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
U.S. Dollars in thousands (except share and per share data)  
(UNAUDITED)

**NOTE 3 - MARKETABLE SECURITIES:**

The Company's marketable securities include investments in equity securities of DNA GROUP (T.R.) Ltd. (formerly D.N.A Biomedical Solutions Ltd.) ("DNA"), Entera Bio Ltd. ("Entera"), and the Transferred Warrants (as defined herein; for further details, see note 4).

**Composition**

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
<b>Long-term:</b>		
DNA	\$ 330	\$ 297
Entera	215	70
Transferred Warrants (see note 4)	1,800	1,440
	<u>\$ 2,345</u>	<u>\$ 1,807</u>

**NOTE 4 - INVESTMENTS, AT FAIR VALUE:**

*Scilex Transaction*

On September 21, 2023, the Company completed a transaction (the "Transaction") with Scilex in exchange for certain equity securities of Scilex as follows:

- a. A Senior Secured Promissory Note (the "Note"), with a principal amount of \$101,875, maturing on March 21, 2025 and bearing and interest of SOFR plus 8.5%, payable in-kind. Scheduled principal payments are due on December 21, 2023, March 21, 2024, June 21, 2024, September 21, 2024, and December 21, 2024, with the balance due on March 21, 2025. As per the Note terms, if the Note is not repaid in full on or prior to March 21, 2024, an exit fee of \$3,056 is due. Since the Note was not repaid by that date, the Company is entitled to the above-mentioned exit fee at the maturity date of the Note. As of June 30, 2024, Scilex has repaid \$40,000 of the amount due under the Note, according to the terms of the Note.
- b. Warrants to purchase up to 4,500,000 shares of Scilex common stock with an exercise price of \$0.01 per share (the "Closing Penny Warrants") and additional warrants for up to 8,500,000 shares (the "Subsequent Penny Warrants"), which will be vested in accordance with the terms of the Note. As of June 30, 2024, 4,250,000 Subsequent Penny Warrants were vested.
- c. Transferred Warrants (the "Transferred Warrants") to purchase 4,000,000 shares of Scilex common stock at \$11.50 per share, fully exercisable and expiring on November 10, 2027.

As of December 31, 2023, the fair value of the Transaction was \$110,188, split between the Note (\$93,066), the Closing Penny Warrant (\$9,180), the Subsequent Penny Warrants (\$6,502) and the Transferred Warrants (\$1,440). As of June 30, 2024 the fair value of the Transaction was \$91,729, split among the Note (\$66,206), Closing Penny Warrant (\$8,685), Subsequent Penny Warrants (\$15,038), and Transferred Warrants (\$1,800). In the six month period ended June 30, 2024, the Company received \$35,000 as per the Note terms. As a result, the Company recorded financial income of \$16,540 for the six month period ended June 30, 2024.

**ORAMED PHARMACEUTICALS INC.**  
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
U.S. Dollars in thousands (except share and per share data)  
(UNAUDITED)

**NOTE 4 - INVESTMENTS, AT FAIR VALUE** (continued):

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

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

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

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

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

The fair value of the Penny Warrants was calculated based on the closing price of the Scilex Common Stock on the Nasdaq Capital Market, taking into account several scenarios which assume a partial or full early repayment of the Note, when applicable. The difference between the Note's fair value and aggregate unpaid principal balance (which includes interest payable on maturity) is \$6,071.

Based on anticipated gains from the Transaction, the Company anticipates taxable income for the fiscal year ending December 31, 2024. As a result, the Company expects to fully utilize the tax loss carryforward of Oramed Pharmaceuticals Inc. and to incur associated tax expenses. During the six month period ended June 30, 2024 the Company recognized tax expenses of \$1,634. The provision for income taxes in the interim period is determined using an estimated annual effective tax rate (taking into account utilization of carryforward tax losses of Oramed Pharmaceuticals Inc).

**NOTE 5 - STOCKHOLDERS' EQUITY:**

*Stock based compensation*

Below is a table summarizing all of the RSUs grants to employees and Directors made during the six month period ended June 30, 2024.

	<u>No. of RSUs granted</u>	<u>Exercise price</u>	<u>Vesting period</u>	<u>Fair value at grant*</u>	<u>Expiration period (in years)</u>
Employees	1,389,540	0	**	\$ 3,350,535	10
Directors	192,120	0	***	\$ 461,220	10

\* The RSUs fair value is based on the Company's share price on the Nasdaq Capital Market on the grant dates.

\*\*

**Employees:**

**No. of RSUs**

<u>granted</u>	<u>Vesting period</u>
950,500	Vesting in 12 equal quarterly installments starting January 8, 2024.
5,000	Vesting in 12 equal quarterly installments starting July 1, 2024.
294,000	Vesting on April 4, 2025.
93,360	Vesting on June 18, 2026.
46,680	Vesting in 4 equal quarterly installments starting September 18, 2026.

\*\*\*

**ORAMED PHARMACEUTICALS INC.**  
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
U.S. Dollars in thousands (except share and per share data)  
(UNAUDITED)

**NOTE 5 - STOCKHOLDERS' EQUITY** (continued):

**Directors:**

**No. of RSUs**

<b>granted</b>	<b>Vesting period</b>
150,000	Vesting in 3 equal annual installments starting January 1, 2025.
41,360	Vesting in 4 equal quarterly installments starting April 1, 2024.
760	Vesting in 2 equal quarterly installments starting October 1, 2024.

Below is a table summarizing all of the performance-based RSUs ("PSUs") grants to the Chief Financial Officer made during the six month period ended June 30, 2024.

<b>No. of PSUs granted</b>	<b>Exercise price</b>	<b>Expected vesting period</b>	<b>Fair value at grant</b>	<b>Expiration period (in years)</b>
34,000	0	2.5 years	\$ 73,379	10

On June 20, 2024, the Company granted 34,000 PSUs representing a right to receive shares of the Company's common stock to the Company's Chief Financial Officer. The total amount of the PSUs shall vest upon the later of (i) June 18, 2026 and (ii) when the closing price per share of Common Stock of the Company on the Nasdaq Capital Market reaches an average of \$4.00 over any 10-trading day period. The total fair value of these PSUs on the date of grant was \$73, using the Monte-Carlo model, based on the quoted closing market share price of \$2.21 on the Nasdaq Capital Market on the date of grant.

*Buyback Program*

In June 2024, the Company's board of directors authorized a stock buyback program pursuant to which the Company may, from time to time, purchase up to \$20,000 in maximum value of its common stock. Share repurchases may be executed through various means, including, without limitation, open market transactions, privately negotiated transactions or otherwise in compliance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended. The stock buyback program does not obligate the Company to purchase any shares and expires in 12 months. The authorization for the stock buyback program may be terminated, increased or decreased by the Company's board of directors in its discretion at any time. During June 2024, the Company did not use the buyback program. For further details see note 8.



**ORAMED PHARMACEUTICALS INC.**  
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
U.S. Dollars in thousands (except share and per share data)  
(UNAUDITED)

**NOTE 6 - LEASES:**

The Company has various operating leases for office space and vehicles that expire through 2027. Below is a summary of the Company's operating right-of-use assets and operating lease liabilities as of June 30, 2024 and December 31, 2023:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Operating right-of-use assets	\$ 566	\$ 694
Operating lease liabilities, current	250	267
Operating lease liabilities long-term	236	342
<b>Total operating lease liabilities</b>	<b>\$ 486</b>	<b>\$ 609</b>

- a. During the six month period ended June 30, 2024, the Company terminated a vehicle lease mid-term. The Company derecognized a right-of-use asset of \$26 and a lease liability of \$23.
- b. During the six month period ended June 30, 2024, the Company leased a vehicle for a period of three years. As a result, the Company recognized a right-of-use asset and a lease liability of \$58.

Lease payments for the Company's right-of-use assets over the remaining lease periods as of June 30, 2024 and December 31, 2023 are as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
2024	132	282
2025	218	222
2026	137	120
2027	18	10
<b>Total undiscounted lease payments</b>	<b>505</b>	<b>634</b>
Less: Interest*	(19)	(25)
<b>Present value of lease liabilities</b>	<b>\$ 486</b>	<b>\$ 609</b>

\* Future lease payments were discounted by 3%-7% interest rate.

**ORAMED PHARMACEUTICALS INC.**  
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
U.S. Dollars in thousands (except share and per share data)  
(UNAUDITED)

**NOTE 7 - RELATED PARTY TRANSACTIONS:**

On July 1, 2008, the Company's wholly-owned subsidiary, Oramed Ltd. (the "Subsidiary"), entered into a consulting agreement with KNRY Ltd. ("KNRY"), an Israeli company owned by the Chief Scientific Officer, whereby the Chief Scientific Officer, through KNRY, provides services to the Company (the "Consulting Agreement"). The Consulting Agreement is terminable by either party upon 140 days prior written notice. The Consulting Agreement, as amended, provide that KNRY will be reimbursed for reasonable expenses incurred in connection with the performance of the Consulting Agreement and the monthly consulting fee paid to the Chief Scientific Officer is NIS 117,040 (\$31).

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

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

**NOTE 8 - SUBSEQUENT EVENTS:**

1. Since June 30, 2024 and through the issuance date of these interim condensed consolidated financial statements, the Company repurchased 118,522 shares of its common stock under its buyback program for approximately \$277 at an average price of \$2.34 per share. All purchases were funded with cash on hand.

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

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

### Overview of Operations

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

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

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

### Scilex Transaction

On September 21, 2023, we completed a transaction, or the Transaction, with Scilex Holding Company, or Scilex, in exchange for certain equity securities of Scilex as follows:

- a. Senior Secured Promissory Note due 18 months from the date of issuance in the principal amount of \$101,875,000, or the Note, maturing on March 21, 2025 and bearing an interest of SOFR plus 8.5%, payable in-kind. Scheduled principal payments are due on December 21, 2023, March 21, 2024, June 21, 2024, September 21, 2024, and December 21, 2024, with the balance due on March 21, 2025. As per the Note terms, if the Note is not repaid in full on or prior to March 21, 2024, an exit fee of \$3,056 is due. Since the Note was not repaid by that date, the Company is entitled to the above-mentioned exit fee at the maturity date of the Note. As of June 30, 2024, Scilex has repaid \$40,000,000 of the amount due under the Note, according to the terms of the Note.
- b. Warrants to purchase up to 4,500,000 shares of Scilex common stock with an exercise price of \$0.01 per share and additional warrants for up to 8,500,000 shares, or the Subsequent Penny Warrants, which will be vested in accordance with the terms of the Note. As of June 30, 2024, 4,250,000 Subsequent Penny Warrants were vested.
- c. Transferred warrants to purchase 4,000,000 shares of Scilex common stock at \$11.50 per share, fully exercisable and expiring on November 10, 2027.

## ***Oral Insulin***

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

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

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

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

The consummation of the JV Agreement is subject to and contingent upon the parties entering into additional agreements pursuant to the JV Agreement. There is no assurance that the parties will complete and sign these additional agreements.

## ***Oral Vaccine***

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

## Impact of Current Events

On October 7, 2023, the State of Israel was attacked by and subsequently declared war on Hamas. Israel has been in an ongoing state of war with Hamas since that time. Following the attack by Hamas, Hezbollah has also launched attacks against Israel and Israel has been responding to these attacks with targeted air strikes. It is possible that other terrorist organizations, including Palestinian military organizations in the West Bank, as well as other hostile countries, such as Iran, will join the hostilities. As of August 14, 2024, we believe that there is no immediate risk to our business operations related to these events. For further information, see “Item 1A. Risk Factors,” under “We are affected by the political, economic and military risks of having operations in Israel” in our Annual Report.

## Results of Operations

### Comparison of six and three month periods ended June 30, 2024 and June 30, 2023

The following table summarizes certain statements of operations data of the Company for the six and three month periods ended June 30, 2024 and June 30, 2023 (in thousands of dollars except share and per share data):

	Six months ended		Three months ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Revenues	\$ -	\$ 1,340	\$ -	\$ 674
Research and development expenses	(2,621)	(6,248)	(1,442)	(1,821)
Sales and marketing expenses	-	(376)	-	(192)
General and administrative expenses	(3,476)	(3,715)	(1,693)	(2,452)
Interest expenses	(853)	-	(261)	-
Financial income, net	19,322	4,075	14,234	2,478
Net income (loss) before tax expenses	\$ 12,372	\$ (4,924)	\$ 10,838	\$ (1,313)
Tax expenses	(1,634)	-	(1,634)	-
Net income (loss)	10,738	(4,924)	9,204	(1,313)
Basic earnings (loss) per share of common stock	\$ 0.26	\$ (0.11)	\$ 0.22	\$ (0.03)
Diluted earnings (loss) per share of common stock	\$ 0.26	\$ (0.11)	\$ 0.22	\$ (0.03)
Weighted average shares of common stock outstanding used in computing basic earnings (loss) per share of common stock	40,899,275	40,144,725	40,959,759	40,225,594
Weighted average shares of common stock outstanding used in computing diluted earnings (loss) per share of common stock	41,427,849	40,144,725	41,591,007	40,225,594

### Revenues

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

There were no revenues for the six month period ended June 30, 2024 while revenues were \$1,340,000 for the six month period ended June 30, 2023. The decrease was due to recognition of revenues until the product submission date by HTIT of June 2023.

There were no revenues for the three month period ended June 30, 2024 while revenues were \$674,000 for the three month period ended June 30, 2023. The decrease was due to recognition of revenues until the product submission date by HTIT of June 2023.

### ***Research and Development Expenses***

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

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

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

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

Research and development expenses for the six month period ended June 30, 2024 decreased by 58% to \$2,621,000, compared to \$6,248,000 for the six month period ended June 30, 2023. The decrease was mainly due to lower expenses related to the Phase 3 trials that were terminated and was partially offset by higher stock-based compensation expenses.

Research and development expenses for the three month period ended June 30, 2024 decreased by 21% to \$1,442,000, compared to \$1,821,000 for the three month period ended June 30, 2023. The decrease was mainly due to lower expenses related to the Phase 3 trials that were terminated.

### ***Government grants***

In the six month periods ended June 30, 2024 and June 30, 2023, we did not recognize any research and development grants. As of June 30, 2024, we had incurred liabilities to pay royalties to the Israel Innovation Authority of the Israeli Ministry of Economy and Industry of \$59,000.

### ***Sales and Marketing Expenses***

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

We did not recognize any sales and marketing expenses for the six month period ended June 30, 2024 compared to expenses of \$376,000 for the six month period ended June 30, 2023. This was primarily due to the termination of the employment of an executive officer in fiscal year 2023. We did not recognize any stock-based compensation expenses for the six month period ended June 30, 2024, compared to expenses of \$223,000 for the six month period ended June 30, 2023. This was primarily due to the termination of the employment of an executive officer.

We did not recognize any sales and marketing expenses for the three month period ended June 30, 2024 compared to \$192,000 for the three month period ended June 30, 2023. This was primarily due to the termination of the employment of an executive officer in fiscal year 2023. We did not recognize any stock-based compensation expenses for the three month period ended June 30, 2024, compared to expenses of \$136,000 for the three month period ended June 30, 2023. This was primarily due to the termination of the employment of an executive officer.

### ***General and Administrative Expenses***

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

General and administrative expenses for the six month period ended June 30, 2024 decreased by 6% to \$3,476,000 compared to \$3,715,000 for the six month period ended June 30, 2023.

General and administrative expenses for the three month period ended June 30, 2024 decreased by 31% to \$1,693,000 compared to \$2,452,000 for the three month period ended June 30, 2023. This decrease was mainly due to decreases in stock-based compensation.

### ***Interest Expenses***

Interest expenses were \$853,000 for the six month period ended June 30, 2024, while there were no interest expenses for the six month period ended June 30, 2023. The increase was mainly due to interest on the Short-Term Borrowings (as defined below).

Interest expenses were \$261,000 for the three month period ended June 30, 2024, while there were no interest expenses for the three month period ended June 30, 2023. The increase was mainly due to interest on the Short-Term Borrowings (as defined below).

### ***Financial Income, Net***

Net financial income increased by 474% to \$19,322,000 for the six month period ended June 30, 2024, compared to \$4,075,000 for the six month period ended June 30, 2023. The increase was mainly due to the revaluation of the investments in Scilex.

Net financial income increased by 574% to \$14,234 for the three month period ended June 30, 2024, compared to \$2,478,000 for the three month period ended June 30, 2023. The increase was mainly due to the revaluation of the investments in Scilex.

### ***Tax expenses***

During the six and three month period ended June 30, 2024, we recognized tax expenses totaling \$1,634,000. The tax expenses are primarily attributable to the Transaction. The provision for income taxes in the interim period is determined using an estimated annual effective tax rate (taking into account utilization of carryforward tax losses of Oramed Pharmaceuticals Inc).

During the six month period ended June 30, 2023, we did not recognize any tax expenses.

### ***Liquidity and Capital Resources***

From inception through June 30, 2024, we have incurred losses in an aggregate amount of \$146,808,000. During that period and through June 30, 2024, we have financed our operations through several private placements of our common stock, as well as public offerings of our common stock, raising a total of \$255,384,000, net of transaction costs. During that period, we also received cash consideration of \$28,001,000 from the exercise of warrants and options. We expect to seek additional financing through similar sources in the future, as needed. As of June 30, 2024, we had \$84,753,000 of available cash and \$1,778,000 of short-term bank deposits.

From inception through June 30, 2024, we have not generated significant revenues from our operations. Following the termination of the ORA-D-013-1 and ORA-D-013-2 Phase 3 trials, the Company's research and development activities have been significantly reduced while it conducts a strategic review process. As a result, the Company is currently incurring lower research and development and sales and marketing expenses.

Based on our current cash resources and commitments, we believe we will be able to maintain our current planned activities and the corresponding level of expenditures for at least the next 12 months.

On August 8, 2023, we borrowed an aggregate of \$99,550,000 pursuant to loan agreements from Israel Discount Bank Ltd., or the Short-Term Borrowings. The Short-Term Borrowings mature on dates ranging from August 11, 2023 to May 24, 2024, bear interest ranging from 6.66% to 7.38%, are secured by certificates of deposits issued by Israel Discount Bank Ltd. having an aggregate face amount of \$99,550,000. The net proceeds of the Short-Term Borrowings were used to fund the Note. The Short-Term Borrowings are paid in one payment of principal and interest at each respective maturity. As of June 30, 2024, we repaid the entire Short-Term Borrowings amount.

As of June 30, 2024, our total current assets were \$153,270,000 and our total current liabilities were \$3,733,000. On June 30, 2024, we had a working capital surplus of \$149,537,000 and an accumulated loss of \$146,808,000. As of December 31, 2023, our total current assets were \$162,584,000 and our total current liabilities were \$53,214,000. On December 31, 2023, we had a working capital surplus of \$109,370,000 and an accumulated loss of \$157,556,000. The increase in working capital from December 31, 2023 to June 30, 2024 was mainly due to an increase in cash and cash equivalents and in investments at fair value, together with a decrease in Short-term borrowings partially offset by a decrease in short-term deposits.

During the six month period ended June 30, 2024, cash and cash equivalents increased to \$84,753,000, from \$9,055,000 as of December 31, 2023. The increase was mainly due to the reasons described below.

Operating activities provided cash of \$600,000 in the six month period ended June 30, 2024, compared to \$8,183,000 used in the six month period ended June 30, 2023. Cash provided in operating activities primarily consisted of interest received from short-term deposits and an increase in accounts payable, accrued expenses and related parties, offset by research and development, general and administrative expenses.

Investing activities provided cash of \$124,653,000 in the six month period ended June 30, 2024, compared to used cash of \$27,913,000 in the six month period ended June 30, 2023. Cash provided by investing activities in the six month period ended June 30, 2024 consisted primarily of proceeds from short-term deposits and proceeds from long-term investments. Cash used by investing activities in the six month period ended June 30, 2023 consisted primarily of the purchase of short-term deposits, partially offset by proceeds from short term investing activities.

Financing activities used cash of \$49,550,000 in the six month period ended June 30, 2024, compared to cash of \$2,430,000 provided in the six month period ended June 30, 2023. Cash used by financing activities in the six month period ended June 30, 2024, consisted primarily of repayments of the Short-Term Borrowings. Cash provided by financing activities in the six month period ended June 30, 2023, consisted primarily of proceeds from the issuance of our common stock.

On March 18, 2024, the Company entered into an at the market offering agreement, or the ATM Agreement, with Rodman & Renshaw LLC and StockBlock Securities LLC, as agents, pursuant to which the Company may issue and sell shares of its common stock having an aggregate offering price of up to \$75,000,000 through a sales agent, subject to certain terms and conditions. The ATM is not currently active since we do not have an effective shelf registration statement covering the shares of common stock issuable thereunder. As of June 30, 2024 and through August 14, 2024, no shares were issued under the ATM Agreement.

#### ***Critical accounting policies and estimates***

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

#### **Planned Expenditures**

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

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



## **PART II – OTHER INFORMATION**

### **ITEM 2 – UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

In June 2024, the Company’s board of directors authorized a stock buyback program pursuant to which the Company may, from time to time, purchase up to \$20 million in maximum value of its common stock. Share repurchases may be executed through various means, including, without limitation, open market transactions, privately negotiated transactions or otherwise in compliance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended. The stock buyback program does not obligate the Company to purchase any shares and expires in 12 months. The authorization for the stock buyback program may be terminated, increased or decreased by the Company’s board of directors in its discretion at any time.

During June 2024, the Company did not use the buyback program.

### **ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

There has been no significant change in our exposure to market risk during the quarter ended June 30, 2024. For a discussion of our exposure to market risk, refer to Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” contained in our Annual Report.

### **ITEM 4 - CONTROLS AND PROCEDURES**

#### **Disclosure Controls and Procedures**

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2024. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective.

#### **Changes in Internal Control over Financial Reporting**

There were no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### ITEM 6 - EXHIBITS

<u>Number</u>	<u>Exhibit</u>
10.1*	<a href="#">Representative Form of Indemnification Agreements between Oramed Pharmaceuticals Inc. and each of our directors and officers.</a>
10.2*	<a href="#">Employment Agreement, dated June 6, 2024, between Oramed Ltd. and Avraham Gabay.</a>
31.1*	<a href="#">Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.</a>
31.2*	<a href="#">Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and 15(d)-14(a) under the Securities Exchange Act of 1934, as amended.</a>
32.1**	<a href="#">Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350.</a>
32.2**	<a href="#">Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350.</a>
101.1*	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 formatted in XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Comprehensive Loss, (iii) Condensed Consolidated Statement of Changes in Stockholders' Equity, (iv) Condensed Consolidated Statements of Cash Flows and (v) the Notes to Condensed Consolidated Financial Statements.
104.1*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

\* Filed herewith

\*\* Furnished herewith

**SIGNATURES**

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

**ORAMED PHARMACEUTICALS INC.**

Date: August 14, 2024

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

Date: August 14, 2024

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

## INDEMNIFICATION AGREEMENT

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

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

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

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

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

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

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

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

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

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

---

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

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

### 3. Contribution.

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

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

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

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

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

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

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

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

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

“**Change of Control**” shall mean the occurrence of any of the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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



6. Remedies of Indemnitee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11. Enforcement.

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

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

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

12. Definitions. For purposes of this Agreement:

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

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

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

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

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

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

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

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

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

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

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

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

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

***SIGNATURE PAGE TO FOLLOW***

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

**COMPANY**

ORAMED PHARMACEUTICALS INC.

By: \_\_\_\_\_  
Name:  
Title:

**INDEMNITEE**

\_\_\_\_\_  
Name:  
Address:

### Schedule to Exhibit 10.1

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

<b>Name of Signatory</b>	<b>Date</b>
Nadav Kidron President, Chief Executive Officer and Chairman	March 26, 2017
Daniel Aghion Director	January 1, 2024
Miriam Kidron Chief Scientific Officer and Director	March 26, 2017
Dr. Arie Mayer, Ph.D. Director	December 5, 2019
Yehuda Reznick Director	April 1, 2024
Leonard Sank Director	January 26, 2017
Benjamin Shapiro Director	April 30, 2023
Joshua Hexter Chief Operating & Business Officer	September 8, 2019
Avraham Gabay Chief Financial Officer	June 18, 2024
David Silberman Chief Financial Officer	July 4, 2021

## Employment Agreement

This Employment Agreement is made on 6 day of June 2024, by and between **Avraham Gabay**, an individual residing in Petakh Tikva, Israel (the “**Executive**”), and **ORAMED Ltd.**, a company incorporated under the laws of the State of Israel, with an address at Mamila 20, Jerusalem, Israel (the “**Company**”).

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

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

### 1. ENGAGEMENT

- 1.1 Engagement of Executive. The Company hereby agrees to employ the Executive in accordance with the terms and provisions hereof.
- 1.2 Term. The term of employment under this Agreement shall commence on June 10, 2024 (the “**Effective Date**”) on a 50% basis and starting June 18, 2024 on a 100% basis and shall continue until terminated by either party as provided herein (the “**Term**”).
- 1.3 Service.
  - (a) As of June 18, 2024, the Executive shall serve in the role of Chief Financial Officer, Secretary and Treasurer of the Company and ORAMED PHARMACEUTICALS INC. (the “**Parent**”).
  - (b) Scope of service – from the Effective Date, the Executive shall perform his work on the basis of a full-time position. The Company’s standard working days and hours are 5 days a week between Sunday and Thursday, four days of 9 gross hours (including lunch and rest breaks) per day and one shorten day of 8 gross hours including breaks. The working hours of the Executive shall be as required by the nature of the Executive’s position in the Company, including during additional and overtime hours if it is so required in order to fulfill the Executive’s obligations according to this Agreement. The regular weekly rest day is Saturday.
  - (c) In consideration of the conditions and circumstances of the Executive’s senior position and duties in the Company which requires a special degree of trust and as the conditions and circumstances of employment do not enable the Company to supervise the Executive’s hours of work, the provisions of the Hours of Work and Rest Law, 1951 shall not apply to the Executive and he shall not be entitled to any additional consideration for work during overtime hours and/or on days that are not regular business days, except as specified in this Agreement. The Executive acknowledges that the consideration set for his hereunder nevertheless includes within it consideration that would otherwise have been due to him by law.



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

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

- (a) reporting to the Company's CEO as the Executive Supervisor and to the Company's and Parent's Board of Directors (the "Board");
- (b) the Executive shall be responsible for the financial reporting and controls of the Company and Parent, all subject to any applicable law and to instructions provided by the Board from time to time;
- (c) the Executive shall faithfully, honestly and diligently serve the Company and the Parent and cooperate with the Company and the Parent and utilize his professional skills and care to ensure that all services rendered hereunder are to the satisfaction of the Company and the Parent, acting reasonably, and the Executive shall provide any other services not specifically mentioned herein, but which by reason of the Executive's capability the Executive knows or ought to know to be necessary to ensure that the best interests of the Company and the Parent are maintained;
- (d) the Executive shall assume, obey, implement and execute such duties, directions, responsibilities, procedures, policies and lawful orders as may be determined or given from time to time by the Board, and/or CEO; and
- (e) the Executive shall report the results of his duties hereunder to the CEO and/or the Board as it may request from time to time.
- (f) The Executive shall not, without the prior written authorization of the Company, directly or indirectly undertake any other employment, whether as an employee of another employer or independently as an agent, consultant, director or in any other manner (whether for compensation or otherwise), and shall not assume any position or render services in any of the above-stated manners to any other entity or person.

- (g) The Executive undertakes to fulfill the responsibilities described in this Agreement and assist the Company, its affiliates, subsidiaries, related corporations and parent company now or hereafter existing (collectively, “**Affiliates**”) and to make himself available to them, during the employment period and even after the termination of his employment relations with the Company, for any reason, in any matter which the Company may reasonably request his assistance, including for the purpose of providing any information relating to his work or actions taken by him and including in the framework of disputes (including legal or quasi-legal proceedings). If the Company requires the Executive’s services after the termination of the employment relations with him, for any reason, it shall reimburse the Executive for his expenses in connection with performing the provisions of this Section.
- (h) The Executive shall not receive any payment and/or benefit from any third party, directly or indirectly, in connection with his employment with the Company. In the event the Executive breaches this Sub-section, without derogating from any of the Company’s right by law or contract, such benefit or payment shall become the sole property of the Company and the Company may set-off such amount from any sums due to the Executive.
- (i) The Executive acknowledges that the Company is committed to the restrictions as mentioned in the Prevention of Sexual Harassment Law, 1998, and that sexual harassment is a severe disciplinary offence.
- (j) The Executive undertakes not to make improper use of computer, computer devices, internet and/or e-mails, including (but not limited to) use of illegal software or the receipt and/or transfer of pornographic material, and/or any other material that is not connected with his work and may be harmful to the Company, other employees or any other third party, as further detailed in the Company’s policy as may be amended from time. The current policy is attached hereto as **Annex A**.
- (k) The Executive acknowledges and agrees that personal information related to his and the Executive’s terms of employment at the Company, as shall be received and held by the Company will be held and managed by the Company, and that the Company shall be entitled to transfer such information to third parties, in Israel or abroad. The information will be collected, retained, used, and transferred for legitimate business purposes and to the reasonable and necessary scope only, including: human resources management, business management and customer relations, assessment of potential transactions and relating to such transactions, compliance with law and other requests and requirements from government authorities and audit, compliance checks and internal investigations.

## 2. COMPENSATION AND ADDITIONAL TERMS

- 2.1 Salary. For services rendered by the Executive during the Term, as the Chief Financial Officer, Secretary and Treasurer of the Company and ORAMED PHARMACEUTICALS INC. on a full-time basis, the Executive shall be paid a monthly salary, as follows:
- (a) the Executive shall be entitled to a gross monthly amount of NIS 68,000 (the “**Salary**”).
  - (b) As mentioned above, the Executive’s position is of a management or those requiring a special degree of personal trust, and the Company is not able to supervise the number of working hours of the Executive; therefore the provisions of the Israeli Hours of Work and Rest Law - 1951, will not apply to the Executive and he will not be entitled to any additional remuneration whatsoever for his work with the exception of that specifically set out in this Agreement.
  - (c) The aforementioned Salary and the fringe benefits that are described below constitutes the overall consideration for the Executive’s work and in view of his position and status, and he shall not be entitled to any additional consideration, of any form, for his work including during additional and overtime hours and on weekends or holidays, insofar as required. The Salary will be paid to the Executive in accordance with the Company’s normal and reasonable pay-roll practices, no later than the 9th day of each month. Any payment or benefit under this Agreement (including any bonuses or the like), other than the Salary, shall not be considered as a salary for any purpose whatsoever, and the Executive shall not maintain or claim otherwise.
  - (d) Executive’s Salary and other benefits shall be annually reviewed by the Board based on his and the Company’s performance, all at the Board’s sole and absolute discretion.
- 2.2 Company Vehicle. The Executive shall be entitled to the use of a vehicle, as shall be determined by the Company (the “**Car**”). The Company shall incur all reasonable expenses associated with use of the Car, including fuel expenses, however excluding personal traffic fines, payments to the tax authorities resulting from the use of the Car (“**Shovi Shimush**”) and the like, and the Executive hereby authorizes the Company to deduct any such amount from any amount owing to him thereby, including from the Salary. The use of the Car shall be in accordance with the provisions of the Company’s car internal procedures, as may be amended from time to time by the Company and the Executive hereby authorizes the Company to deduct any amount needs to be deducted according to such internal procedures from any amount owing to him thereby, including from the Salary. The Executive shall bear any tax payments resulting from the aforesaid, to the extent applicable. The Car will be returned to the Company by the Executive immediately upon termination of Executive’s employment by the Company, for any reason whatsoever, or upon any request by the Company at any time. The Car is in lieu of travel expenses from Executive’s premises to work and back in accordance with the law. Should the Executive choose not to use a car as described in this section 2.2, he will be entitled to a gross monthly amount of NIS 5,000 (instead of statutory travel expenses from home to the office and back).

- 2.3 Expenses. The Executive will be reimbursed by the Company for pre-approved business expenses incurred by the Executive in connection with his duties, and in accordance with Company's policy.
- 2.4 Vacation; Sick Leave and Recreation Pay. The Executive shall be entitled to 20 vacation days per year. The Executive shall be entitled to accrue a maximum of 24 vacation days (the "**Maximum**"). Any days accrued beyond the Maximum shall be erased. In addition, Executive shall be entitled to sick leave and Recreation Pay according to applicable law. Executive shall be entitled to cash redemption of vested vacation only upon termination of his employment.
- 2.5 Additional Benefits. The Executive shall be entitled to the use of a Company paid mobile phone for business purposes, according to the Company's policies and instructions, as amended from time to time. In addition, the Executive shall be entitled to the use of a Company owned laptop computer, according to the Company's policies and instructions, as amended from time to time. The Executive shall bear any tax payments resulting from the aforesaid, to the extent applicable.
- 2.6 Deductions. The Executive acknowledges that all payments by the Company in respect of the services provided by the Executive shall be subject to the deduction of any amount which the Company as an employer is required to deduct or withhold from the Salary or other payments to an executive in accordance with statutory requirements (including, without limitation, income tax, employee contributions and unemployment insurance contributions).
- 2.7 Bonus. The appropriate organ of the Company shall consider granting the Executive a bonus for each then-outgoing calendar year and salary and compensation increases for each then-incoming calendar year in amounts to be determined by the Board at least once every calendar year in line with other Executives.

### 3. **SOCIAL INSURANCE AND BENEFITS**

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

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

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

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

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

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

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

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

- 3.2 Keren Hishtalmut. The Company shall make monthly contributions on the Employee's behalf to a recognized advanced study fund (the "**Fund**" ("Keren Hishtalmut")) in an amount equal to 7.5% of the Salary. In addition, the Company shall deduct 2.5% from the Salary and transfer those monies to the Study Fund; such contributions shall be subject to the maximum amount stated in Section 3(e) of the Income Tax Ordinance 1961 (the "**Income Tax Ordinance**"). For the avoidance of any doubt, said contributions shall not exceed the tax-exempt ceiling set by the applicable law for tax purposes.

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

#### 4. **CONFIDENTIALITY, NON-COMPETITION AND INTELLECTUAL PROPERTY**

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

- 4.1 Fiduciary Obligation. The Executive declares that the Executive's relationship to the Company is that of fiduciary, and the Executive agrees to act towards the Company and otherwise behave as a fiduciary of the Company.
- 4.2 Remedies. The parties to this Agreement recognize that any violation or threatened violation by the Executive of any of the provisions contained in this Article 4 may result in immediate and irreparable damage to the Company and that the Company could not adequately be compensated for such damage by monetary award alone. Accordingly, the Executive agrees that in the event of any such violation or threatened violation, the Company shall, in addition to any other remedies available to the Company at law or in equity, be entitled as a matter of right to apply to such relief by way of restraining order, temporary or permanent injunction and to such other relief as any court of competent jurisdiction may deem just and proper.
- 4.3 Reasonable Restrictions. The Executive agrees that all restrictions in this Article 4 are reasonable and valid, and all defenses to the strict enforcement thereof by the Company are hereby waived by the Executive.

#### 5. **TERMINATION**

- 5.1 Termination For Cause or Disability. This Agreement may be terminated at any time by the Company without notice, for Cause or in the event of the Disability of Executive. For the purposes of this Agreement, "**Cause**" shall mean circumstances upon the occurrence of which the Executive would not be entitled to severance pay according to the Severance Pay Law, 1963, and shall also mean that the Executive shall have:
- (a) committed an act of fraud, embezzlement or theft in connection with the Executive's duties or in the course of the Executive's employment with the Company;
  - (b) intentionally and wrongfully damaged property of the Company, or any of its respective affiliates, associates or customers;
  - (c) intentionally or wrongfully disclosed any of the Confidential Information;

- (d) made material personal benefit at the expense of the Company without the prior written consent of the management of the Company;
- (e) accepted shares or options or any other gifts or benefits from a vendor without the prior written consent of the management of the Company;
- (f) fundamentally breached any of the Executive's material covenants contained in this Agreement; or
- (g) willfully and persistently, without reasonable justification, failed or refused to follow the lawful and proper directives of the Company specifying in reasonable detail the alleged failure or refusal and after a reasonable opportunity for the Executive to cure the alleged failure or refusal.

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

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

5.2 Termination Without Cause. Either the Executive or the Company may terminate the Executive's employment without Cause, for any reason whatsoever, with 60 days prior written notice. If the Executive's employment is terminated by the Company without Cause in connection with a Change in Control (as defined below) that occurs during the period that is three months prior and 12 months after the event, the following provisions shall apply:

- (a) The Executive will be entitled to receive 12 months severance, which is defined as base salary plus on-target bonus over the severance period.
- (b) The Executive will be entitled to full vesting acceleration of all outstanding unvested equity incentives.

"Change in Control" means the sale or disposition, in one or a series of related transactions, of all or substantially all of the assets, or stock, or over fifty percent (50%) of the voting stock to any "person" or "group" (as such terms are defined in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), or any person or group is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than fifty percent (50%) of the total voting power of the voting stock of the Company, including by way of merger, consolidation or otherwise.

5.3 The Notice Period.

- (a) During the period following the notice of termination (the “**Notice Period**”), Executive shall cooperate with the Company and use his best efforts to assist the integration into the Company’s organization of the person or persons who will assume Executive’s responsibilities, and shall act according to the instructions of the Company.
- (b) During the Notice Period, the Executive shall continue to perform his duties until the conclusion of the Notice Period. Nevertheless, the Company shall be entitled, but not obligated, at any time prior to the expiration of the Notice Period, at its sole discretion: (i) to waive the Executive’s actual work during the Notice Period, or to reduce the scope of the Executive’s work hours, while continuing to pay the Executive his regular payments and benefits until the completion of the Notice Period; or (ii) terminate this Employment Agreement and the employment relationship, at any time prior to the expiration of the Notice Period, and pay a cash equivalent to his Salary for the remainder of the Noticed Period as a payment in lieu of prior notice in accordance with the law.
- (c) It is hereby expressly stated that the Company reserves the right to terminate the Executive’s employment at any time during the Notice Period, regardless of whether notice of termination of employment was delivered by the Company or whether such notice was delivered by the Executive. In the latter case, such termination shall not constitute a dismissal of the Executive by the Company.
- (d) Notwithstanding the foregoing, the Company may terminate the Executive’s employment without the delivery of prior written notice, in the event of termination under circumstances as described in Section 5.1 above.
- (e) In the event that the Executive terminates his employment with the Company, for any reason, without the delivery of a written notice in accordance with Section 5.2 above, or without the completion of the Notice Period or any part thereof, the Company will be entitled to deduct from any debt which it may owe the Executive an amount equal to the salary that would have been paid to the Executive during the Notice Period, had he worked.

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



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

**6. MUTUAL REPRESENTATIONS**

- 6.1 Executive represents and warrants to the Company that the execution and delivery of this Agreement and the fulfillment of the terms hereof (i) will not constitute a default under or conflict with any agreement or other instrument to which he is a party or by which he is bound, and (ii) do not require the consent of any person or entity.
- 6.2 The Company represents and warrants to Executive that this Agreement has been duly authorized, executed and delivered by the Company and that the fulfillment of the terms hereof (i) will not constitute a default under or conflict with any agreement of other instrument to which it is a party or by which it is bound, and (ii) do not require the consent of any person of entity.
- 6.3 Each party hereto warrants and represents to the other that this Agreement constitutes the valid and binding obligation of such party enforceable against such party in accordance with its terms subject to applicable bankruptcy, insolvency, moratorium and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless if enforcement is sought in proceeding in equity or at law).

**7. NOTICES**

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

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

**Oramed Ltd.**  
Mamila 20,  
PO Box 39098  
Jerusalem  
Israel Fax: 972 2 5660004

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

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

## 8. **GENERAL**

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

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

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

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

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

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

- 8.7 Severability. In the event that any provision contained in this Agreement shall be declared invalid, illegal or unenforceable by a court or other lawful authority of competent jurisdiction, such provision shall be deemed not to affect or impair the validity or enforceability of any other provision of this Agreement, which shall continue to have full force and effect.
- 8.8 Headings. The headings in this Agreement are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- 8.9 Number and Gender. Wherever the singular or masculine or neuter is used in this Agreement, the same shall be construed as meaning the plural or feminine or a body politic or corporate and vice versa where the context so requires.
- 8.10 Governing Law. This Agreement shall be exclusively construed and interpreted in accordance with the laws of the state of Israel applicable therein, and each of the parties hereto expressly agrees to the jurisdiction of the courts of the state of Israel. The sole and exclusive place of jurisdiction in any matter arising out of or in connection with this Agreement shall be the applicable Tel-Aviv court.
- 8.11 Enurement. This Agreement is intended to bind and enure to the benefit of the Company, its successors and assigns, and the Executive and the personal legal representatives of the Executive.
- 8.12 This Agreement shall be deemed due notification regarding the Executive's employment terms in accordance with the provisions of the Notice to Executive and to Candidate (Employment Terms and Screening and Acceptance to Work Proceedings) Law, 2002 and the regulations thereunder.

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

**Oramed Ltd.**

/s/ Nadav Kidron

Nadav Kidron, CEO

/s/ Avraham Gabay

Avraham Gabay, Executive

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

I, Nadav Kidron, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oramed Pharmaceuticals Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2024

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

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

I, Avraham Gabay, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oramed Pharmaceuticals Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2024

By: /s/ Avraham Gabay  
Avraham Gabay  
Chief Financial Officer

## CERTIFICATION

## PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the quarterly report of Oramed Pharmaceuticals Inc., or the Company, on Form 10-Q for the period ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof, or the Report, I, Nadav Kidron, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, that to my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2024

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

**CERTIFICATION**

**PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the quarterly report of Oramed Pharmaceuticals Inc., or the Company, on Form 10-Q for the period ended June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof, or the Report, I, Avraham Gabay, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, that to my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 14, 2024

By: /s/ Avraham Gabay  
Avraham Gabay  
Chief Financial Officer