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

FORM 10-Q

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

For the quarterly period ended March 31, 2022

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

Commission file number: 001-35813

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

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

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

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

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

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

Yes ☒ No ☐

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

Yes ☒ No ☐

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

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

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

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

Yes ☐ No ☒

As of May 12, 2022, there were 38,564,016 shares of the issuer's common stock, $0.012 par value per share, outstanding.

ORAMED PHARMACEUTICALS INC.
FORM 10-Q
TABLE OF CONTENTS

On February 28, 2022, the Board of Directors approved a change of the Company's fiscal year from the period beginning on September 1 and ending on August 31 to the period beginning on January 1 and ending on December 31. As a result, the Company filed a transition report on Form 10-Q with the Securities and Exchange Commission on March 30, 2022 that included financial information for the transition period from September 1, 2021 through December 31, 2021. Subsequent to that report, the Company's fiscal year now begins on January 1 and ends on December 31. This Quarterly Report on Form 10-Q is the Company's first quarterly report in its new fiscal year, and reports financial results for the quarter ended March 31, 2022.

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

On March 31, 2022, the exchange rate between the New Israeli Shekel, or NIS, and the dollar, as quoted by the Bank of Israel, was NIS 3.176 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.

Forward-Looking Statements

The statements contained in this Quarterly Report on Form 10-Q that are not historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. Words such as "expects," "anticipates," "intends," "plans," "planned expenditures," "believes," "seeks," "estimates," "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:

- the expected development and potential benefits from our products in treating diabetes;
- the prospects of entering into additional license agreements, or other partnerships or forms of cooperation with other companies or medical institutions;
- future milestones, conditions and royalties under the license agreement with Hefei Tianhui Incubator of Technologies Co., Ltd., or HTIT, as well as our disagreements with HTIT;
- expected timing of a clinical trial for the potential Oravax Medical Inc., or Oravax vaccine and its potential to protect against COVID-19;
- our consideration of ways in which our shareholders could benefit more directly from Oravax, including the potential issuance of some of our shares in Oravax to our shareholders as a dividend;
- our research and development plans, including pre-clinical and clinical trials plans and the timing of enrollment, obtaining results and conclusion of trials, and our expectation to file a Biologics License Application, or BLA thereafter;
- our belief that our technology has the potential to deliver medications and vaccines orally that today can only be delivered via injection;
- the competitive ability of our technology based product efficacy, safety, patient convenience, reliability, value and patent position;
- the potential market demand for our products;
- our expectation that in upcoming years our research and development expenses, net, will continue to be our major expenditure;
- our expectations regarding our short- and long-term capital requirements;
- our outlook for the coming months and future periods, including but not limited to our expectations regarding future revenue and expenses;
- information with respect to any other plans and strategies for our business; and
- our expectations regarding the impact of COVID-19, including on our clinical trials and operations.

Although forward-looking statements in this Quarterly Report on Form 10-Q reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks and uncertainties and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, without limitation, those specifically addressed under the heading "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended August 31, 2021, or our Annual Report, as filed with the Securities and Exchange Commission, or the SEC, on November 24, 2021, as well as those discussed elsewhere in our Annual Report and expressed from time to time in our other filings with the SEC. In addition, historic results of scientific research, clinical and preclinical trials do not guarantee that the conclusions of future research or trials would not suggest different conclusions. Also, historic results referred to in this Quarterly Report on Form 10-Q could be interpreted differently in light of additional research, clinical and preclinical trials results. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by law, we undertake no obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this Quarterly Report on Form 10-Q. Readers are urged to carefully review and consider the various disclosures made throughout the entirety of this Quarterly Report on Form 10-Q which attempt to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

PART I – FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

ORAMED PHARMACEUTICALS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2022

TABLE OF CONTENTS

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

	March 31, 2022	December 31, 2021
Assets		
CURRENT ASSETS:		
Cash and cash equivalents	$ 27,967	$ 27,456
Short-term deposits	106,368	111,077
Marketable securities	7,275	7,747
Prepaid expenses and other current assets	1,952	1,657
Total current assets	143,562	147,937
LONG-TERM ASSETS:		
Long-term deposits	25,151	25,094
Marketable securities	1,955	3,875
Amounts funded in respect of employee rights upon retirement	24	26
Property and equipment, net	424	388
Operating lease right-of-use assets	1,108	500
Total long-term assets	28,662	29,883
Total assets	$ 172,224	$ 177,820
Liabilities and stockholders' equity		
CURRENT LIABILITIES:		
Accounts payable, accrued expenses and other liabilities	$ 3,310	$ 4,535
Deferred revenues	2,703	2,703
Payable to related parties	74	-
Operating lease liabilities	237	130
Total current liabilities	6,324	7,368
LONG-TERM LIABILITIES:		
Long-term deferred revenues	2,674	3,340
Employee rights upon retirement	22	22
Provision for uncertain tax position	11	11
Operating lease liabilities	871	370
Other liabilities	99	99
Total long-term liabilities	3,677	3,842
COMMITMENTS (note 2)		
Equity		
EQUITY ATTRIBUTABLE TO COMPANY'S STOCKHOLDERS:		
Common stock, $0.012 par value (60,000,000 authorized shares; 38,564,016 and 38,158,792 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively)	463	459
Additional paid-in capital	298,831	292,514
Accumulated deficit	(136,945)	(126,520)
Total stockholders' equity	162,349	166,453
Non-controlling interests	(126)	157
Total equity	162,223	166,610
Total liabilities and equity	$ 172,224	$ 177,820

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

ORAMED PHARMACEUTICALS INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

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

(UNAUDITED)

	Three months ended March 31,	
	2022	**2021**
REVENUES	$ 666	$ 666
RESEARCH AND DEVELOPMENT EXPENSES	5,836	6,168
SALES AND MARKETING EXPENSES	590	-
GENERAL AND ADMINISTRATIVE EXPENSES	5,492	1,102
OPERATING LOSS	11,252	6,604
FINANCIAL INCOME	544	541
NET LOSS FOR THE PERIOD	$ 10,708	$ 6,063
NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	283	393
NET LOSS ATTRIBUTABLE TO STOCKHOLDERS	10,425	5,670
LOSS PER SHARE		
BASIC AND DILUTED LOSS PER SHARE OF COMMON STOCK	$ 0.27	$ 0.20
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK USED IN COMPUTING BASIC AND DILUTED LOSS PER SHARE OF COMMON STOCK	38,679,622	27,963,072

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

ORAMED PHARMACEUTICALS INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

U.S. Dollars in thousands

(UNAUDITED)

	Common Stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity	Non-controlling interests	Total equity
	Shares	$					
	In thousands						
BALANCE AS OF DECEMBER 31, 2021	38,158	$ 459	$ 292,514	$ (126,520)	$ 166,453	$ 157	$ 166,610
CHANGES DURING THE THREE MONTH PERIOD ENDED MARCH 31, 2022:							
ISSUANCE OF COMMON STOCK, NET	277	3	2,966	-	2,969	-	2,969
EXERCISE OF WARRANTS AND OPTIONS	4	(*)	-	-	-	-	-
STOCK-BASED COMPENSATION	125	1	4,028	-	4,029	-	4,029
TAX WITHHOLDINGS RELATED TO STOCK-BASED COMPENSATION SETTLEMENTS	-	-	(677)	-	(677)	-	(677)
NET LOSS	-	-	-	(10,425)	(10,425)	(283)	(10,708)
BALANCE AS OF MARCH 31, 2022	38,564	$ 463	$ 298,831	$ (136,945)	$ 162,349	$ (126)	$ 162,223

(*) Less than $1

	Common Stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity	Non-controlling interests	Total equity
	Shares	$					
	In thousands						
BALANCE AS OF DECEMBER 31, 2020	26,660	$ 320	$ 138,587	$ (99,938)	$ 38,969	$ -	$ 38,969
CHANGES DURING THE THREE MONTH PERIOD ENDED MARCH 31, 2021:							
ISSUANCE OF COMMON STOCK, NET	2,265	27	22,280	-	22,307	-	22,307
EXERCISE OF WARRANTS AND OPTIONS	1,022	12	6,713	-	6,725	-	6,725
STOCK-BASED COMPENSATION	-	-	647	-	647	-	647
ASSET ACQUISITION	-	-	1,045	-	1,045	1,495	2,540
NET LOSS	-	-	-	(5,670)	(5,670)	(393)	(6,063)
BALANCE AS OF MARCH 31, 2021	29,947	$ 359	$ 169,272	$ (105,608)	$ 64,023	$ 1,102	$ 65,125

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

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

	Three months ended March 31,	
	2022	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (10,708)	$ (6,063)
Adjustments required to reconcile net loss to net cash used in operating activities:		
Depreciation	11	28
Non-cash expense for acquired in-process research and development		1,040
Exchange differences and interest on deposits and held to maturity bonds	(235)	126
Changes in fair value of investments	(110)	(459)
Stock-based compensation	4,029	647
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(295)	(378)
Accounts payable, accrued expenses and related parties	(1,151)	2,063
Deferred revenues	(666)	(666)
Other liabilities	-	(20)
Total net cash used in operating activities	(9,125)	(3,682)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of held to maturity securities	-	(4,104)
Proceeds from sale of short-term deposits	5,000	9,500
Proceeds from maturity of held to maturity securities	2,406	2,355
Proceeds from sale of mutual funds	-	3,029
Funds in respect of employee rights upon retirement	-	-
Purchase of property and equipment	(47)	(27)
Total net cash provided by investing activities	7,359	10,753
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock, net of issuance costs	2,969	22,307
Proceeds from exercise of options	-	6,725
Tax withholdings related to stock-based compensation settlements	(677)	-
Total net cash provided by financing activities	2,292	29,032
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(15)	8
INCREASE IN CASH AND CASH EQUIVALENTS	511	36,111
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	27,456	21,630
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 27,967	$ 57,741
(A) SUPPLEMENTARY DISCLOSURE ON CASH FLOWS -		
Interest received	$ 122	$ 263
(B) SUPPLEMENTARY DISCLOSURE ON CASH FLOWS -		
Recognition of operating lease right of use assets and liabilities	$ 647	$ -
(C) ASSET ACQUISITION TRANSACTION (see note 8) -		
In-process research and development	-	1,040
Note receivable from Akers	-	1,500
Additional paid in capital	-	(1,045)
Non-controlling interests	$ -	$ (1,495)

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

a. General:

1) Incorporation and Operations

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

On February 17, 2006, the Company entered into an agreement with Hadasit Medical Services and Development Ltd. to acquire the provisional patent related to an orally ingestible insulin capsule to be used for the treatment of individuals with diabetes.

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

On July 30, 2019, the Subsidiary incorporated a wholly-owned subsidiary in Hong Kong, Oramed HK Limited (the "Hong Kong Subsidiary"). As of March 31, 2022, the Hong Kong Subsidiary has no operations.

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

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

2) Change in Fiscal Year

On February 28, 2022, the Board of Directors approved a change of the Company's fiscal year from the period beginning on September 1 and ending on August 31 to the period beginning on January 1 and ending on December 31. As a result, the Company filed a transition report on Form 10-Q with the Securities and Exchange Commission on March 30, 2022 that included financial information for the transition period from September 1, 2021 through December 31, 2021. Subsequent to that report, the Company's fiscal year now begins on January 1 and ends on December 31. This Quarterly Report on Form 10-Q is the Company's first quarterly report in its new fiscal year, and reports financial results for the quarter ended March 31, 2022.

3) Development and Liquidity Risks

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

In addition to the foregoing, based on the Company's current assessment, the Company does not expect any material impact on its development timeline and its liquidity due to the worldwide spread of COVID-19. However, the Company has experienced approximately six months of delays in clinical trials due to slow-downs of recruitment for trials generally. The Company may experience further delays if the pandemic continues for an extended period of time and it is continuing to assess the effect on its operations by monitoring the spread of COVID-19 and the actions implemented by governments to combat the virus throughout the world.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

b. Loss per common share

Basic and diluted net loss per common share are computed by dividing the net loss for the period by the weighted average number of shares of common stock outstanding for each period. Outstanding stock options, warrants and restricted stock units ("RSUs") have been excluded from the calculation of the diluted loss per share because all such securities are anti-dilutive for all periods presented. The weighted average number of common stock options, warrants and RSUs excluded from the calculation of diluted net loss was 3,463,525 and 5,483,784 for the three month periods ended March 31, 2022 and March 31, 2021, respectively.

c. Revenue recognition

On November 30, 2015, the Company entered into a Technology License Agreement (the "TLA"), with Hefei Tianhui Incubator of Technologies Co. Ltd. ("HTIT") and on December 21, 2015, the parties entered into an Amended and Restated Technology License Agreement that was further amended by the parties on June 3, 2016 and July 24, 2016 (the "HTIT License Agreement"). The HTIT License Agreement and a stock purchase agreement, dated November 30, 2015, between the Company and HTIT (the "SPA") were considered a single arrangement with multiple deliverables. The Company allocated the total consideration of $49,500 between the HTIT License Agreement and the SPA according to their fair value, as follows: $10,617 was allocated to the issuance of common stock (less issuance expenses of $23), based on the quoted price of the Company's shares on the closing date of the SPA on December 28, 2015, and $38,883 was allocated to the HTIT License Agreement.

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

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

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

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

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

As of March 31, 2022, an aggregate amount of $22,382 was allocated to the HTIT License Agreement, all of which were received through the balance sheet date. Through March 31, 2022, the Company has recognized revenue associated with this agreement in the aggregate amount of $17,005, of which $666 was recognized in the quarter ended March 31, 2022, and deferred the remaining amount of $5,377, which is presented as deferred revenues on the condensed consolidated balance sheet.

d. Condensed consolidated financial statements preparation

The condensed consolidated financial statements included herein have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP") and, on the same basis as the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2021 (the "2021 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 2021 Form 10-K. The results for interim periods are not necessarily indicative of a full fiscal year's results.

e. Recently issued accounting pronouncements, not yet adopted

In June 2016, the Financial Accounting Standards Board issued Accounting Standards Update 2016-13 "Financial Instruments—Credit Losses—Measurement of Credit Losses on Financial Instruments." This guidance replaces the current incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The guidance will be effective for the fiscal year beginning after December 15, 2022, including interim periods within that year. The adoption of this guidance is not expected to have a significant impact on the Company's consolidated financial statements.

NOTE 2 - COMMITMENTS:

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

As part of this agreement, the Subsidiary entered into a patent transfer agreement (the "Patent Transfer Agreement"), according to which the Subsidiary assigned to Entera all of its rights to a patent application related to the oral administration of proteins that it has licensed to Entera since August 2010, in return for royalties of 3% of Entera's net revenues and a license back of that patent application for use in respect of diabetes and influenza. As of March 31, 2022, Entera had not paid any royalties to the Subsidiary. On December 11, 2018, Entera announced that it had entered into a research collaboration and license agreement with Amgen, Inc. ("Amgen"). To the extent that the license granted to Amgen results in net revenues as defined in the Patent Transfer Agreement, the Subsidiary will be entitled to the aforementioned royalties. As part of a consulting agreement with a third party dated February 15, 2011, the Subsidiary is obliged to pay this third party royalties of 8% of the net royalties received in respect of the patent that was sold to Entera in March 2011.

NOTE 2 - COMMITMENTS (continued):

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

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

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

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

As of March 31, 2022, the Company has received milestone payments in an aggregate amount of $20,500 as follows: the initial payment of $3,000 was received in January 2016. Following the achievement of certain milestones, the second and third payments of $6,500 and $4,000, respectively, were received in July 2016, the fourth milestone payment of $4,000 was received in October 2016 and the fifth milestone payment of $3,000 was received in January 2019.

On August 21, 2020, the Company received a letter from HTIT, disputing certain pending payment obligations of HTIT under the TLA. The payment obligation being disputed is $6,000, out of which only an amount of $2,000 has been received and has been included in deferred revenue in each of the consolidated balance sheets as of March 31, 2022 and December 31, 2021. The Company wholly disputes the claims made by HTIT and has been engaged in discussions and exchanges with HTIT in an attempt to clarify and resolve disagreements between the parties regarding milestone payments and work plan implementation.

In addition, on November 30, 2015, the Company entered into the SPA with HTIT, according to which, the Company issued 1,155,367 shares of common stock to HTIT for $12,000. The transaction closed on December 28, 2015.

The HTIT License Agreement and the SPA were considered a single arrangement with multiple deliverables. The Company allocated the total consideration of $49,500 between the HTIT License Agreement and the SPA according to their fair value, as follows: $10,617 was allocated to the issuance of common stock (less issuance expenses of $23), based on the quoted price of the Company's shares on the closing date of the SPA on December 28, 2015, and $38,883 was allocated to the HTIT License Agreement. The Company determined that revenues are recognized over time through the expected product submission date in June 2023.

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

For the Company's revenue recognition policy see note 1c.

NOTE 2 - COMMITMENTS (continued):

c. On December 18, 2017, the Subsidiary entered into an agreement with a vendor for the process development and production of one of its oral capsule ingredients in the amount of $2,905 that will be paid over the term of the engagement and based on the achievement of certain development milestones, of which $1,592 was recognized in research and development expenses through March 31, 2022.

d. On September 2, 2020 (effective as of January 15, 2020), the Subsidiary entered into a CRO Services Agreement with a third party to retain it as a clinical research organization ("CRO") for the Subsidiary's phase 3 clinical trial for its oral insulin. As consideration for its services, the Subsidiary will pay the CRO a total amount of $21,589 during the term of the engagement and based on achievement of certain milestones, of which $11,337 was recognized in research and development expenses through March 31, 2022.

e. On September 16, 2020 (effective as of January 15, 2020), the Subsidiary entered into a CRO Services Agreement with a third party to retain it as a CRO for the Subsidiary's phase 3 clinical trial for its oral insulin. As consideration for its services, the Subsidiary will pay the CRO a total amount of $12,343 during the term of the engagement and based on achievement of certain milestones, of which $4,743 was recognized in research and development expenses through March 31, 2022.

f. On December 2, 2021, the Subsidiary entered into an addendum (the "Addendum") to the current lease agreement for its facilities in Israel. The Addendum refers to the lease of an additional space of 264 square meters for a period of 60 months commencing February 1, 2022. The Subsidiary has the option to extend the period for another 60 months. The annual lease payment, including management fees, is approximately NIS 435 (approximately $137). As security for its obligation under the Addendum, the Company provided a bank guarantee in an amount equal to three monthly lease payments. For accounting purposes, the lease commenced on February 1, 2022 as the Subsidiary did not have access to the space until that date.

g. **Grants from the Israel Innovation Authority ("IIA")**

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

At the time the grants were received, successful development of the related projects was not assured. The total amount received through March 31, 2022 was $2,207 ($2,514 including interest).

As of March 31, 2022, the liability to the IIA was $169.

The royalty expenses which are related to the funded project were recognized in cost of revenues in the relevant periods.

h. **Legal expenses**

Following the Company's 2019 annual meeting of stockholders, a complaint was filed in the Court of Chancery of the State of Delaware against the Company and the members of the Board of Directors. On April 27, 2022, the Court of Chancery of the State of Delaware approved the terms of a settlement between the Company and the plaintiff in the complaint, awarding the plaintiff an amount of $850,000 in attorneys' fees, which was paid on April 28, 2022 and included in general and administrative expenses. All other details of the settlement were previously agreed by the parties and acted upon at the Company's 2021 annual meeting of stockholders.

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

NOTE 3 - FAIR VALUE:

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

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

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

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

As of March 31, 2022, the assets measured at fair value are comprised of equity securities (Level 1). The fair value of held to maturity bonds as presented in note 4 was based on a Level 2 measurement.

As of March 31, 2022, the carrying amounts of cash equivalents, short-term deposits and accounts payable approximate their fair values due to the short-term maturities of these instruments.

As of March 31, 2022, the carrying amounts of long-term deposits approximate their fair values due to the stated interest rates which approximate market rates.

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

Other than items related to the asset acquisition transaction of Oravax (see note 8), there were no Level 3 items measured at fair value for the quarter ended March 31, 2021.

There were no Level 3 items for the three month period ended March 31, 2022.

NOTE 4 - MARKETABLE SECURITIES:

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

a. Composition:

	March 31, 2022	December 31, 2021
Short-term:		
D.N.A (see b below)	$ 974	$ 863
Entera (see c below)	336	337
Held to maturity bonds (see d below)	5,965	6,547
	$ 7,275	$ 7,747
Long-term:		
Held to maturity bonds (see d below)	$ 1,955	$ 3,875
	$ 9,230	$ 11,622

b. D.N.A

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

As of March 31, 2022, the Company owns approximately 1.4% of D.N.A's outstanding ordinary shares.

The cost of the securities as of both March 31, 2022 and December 31, 2021 was $595.

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

NOTE 4 - MARKETABLE SECURITIES (continued):

c. Entera

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

d. Held to maturity securities

The amortized cost and estimated fair value of held to maturity securities as of March 31, 2022, were as follows:

	March 31, 2022			
	Amortized cost	Gross unrealized gains (losses)	Estimated fair value	Average yield to maturity rate
Short-term:				
Commercial bonds	$ 5,892	$ (114)	$ 5,778	1.30%
Accrued interest	73	-	73	
Long-term	1,955	(52)	1,903	0.83%
	$ 7,920	$ (166)	$ 7,754	

The amortized cost and estimated fair value of held to maturity securities as of December 31, 2021, were as follows:

	December 31, 2021			
	Amortized cost	Gross unrealized gains (losses)	Estimated fair value	Average yield to maturity rate
Short-term:				
Commercial bonds	$ 6,432	$ (115)	$ 6,317	1.37%
Accrued interest	115	-	115	
Long-term	3,875	(29)	3,846	1.20%
	$ 10,422	$ (144)	$ 10,278	

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

NOTE 5 - STOCKHOLDERS' EQUITY:

1. On September 1, 2021, the Company entered into a controlled equity offering agreement (the "Cantor Equity Distribution Agreement") with Cantor Fitzgerald & Co., as agent, pursuant to which the Company may issue and sell shares of its common stock having an aggregate offering price of up to $100,000, through a sales agent, subject to certain terms and conditions. Any shares sold will be sold pursuant to our effective shelf registration statement on Form S-3 including a prospectus dated July 26, 2021 and prospectus supplement dated September 1, 2021. The Company paid the sales agent a cash commission of 3.0% of the gross proceeds of the sale of any shares sold through the sales agent under the Cantor Equity Distribution Agreement. As of March 31, 2022, and May 12, 2022, 841,638 shares were issued under the Cantor Equity Distribution Agreement for aggregate net proceeds of $15,275.

2. On November 3, 2021, the Company entered into a securities purchase agreement with several institutional and accredited investors (the "Purchasers"), pursuant to which the Company agreed to sell, in a registered direct offering (the "Offering"), an aggregate of 2,000,000 shares of the Company's common stock to the Purchasers for an offering price of $25.00 per share. The closing of the sale of the shares occurred on November 5, 2021. The net proceeds to the Company from the Offering, after deducting the placement agent's fees and expenses and the Company's Offering expenses, were approximately $46,375.

3. The following are the significant stock options transactions with employees and board members made during the three months ended March 31, 2022:

    a. On January 3, 2022, the Company granted an aggregate of 150,000 shares of the Company's common stock to its President and Chief Executive Officer. The total fair value of these shares on the date of grant was $2,084, using the quoted closing market share price of $13.89 on the Nasdaq Capital Market on the date of grant.

    b. On January 3, 2022, the Company granted an aggregate of 207,500 RSUs representing a right to receive shares of the Company's common stock to the Company's employees and members of the Board of Directors as follows: 63,000 to the President and Chief Executive Officer; 42,000 to the Chief Scientific Officer; 21,000 to the Chief Operating and Business Officer, 19,000 to the Chief Financial Officer and Treasurer, 19,000 to the Chief Commercial Officer, 18,000 to the Chief Legal Officer and Secretary (effective as of the time his employment with the Company commenced on January 9, 2022), an aggregate of 24,000 to four board members and 1,500 to an employee. The RSUs will vest in four equal annual instalments on each of January 1, 2023, 2024, 2025 and 2026. The total fair value of these RSUs on the date of grant was $2,849, using the quoted closing market share price of $13.89 on the Nasdaq Capital Market on the date of grant and $12.03 for the Chief Legal Officer's grant (equivalent to the closing price of the Company's common stock on January 10, 2022 which represents the first trading date after his employment with the Company commenced).

    c. On January 3, 2022, the Company granted options to purchase an aggregate of 321,500 shares of the Company's common stock to the Company's employees and board members at an exercise price of $13.89 per share (equivalent to the closing price of the Company's common stock on the date of grant) as follows: 107,000 to the President and Chief Executive Officer; 72,000 to the Chief Scientific Officer; 36,000 to the Chief Operating and Business Officer, 32,000 to the Chief Financial Officer and Treasurer and 32,000 to the Chief Commercial Officer, an aggregate of 40,000 to four board members and 2,500 to an employee. The options will vest in four equal annual instalments on each of January 1, 2023, 2024, 2025 and 2026. These options expire on January 3, 2032. The fair value of all these options on the date of grant was $2,630, using the Black Scholes option-pricing model and was based on the following assumptions: stock price of $13.89; dividend yield of 0% for all years; expected volatility of 63.05%; risk-free interest rates of 1.46%; and expected term of 6.25 years.

    d. On January 3, 2022, the Company granted options to purchase an aggregate of 30,000 shares of the Company's common stock to the Company's Chief Legal Officer and Secretary (effective as of the time his employment with the Company commenced on January 9, 2022), at an exercise price of $12.03 per share (equivalent to the closing price of the Company's common stock on January 10, 2022 which represents the first trading date after his employment with the Company commenced). The options will vest in four equal annual instalments on each of January 1, 2023, 2024, 2025 and 2026. These options expire on January 3, 2032. The fair value of all these options on the date of grant was $214, using the Black Scholes option-pricing model and was based on the following assumptions: stock price of $12.03; dividend yield of 0% for all years; expected volatility of 63.22%; risk-free interest rates of 1.60%; and expected term of 6.25 years.

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

NOTE 6 - LEASES

The right-of-use asset and lease liability are initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments. The Company's incremental borrowing rate is estimated to approximate the interest rate on similar terms and payments and in economic environments where the leased asset is located.

The Company has various operating leases for office space and vehicles that expire through 2027. Below is a summary of our operating right-of-use assets and operating lease liabilities as of March 31, 2022 and December 31, 2021:

	March 31, 2022	December 31, 2021
Operating right-of-use assets	$ 1,108	$ 500
Operating lease liabilities, current	237	130
Operating lease liabilities long-term	871	370
Total operating lease liabilities	$ 1,108	$ 500

Lease payments for the Company's right-of-use assets over the remaining lease periods as of March 31, 2022 and December 31, 2021 are as follows:

	March 31, 2022	December 31, 2021
2022	$ 215	$ 155
2023	288	140
2024	288	140
2025	230	93
2026	137	-
2027	11	-
Total undiscounted lease payments	1,169	528
Less: Interest*	(61)	(28)
Present value of lease liabilities	$ 1,108	$ 500

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

NOTE 7 - RELATED PARTY TRANSACTIONS:

On July 1, 2008, the Subsidiary entered into two consulting agreements with KNRY Ltd. ("KNRY"), an Israeli company owned by the Chief Scientific Officer, whereby the President and Chief Executive Officer and the Chief Scientific Officer, through KNRY, provide services to the Company (the "Consulting Agreements"). The Consulting Agreements are both terminable by either party upon 140 days prior written notice. The Consulting Agreements, as amended, provide that KNRY will be reimbursed for reasonable expenses incurred in connection with the performance of the Consulting Agreements and that the monthly consulting fee paid to the President and Chief Executive Officer and the Chief Scientific Officer is NIS 146,705 ($46) and NIS 106,400 ($34), respectively.

In addition to the Consulting Agreements, based on a relocation cost analysis, the Company pays for certain direct costs, related taxes and expenses incurred in connection with the relocation of the President and Chief Executive Officer to the U.S. During the three months ended March 31, 2022, such relocation expenses were $143, compared to $112 for the three months ended March 31, 2021.

NOTE 8 - ASSET ACQUISITION TRANSACTION

On March 18, 2021, the Company entered into the Oravax License Agreement and into the Stockholders Agreement with Oravax. On that date, Oravax's assets were (1) in process research and development of COVID-19 vaccine technology; and (2) $1,500 to be received in cash. According to the Stockholders Agreement, Oravax issued 1,890,000 shares of its capital stock to the Company, representing 63% of the issued and outstanding share capital of Oravax, on a fully diluted basis, as of the date of issuance, for which we paid $1,500. Consequently, the Company consolidates Oravax in its consolidated financial statements since that time. In addition, under the terms of the Oravax License Agreement, the Company has licensed out to Oravax certain patent rights, know-how and information related to the Company's oral drug delivery technology with respect to the combination with the COVID-19 vaccine technology.

In consideration for the grant of the License, the Oravax License Agreement provides that the Company will receive (i) royalties equal to 7.5% on net sales, as defined in the Oravax License Agreement, of each product commercialized by Oravax, its affiliates and permitted sublicensees related to the License during the term specified in the Oravax License Agreement, (ii) sublicensing fees equal to 15% of any non-sales-based consideration received by Oravax from a permitted sublicensee and (iii) other payments ranging between $25,000 to $100,000, based on certain sales milestones being achieved by Oravax. The parties further agreed to establish a development and steering committee, which will consist of three members, of which two members will be appointed by the Company, that will oversee the ongoing research, development, clinical and regulatory activity with respect to the Oravax product. Akers contributed $1,500 in cash to Oravax and a license agreement to the Oravax product which includes a maximum of 2.5% royalties of all net sales. Effective January 1, 2022, Oravax transferred its rights and obligations under the Oravax License Agreement to its wholly-owned subsidiary, Oravax Medical Ltd.

Concurrently with the execution and delivery of the Oravax License Agreement, the Company entered into the Stockholders Agreement with Akers, Premas, Cutter Mill, and Run Ridge, entities controlled by Michael Vasinikovich and Craig Schwabe, former members of Cystron Biotech LLC ("Cystron," and collectively with Akers, Premas, Cutter Mill and Run Ridge, the "Stockholders Parties"). Pursuant to the Stockholders Agreement, among other things, the Company has the right to appoint two out of the three members to the board of directors of Oravax (the "Oravax Board"), one of which is the Company's Chief Executive Officer who will serve as the chairman of the Oravax Board, conditioned upon the Company maintaining certain ownership thresholds. Akers has the right, until the third anniversary of the Stockholders Agreement effective date, to appoint one member to the Oravax Board. Oravax's common stock held by the Stockholders Parties is subject to certain transfer restrictions. In addition, the Stockholders Parties have certain rights of participation in future financings as well as rights of first refusal and co-sale related to future potential transactions. Nadav Kidron, the Company's President and Chief Executive Officer, was one of the former members of Cystron.

NOTE 9 – SUBSEQUENT EVENTS

On May 2, 2022, the Company granted 4,500 RSUs representing a right to receive shares of the Company's common stock to Mr. Yadin Rozov, a member of the Company's board of directors. The RSUs will vest in four equal annual instalments on each of May 2, 2023, 2024, 2025 and 2026. These RSUs expire on May 2, 2032. The total fair value of these RSUs on the date of grant was $23, using the quoted closing market share price of $5.14 on the Nasdaq Capital Market on the last trading day before the date of grant.

On May 2, 2022, the Company granted options to purchase an aggregate of 7,500 shares of the Company's common stock to Mr. Yadin Rozov, a member of the Company's board of directors, at an exercise price of $5.14 per share (equivalent to the closing price of the Company's common stock on the last trading day before the date of grant). The options will vest in four equal annual instalments on each of May 2, 2023, 2024, 2025 and 2026. These options expire on May 2, 2032. The fair value of all these options on the date of grant was $24, using the Black Scholes option-pricing model and was based on the following assumptions: stock price of $5.14; dividend yield of 0% for all years; expected volatility of 65.26%; risk-free interest rates of 3.03%; and expected term of 6.26 years.

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 and our Transition Report on Form 10-Q for the transition period from September 1, 2021 to December 31, 2021.

Overview of Operations

We are a pharmaceutical company currently engaged in the research and development of innovative pharmaceutical solutions with a technology platform that delivers protein orally instead of by injection. Our first drug candidate is an oral insulin capsule to be used for the treatment of individuals with uncontrolled diabetes. We utilize clinical research organizations, or CROs, to conduct our clinical trials.

Through our research and development efforts, we have successfully developed an oral dosage form intended to withstand the harsh environment of the stomach and effectively deliver active biological insulin or other proteins, such as Glucagon-like peptide-1, or GLP-1, leptin, and others. The excipients in the formulation are not intended to modify the proteins chemically or biologically, and the dosage form is designed to be safe to ingest. We plan to continue to conduct clinical trials to show the effectiveness of our technology.

Oral Insulin

Our proprietary flagship product, an orally ingestible insulin capsule, or ORMD-0801, allows insulin to travel from the gastrointestinal tract via the portal vein to the liver, revolutionizing the manner in which insulin is delivered. This novel mode of delivery enables a closer mirroring of the human body's delivery of insulin.

FDA Guidance: In August 2017, the U.S. Food and Drug Administration, or FDA, instructed that the regulatory pathway for the submission of ORMD-0801 would be a BLA. If approved, the BLA pathway would grant us 12 years of marketing exclusivity for ORMD-0801, from the approval date, and an additional six months of exclusivity may be granted to us if the product also receives approval for use in pediatric patients.

Phase 2b Trial: In February 2020, we announced positive topline data from the second and final cohort of our Phase 2b trial. Treatment with ORMD-0801 at all doses demonstrated an excellent safety profile, with no serious drug-related adverse events and with no increased frequency of hypoglycemic episodes or weight gain compared to placebo.

Phase 3 Trial: Based on guidance received from the FDA as part of the end-of-Phase 2 meeting for ORMD-0801, we submitted the protocols to the FDA for our pivotal Phase 3 trials. In line with the FDA's expectations and recommendations, we are currently conducting two Phase 3 trials concurrently in patients with type 2 diabetes, or T2D. These trials involve about 1,125 patients to provide evidence of ORMD-0801's safety and efficacy in T2D patients over a treatment period of 6 to 12 months. A geographically diverse patient population is being recruited from multiple sites throughout the United States, Europe, and Israel. Our Phase 3 trial is composed of two protocols:

ORA-D-013-1: This trial is currently being conducted on T2D patients with inadequate glycaemic control who are currently on two or three oral glucose-lowering agents. This U.S. trial was designed to recruit 675 patients from over 90 clinical sites located throughout the U.S. Patients were randomized 1:1:1 in this double-dummy trial into cohorts of: 8 mg ORMD-0801 once-daily at night and placebo 45 minutes before breakfast; 8 mg ORMD-0801 twice-daily, at night and 45 minutes before breakfast; and placebo twice-daily, at night and 45 minutes before breakfast. The primary endpoint of the trial is to evaluate the efficacy of 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. We initiated this trial in December 2020. In May 2022, we announced that we completed enrollment, surpassing our target of 675 patients with 710 patients enrolled.

ORA-D-013-2: This trial includes T2D patients with inadequate glycaemic control who are attempting to manage their condition with either diet alone or with diet and metformin or SGL2 monotherapy. A total of 450 patients are being recruited through 36 sites in the United States and 25 sites in Western Europe and Israel. Patients are being randomized 1:1 into two cohorts dosed with: 8 mg ORMD-0801 at night; and placebo at night. The primary endpoint is to evaluate the efficacy of ORMD-0801 compared to placebo in improving glycaemic control as assessed by HbA1c over a 26-week treatment period, with a secondary efficacy endpoint of assessing the change from baseline in fasting plasma glucose at 26 weeks. We initiated this trial in the United States in March 2021. In August 2021, we announced that over 25% of the 450 patients were enrolled and randomized.

We expect to receive the efficacy data from the trials after patients have completed the first 6 months of treatment. Safety will be further monitored as patients will be exposed to the drug over an additional 6 months (total 12 months). The trial's topline results are expected in January 2023 and we anticipate filing a BLA with the FDA in 2024. A BLA would grant us at least 12 years of marketing exclusivity from the date of approval in the United States.

HTIT License. On November 30, 2015, we, the Subsidiary and HTIT entered into a Technology License Agreement, or the TLA, and on December 21, 2015, these parties entered into an Amended and Restated Technology License Agreement that was further amended by the parties on June 3, 2016 and July 24, 2016.

On August 21, 2020, we received a letter from HTIT, disputing certain pending payment obligations of HTIT under the TLA. We wholly dispute said claims and we are in discussions with HTIT in an attempt to reach a mutually agreeable solution. For further information, see note 2.b. to our interim condensed consolidated financial statements.

NASH trial: In September 2020, we initiated an open label clinical trial of our oral insulin capsule, ORMD-0801, for the treatment of non-alcoholic steatohepatitis, or NASH, in type 2 diabetes. This six patient multi-center trial is comprised of three clinical sites in Belgium. The trial will measure change and percent change in MRI-PDFF from baseline to week 12. Data from this trial is expected in the second half of 2022.

In December 2020, we initiated a double blind, placebo controlled clinical trial of our oral insulin capsule, ORMD-0801, for the treatment of NASH in type 2 diabetes. This 30 patient multi-center trial is comprised of five clinical sites: three in the United States and two in Israel. The trial will measure change and percent change in MRI-PDFF from baseline to week 12. In March 2022, we announced the completion of patient enrollment. Data from this trial is expected in the second half of 2022.

Oral Glucagon-Like Peptide-1

Oral GLP-1, is an incretin hormone, which stimulates the secretion of insulin from the pancreas. In addition to our flagship product, the ORMD-0801 insulin capsule, we use our technology for an orally ingestible GLP-1 capsule, or ORMD-0901.

In June 2021, we initiated a trial in T2D patients in the United States under an Investigational New Drug application filed with the FDA. Data from this trial is expected in the second half of 2022.

Oral Vaccine

On March 18, 2021, we entered into a license agreement, or the Oravax License Agreement, with Oravax, our 63% owned joint venture, pursuant to which we granted to Oravax an exclusive, worldwide license of our rights in certain patents and related intellectual property relating to our proprietary oral delivery technology to further develop, manufacture and commercialize oral vaccines for COVID-19 and other novel coronaviruses based on Premas Biotech Pvt. Ltd.'s, or Premas's, proprietary vaccine technology involving a triple antigen virus like particle, or the Oravax product, which was previously owned by Cystron Biotech LLC, and later acquired by Akers Biosciences Inc., or Akers. Effective January 1, 2022, Oravax transferred its rights and obligations under the Oravax License Agreement to its wholly-owned subsidiary, Oravax Medical Ltd. For further details regarding the Oravax License Agreement, see note 8 to our interim condensed consolidated financial statements.

On October 29, 2021, we announced Oravax's oral COVID-19 vaccine has received clearance from the South African Health Products Regulatory Authority to initiate a Phase 1 trial and subsequently to commence patient enrollment in a first in human, Phase 1 clinical trial, for its oral COVID-19 vaccine and on December 14, 2021, Oravax screened and enrolled the first participant in a Phase 1 clinical trial of its oral virus-like particle (VLP) COVID-19 vaccine in Johannesburg, South Africa. The trial protocol requires participants who have never been vaccinated for, or infected with, COVID-19. This has caused delays, as many volunteers have failed the screening process due to prior asymptomatic infection. We are currently exploring ways to increase enrollment, which may include changes to the protocol as well as adding an additional clinical site to help increase enrollment.

On December 29, 2021, Oravax signed a cooperation and purchase agreement for an initial pre-purchase of 10 million doses of oral COVID-19 vaccines with Tan Thanh Holdings to commercialize the vaccine in Southeast Asia.

COVID-19 Impact

We do not expect any material impact on our development timeline and our liquidity due to the worldwide spread of COVID-19. However, we have experienced approximately six months of delays in clinical trials due to slow-downs of recruitment for trials generally. We may experience further delays if the pandemic continues for an extended period of time and we are continuing to assess the effect on our operations by monitoring the spread of COVID-19 and the actions implemented by governments to combat the virus throughout the world.

Results of Operations

Comparison of three month periods ended March 31, 2022 and March 31, 2021

The following table summarizes certain statements of operations data of the Company for the three month periods ended March 31, 2022 and March 31, 2021 (in thousands of dollars except share and per share data):

	Three months ended	
	March 31, 2022	**March 31, 2021**
Revenues	$ 666	$ 666
Cost of revenues	-	-
Research and development expenses	5,836	6,168
Sales and Marketing expenses	590	-
General and administrative expenses	5,492	1,102
Financial income (expenses), net	544	541
Taxes on income	-	-
Net loss for the period	$ 10,708	$ 6,063
Basic and diluted loss per share of common stock	$ 0.27	$ 0.20
Weighted average shares of common stock outstanding used in computing basic and diluted loss per share of common stock	38,679,622	27,963,072

Revenues

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

Revenues were $666,000 for the three month periods ended March 31, 2022 and March 31, 2021.

Cost of Revenues

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

There was no cost of revenues for the three month periods ended March 31, 2022 and March 31, 2021.

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 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 pre-clinical trial expenses include regulatory and scientific consultants' compensation and fees, research expenses, purchase of materials, cost of capsule manufacturing, payments for patient recruitment and treatment, as well as salaries and related expenses of research and development staff.

Research and development expenses for the three month period ended March 31, 2022 decreased by 5% to $5,836,000, compared to $6,168,000 for the three month period ended March 31, 2021. The decrease was mainly due to higher in process research and development costs of Oravax recognized in the first quarter of 2021 and a decrease in expenses related to our Phase 3 clinical trials, which involved higher expenses upon commencement, partially offset by an increase in stock-based compensation expenses. Stock-based compensation expenses for the three month period ended March 31, 2022 were $562,000, compared to $271,000 during the three month period ended March 31, 2021. This increase was mainly due to equity awards granted to employees in the first quarter of 2022 and a grant to an employee in September 2021.

Government grants

In the three month periods ended March 31, 2022 and March 31, 2021, we did not recognize any research and development grants. As of March 31, 2022, we had incurred liabilities to pay royalties to the Israel Innovation Authority of the Israeli Ministry of Economy and Industry of $169,000.

Sales and Marketing expenses

Sales and marketing expenses include the salaries and related expenses of our commercial functions, consulting costs and other general costs. We anticipate that our commercial activities will increase in the future towards and following potential approval of our planned BLA submission for ORMD-0801.

Sales and marketing expenses for the three month period ended March 31, 2022 were $590,000, compared to no expenses for the three month period ended March 31, 2021. The increase was mainly due to stock-based compensation expenses, salary related expenses and consulting expenses. Stock-based compensation costs for the three month period ended March 31, 2022 were $364,000, compared to no stock-based compensation expenses during the three month period ended March 31, 2021. This increase was mainly due to equity awards granted to an employee during fiscal year 2021.

General and Administrative expenses

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

General and administrative expenses for the three month period ended March 31, 2022 increased by 398% to $5,492,000, compared to $1,102,000 for the three month period ended March 31, 2021. The increase was mainly due to an increase in stock-based compensation expenses and legal expenses as well as public relations and investor relations expenses. Stock-based compensation costs for the three month period ended March 31, 2022 were $3,103,000, compared to $377,000 for the three month period ended March 31, 2021. This increase was mainly due to equity awards granted to directors, officers and employees.

Financial income (expense), net

Net financial income was $544,000 for the three month period ended March 31, 2022, compared to $541,000 for the three month period ended March 31, 2021.

Liquidity and capital resources

From inception through March 31, 2022, we have incurred losses in an aggregate amount of $136,945,000. During that period and through March 31, 2022, 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 $244,394,000, net of transaction costs. During that period, we also received cash consideration of $27,938,000 from the exercise of warrants and options. We expect to seek to obtain additional financing through similar sources in the future, as needed. As of March 31, 2022, we had $27,967,000 of available cash, $131,519,000 of short-term and long-term bank deposits and $9,230,000 of marketable securities.

From inception through March 31, 2022, we have not generated significant revenues from our operations. Management continues to evaluate various financing alternatives for funding future research and development activities and general and administrative expenses through fundraising in the public or private equity markets. Although there is no assurance that we will be successful with those initiatives, management believes that it will be able to secure the necessary financing as a result of future third party investments. Based on our current cash resources and commitments, we believe we will be able to maintain our current planned development activities and the corresponding level of expenditures for at least the next 12 months, although no assurance can be given that we will not need additional funds prior to such time.

If there are unexpected increases in our operating expenses, we may need to seek additional financing during the next 12 months. Successful completion of our development programs and our transition to normal operations is dependent upon obtaining necessary regulatory approvals from the FDA prior to selling our products within the United States, obtaining foreign regulatory approvals to sell our products internationally, or entering into licensing agreements with third parties. There can be no assurance that we will receive regulatory approval of any of our product candidates, and a substantial amount of time may pass before we achieve a level of revenues adequate to support our operations, if at all. We also expect to incur substantial expenditures in connection with the regulatory approval process for each of our product candidates during their respective developmental periods. Obtaining marketing approval will be directly dependent on our ability to implement the necessary regulatory steps required to obtain marketing approval in the United States and in other countries. We cannot predict the outcome of these activities.

As of March 31, 2022, our total current assets were $143,562,000 and our total current liabilities were $6,324,000. On March 31, 2022, we had a working capital surplus of $137,238,000 and an accumulated loss of $136,945,000. As of December 31, 2021, our total current assets were $147,937,000 and our total current liabilities were $7,368,000. On December 31, 2021, we had a working capital surplus of $140,569,000 and an accumulated loss of $126,520,000. The decrease in working capital from December 31, 2021 to March 31, 2022 was mainly due to a decrease in short term deposits.

During the three month period ended March 31, 2022, cash and cash equivalents were $27,967,000, compared to $27,456,000 as of December 31, 2021. The decrease was mainly due to the reasons described below.

Operating activities used cash of $9,125,000 in the three month period ended March 31, 2022, compared to $3,682,000 used in the three month period ended March 31, 2021. Cash used in operating activities primarily consisted of research and development, sales and marketing and general and administrative expenses and changes in accounts payable and accrued expenses, partially offset by changes in stock-based compensation.

Investing activities provided cash of $7,359,000 in the three month period ended March 31, 2022, compared to cash provided from investing activities of $10,753,000 in the three month period ended March 31, 2021. Cash provided by investing activities in the three month period ended March 31, 2022 consisted primarily of the proceeds of short-term deposits and held to maturity securities. Cash provided by investing activities in the three month period ended March 31, 2021 consisted primarily of the proceeds of short-term deposits and held to maturity securities, offset by the purchase of bonds held to maturity.

Financing activities provided cash of $2,292,000 in the three month period ended March 31, 2022, compared to $29,032,000 provided in the three month period ended March 31, 2021. Cash provided by financing activities consisted primarily of proceeds from the issuance of our common stock.

On September 1, 2021, we entered into a controlled equity offering agreement, or the Cantor Equity Distribution Agreement, with Cantor Fitzgerald & Co., as agent, pursuant to which the Company may issue and sell shares of its common stock having an aggregate offering price of up to $100,000,000, through a sales agent, subject to certain terms and conditions. Any shares sold will be sold pursuant to our effective shelf registration statement on Form S-3 including a prospectus dated July 26, 2021 and prospectus supplement dated September 1, 2021. We paid the sales agent a cash commission of 3.0% of the gross proceeds of the sale of any shares sold through the sales agent under the Cantor Equity Sales Agreement. As of May 12, 2022, 841,638 shares were issued under the Cantor Equity Distribution Agreement for aggregate net proceeds of $15,275,000.

On November 3, 2021, we entered into a securities purchase agreement with several institutional and accredited investors, or the Purchasers, pursuant to which we agreed to sell, in a registered direct offering, or the Offering, an aggregate of 2,000,000 shares of our common stock to the Purchasers for an offering price of $25.00 per share. The closing of the sale of the shares occurred on November 5, 2021. The net proceeds to us from the Offering, after deducting the placement agent’s fees and expenses and the Company’s Offering expenses, were approximately $46,375,000.

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

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There has been no significant change in our exposure to market risk during the quarter ended March 31, 2022. For a discussion of our exposure to market risk, refer to Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," contained in our Annual Report.

ITEM 4 - CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2022. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 6 - EXHIBITS

Number	Exhibit
10.1*	Representative Form of Indemnification Agreements between Oramed Pharmaceuticals Inc. and each of our directors and officers.
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350.
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350.
101.1*	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 formatted in XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Comprehensive Loss, (iii) Condensed Consolidated Statement of Changes in Stockholders' Equity, (iv) Condensed Consolidated Statements of Cash Flows and (v) the Notes to Condensed Consolidated Financial Statements.
104.1*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith

** Furnished herewith

SIGNATURES

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

ORAMED PHARMACEUTICALS INC.

Date: May 12, 2022

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

Date: May 12, 2022

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

Exhibit 10.1

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "**Agreement**") is made and entered into as of August 30, 2016 between **Oramed Pharmaceuticals Inc.**, a Delaware corporation (the "**Company**"), and **Kevin Rakin** ("**Indemnitee**").

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

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

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

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

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

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

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

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

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

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

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

3. Contribution.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. Remedies of Indemnitee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11. Enforcement.

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

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

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

12. Definitions. For purposes of this Agreement:

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

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

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

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

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

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

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

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

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

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

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

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

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

SIGNATURE PAGE TO FOLLOW

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

COMPANY
ORAMED PHARMACEUTICALS INC.

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

INDEMNITEE

/s/ Kevin Rakin
Name: Kevin Rakin
Address: 36 Church Lane, Westport, CT 06880, USA

Schedule to Exhibit 10.1

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

Name of Signatory	**Date**
Nadav Kidron President, Chief Executive Officer and Director	March 26, 2017
Miriam Kidron Chief Scientific Officer and Director	March 26, 2017
Avraham Gabay Former Chief Financial Officer	May 19, 2019
Aviad Friedman Director	March 26, 2017
Dr. Arie Mayer, Ph.D. Director	December 5, 2019
Leonard Sank Director	January 26, 2017
Joshua Hexter Chief Operating & Business Officer	September 8, 2019
David Silberman Chief Financial Officer	July 4, 2021
Michael Rabinowitz Chief Commercial Officer	July 25, 2021
Netanel Derovan Chief Legal Officer and Secretary	December 7, 2021
Yadin Rozov Director	April 5, 2022

Exhibit 31.1

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

I, Nadav Kidron, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oramed Pharmaceuticals Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: May 12, 2022

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

Exhibit 31.2

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

I, David Silberman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oramed Pharmaceuticals Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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

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

Date: May 12, 2022

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

Exhibit 32.1

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

In connection with the quarterly report of Oramed Pharmaceuticals Inc., or the Company, on Form 10-Q for the period ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof, or the Report, I, Nadav Kidron, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, that to my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: May 12, 2022

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

Exhibit 32.2

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

In connection with the quarterly report of Oramed Pharmaceuticals Inc., or the Company, on Form 10-Q for the period ended March 31, 2022, as filed with the Securities and Exchange Commission on the date hereof, or the Report, I, David Silberman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, that to my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: May 12, 2022

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