

REFINITIV

DELTA REPORT

10-K

ORMP - ORAMED PHARMACEUTICALS INC

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS 5150

█ **CHANGES** 276

█ **DELETIONS** 3133

█ **ADDITIONS** 1741

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended December 31, 2022 2023

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission file number 001-35813
ORAMED PHARMACEUTICALS INC.
(Exact Name of Registrant as Specified in its Charter)

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

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

None.

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

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

Yes No

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

Yes No

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

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates as of the last business day of the registrant's most recently completed second fiscal quarter was **\$169,594,349** **\$130,525,522** based on a price of **\$4.58**, **\$3.58**, being the last price at which the shares of the registrant's common stock were sold on The Nasdaq Capital Market prior to the end of the most recently completed second fiscal quarter.

As of **March 6, 2023** **March 6, 2024**, the registrant had **39,783,813** **40,519,160** shares of common stock issued and outstanding.

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INTRODUCTION AND USE OF CERTAIN TERMS

On February 28, 2022, our Board of Directors, or our Board, 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, or the SEC, on March 30, 2022 that included financial information for the transition period from September 1, 2021 through December 31, 2021, or the Transition Period. Subsequent to that report, the Company's fiscal year now begins on January 1 and ends on December 31. This Annual Report on Form 10-K is the Company's first annual report presenting its new fiscal year, and reports financial results for the 12 month period ended December 31, 2022.

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

On December 31, 2022 December 31, 2023, the exchange rate between the New Israeli Shekel, or NIS, and the dollar, as quoted by the Bank of Israel, was NIS 3.519 3.627 to \$1.00. Unless indicated otherwise by the context, statements in this Annual Report on Form 10-K that provide the dollar equivalent of NIS amounts or provide the NIS equivalent of dollar amounts are based on such exchange rate.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The statements contained in this Annual Report on Form 10-K that are not historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws and the Israeli securities law. Words such as "expects," "anticipates," "intends," "plans," "planned expenditures," "believes," "seeks," "estimates" 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 Annual Report on Form 10-K. 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 appear in "Item 1. Business" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," as well as elsewhere in this Annual Report on Form 10-K and include, among other statements, statements regarding the following:

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

- our research and development plans, including pre-clinical preclinical and clinical trials plans and the timing of enrollment, obtaining results and conclusion of trials;
- our belief that our technology has the potential to deliver medications and vaccines orally that today can only be delivered via injection;
- the competitive ability of our technology based on product efficacy, safety, patient convenience, reliability, value and patent position;

- the potential market demand for our products;
- our ability to obtain patent protection for our intellectual property;
- our expectation that our research and development expenses will continue to be our major expenditure;
- our expectations regarding our short- and long-term capital requirements;
- our outlook for the coming months and future periods, including but not limited to our expectations regarding future revenue and expenses; and
- information with respect to any other plans and strategies for our business.

Although forward-looking statements in this Annual Report on Form 10-K reflect the good faith judgment of our management, such statements can only be based on facts and factors known by us at the time of such statements. 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 discussed herein, including those risks described in "Item 1A. Risk Factors," and expressed from time to time in our other filings with the **Securities and Exchange Commission, or 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 Annual Report on Form 10-K 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 Annual Report on Form 10-K. 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 Annual Report on Form 10-K. Readers are urged to carefully review and consider the various disclosures made throughout the entirety of this Annual Report on Form 10-K 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

ITEM 1. BUSINESS.

Description of Business

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

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

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

Scilex Transaction

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

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

Securities Purchase Agreement

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

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

Research and Development

Senior Secured Promissory Note

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

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

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

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

Until the obligations under the Note are repaid in full, we have the right to designate one non-voting observer, to attend meetings of the board of directors and committees of Scilex and its subsidiaries. Currently, David Silberman, our Chief Financial Officer, is the observer.

Pursuant to the terms of the Scilex SPA, we received the first principal payment of \$5 million on December 21, 2023. The next principal payment in the amount of \$15 million is expected to be paid on March 21, 2024.

Oral insulin Warrants

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

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

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

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

Registration Rights Agreement

In connection with the Scilex SPA, on September 21, 2023, we entered into a registration rights agreement with Scilex, pursuant to which Scilex granted us certain registration rights applicable to the resale of the shares underlying the Warrants and agreed to pay liquidated damages equal to the product of 2.0% multiplied by the sum of (x) the aggregate principal amount outstanding under the Note and (y) the aggregate Exercise Price (as defined in the Closing Penny Warrant) of the Closing (capped at 12%) of the aggregate subscription amount.

Research and Development

Oral Insulin

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

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

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

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

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

NASH: In December 2020, On September 13, 2022, we initiated reported positive top line results from a double blind, placebo controlled clinical trial of ORMD-0801 for the treatment of non-alcoholic steatohepatitis, or NASH, in T2D. On September 13, 2022, we reported positive top line results from this trial, T2D, demonstrating that ORMD-0801 was safe and well tolerated at 8 mg twice daily dosing, meeting the primary endpoint of no difference in adverse events for ORMD-0801 compared to placebo. The trial also evaluated the effectiveness of ORMD-0801 in reducing liver fat content over the 12-week treatment period by observing several independent measures. All the measurements showed a consistent clinically meaningful trend in favor of ORMD-0801. We are currently evaluating our path forward for ORMD-0801 for NASH.

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 12 to our audited consolidated financial statements. product.

In October 2021, Oravax's oral virus-like particle, or VLP, COVID-19 vaccine received clearance from the South African Health Products Regulatory Authority (SAPHRA) to initiate a Phase 1 trial. On December 14, 2021, Oravax screened and enrolled the first participant in this Phase 1 clinical trial. The trial protocol was divided into two cohorts each comprised of 12 participants, with a 42-day safety waiting period between cohorts. Due to several factors, including the fact that many volunteers did not qualify during screening due to prior asymptomatic COVID-19 infection and other conditions, the rate of enrollment was slower than anticipated and as a result, we added an additional clinical site. On October 11, 2022, 2022, Oravax reported positive preliminary Phase 1 data for Cohort A of this a Phase 1 clinical trial, meeting primary and or secondary endpoints of safety and immunogenicity. These results included significant antibody response (2-6 fold over baseline) as measured by multiple markers of immune response to VLP virus like particle vaccine antigens observed in the majority of the patients dosed, and no safety issues were observed, including mild symptoms. Cohort B completed dosing in January 2023. Cohort B measured Immunoglobulin G, or IGG, against the spike (S) protein, showing positive IGG in approximately 55% of the patients dosed. We are currently evaluating our path forward for Oravax's oral vaccines for COVID-19.

PeriTech Acquisition and License

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

We have entered into an exclusive licensing agreement with Genomma Lab Internacional S.A.B. de C.V, or Genomma Labs, pursuant to which we granted Genomma Labs the development and commercialization rights to the PeriTech pipeline, in exchange for a royalty based on January 5, 2023 net sales.

Impact of Current Events

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

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.

Raw Materials

Our oral insulin capsule is currently for clinical trials was manufactured by Fidelio Healthcare, a diversified European Contract Development and Manufacturing Organization (CDMO) in the pharmaceutical and healthcare industries.

In July 2010, Oramed Ltd. entered into the Manufacturing and Supply Agreement with Sanofi-Aventis Deutschland GMBH, or Sanofi-Aventis. According to the agreement, Sanofi-Aventis supplies Oramed Ltd. with specified quantities of recombinant human insulin to be used for clinical trials.

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

Market Overview

Diabetes is a disease in which the body does not produce or properly use insulin. Insulin is a hormone that causes sugar to be absorbed into cells, where the sugar is converted into energy needed for daily life. The cause of diabetes is attributed both to genetics (type 1 diabetes, or T1D) and, most often, to environmental factors such as obesity and lack of exercise (T2D). According to the International Diabetes Federation, or IDF, an estimated 537 million adults (20-79 years) worldwide suffered from diabetes in 2021 and the IDF projects this number will increase to 783 million by 2045. Also, according to the IDF, in 2021, an estimated 6.7 million people died from diabetes. According to the American Diabetes Association, or ADA, in the United States there were approximately 37.3 million people with diabetes, or 11.3% of the United States population in 2019. Diabetes is a leading cause of blindness, kidney failure, heart attack, stroke and amputation.

Impact of COVID-19

We do not expect any material impact on our development timeline and our liquidity due to COVID-19. However, we experienced approximately six months of delays in clinical trials due to slow-downs of recruitment for trials generally. On the other hand, Oravax continues to develop its oral vaccine, the demand for which may be reduced if COVID-19 continues to abate. We continue to assess the effect on our operations by monitoring the status of COVID-19.

Intellectual Property and Patents

We own a portfolio of patents and patent applications covering our technologies, and we are aggressively protecting these technology developments on a worldwide basis.

We maintain proactive intellectual property strategy, which includes patent filings in multiple jurisdictions, including the United States and other commercially significant markets. We hold 37 38 patent applications currently pending, with respect to various compositions, methods of production and oral administration of proteins and exenatide. Expiration dates for pending patents, if granted, will fall between 2026 and 2039.

We hold 112 117 patents, twenty eight of which were issued during the fiscal year ended December 31, 2022 December 31, 2023, including patents issued by the United States, Swiss, German, French, U.K., Italian, Netherlands, Swedish, Spanish, Australian, Israeli, Japanese, New Zealand, South African, Russian, Canadian, Hong Kong, Chinese, European and Indian patent offices that cover a part of our technology, which allows for the oral delivery of proteins; patents issued by the Australian, Canadian, European, Austrian, Belgian, French, German, Irish, Italian, Luxembourg, Monaco, Netherlands, Norwegian, Spanish, Swedish, Swiss, U.K., Israeli, New Zealand, South African, Russian, Brazilian and Japanese patent offices that cover part of our technology for the oral delivery of exenatide; and patents issued by the European, Austrian, Belgian, Danish, French, German, Irish, Italian, Luxembourg, Monaco, Netherlands, Norway, Spanish, Swedish, Swiss, U.K. and Japanese patent offices for treating diabetes.

Consistent with our strategy to seek protection in key markets worldwide, we have been and will continue to pursue the patent applications and corresponding foreign counterparts of such applications. We believe that our success will depend on our ability to obtain patent protection for our intellectual property.

Our patent strategy is as follows:

- Aggressively protect all current and future technological developments to assure strong and broad protection by filing patents and/or continuations in part as appropriate,
- Protect technological developments at various levels, in a complementary manner, including the base technology, as well as specific applications of the technology, and
- Establish comprehensive coverage in the United States and in all relevant foreign markets in anticipation of future commercialization opportunities.

Trademarks and Trade Secrets

We have trademark applications pending in Israel, with Corresponding international trademark applications in Australia, Brazil, Canada, China, Colombia, the European Union, India, Indonesia, Japan, Kazakhstan, Korea, Malaysia, Mexico, New Zealand, Norway, Oman, Philippines, Russia, Singapore, Switzerland, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, U.S.A., Uzbekistan and Vietnam.

We also rely on trade secrets and unpatentable know-how that we seek to protect, in part, by confidentiality agreements. Our policy is to require our employees, consultants, contractors, manufacturers, outside scientific collaborators and sponsored researchers, **Board of Directors**, or our Board, technical review board and other advisors, to execute confidentiality agreements upon the commencement of employment or consulting relationships with us. These agreements provide that all confidential information developed or made known to the individual during the course of the individual's relationship with us is to be kept confidential and not disclosed to third parties except in specific limited circumstances. We also require signed confidentiality or material transfer agreements from any company that is to receive our confidential information. In the case of employees, consultants and contractors, the agreements provide that all inventions conceived by the individual while rendering services to us shall be assigned to us as the exclusive property of the Company. There can be no assurance, however, that all persons who we desire to sign such agreements will sign, or if they do, that these agreements will not be breached, that we would have adequate remedies for any breach, or that our trade secrets or unpatentable know-how will not otherwise become known or be independently developed by competitors.

Out-Licensed Technology

Entera Bio

In June 2010, our wholly-owned subsidiary, Oramed Ltd., entered into a joint venture agreement with DNA GROUP (T.R.) Ltd. (formerly D.N.A Biomedical Solutions Ltd.), or DNA, for the establishment of Entera Bio Ltd., or Entera.

In March 2011, Oramed Ltd. sold shares of Entera to DNA, retaining 117,000 ordinary shares (after giving effect to a stock split by Entera in July 2018). In consideration for the shares sold to DNA, the Company received, among other payments, ordinary shares of DNA (see also note 3 to our audited consolidated financial statements).

As part of this agreement, Oramed Ltd. entered into a patent transfer agreement, or the Patent Transfer Agreement, according to which Oramed Ltd. 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 **December 31, 2022** December 31, 2023, Entera had not paid any royalties to Oramed Ltd. On December 11, 2018, Entera announced that it had entered into a research collaboration and license agreement with Amgen, Inc., or Amgen. To the extent that the license granted to Amgen results in net revenues as defined in the Patent Transfer Agreement, Oramed Ltd. will be entitled to the aforementioned royalties. As part of a consulting agreement with a third party dated February 15, 2011, Oramed Ltd. 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. During the years ended **December 31, 2022** December 31, 2023 and **four month period ended December 2021, 2022**, we did not sell any of DNA's ordinary shares. As of **December 31, 2022** December 31, 2023, we held approximately 1.4% of DNA's outstanding ordinary shares and approximately 0.4% of Entera's outstanding ordinary shares.

HTIT

On November 30, 2015, we entered into a Technology License Agreement, or TLA, with Hefei Tianhui Incubator of Technologies Co., Ltd., or HTIT and on December 21, 2015, these parties entered into an Amended and Restated Technology License Agreement that was further amended by the parties on June 3, 2016 and July 24, 2016, or the HTIT License Agreement. According to the HTIT License Agreement, we granted HTIT an exclusive commercialization license in the territory of the People's Republic of China, Macau and Hong Kong, related to our oral insulin capsule, ORMD-0801, or the Product. Pursuant to the HTIT License Agreement, HTIT will conduct, at its own expense, certain pre-commercialization and regulatory activities with respect to our technology and ORMD-0801 capsule, and will pay (i) royalties of 10% on net sales of the related commercialized products to be sold by HTIT in the territory, or Royalties, and (ii) an aggregate of \$37.5 million, of which \$3 million was payable immediately, \$8 million will be paid subject to our entry into certain agreements with certain third parties, and \$26.5 million will be payable upon achievement of certain milestones and conditions. In the event that we will not meet certain conditions, the Royalties rate may be reduced to a minimum of 8%. Following the final expiration of our patents covering the technology in the territory in 2033, the Royalties rate may be reduced, under certain circumstances, to 5%. The royalty payment obligation shall apply during the period of time beginning upon the first commercial sale of the Product in the territory, and ending upon the later of (i) the expiration of the last-to-expire licensed patents in the territory; and (ii) 15 years after the first commercial sale of the Product in the territory. The HTIT License Agreement shall remain in effect until the expiration of the royalty term. The HTIT License Agreement contains customary termination provisions. Through **December 31, 2022** December 31, 2023, we received aggregate milestone payments of \$20.5 million out of the aggregate amount of \$37.5 million.

On August 21, 2020, we received a letter from HTIT, disputing certain pending payment obligations of HTIT under the TLA. We wholly dispute disputed said claims and we are in planning to resolve any such claims as part of our discussions with HTIT in an attempt to reach a mutually agreeable solution. We are currently evaluating HTIT.

See "—Research and Development" above regarding the JV Agreement we signed with HTIT a path forward to continue our collaboration, following establish the results JV, based on Oramed's oral drug delivery technology. The proposed JV will focus on the development and worldwide commercialization of our ORA-D-013-1 Phase 3 trial innovative products based on Oramed's oral insulin and POD™ (Protein Oral Delivery) pipeline and HTIT's manufacturing capabilities and technologies.

Oravax License

In consideration for the grant of the license under the Oravax License Agreement, we 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 million to \$100 million, 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 us, that will oversee the ongoing research, development, clinical and regulatory activity with respect to the Oravax product. In addition, we agreed to buy and Oravax agreed to issue to us 1,890,000 shares of common stock of Oravax, representing 63% of the common stock of Oravax for the aggregate amount of \$1.5 million. Akers Biosciences Inc. contributed \$1.5 million in cash to Oravax and a license agreement to the Oravax product. Nadav Kidron, the Company's President and Chief Executive Officer, was one of the former members of Cystron. See note 12 to our audited consolidated financial statements.

Medicox License

On November 13, 2022, we entered into a distribution license agreement with Medicox Co., Ltd., or **Medicox**, an emerging biotech company with a consortium of proven partnerships in the Republic of Korea. The agreement grants Medicox the exclusive license to apply for regulatory approval and distribute ORMD-0801 for ten years in the Republic of Korea. Medicox will comply with agreed distribution targets and will purchase ORMD-0801 at an agreed upon transfer price per capsule. In addition, Medicox will pay Oramed up to \$15 million in developmental milestones, \$2 million of which have already been received by Oramed to date, in 2022, and up to 15% royalties on gross sales. Medicox will also be responsible for gaining regulatory approval in the Republic of Korea.

We are currently evaluating with Medicox a path forward to continue our collaboration, following the results of our ORA-D-013-1 Phase 3 trial. **Government Regulation**

Government Regulation

The Drug Development Process

Regulatory requirements for the approval of new drugs vary from one country to another. In order to obtain approval to market our drug portfolio, we need to go through a different regulatory process in each country in which we apply for such approval. In some cases, information gathered during the approval process in one country can be used as supporting information for the approval process in another country. As a strategic decision, we decided to first explore the FDA regulatory pathway. The following is a summary of the FDA's requirements.

The FDA requires that pharmaceutical and certain other therapeutic products undergo significant clinical experimentation and clinical testing prior to their marketing or introduction to the general public. Clinical testing, known as clinical trials or clinical studies, is either conducted internally by life science, pharmaceutical or biotechnology companies or is conducted on behalf of these companies by CROs.

The process of conducting clinical trials is highly regulated by the FDA, as well as by other governmental and professional bodies. Below we describe the principal framework in which clinical trials are conducted, as well as describe a number of the parties involved in these trials.

Protocols. Before commencing human clinical trials, the sponsor of a new drug or therapeutic product must submit an IND application to the FDA. The application contains, among other documents, what is known in the industry as a protocol. A protocol is the blueprint for each drug study. The protocol sets forth, among other things, the following:

- Who must be recruited as qualified participants,
- How often to administer the drug or product,
- What tests to perform on the participants, and
- What dosage of the drug or amount of the product to give to the participants.

Institutional Review Board. An institutional review board is an independent committee of professionals and lay persons which reviews clinical research trials involving human beings and is required to adhere to guidelines issued by the FDA. The institutional review board does not report to the FDA, but its records are audited by the FDA. Its members are not appointed by the FDA. All clinical trials must be approved by an institutional review board. The institutional review board's role is to protect the rights of the participants in the clinical trials. It approves the protocols to be used, the advertisements which the company or CRO conducting the study proposes to use to recruit participants, and the form of consent which the participants will be required to sign prior to their participation in the clinical trials.

Clinical Trials. Human clinical trials or testing of a potential product are generally done in three stages known as Phase 1 through Phase 3 testing. The names of the phases are derived from the regulations of the FDA. Generally, there are multiple trials conducted in each phase.

Phase 1. Phase 1 trials involve testing a drug or product on a limited number of healthy or patient participants, typically 24 to 100 people at a time. Phase 1 trials determine a product's basic safety and how the product is absorbed by, and eliminated from, the body. This phase lasts an average of six months to a year.

Phase 2. Phase 2 trials involve testing of no more than 300 participants at a time who may suffer from the targeted disease or condition. Phase 2 testing typically lasts an average of one to two years. In Phase 2, the drug is tested to determine its safety and effectiveness for treating a specific illness or condition. Phase 2 testing also involves determining acceptable dosage levels of the drug. Phase 2 trials may be split into Phase 2a and Phase 2b sub-trials. Phase 2a trials may be conducted with patient volunteers and are exploratory (non-pivotal) trials, typically designed to evaluate clinical efficacy or biological activity. Phase 2b trials are conducted with patients defined to evaluate definite dose range and evaluate efficacy. If Phase 2 trials show that a new drug has an acceptable range of safety risks and probable effectiveness, a company will generally continue to review the substance in Phase 3 trials.

Phase 3. Phase 3 trials involve testing large numbers of participants, typically several hundred to several thousand persons. The purpose is to verify effectiveness and long-term safety on a large scale. These trials generally last two to three years. Phase 3 trials are conducted at multiple locations or sites. Like the other phases, Phase 3 requires the site to keep detailed records of data collected and procedures performed.

Biological License Application. The results of the clinical trials for a biological product are submitted to the FDA as part of a Biological License Application, or BLA. Following the completion of Phase 3 trials, assuming the sponsor of a potential product in the United States believes it has sufficient information to support the safety and effectiveness of its product, the sponsor will generally submit a BLA to the FDA requesting that the product be approved for marketing. The application is a comprehensive, multi-volume filing that includes the results of all clinical trials, information about the drug's composition, and the sponsor's plans for producing, packaging and labeling the product. The FDA's review of an application can take a few months to many years, with the average review lasting 18 months. Once approved, drugs and other products may be marketed in the United States, subject to any conditions imposed by the FDA. Approval of a BLA provides 12 years of exclusivity in the U.S. market.

Phase 4. The FDA may require that the sponsor conduct additional clinical trials following new drug approval. The purpose of these trials, known as Phase 4 trials, is to monitor long-term risks and benefits, study different dosage levels or evaluate safety and effectiveness. In recent years, the FDA has increased its reliance on these trials. Phase 4 trials usually involve thousands of participants. Phase 4 trials also may be initiated by the company sponsoring the new drug to gain broader market value for an approved drug.

European Regulation. Similar to the U.S., a European sponsor of a biological product may submit a Marketing Approval Application to the European Medicines Agency, or EMA, for the registration of the product. The approval process in Europe consists of several stages, which together are summed up to 210 days from the time of submission of the application (net, without periods in which the sponsor provides answers to questions raised by the agency) following which, a Marketing Approval may be granted. During the approval process, the sponsor's manufacturing facilities will be audited in order to assess Good Manufacturing Practice compliance.

The drug approval process is time-consuming, involves substantial expenditures of resources, and depends upon a number of factors, including the severity of the illness in question, the availability of alternative treatments, and the risks and benefits demonstrated in the clinical trials.

Other Regulations

Various federal, state and local laws, regulations, and recommendations relating to safe working conditions, laboratory practices, the experimental use of animals, the environment and the purchase, storage, movement, import, export, use, and disposal of hazardous or potentially hazardous substances, including radioactive compounds and infectious disease agents, used in connection with our research are applicable to our activities. They include, among others, the U.S. Atomic Energy Act, the Clean Air Act, the Clean Water Act, the Occupational Safety and Health Act, the National Environmental Policy Act, the Toxic Substances Control Act, and Resources Conservation and Recovery Act, national restrictions on technology transfer, import, export, and customs regulations, and other present and possible future local, state, or federal regulation. The compliance with these and other laws, regulations and recommendations can be time-consuming and involve substantial costs. In addition, the extent of governmental regulation which might result from future legislation or administrative action cannot be accurately predicted and may have a material adverse effect on our business, financial condition, results of operations and prospects.

Competition

Competition

Competition in the area of biomedical and pharmaceutical research and development is intense and significantly depends on scientific and technological factors. These factors include the availability of patent and other protection for technology and products, the ability to commercialize technological developments and the ability to obtain regulatory approval for testing, manufacturing and marketing. Our competitors include major pharmaceutical, medical products, chemical and specialized biotechnology companies, many of which have financial, technical and marketing resources significantly greater than ours. In addition, many biotechnology companies have formed collaborations with large, established companies to support research, development and commercialization of products that may be competitive with ours. Academic institutions, governmental agencies and other public and private research organizations are also conducting research activities and seeking patent protection and may commercialize products on their own or through joint ventures. We are aware of certain other products manufactured or under development by competitors that are used for the treatment of the diseases and health conditions that we have targeted for product development. We can provide no assurance that developments by others will not render our technology obsolete or noncompetitive, that we will be able to keep pace with new technological developments or that our technology will be able to supplant established products and methodologies in the therapeutic areas that are targeted by us. The foregoing factors could have a material adverse effect on our business, prospects, financial condition and results of operations. These companies, as well as academic institutions, governmental agencies and private research organizations, also compete with us in recruiting and retaining highly qualified scientific personnel and consultants.

Competition within our sector is increasing, so we will encounter competition from existing firms that offer competitive solutions in diabetes treatment solutions. These competitive companies could develop products that are superior to, or have greater market acceptance, than the products being developed by us. We will have to compete against other biotechnology and pharmaceutical companies with greater market recognition and greater financial, marketing and other resources.

Our competition will be determined in part by the potential indications for which our technology is developed and ultimately approved by regulatory authorities. In addition, the first product to reach the market in a therapeutic or preventive area is often at a significant competitive advantage relative to later entrants to the market. Accordingly, the relative speed with which we, or our potential corporate partners, can develop products, complete the clinical trials and approval processes and supply commercial quantities of the products to the market are expected to be important competitive factors. Our competitive position will also depend on our ability to attract and retain qualified scientific and other personnel, develop effective proprietary products, develop and implement production and marketing plans, obtain and maintain patent protection and secure adequate capital resources. We expect our technology, if approved for sale, to compete primarily on the basis of product efficacy, safety, patient convenience, reliability, value and patent position.

We anticipated that our oral insulin capsule would be a competitive diabetes drug because of its anticipated efficacy and safety profile; however, there are other treatment options for T1D and T2D patients, such as insulin injections, insulin pumps or a combination of diet, exercise and oral medication which improve the body's response to insulin or cause the body to produce more insulin.

Scientific Advisory Board

We maintain a Scientific Advisory Board consisting of internationally recognized scientists who advise us on scientific and technical aspects of our business. The Scientific Advisory Board meets periodically to review specific projects and to assess the value of new technologies and developments to us. In addition, individual members of the Scientific Advisory Board meet with us periodically to provide advice in their particular areas of expertise. The Scientific Advisory Board consists of the following members, information with respect to whom is set forth below: Dr. Roy Eldor, Professor Ele Ferrannini, Dr. Alexander Fleming, Professor Avram Hershko, Dr. Harold Jacob, Dr. Julio Rosenstock, Dr. Jay Skyler and Dr. Anne Peters.

Dr. Roy Eldor, MD, PhD, joined the Oramed Scientific Advisory Board in July 2016. He is an endocrinologist, internist and researcher with over twenty years of clinical and scientific experience. He is currently Director of the Diabetes Unit at the Institute of Endocrinology, Metabolism & Hypertension at the Tel-Aviv Sourasky Medical Center. Prior to that, Dr. Eldor served as Principal Scientist at Merck Research Laboratories, Clinical Research – Diabetes & Endocrinology. He previously served as a senior physician in internal medicine at the Diabetes Unit in Hadassah Hebrew University Hospital in Jerusalem, Israel; and the Diabetes Division at the University of Texas Health Science Center in San Antonio, Texas. Dr. Eldor is a recognized expert, with over 50 peer reviewed papers and book chapters, and has been a guest speaker at numerous international forums.

Professor Ele Ferrannini, MD, joined the Oramed Scientific Advisory Board in February 2007. He is a past President to the European Association for the Study of Diabetes (EASD), which supports scientists, physicians and students from all over the world who are interested in diabetes and related subjects in Europe and performs functions similar to that of the American Diabetes Association in the United States. Professor Ferrannini has worked with various institutions including the Department of Clinical & Experimental Medicine at the University of Pisa School of Medicine, and CNR (National Research Council) Institute of Clinical Physiology in Pisa, Italy; and the Diabetes Division, Department of Medicine at the University of Texas Health Science Center in San Antonio, Texas. He has extensive training in internal medicine and endocrinology, and has specialized in diabetes trials. Professor Ferrannini has received a Certificate of the Educational Council for Foreign Medical Graduates from the University of Bologna, and completed a subspecialty in Diabetes and Metabolic Diseases at the University of Torino, *cum laude*. He has published over 500 original papers and 50 book chapters and he is a "highly cited researcher," according to the Institute for Scientific Information.

Dr. Alexander Fleming, MD, joined the Oramed Scientific Advisory Board in December 2019. Dr. Fleming, an endocrinologist, is Founder and Executive Chairman of Kinexum, a strategic advisory firm. From 1986 to 1998, he served at the FDA as a supervisory medical officer in the Division of Metabolism and Endocrine Drug Products and was responsible for landmark approvals of the first statin, metformin, and other endocrine and metabolic therapies. He also represented the FDA at the World Health Organization and on multiple expert working groups of the International Conference on Harmonization (ICH). Dr. Fleming coined the term, Metabesity, which refers to the constellation of major chronic diseases and the aging process itself, all which share common metabolic root causes and potential preventive therapies. He organized the first Congress on Metabesity in London in October 2017, followed by annual conferences. In 2020, Dr. Fleming founded the non-profit Kitalys Institute as a means of producing Metabesity conferences and advancing interventions of any kind that can improve health and healthspan.

Professor Avram Hershko, MD, PhD, joined the Oramed Scientific Advisory Board in July 2008. Professor Hershko served as a physician in the Israel Defense Forces from 1965 to 1967. After a post-doctoral fellowship with Gordon Tomkins at the University of San Francisco from 1969 to 1972, he joined the faculty of the Haifa Technion becoming a professor in 1980. He is now Distinguished Professor in the Unit of Biochemistry in the B. Rappaport Faculty of Medicine of the Technion in Haifa, Israel. Professor Hershko's main research interests concern the mechanisms by which cellular proteins are degraded, a formerly neglected field of study. Professor Hershko and his colleagues showed that cellular proteins are degraded by a highly selective proteolytic system. This system tags proteins for destruction by linkage to a protein called ubiquitin, which had previously been identified in many tissues, but whose function was previously unknown. Subsequent work by Professor Hershko and many other laboratories has shown that the ubiquitin system has a vital role in controlling a wide range of cellular processes, such as the regulation of cell division, signal transduction and DNA repair. Professor Hershko was awarded the Nobel Prize in Chemistry in 2004, jointly with his former PhD student Aaron Ciechanover and their colleague Irwin Rose. His many honors include the Israel Prize for Biochemistry (1994), the Gairdner Award (1999), the Lasker Prize for Basic Medical Research (2000), the Wolf Prize for Medicine (2001) and the Louisa Gross Horwitz Award (2001). Professor Hershko is a member of the Israel Academy of Sciences since 2000 and a Foreign Associate of the U.S. Academy of Sciences since 2003.

Dr. Harold Jacob, MD, joined the Oramed Scientific Advisory Board in November 2016. Since 1998, Dr. Jacob has served as the president of Medical Instrument Development Inc., a company which provides a range of support and consulting services to start-up and early stage companies as well as patenting its own proprietary medical devices. Since 2011, Dr. Jacob has also served as an attending physician at Hadassah University Medical Center in Jerusalem, Israel, where he has served as the director of the gastrointestinal endoscopy unit since September 2013. Dr. Jacob has advised a spectrum of companies in the past and he served as a consultant and then as the Director of Medical Affairs at Given Imaging Ltd., from 1997 to 2003, a company that developed the first swallowable wireless pill camera for inspection of the intestine. He has licensed patents to a number of companies including Kimberly-Clark Corporation. Since 2014, Dr. Jacob has served as the Chief Medical Officer and a director of NanoVibronix, Inc., a medical device company using surface acoustics to prevent catheter acquired infection as well as other applications, where he served as Chief Executive Officer from 2004 to 2014. He practiced clinical gastroenterology in New York and served as Chief of Gastroenterology at St. John's Episcopal Hospital and South Nassau Communities Hospital from 1986 to 1995, and was a Clinical Assistant Professor of Medicine at SUNY from 1983 to 1990. Dr. Jacob founded and served as Editor in Chief of Endoscopy Review and has authored numerous publications in the field of gastroenterology.

Dr. Julio Rosenstock, MD, joined the Oramed Scientific Advisory Board in January 2020. Dr. Rosenstock is the Senior Scientific Advisor and Director of Velocity Clinical Research at Medical City, Dallas, Texas, and a Clinical Professor of Medicine at the University of Texas Southwestern Medical Center in Dallas, Texas. He is board certified in Internal Medicine, Endocrinology and Metabolism. His clinical and research activities have focused on exploring novel agents and therapeutic strategies to improve glycemic control, particularly early combination therapies in Type 2 Diabetes. Over the last 30 years, he has participated in hundreds of clinical trials and has had an active role in the development of new oral agents, incretin-related therapies and insulin formulations, often acting as a lead clinical investigator and scientific advisor on the design and reporting of these clinical trials. Dr. Rosenstock has been the author or co-author of 360 386 peer-reviewed manuscripts (H-index 119 124) and several hundreds of scientific abstracts, abstracts and he is considered a key opinion leader in Type 2 Diabetes. He has also contributed to 13 book chapters on various topics in the field of diabetes and is considered a key opinion leader in Type 2 Diabetes.

Dr. Jay Skyler, MD, MCAP, FRCP, joined the Oramed Scientific Advisory Board in January 2020. Dr. Skyler is Professor of Medicine, Pediatrics and Psychology in the Division of Endocrinology, Diabetes and Metabolism, Department of Medicine, University of Miami Leonard M. Miller School of Medicine. He previously held the position of Director of the Division of Endocrinology, Diabetes and Metabolism. In addition, Dr. Skyler is Deputy Director of Clinical Research and Academic Programs at the Diabetes Research Institute, and an Adjunct Professor of Pediatrics at the Barbara Davis Center for Childhood Diabetes at the University of Colorado in Denver. Dr. Skyler's research focuses on the clinical aspects of diabetes, specifically the conduct of randomized controlled clinical trials. From 1993 to 2015, he was Chairman of the National Institute of Health (NIDDK)-sponsored Diabetes Prevention Trial— Type 1 (DPT-1) and its successor Type 1 Diabetes Trial Net, a nationwide and global network conducting clinical trials to prevent T1D.

Dr. Anne Peters, MD, joined the Oramed Scientific Advisory Board in June 2022. Dr. Peters is Professor of Medicine at the Keck School of Medicine of the University of Southern California (USC) and Director of the USC Clinical Diabetes Programs. Dr. Peters earned her medical degree from the Pritzker School of Medicine at the University of Chicago and performed an internal medicine residency at Stanford University and an endocrinology fellowship at Cedars-Sinai Medical Center. She previously directed the clinical diabetes programs at Cedars-Sinai Medical Center and UCLA in California. Her research has focused on testing new approaches for diagnosing and treating diabetes and developing systems of care to improve outcomes in diabetic **under-resourced** populations. Dr. Peters is the chair of the Endocrine Society Committee on Diabetes Devices and is on the EASD/ADA Technology Safety Committee. Additionally, she is a member of the JDRF Panel on Management of Exercise in type 1 Diabetes and a member of the ABIM Endocrinology Subspecialty Board. Dr. Peters has consulted for many entities, including the FDA, Optum Rx the Centers for Disease Control and CVS/Caremark Prevention and the National Institutes of Health to help guide the development and use of treatments for diabetes. In addition to being an investigator for more than 40 research studies, Dr. Peters has published over 200 articles, has written four books, and has given more than 500 lectures locally, nationally, and internationally. She has been on multiple guideline writing committees for the treatment of both type 1 and type 2 diabetes. She was a recipient of the ADA Outstanding Physician Clinician Award, the Bernardo Houssay Award from the National Minority Quality Forum and received a 2021 an Endocrine Society Laureate Award for Public Service.

Employees

We believe it is imperative to attract and retain top talent for all positions in the Company. We seek to make Oramed an inclusive, diverse and safe workplace, with meaningful compensation, benefits and wellness programs and opportunities.

We have experienced personnel involved in our research and development programs, as well as appropriate clinical/regulatory, quality assurance and other personnel needed to advance through clinical trials or have engaged the services of experts in the field for these requirements. As of **December 31, 2022** **December 31, 2023**, we have contracted with **seventeen** **fifteen** individuals for employment or consulting arrangements, including employees of Oravax. Of our staff, **six** **five** are senior management, four are engaged in research and development work, and the remaining **seven** **six** are involved in corporate and administration work.

We provide competitive compensation, health and retirement programs for our employees. We offer variable pay in the form of bonuses and stock-based compensation for eligible employees. We also provide our employees with additional benefits such as team-building and educational offsite activities and gym facilities. We believe that this provides a comprehensive package to engage, motivate and retain our employees as a cohesive unit unified in its goal to achieve the Company's strategy and objectives.

Additional Information

Additional information about us is contained on our Internet website at www.oramed.com. Information on our website is not incorporated by reference into this report. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, are available free of charge on our website under "SEC Filings" as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Reports filed with the SEC are made available on its website at www.sec.gov and are also available on the website of the Israeli Securities Authority at www.magna.isa.gov.il or on the website of the Tel Aviv Stock Exchange at www.tase.co.il. The following corporate governance documents are also posted on our website: Code of Ethics, Whistleblowing Policy and the charters for each of the Audit Committee, Compensation Committee and Nominating Committee of our Board.

ITEM 1A. RISK FACTORS.

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

Risks Related to Our Business**Our strategic review process may not be successful or timely.**

Following the results of the ORA-D-013-1 Phase 3 trial, we have initiated conducted a comprehensive analysis of the data to understand if there is a path forward for our oral insulin candidate, candidate and are working on a protocol for a new Phase 3 clinical trial to be submitted to the FDA. Concurrently, we are examining our existing pipeline and have commenced an evaluation process of potential strategic opportunities, including among others, continuation as a stand-alone business, capital raises, or one or more acquisitions, mergers or business combinations or other strategic transactions. Potential counterparties in a strategic transaction involving us may place minimal or no value on our assets. While we are devoting significant efforts to identify and evaluate potential strategic alternatives, there can be no assurance that this strategic review process will result in us pursuing any transaction or that any transaction, if pursued, will be completed on attractive terms or at all. Additionally, there can be no assurances that any particular course of action, business arrangement or transaction, or series of transactions, will be pursued, successfully consummated, or lead to any stockholder value. Any potential transaction would be dependent on a number of factors that may be beyond our control, including, among other things, market conditions, industry trends, the interest of third parties in a potential transaction with us, obtaining stockholder approval and the availability of financing to third parties in a potential transaction with us on reasonable terms. The process of reviewing alternative strategic paths may be time consuming, may involve the dedication of significant resources and may require us to incur significant costs and expenses. It could negatively impact our ability to attract, retain and motivate employees, and expose us to potential litigation in connection with this process or any resulting transaction. If we are not successful in setting forth a new strategic path for the Company, or if our plans are not executed in a timely fashion, this may cause reputational harm with our stockholders and other stakeholders and the value of our securities may be adversely impacted. In addition, speculation regarding any developments related to the review of strategic alternatives and perceived uncertainties related to the future of the Company could cause our stock price to fluctuate significantly. There can be no guarantee that the process of evaluating alternative strategic paths will result in our entering into or completing potential transactions within the anticipated timing or at all.

If we are successful in completing a strategic transaction, we may be exposed to other operational and financial risks.

Although there can be no assurance that a strategic transaction will result from the process we have undertaken to identify and evaluate strategic alternatives, the negotiation and consummation of any such transaction will require significant time on the part of our management and may disrupt our business. The negotiation and consummation of any such transaction may also require more time or greater cash resources than we anticipate and expose us to other operational and financial risks, including:

- increased near-term and long-term expenditures;
- exposure to unknown liabilities;
- higher than expected acquisition or integration costs;
- incurrence of substantial debt or dilutive issuances of equity securities to fund future operations;
- write-downs of assets or goodwill or incurrence of non-recurring, impairment or other charges;

- increased amortization expenses;
- impairment of relationships with key suppliers of any acquired business due to changes in management and ownership;
- inability to retain our key employees ; and
- possibility of future litigation.

increased near-term and long-term expenditures; exposure to unknown liabilities; higher than expected acquisition or integration costs; incurrence of substantial debt or dilutive issuances of equity securities to fund future operations; write-downs of assets or goodwill or incurrence of non-recurring, impairment or other charges; increased amortization expenses; impairment of relationships with key suppliers of any acquired business due to changes in management and ownership; inability to retain our key employees; and possibility of future litigation. Any of the above risks could have a material adverse effect on our business, financial condition, and prospects.

Our ability to consummate a strategic transaction depends on our ability to retain our employees required to consummate such transaction.

Our ability to consummate a strategic transaction depends upon our ability to retain our employees required to consummate such a transaction, the loss of whose services may adversely impact the ability to consummate such transaction. Our cash conservation activities may yield unintended consequences, such as attrition and reduced employee morale, which may cause remaining employees to seek alternative employment. Our ability to successfully complete a strategic transaction depends in large part on our ability to retain certain of our remaining personnel. If we are unable to successfully retain our remaining personnel, we are at risk of a disruption to our exploration and consummation of a strategic alternative as well as business operations.

We may become involved in securities and stockholder litigation that could divert management's attention and harm the Company's business, and insurance coverage may not be sufficient to cover all costs and damages.

In the past, securities and stockholder litigation has often followed certain significant business transactions, such as the sale of a company or announcement of any other strategic transaction, or the announcement of negative events, such as negative results from clinical trials. The market price of our common stock dropped substantially when we announced the results of the ORA-D-013-1 Phase 3 trial. We may be exposed to such litigation even if no wrongdoing occurred. Litigation is usually expensive and diverts management's attention and resources, which could adversely affect our business and cash resources and our ability to consummate a potential strategic transaction or the ultimate value our stockholders receive in any such transaction.

We continue, and in the future expect, to incur losses.

Successful evaluation and completion of our remaining development programs and our transition to normal operations are dependent upon obtaining necessary regulatory approvals from the FDA prior to selling our products within the United States, and foreign regulatory approvals must be obtained to sell our products internationally. 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. We also expect to incur substantial expenditures in connection with our research and development programs, our strategic evaluation process, as well as the regulatory approval process with FDA and other agencies for each of our current or future 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.

Based on our current cash resources and commitments, we believe we will be able to maintain our current planned activities and the corresponding level of expenditures for at least the next 12 months, although no assurance can be given that we will not need additional funds prior to such time. If there are unexpected increases in our operating expenses, we may need to seek additional financing during the next 12 months.

We will need substantial additional capital in order to satisfy our business objectives.

To date, we have financed our operations principally through offerings of securities and we may require substantial additional financing at various intervals in order to implement any potential strategic alternative, to continue our remaining or potential future research and development programs, including significant requirements for operating expenses including intellectual property protection and enforcement, for pursuit of regulatory approvals, and for commercialization of our remaining or future products. We can provide no assurance that additional funding will be available on a timely basis, on terms acceptable to us, or at all. In the event that we are unable to obtain such financing, we may not be able to implement the actions we decide to take as part of our strategic review process, and we will not be able to fully develop and commercialize our technology or pursue new technology. Our future capital requirements will depend upon many factors, including:

- the results of our strategic review process and any new strategic direction we decide to take;
- continued scientific progress in our research and development programs;
- costs and timing of conducting clinical trials and seeking regulatory approvals and patent prosecutions;
- competing technological and market developments;
- our ability to establish additional collaborative relationships; and
- effects of commercialization activities and facility expansions if and as required.

If we cannot secure adequate financing when needed, we may be required to delay, scale back or eliminate one or more of our existing or planned courses of action or research and development programs, or to enter into license or other arrangements with third parties to commercialize products or technologies that we would otherwise seek to develop ourselves and commercialize ourselves. In such event, our business, prospects, financial condition and results of operations may be adversely affected as we may be required to scale-back, eliminate, or delay development efforts or product introductions or enter into royalty, sales or other agreements with third parties in order to commercialize our products.

We have a history of losses and can provide no assurance as to our future operating results.

We do not have sufficient revenues from our research and development activities to fully support our operations. Consequently, we have incurred net losses and negative cash flows since inception. We currently have only licensing revenues and no product revenues, and may not succeed in developing or commercializing any products which could generate product revenues. We do not expect to have any products on the market for several years. In addition, development of our product candidates requires a process of pre-clinical and clinical testing, during which our products could fail. For example, in January 2023, the ORA-D-013-1 Phase 3 trial did not meet its primary and/or secondary endpoints. We may not be able to enter into agreements with one or more companies experienced in the manufacturing and marketing of therapeutic drugs and, to the extent that we are unable to do so, we will not be able to market our product candidates. Eventual profitability will depend on our success in developing, manufacturing, and marketing our product candidates or in pursuing a successful strategic alternative. As of December 31, 2022 December 31, 2023 and 2021 2022, we had working capital of \$151,363,000 \$109,370,000 and \$140,569,000, \$151,363,000, respectively, and stockholders' equity of \$151,812,000 \$163,821,000 and \$166,453,000, \$151,812,000, respectively. During the year years ended December 31, 2022, the four month period ended December 31, 2021 December 31, 2023 and the year ended August 31, 2021 2022, we generated revenues of \$2,703,000, \$904,000 \$1,340,000 and \$2,703,000, respectively. For the period from our inception on April 12, 2002 through December 31, 2022, the year ended December 31, 2022, the four month period ended December 31, 2021 and the year ended August 31, 2021 December 31, 2023, we incurred net losses of \$163,081,000, \$126,520,000 and \$114,852,000, respectively, \$157,556,000. We may never achieve profitability and expect to incur net losses in the foreseeable future. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

We rely upon patents to protect our technology.

The patent position of biopharmaceutical and biotechnology firms is generally uncertain and involves complex legal and factual questions. We do not know whether any of our current or future patent applications will result in the issuance of any patents. Even issued patents may be challenged, invalidated or circumvented. Patents may not provide a competitive advantage or afford protection against competitors with similar technology. Competitors or potential competitors may have filed applications for, or may have received patents and may obtain additional and proprietary rights to compounds or processes used by or competitive with ours. In addition, laws of certain foreign countries do not protect intellectual property rights to the same extent as do the laws of the United States.

Patent litigation is widespread in the biopharmaceutical and biotechnology industry and we cannot predict how this will affect our efforts to form strategic alliances, conduct clinical testing or manufacture and market any products under development. If challenged, our patents may not be held valid. We could also become involved in interference proceedings in connection with one or more of our patents or patent applications to determine priority of invention. If we become involved in any litigation, interference or other administrative proceedings, we will likely incur substantial expenses and the efforts of our technical and management personnel will be significantly diverted. In addition, an adverse determination could subject us to significant liabilities or require us to seek licenses that may not be available on favorable terms, if at all. We may be restricted or prevented from manufacturing and selling our products in the event of an adverse determination in a judicial or administrative proceeding or if we fail to obtain necessary licenses.

We may be unable to protect our intellectual property rights and we may be liable for infringing the intellectual property rights of others.

Our ability to compete effectively will depend on our ability to maintain the proprietary nature of our technologies. We currently hold several pending patent applications in the United States, Canada, Brazil, Europe, India, Hong Kong, Japan and China for our technologies covering oral administration of insulin and other proteins and oral administration of exenatide and proteins and 112 117 patents issued by the United States Swiss, German, French, U.K., Italian, Netherlands, Swedish, Spanish, Australian, Israeli, Japanese, New Zealand, South African, Russian, Canadian, Hong Kong, Chinese, European and Indian various other countries' patent offices that cover a part of our technology, which allows for the oral delivery of proteins; patents issued by the Australian, Canadian, European, Austrian, Belgian, French, German, Irish, Italian, Luxembourg, Monaco, Netherlands, Norwegian, Spanish, Swedish, Swiss, U.K., Israeli, New Zealand, South African, Russian, Brazilian and Japanese various patent offices that cover part of our technology for the oral delivery of exenatide; and patents issued by the European, Austrian, Belgian, Danish, French, German, Irish, Italian, Luxembourg, Monaco, Netherlands, Norway, Spanish, Swedish, Swiss, U.K. and Japanese patent offices for treating diabetes. Further, we intend to rely on a combination of trade secrets and non-disclosure and other contractual agreements and technical measures to protect our rights in our technology. We intend to depend upon confidentiality agreements with our officers, directors, employees, consultants, and subcontractors, as well as collaborative partners, to maintain the proprietary nature of our technology. These measures may not afford us sufficient or complete protection, and others may independently develop technology similar to ours, otherwise avoid our confidentiality agreements, or produce patents that would materially and adversely affect our business, prospects, financial condition and results of operations. We believe that our technology is not subject to any infringement actions based upon the patents of any third parties; however, our technology may in the future be found to infringe upon the rights of others. Others may assert infringement claims against us or against companies to which we have licensed our technology, and if we should be found to infringe upon their patents, or otherwise impermissibly utilize their intellectual property, our ability to continue to use our technology could be materially restricted or prohibited. If this event occurs, we may be required to obtain licenses from the holders of this intellectual property, enter into royalty agreements, or redesign our products so as not to utilize this intellectual property, each of which may prove to be uneconomical or otherwise impossible. Licenses or royalty agreements required in order for us to use this technology may not be available on terms acceptable to us, or at all. These claims could result in litigation, which could materially adversely affect our business, prospects, financial condition and results of operations. Further, we may need to indemnify companies to which we licensed our technology in the event that such technology is found to infringe upon the rights of others.

Our commercial success will also depend significantly on our ability to operate without infringing the patents and other proprietary rights of third parties. Patent applications are, in many cases, maintained in secrecy until patents are issued. The publication of discoveries in the scientific or patent literature frequently occurs substantially later than the date on which the underlying discoveries were made and patent applications are filed. In the event of infringement or violation of another party's patent, we may be prevented from pursuing product development or commercialization. See "Item 1. Business—Description of Business—Intellectual Property and Patents."

Our success was primarily dependent on the successful commercialization of our oral insulin capsule.

The successful commercialization of our principal product, the oral insulin capsule, was crucial for our success. On January 12, 2023, we announced top-line results from the phase 3 trial of our oral insulin capsule, which did not meet its primary or secondary endpoints, and indicated that we expect to discontinue oral insulin clinical activities for T2D. At present, following the results of the ORA-D-013-1 Phase 3 trial, we have initiated conducted a comprehensive analysis of the data to understand if there is a path forward for our oral insulin candidate, candidate and are working on a protocol for a new Phase 3 clinical trial to be submitted to the FDA. Concurrently, we are examining our existing pipeline and have commenced an evaluation process of potential strategic opportunities. Even if our analysis results we succeed in commencing a path forward new clinical trial for our oral insulin capsule, there are a variety of risks and uncertainties related to its development. Principally, these risks include the following:

- Future clinical trial results may show the same results as the ORA-D-013-1 Phase 3 trial;

- Future clinical trial results may be inconsistent with previous preliminary testing results and data from our earlier trials may be inconsistent with clinical data;
- Even if our oral insulin capsule is shown to be safe and effective for its intended purposes in future clinical trials, we may face significant or unforeseen difficulties in obtaining or manufacturing sufficient quantities or at reasonable prices;
- Our ability to complete the development and commercialization of the oral insulin capsule for our intended use is significantly dependent upon our ability to obtain and maintain experienced and committed partners to assist us with obtaining clinical and regulatory approvals for, and the manufacturing, marketing and distribution of, the oral insulin capsule on a worldwide basis;
- Even if our oral insulin capsule is successfully developed, commercially produced and receives all necessary regulatory approvals, there is no guarantee that there will be market acceptance of our product; and
- Our competitors may develop therapeutics or other treatments which are superior or less costly than our own with the result that our products, even if they are successfully developed, manufactured and approved, may not generate significant revenues.

Our business may be seriously harmed if our analysis does not produce positive results, if we are unable to find a path forward to continue development of our oral insulin capsule, if we are unsuccessful in realizing new strategic opportunities or dealing with any of these risks, or if we are unable to successfully commercialize our oral insulin capsule for some other reason.

We have limited experience in conducting clinical trials.

Clinical trials must meet FDA and foreign regulatory requirements. We have limited experience in designing, conducting and managing the preclinical trials and clinical trials necessary to obtain regulatory approval for our product candidates in any country. **We have** In the past, we entered into agreements with Integrium LLC and other consultants to assist us in designing, conducting and managing our various clinical trials in the United States, Europe and Israel. Any failure of **Integrium LLC or any other** a consultant to fulfill their obligations could result in significant additional costs as well as delays in designing, consulting and completing clinical trials on our products.

Our clinical trials may encounter delays, suspensions or other problems.

We may encounter problems in clinical trials that may cause us or the FDA or foreign regulatory agencies to delay, suspend or terminate our clinical trials at any phase. These problems could include the possibility that we may not be able to conduct clinical trials at our preferred sites, enroll a sufficient number of patients for our clinical trials at one or more sites or begin or successfully complete clinical trials in a timely fashion, if at all. For example, the rate of enrollment for our Phase 1 clinical trial for our oral COVID-19 vaccine in South Africa was slower than anticipated due to several factors, including the fact that many volunteers did not qualify during screening due to prior asymptomatic COVID-19 infection and other conditions, and as a result we had to add an additional clinical site. Furthermore, we, the FDA or foreign regulatory agencies may suspend clinical trials at any time if we or they believe the subjects participating in the trials are being exposed to unacceptable health risks or if we or they find deficiencies in the clinical trial process or conduct of the investigation. If clinical trials of any of the product candidates fail, we will not be able to market the product candidate which is the subject of the failed clinical trials. The FDA and foreign regulatory agencies could also require additional clinical trials, which would result in increased costs and significant development delays. Our failure to adequately demonstrate the safety and effectiveness of a pharmaceutical product candidate under development could delay or prevent regulatory approval of the product candidate and could have a material adverse effect on our business, prospects, financial condition and results of operations. For example, see "Item 1. Business—Description of Business— Research and **Development During 2022**" **Development**" regarding the results of the ORA-D-013-1 Phase 3 trial that did not meet its primary **and or** secondary endpoints. Finally, the COVID-19 pandemic **has** impacted clinical trials **generally**. **However**, **generally in recent years**, and we experienced approximately six months of delays in clinical trials due to slow-downs of recruitment for trials generally related to COVID-19. We may experience further delays in site initiation and patient enrollment, failures to comply with study protocols, delays in the manufacture of our product candidates for clinical testing and other difficulties in starting or competing our clinical trials.

Initial success in the completed and ongoing early-stage clinical trials does not ensure success in later stage trials, regulatory approval or commercial viability of a product.

Positive results in a clinical trial may not be replicated in subsequent or confirmatory trials. Additionally, success in preclinical work or early stage clinical trials does not ensure that later stage or larger scale clinical trials will be successful or that regulatory approval will be obtained. Any of our product's failure to show sufficient efficacy in patients with the targeted indication, or if such studies are discontinued for any other reason, could negatively impact our development and commercialization goals for these products and our stock price could decline. Many companies in the biopharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. As a result, preliminary and interim data should be viewed with caution until the final data are available. We have invested in clinical studies of medicines that have not met the primary clinical endpoints in their Phase 3 studies or have been discontinued for other reasons. For example, in January 2023, we reported that ORA-D-013-1 trial did not meet its primary or secondary endpoint. Even if later stage clinical trials are successful, regulatory authorities may delay or decline approval of our product candidates.

There are a number of factors that could cause a clinical study to fail or be delayed, including: (i) the clinical study may produce negative or inconclusive results; (ii) regulators may require that we hold, suspend or terminate clinical research for noncompliance with regulatory requirements; (iii) we, our partners, the FDA or foreign regulatory authorities could suspend or terminate a clinical study due to adverse side effects of a product on subjects or lack of efficacy in the trial; (iv) we, or our partners, may decide, or regulators may require us, to conduct additional preclinical testing or clinical studies; (v) change in rates of enrollment and dropout among clinical trial participants; (vi) differences in the size and type of the patient populations; (vii) changes in and adherence to the dosing regimen and other clinical trial protocols; and (viii) people who enroll in the clinical study may later drop out due to adverse events, a perception they are not benefiting from participating in the study, fatigue with the clinical study process or personal or other issues. The occurrence of any of these events could result in significant costs and expense, have an adverse effect on our business, financial condition and results of operations and/or cause our stock price to decline or experience periods of volatility.

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

Third parties who conduct clinical trials of our products may encounter problems that may cause delays, suspensions or other problems at any phase. These problems could include the possibility that they may not be able to conduct clinical trials at their preferred sites, enroll a sufficient number of patients for their clinical trials at one or more sites or begin or successfully complete clinical trials in a timely fashion, if at all. For example, the rate of enrollment for our Phase 1 clinical trial for our oral COVID-19 vaccine in South Africa was slower than anticipated due to several factors, including the fact that many volunteers did not qualify during screening due to prior asymptomatic COVID-19 infection and other conditions, and as a result we had to add an additional clinical site. In addition, these third parties are not controlled by us and may conduct these trials in a manner in which we disagree or which may prove to be unsuccessful. Furthermore, domestic or foreign regulatory agencies may suspend clinical trials at any time if they believe the subjects participating in the trials are being exposed to unacceptable health risks or if they find deficiencies in the clinical trial process or conduct of the investigation. If such clinical trials conducted by third parties fail, it could have a material adverse effect on our business, prospects, financial condition and results of operations.

We can provide no assurance that our products will obtain regulatory approval or that the results of clinical trials will be favorable.

The testing, marketing and manufacturing of any of our products will require the approval of the FDA or regulatory agencies of other countries. We cannot predict with any certainty the amount of time necessary to obtain regulatory approvals, including from the FDA or other foreign regulatory authorities, and whether any such approvals will ultimately be granted. In any event, review and approval by the regulatory bodies is anticipated to take a number of years. Preclinical and clinical trials may reveal that one or more of our products are ineffective or unsafe, in which event further development of such products could be seriously delayed or terminated. For example, in January 2023, we announced that our ORA-D-013-1 Phase 3 trial did not meet its primary **and or** secondary endpoints. As a result, we decided to terminate our ORA-D-013-2 Phase 3 trial, **and have initiated** conducted a comprehensive analysis of the data to understand if there is a path forward for our oral insulin **candidate, candidate** and are working on a protocol for a new Phase 3 clinical trial to be submitted to the **FDA**. Moreover, obtaining approval for certain products may require the testing on human subjects of substances whose effects on humans are not fully understood or documented. Delays in obtaining necessary regulatory approvals of any proposed product and failure to receive such approvals would have an adverse effect on the product's potential commercial success and on our business, prospects, financial condition and results of operations. In addition, it is possible that a product may be found to be ineffective or unsafe due to conditions or facts which arise after development has been completed and regulatory approvals have been obtained. In this event we may be required to withdraw such product from the market. See "Item 1. Business—Description of Business—Government Regulation."

We are dependent upon third party suppliers of our raw materials and for other services.

We are dependent on outside vendors for our entire supply of the oral insulin capsules and do not currently have any long-term agreements in place for the supply of oral insulin capsules, which is still necessary if we decide to continue development of these projects. While we believe that there are numerous sources of supply available, if the third party suppliers were to cease production, or otherwise fail to supply us with quality raw materials in sufficient quantities on a timely basis and we were unable to contract on acceptable terms for these services with alternative suppliers, our ability to produce our products and to conduct testing and clinical trials would be materially adversely affected.

We rely on suppliers, vendors, outsourcing partners, alliance partners and other third parties to research, develop, manufacture, commercialize, co-promote and sell our products, manage certain marketing, IT, data and other business unit and functional services and meet their contractual, regulatory and other obligations. Using these third parties poses a number of risks, such as: (i) they may not perform to our standards or legal requirements, for example, in relation to the outsourcing of significant clinical development activities for innovative medicines to some CROs; (ii) they may not produce reliable products; (iii) they may not perform in a timely manner; (iv) they may not maintain confidentiality of our proprietary information; (v) they may incur a significant cyberattack or business disruption; (vi) they may be subject to government orders or mandates that require them to give priority to the government and set aside pre-existing commercial orders; (vii) disputes may arise with respect to ownership of rights to technology developed with our partners; and (viii) disagreements could cause delays in, or termination of, the research, development or commercialization of the product or result in litigation or arbitration. The failure of any critical third party to meet its obligations; to adequately deploy business continuity plans in the event of a crisis; and/or to satisfactorily resolve significant disagreements with us or address other factors, could have a material adverse impact on our operations and results. In addition, if these third parties violate, or are alleged to have violated, any laws or regulations, including the local pharmaceutical code, the U.S. Foreign Corrupt Practice Act of 1977, the U.K. Bribery Act of 2010, the EU's General Data Protection Regulations, and other similar laws and regulations, during the performance of their obligations for us, we could suffer financial and reputational harm or other negative outcomes, including possible legal consequences.

Any future revenues from HTIT are dependent upon third party suppliers and Chinese regulatory approvals.

Any future revenues from HTIT under the TLA are dependent upon the achievement of certain milestones and conditions, and the success of HTIT to implement our technology and to manufacture the oral insulin capsule. Any future revenues from HTIT under the TLA are also dependent upon the ability of third parties to scale-up one of our oral capsule ingredients and to scale-up the manufacturing process of our capsules. Our future revenues from royalties from HTIT are further dependent upon the granting of regulatory approvals in the Territory. Accordingly, if any of the foregoing does not occur, we may not be successful in receiving future revenues from HTIT and may not succeed with our business plans in China.

If we fail to complete the transactions contemplated under the JV Agreement with HTIT, if such joint venture is not successful, or if we fail to realize the benefits we anticipate from such joint venture, we may not be able to capitalize on the full market potential of our drug products and technology.

On January 22, 2024, we entered into the JV Agreement with HTIT, pursuant to which, subject to the terms and conditions set forth in the JV Agreement, the parties will establish a JV based on Oramed's oral drug delivery technology.

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

If we do not successfully complete the ancillary agreements in a timely manner, or at all, this may harm our ability to complete additional clinical trials and marketing of our oral insulin candidate. In addition, this may cause irreparable harm to our financial position and business operations.

Furthermore, there can be no assurances that the JV will receive the necessary regulatory approvals for the Phase 3 oral insulin trial in the United States or that our drug products and our technology will be developed and commercialized successfully. In addition, the JV will subject us to a number of risks including risks relating to the lack of full control of the JV, potential disagreements with HTIT about how to manage the JV that may result in the delay or termination of the commercialization of our products or product candidates or that result in costly litigation or arbitration that diverts management attention and resources, conflicting interests of the JV, and the JV and its business not being profitable.

While we believe that our board representation, voting rights and other contractual rights with respect to the JV will serve to mitigate some of these risks, we may have disagreements with the other directors and HTIT that could impair our ability to influence the JV to act in a manner that we believe is in the best interest of the Company.

If we do not resolve our dispute with HTIT favorably, we may need to reverse deferred revenue of up to \$2 million and may will not receive an additional \$4 million in royalties.

On August 21, 2020, we received a letter from HTIT, disputing certain pending payment obligations of HTIT under the TLA. We estimate this obligation to be between \$2 million and \$6 million. While we wholly dispute disputed said claims and have been engaged in are planning to resolve any such claims as part of our discussions and exchanges with HTIT, if we are not successful in an attempt to clarify and resolve disagreements between consummating the parties regarding milestone payments and work plan implementation, JV or resolving the claims as part of the JV, we may be subsequently required to repay to HTIT up to \$2 million, which has been received and has been included in our deferred revenue in each of the consolidated balance sheets for the years ended December 31, 2022 December 31, 2023 and 2021 2022. In addition, we may will not receive an additional \$4 million in Royalties if HTIT is entitled to the full disputed amount of \$6 million.

We may not realize a return on the ordinary shares of DNA and Entera that we own.

DNA's ordinary shares are traded on the Tel Aviv Stock Exchange and Entera's ordinary shares are traded on the Nasdaq Stock Market, both of which are subject to market fluctuations, and may, at times, have a price below the value on the date we acquired such shares. In addition, the ordinary shares of DNA and Entera have historically experienced low trading volume. As a result, there is no guarantee that we will be able to resell the ordinary shares of DNA or Entera at the prevailing market prices or that we will realize a positive return on such shares.

We may not realize the full benefit from our distribution license agreement with Medicox.

Our distribution license agreement with Medicox provides that Medicox will comply with agreed distribution targets and will purchase ORMD-0801 at an agreed upon transfer price per capsule and pay us up to \$15 million in developmental milestones, \$2 million of which have already been received by us. **Following the results of the ORA-D-013-1 Phase 3 trial, we are currently evaluating with Medicox a path forward to continue our collaboration.** If we are not successful in finding a mutually agreed way to continue our collaboration **following the results of the ORA-D-013-1 Phase 3 trial**, or if Medicox is not successful in independently advancing the oral insulin candidate, we may not realize the benefits from this collaboration.

We are highly dependent upon our ability to enter into agreements with collaborative partners to develop, commercialize and market our products.

Our long-term strategy is to ultimately seek a strategic commercial partner, or partners, such as large pharmaceutical companies, with extensive experience in the development, commercialization, and marketing of insulin applications and/or other orally digestible drugs. Such planned strategic partnership, or partnerships, may provide a marketing and sales infrastructure for our products as well as financial and operational support for global clinical trials, post marketing trials, label expansions and other regulatory requirements concerning future clinical development in the United States and elsewhere. We currently lack the resources to manufacture any of our product candidates on a large scale and we have no sales, marketing or distribution capabilities. In the event we are not able to enter into a collaborative agreement with a partner, or partners, on commercially reasonable terms, or at all, we may be unable to commercialize our products, which would have a material adverse effect upon our business, prospects, financial condition and results of operations.

The biotechnology and biopharmaceutical industries are characterized by rapid technological developments and a high degree of competition. We may be unable to compete with more substantial enterprises.

The biotechnology and biopharmaceutical industries are characterized by rapid technological developments and a high degree of competition. As a result, our products could become obsolete before we recoup any portion of our related research and development and commercialization expenses. These industries are highly competitive, and this competition comes both from biotechnology firms and from major pharmaceutical and chemical companies. Many of these companies have substantially greater financial, marketing and human resources than we do (including, in some cases, substantially greater experience in clinical testing, manufacturing and marketing of pharmaceutical products). We also experience competition in the development of our products from universities and other research institutions and compete with others in acquiring technology from such universities and institutions. We face the risk that new market entrants and existing competition may try to replicate our business model or introduce a more innovative offering that renders our services less competitive or obsolete. In addition, our research and development efforts may target diseases and conditions for which there are existing therapies or therapies that are being developed by our competitors. Further, any products resulting from our research and development efforts might not be able to compete successfully with others' existing and future products. See "Item 1. Business—Description of Business—Competition."

Our financial position or results could be negatively affected by product liability claims.

It is possible that we will be responsible for potential product liability stemming from product research, development or manufacturing and may face an even greater risk if any product candidate that we develop is commercialized. If we cannot successfully defend ourselves against claims that products we develop independently or with our partners caused injuries, we could incur substantial liabilities. Regardless of the merit or eventual outcome of such claims, any liability claims may result in, among other things, decreased demand for any product that we may develop, loss of revenues, significant time and costs to defend the related litigation, initiation of investigations by regulators and injury to our reputation and significant negative media attention. On occasion, large judgments have been awarded in class action lawsuits based on drugs or medical treatments that had unanticipated adverse effects. Our clinical trials are covered by liability insurance, but notwithstanding such coverage, our financial position or results could be negatively affected by product liability claims.

We have limited senior management resources and may be required to obtain more resources to manage our growth.

We expect the expansion of our business, as well as the activities we take as a result of our strategic review process, to place a significant strain on our limited managerial, operational and financial resources. We will be required to expand our operational and financial systems significantly and to expand, train and manage our work force in order to manage the expansion of our operations. Our failure to fully integrate our new employees into our operations could have a material adverse effect on our business, prospects, financial condition and results of operations. Our ability to attract and retain highly skilled personnel is critical to our operations and expansion. We face competition for these types of personnel from other technology companies and more established organizations, many of which have significantly larger operations and greater financial, technical, human and other resources than we have. We may not be successful in attracting and retaining qualified personnel on a timely basis, on competitive terms or at all. If we are not successful in attracting and retaining these personnel, our business, prospects, financial condition and results of operations will be materially adversely affected. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations," "Item 1. Business—Description of Business—Employees."

We depend upon our senior management and skilled personnel and their loss or unavailability could put us at a competitive disadvantage.

We currently depend upon the efforts and abilities of our senior executives, as well as the services of several key consultants and other key personnel, including Dr. Miriam Kidron, our Chief Scientific Officer. The loss or unavailability of the services of any of these individuals for any significant period of time could have a material adverse effect on our business, prospects, financial condition and results of operations. We do not maintain "key man" life insurance policies for any of our senior executives. In addition, recruiting and retaining qualified scientific personnel to perform future research and development work will be critical to our success. There is currently a shortage of employees with expertise in developing, manufacturing and commercialization of products and related clinical and regulatory affairs, and this shortage is likely to continue. Competition for skilled personnel is intense and turnover rates are high. Our ability to attract and retain qualified personnel may be limited. Our inability to attract and retain qualified skilled personnel would have a material adverse effect on our business, prospects, financial condition and results of operations.

Our existing and any future joint ventures may limit our flexibility with jointly owned investments and we may not realize the benefits we expect from these arrangements.

We are currently party to a certain joint venture, ventures, and we may in the future sell or contribute additional assets or acquire, develop or recapitalize assets to or in this these joint venture ventures or other joint ventures that we may enter.

Our participation in our existing joint venture ventures is subject to risks, including the following:

- We share approval rights over certain major decisions affecting the ownership or operation of the joint venture ventures and any assets owned by the joint venture; ventures;
- We may need to contribute additional capital in order to preserve, maintain or grow the joint venture ventures and its their investments;

- Our joint venture investors may have economic or other business interests or goals that are inconsistent with our business interests or goals and that could affect our ability to fully benefit from the assets owned by the joint venture; ventures;
- Our joint venture investors may be subject to different laws or regulations than us, which could create conflicts of interest;
- Our joint venture has ventures may have license and other agreements with other investors, which we are not party to and have no control over;
- Our ability to sell our interest interests in, or sell additional assets to, the joint venture ventures or the joint venture's ventures' ability to sell additional interests of, or assets owned by, the joint venture ventures when we so desire are subject to the approval rights of the other joint venture investors under the terms of the agreements governing the joint venture; ventures; and
- Disagreements with our joint venture investors could result in litigation or arbitration that could be expensive and distracting to management and could delay important decisions.

Any of the foregoing risks could have a material adverse effect on our business, financial condition and results of operations. Further, these, similar, enhanced or additional risks, including possible risks of the other joint venture investors having licensed assets to the joint venture, may apply to any future additional or amended joint ventures that we may enter into.

Healthcare policy changes, including pending legislation recently adopted and further proposals still pending to reform the U.S. healthcare system, may harm our future business.

Healthcare costs have risen significantly over the past decade. There have been and continue to be proposals by legislators, regulators and third-party payors to keep these costs down. Certain proposals, if passed, would impose limitations on the prices we will be able to charge for the products that we are developing, or the amounts of reimbursement available for these products from governmental agencies or third-party payors. These limitations could in turn reduce the amount of revenues that we will be able to generate in the future from sales of our products and licenses of our technology.

In 2010, the federal government enacted healthcare reform legislation that has significantly impacted the pharmaceutical industry. In addition to requiring most individuals to have health insurance and establishing new regulations on health plans, this legislation requires discounts under the Medicare drug benefit program and increased rebates on drugs covered by Medicaid. In addition, the legislation imposes an annual fee, which has increased annually, on sales by branded pharmaceutical manufacturers. There can be no assurance that our business will not be materially adversely affected by these increased rebates, fees and other provisions. In addition, these and other initiatives in the United States may continue the pressure on drug pricing, especially under the Medicare and Medicaid programs, and may also increase regulatory burdens and operating costs. The announcement or adoption of any such initiative could have an adverse effect on potential revenues from any product that we may successfully develop. An expansion in government's role in the U.S. healthcare industry may lower the future revenues for the products we are developing and adversely affect our future business, possibly materially.

In September 2017, members of the U.S. Congress introduced legislation with the announced intention to repeal and replace major provisions of the Patient Protection and Affordable Care Act, or the ACA. In addition to those efforts, on October 12, 2017, an executive order was issued that modified certain aspects of the ACA. Following several years of litigation in the federal courts, in June 2021, the U.S. Supreme Court upheld the ACA when it dismissed a legal challenge to the ACA's constitutionality. Further attempts to repeal or to repeal and replace the ACA may continue. In addition, various other healthcare reform proposals have also emerged at the federal and state level. We cannot predict what healthcare initiatives, if any, will be implemented at the federal or state level, or the effect any future legislation or regulation will have on us.

We are exposed to fluctuations in currency exchange rates.

A considerable amount of our expenses are generated in dollars or in dollar-linked currencies, but a significant portion of our expenses such as some clinical trials and payroll costs are generated in other currencies such as NIS and Euro. Most of the time, our non-dollar assets are not totally offset by non-dollar liabilities. Due to the foregoing and to the fact that our financial results are measured in dollars, our results could be adversely affected as a result of a strengthening or weakening of the dollar compared to these other currencies. During the years ended **December 31, 2017**, **December 31, 2019, 2019**, 2020 and 2021, the dollar depreciated in relation to the NIS, which raised the dollar cost of our Israeli based operations and adversely affected our financial results, while during the year ended **December 31, 2018**, **December 31, 2022** and **2022, 2023**, the dollar increased in relation to the NIS, which reduced the dollar cost of our Israeli based operations costs. In addition, our results could also be adversely affected if we are unable to guard against currency fluctuations in the future. Although we may in the future decide to undertake foreign exchange hedging transactions to cover a portion of our foreign currency exchange exposure, we currently do not hedge our exposure to foreign currency exchange risks. These transactions, however, may not adequately protect us from future currency fluctuations and, even if they do protect us, may involve operational or financing costs we would not otherwise incur.

The COVID-19 pandemic, or any other pandemic, epidemic or outbreak of an infectious disease, may materially and adversely affect our clinical trial operations, our business and operations.

The spread of COVID-19 may result in the inability of our suppliers to deliver supplies to us on a timely basis. In addition, health professionals may reduce staffing and reduce or postpone meetings with clients in response to the spread of an infectious disease. Though we have not yet experienced such events, if they would occur, they could result in a period of business disruption, and in reduced operations, any of which could materially affect our business, financial condition and results of operations.

However, we experienced approximately six months of delays in clinical trials due to slow-downs of recruitment for trials generally. Although we do not expect any material impact on our development timeline and our liquidity due to COVID-19, the ongoing development of the COVID-19 pandemic globally could adversely impact our clinical trial operations in the United States, Israel and in Europe, including our ability to recruit and retain patients and principal investigators and site staff who, as healthcare providers, may have heightened exposure to COVID-19 if an outbreak occurs in their geography or due to government or institutional quarantines or stay-at-home measures. We continue to assess the effect on our operations by monitoring the status of COVID-19.

We face uncertainties related to Oravax's oral COVID-19 vaccine.

We face uncertainties related to Oravax's oral COVID-19 vaccine, including uncertainties related to the risk that our continued development programs may not be successful, commercially viable or receive approval from regulatory authorities. Other companies may produce superior or competitive oral or other products that make Oravax's oral COVID-19 vaccine not commercially worthwhile. Even if we succeed in developing the product, the demand for any product we may develop may no longer exist, given the fluid nature of the COVID-19 pandemic, including possible decreased demand for vaccines due to weaker strains, the need for different vaccines for new variants of the virus or an end of the pandemic that may render Oravax's vaccine obsolete.

Risks Related to the Note

We have lent a substantial amount of funds to Scilex. In the event that Scilex is unable to service its obligations under the Note and defaults on such Note, it could have a material adverse effect on our business.

On September 21, 2023, we were issued the Note in an aggregate principal amount of \$101,875,000 by Scilex pursuant to the Scilex SPA. The Note matures on March 21, 2025 and is payable in six principal installments, with the first installment paid on December 21, 2023. Interest under the Note accrues at a fluctuating per annum interest rate equal to the sum of (1) the greater of (x) four percent (4%) and (y) Term SOFR (as defined in the Note) and (2) eight and one half percent (8.5%), payable in-kind on a monthly basis.

There is no guarantee that Scilex will be able to service its repayment obligations under the Note. Although the Note is secured by a first priority security interest in and liens on all of the assets of Scilex and its subsidiaries, no assurance can be made that Scilex will be able to repay the Note when due or that we will be able to foreclose on such assets and recover enough value upon the sale of such assets to repay the amounts owed to us. In such an event, we could lose all or a substantial portion of our loan investment. Additionally, Scilex has disclosed in its periodic reports filed with the SEC that there is substantial doubt about its ability to continue as a going concern. If Scilex is unable to continue as a going concern or defaults on the Note, we may be unable to recover some or all of the principal amount of the Note, which could have a material adverse affect on our business, financial condition and results of operations.

We may have difficulty realizing the full value of the Warrants.

The Closing Penny Warrant will be exercisable upon the earliest of (i) March 14, 2025, (ii) the date on which the Note has been repaid in full, and (iii) the Management Sale Trigger Date (as defined therein), if any, and will expire on the date that is the fifth anniversary of the issuance date. For purposes of the Penny Warrants, the Management Sale Trigger Date is generally the first date that certain members of Scilex management engage in certain sales or other similar transfers of shares of Scilex Common Stock or other of Scilex's or any of its subsidiaries' securities, subject to certain exceptions as are customary for lock-up agreements executed by directors and officers in connection with financings or similar transactions.

The Subsequent Penny Warrants will vest and become exercisable on the date that is the later of (i) Subsequent Penny Warrant Vesting Date, and (ii) the earliest of (A) March 14, 2025, (B) the date on which the Note has been repaid in full and (C) the Management Sale Trigger Date, if any. Each Subsequent Penny Warrant will expire on the date that is the fifth anniversary of the issuance date; provided that, if the Note is repaid in full prior to the Subsequent Penny Warrant Vesting Date applicable to such Subsequent Penny Warrant, such Subsequent Penny Warrant will expire on the date the Note is repaid in full.

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

Because of the foregoing restrictions on exercisability of the Closing Penny Warrant and the Subsequent Penny Warrants, and exercise price of the Transferred Warrants, we may not be able to exercise the Warrants for shares of Scilex Common Stock at a time when it would be financially beneficial for us to do so. Accordingly, there is no guarantee that we will be able to realize the full or any value of the Warrants.

Risks Related to our Common Stock

Future sales of our common stock by our existing stockholders could adversely affect our stock price.

The market price of our common stock could decline as a result of sales of a large number of shares of our common stock in the market, or the perception that these sales could occur. We experienced a significant decline in the market price of our common stock and a significant increase in trading volume after announcing the results of our ORA-D-013-1 Phase 3 trial in January 2023. Any strategic decision we make as a result of our strategic review process may also negatively affect our common stock price or cause volatility in the market price of our common stock. Sales of large amounts of our securities or large variations in trading volume might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. As of **March 6, 2023** **March 6, 2024**, we had outstanding **39,783,813** **40,519,160** shares of common stock, a large majority of which are freely tradable. Giving effect to the exercise in full of all of our outstanding warrants, options and restricted stock units, or RSUs, including those currently unexercisable or unvested, we would have outstanding **43,386,638** **45,487,537** shares of common stock.

Our issuance of warrants, options and RSUs to investors, employees and consultants may have a negative effect on the trading prices of our common stock as well as a dilutive effect.

We have issued and may continue to issue warrants, options, RSUs and convertible notes at, above or below the current market price. As of **March 6, 2023** **March 6, 2024**, we had outstanding warrants and options exercisable for **1,548,256** **20,000** shares of common stock at a weighted average exercise price of **\$4.71** **\$4.13**. We also had outstanding RSUs exercisable for **265,302** **350,761** shares of common stock at a total exercise price of **\$900**, stock. In addition to the dilutive effect of a large number of shares of common stock and a low exercise price for the warrants and options, there is a potential that a large number of underlying shares of common stock may be sold in the open market at any given time, which could place downward pressure on the trading of our common stock.

Because we will not pay cash dividends in the foreseeable future, investors may have to sell shares of our common stock in order to realize their investment.

We have not paid any cash dividends on our common stock and do not intend to pay cash dividends in the foreseeable future. We intend to retain future earnings, if any, for reinvestment in the development and expansion of our business. Any credit agreements which we may enter into with institutional lenders or otherwise may restrict our ability to pay dividends. Whether we pay cash dividends in the future will be at the discretion of our Board and will be dependent upon our financial condition, results of operations, capital requirements and any other factors that our Board decides is relevant.

Our failure to maintain compliance with the Nasdaq Capital Market's continued listing requirements could result in the delisting of our common stock.

Our common stock is currently listed on ~~The~~ the Nasdaq Capital Market. In order to maintain this listing, we must satisfy minimum financial and other requirements. Nasdaq Listing Rule 5550(a)(2) requires the minimum bid price of our common stock on the Nasdaq Capital Market to remain above \$1.00. If the bid price of our common stock closes below \$1.00 per share for 30 consecutive business days, we would be in violation of Nasdaq Listing Rule 5550(a)(2). In accordance with Nasdaq Listing Rule 5810(c)(3)(A), we would have 180 calendar days to regain compliance with the minimum bid requirement to achieve compliance with the minimum bid price requirement.

While we intend to engage in efforts to maintain compliance, and thus maintain our listing, there can be no assurance that we will continue to meet all applicable Nasdaq Capital Market requirements in the future, especially in light of any strategic transaction we may choose to undertake. If our common stock were removed from listing with the Nasdaq Capital Market, it may be subject to the so-called "penny stock" rules. The SEC has adopted regulations that define a "penny stock" to be any equity security that has a market price per share of less than \$5.00, subject to certain exceptions, such as any securities listed on a national securities exchange, which is the exception on which we currently rely. For any transaction involving a "penny stock," unless exempt, the rules impose additional sales practice requirements on broker-dealers, subject to certain exceptions. If our common stock were delisted and determined to be a "penny stock," a broker-dealer may find it more difficult to trade our common stock and an investor may find it more difficult to acquire or dispose of our common stock on the secondary market.

If our common stock is delisted and there is no longer an active trading market for our shares, it may, among other things: ~~cause stockholders difficulty in selling our shares without depressing the market price for the shares or selling our shares at all; substantially impair our ability to raise additional funds; result in a loss of institutional investor interest and fewer financing opportunities for us; and/or result in costly litigation, significant liabilities and diversion of our management's time and attention and could have a material adverse effect on our financial condition, business and results of operations.~~

A delisting would also reduce the value of our equity compensation plans, which could negatively impact our ability to retain employees.

As the market price of our common stock may fluctuate significantly, this may make it difficult for you to sell your shares of common stock when you want or at prices you find attractive.

The price of our common stock is currently listed on ~~The~~ the Nasdaq Capital Market and on the Tel Aviv Stock Exchange and constantly changes. In recent years, the stock market in general has experienced extreme price and volume fluctuations. We expect that the market price of our common stock will continue to fluctuate. These fluctuations may result from a variety of factors, many of which are beyond our control. For example, we experienced a significant decline in the market price of our common stock after announcing the results of our ORA-D-013-1 Phase 3 trial in January 2023. These factors include:

- market acceptance of our new strategy, once determined and announced;

- clinical trial results and the timing of the release of such results;
- the amount of cash resources and our ability to obtain additional funding;
- announcements of research activities, business developments, technological innovations or new products by us or our competitors;
- entering into or terminating strategic relationships;

- changes in government regulation;
- departure of key personnel;
- disputes concerning patents or proprietary rights;
- changes in expense level;
- future sales of our equity or equity-related securities;
- public concern regarding the safety, efficacy or other aspects of the products or methodologies being developed;
- activities of various interest groups or organizations;
- media coverage; and
- status of the investment markets.

Future sales of common stock or the issuance of securities senior to our common stock or convertible into, or exchangeable or exercisable for, our common stock could materially adversely affect the trading price of our common stock, and our ability to raise funds in new equity offerings.

Future sales of substantial amounts of our common stock, including pursuant to any strategic opportunity, the Cantor Equity Distribution Agreement (as defined below), or other equity-related securities in the public market or privately, or the perception that such sales could occur, could adversely affect prevailing trading prices of our common stock and could impair our ability to raise capital through future offerings of equity or other equity-related securities. We anticipate that we will need to raise capital through offerings of equity and equity related securities. We can make no prediction as to the effect, if any, that future sales of shares of our common stock or equity-related securities, or the availability of shares of common stock for future sale, will have on the trading price of our common stock.

Our stockholders may experience significant dilution as a result of any additional financing using our equity securities.

To the extent that we raise additional funds by issuing equity securities, including in connection with any strategic opportunity or pursuant to the Cantor Equity Distribution Agreement, our stockholders may experience significant dilution. Additionally, we may, from time to time or in connection with a strategic alternative, issue additional shares of common stock at a discount from the current trading price of our common stock. As a result, our stockholders would experience immediate dilution upon the purchase of any shares of our common stock sold at such discount. In addition, as opportunities present themselves, we may enter into financing or similar arrangements in the future, including the issuance of convertible debt securities, preferred stock or common stock. If we issue common stock or securities convertible into common stock, our common stockholders would experience additional dilution and, as a result, our stock price may decline.

Risks Related to Conducting Business in Israel

We are affected by the political, economic and military risks of having operations in Israel.

We have operations in the State of Israel, and we are directly affected by political, economic and security conditions in that country. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its Arab neighbors and a state of hostility, varying in degree and intensity, has led to security and economic problems for Israel. In addition, acts of terrorism, armed conflicts or political instability in the region could negatively affect local business conditions and harm our results of operations. We cannot predict the effect on the region of any diplomatic initiatives or political developments involving Israel or the Palestinians or other countries and territories in the Middle East. Recent political events, including political uprisings, social unrest and regime change, in various countries in the Middle East and North Africa have weakened the stability of those countries and territories, which could result in extremists coming to power. In addition, Iran has threatened to attack Israel and is widely believed to be developing nuclear weapons. Iran is also believed to have a strong influence among extremist groups in the region, such as Hamas in Gaza and Hezbollah in Lebanon. This situation has escalated in the past and may potentially escalate in the future to violent events which may affect Israel and us. **Our** On October 7, 2023, the State of Israel was attacked by and subsequently declared war on Hamas. Israel has been in an ongoing state of war with Hamas since that time. Following the attack by Hamas, Hezbollah has also launched attacks against Israel and Israel has been responding to these attacks with targeted air strikes. It is possible that other terrorist organizations, including Palestinian military organizations in the West Bank, as well as other hostile countries, such as Iran, will join the hostilities. Although we believe that there is no immediate risk to our business operations related to these events, our business, prospects, financial condition and results of operations could be materially adversely affected if **major** such hostilities involving Israel **should occur** continue or escalate or if trade or scientific cooperation between Israel and its current **trading** partners is interrupted or curtailed. Moreover, we cannot predict how this war will ultimately affect Israel's economy in general, which may involve a downgrade in Israel's credit rating by rating agencies (such as the recent downgrade by Moody's of its credit rating of Israel from A1 to A2, as well as the downgrade of its outlook rating from "stable" to "negative"). We may also be targeted by cyber terrorists specifically because we are an Israeli-related company.

All adult male permanent residents of Israel, unless exempt, may be required to perform military reserve duty annually. Additionally, all such residents are subject to being called to active duty at any time under emergency circumstances, circumstances, and several hundred thousand Israeli military reservists were drafted to perform immediate military service during the current war with Hamas and other hostile elements, such as Hezbollah in Lebanon. Some of our officers, directors and employees currently are or may in the future may be obligated to perform annual military reserve duty, duty, although none were called up for reserves in the current war. If called up, such persons may be absent from their positions for a lengthy period of time. We can provide no assurance that such requirements will not have a material adverse effect on our business, prospects, financial condition and results of operations in the future, particularly if emergency circumstances occur.

Because we received grants from the Israel Innovation Authority of the Israeli Ministry of Economy & and Industry we are subject to ongoing restrictions.

We received royalty-bearing grants from the Israel Innovation Authority of the Israeli Ministry of Economy & and Industry, or IIA, for research and development programs that meet specified criteria. We did not recognize any grants in the ~~year~~ years ended December 31, 2022, the four month period ended December 31, 2021 December 31, 2023 and the year ended August 31, 2021 December 31, 2022. We do not expect to receive further grants from the IIA in the future. The terms of the IIA grants limit our ability to transfer know-how developed under an approved research and development program outside of Israel, regardless of whether the royalties were fully paid.

It may be difficult to enforce a U.S. judgment against us or our officers and directors and to assert U.S. securities laws claims in Israel.

Almost all of our directors and officers are nationals and/or residents of countries other than the United States. As a result, service of process upon us, our Israeli subsidiary and our directors and officers, may be difficult to obtain within the United States. Furthermore, because the majority of our assets and investments, and most of our directors and officers are located outside the United States, it may be difficult for investors to enforce within the United States any judgments obtained against us or any such officers or directors. Additionally, it may be difficult to assert U.S. securities law claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on a violation of U.S. securities laws because Israel is not the most appropriate forum in which to bring such a claim. In addition, even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not U.S. law is applicable to such claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by Israeli law.

Subject to specified time limitations and legal procedures, under the rules of private international law currently prevailing in Israel, Israeli courts may enforce a U.S. judgment in a civil matter, including a judgment based upon the civil liability provisions of the U.S. securities laws, as well as a monetary or compensatory judgment in a non-civil matter, provided that the following key conditions are met:

- subject to limited exceptions, the judgment is final and non-appealable;
- the judgment was given by a court competent under the laws of the state in which the court is located and is otherwise enforceable in such state;
- the judgment was rendered by a court competent under the rules of private international law applicable in Israel;
- the laws of the state in which the judgment was given provides for the enforcement of judgments of Israeli courts;
- adequate service of process has been effected and the defendant has had a reasonable opportunity to present its arguments and evidence;
- the judgment and its enforcement are not contrary to the law, public policy, security or sovereignty of the State of Israel;

- the judgment was not obtained by fraud and does not conflict with any other valid judgment in the same matter between the same parties; and
- an action between the same parties in the same matter was not pending in any Israeli court at the time the lawsuit was instituted in the U.S. court.

If any of these conditions are not met, Israeli courts will likely not enforce the applicable U.S. judgment.

General Risk Factors

Changes to tax laws could have a negative effect on us or our stockholders.

At any time, the U.S. federal or state income tax laws, or the administrative interpretations of those laws, may be amended. Federal and state tax laws are constantly under review by persons involved in the legislative process, the U.S. Internal Revenue Service, the U.S. Department of the Treasury and state taxing authorities. Changes to the tax laws, regulations and administrative interpretations, which may have retroactive application, could adversely affect us. Our stockholders are encouraged to consult with their tax advisors about the potential effects that changes in law may have on them and their ownership of our securities.

Our business and operations would suffer in the event of computer system failures, cyber-attacks or deficiencies in our cyber-security.

Despite the implementation of security measures, our internal computer systems, and those of third parties on which we rely, are vulnerable to damage from computer viruses, malware, natural disasters, terrorism, war, telecommunication and electrical failures, cyber-attacks or cyber-intrusions over the Internet, attachments to emails, persons inside our organization, or persons with access to systems inside our organization. The risk of a security breach or disruption, particularly through cyber-attacks or cyber intrusion, including by computer hackers, foreign governments, and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our product development programs. For example, the loss of clinical trial data from completed or ongoing or planned clinical trials could result in delays in our clinical trial efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach was to result in a loss of or damage to our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur material legal claims and liability, and damage to our reputation, and the further development of our product candidates could be delayed.

We also maintain compliance programs to address the potential applicability of restrictions against trading while in possession of material, nonpublic information generally and in connection with a cyber-security breach. However, a breakdown in existing controls and procedures around our cyber-security environment may prevent us from detecting, reporting or responding to cyber incidents in a timely manner and could have a material adverse effect on our financial position and value of our stock.

Our management will have significant flexibility in using the net proceeds of any offering of securities.

We intend generally to use the net proceeds from any offerings of our securities for expenses related to our clinical trials, research and product development activities, and for general corporate purposes, including general working capital purposes. Our management will have significant flexibility in applying the net proceeds of any such offering and we will necessarily be using our capital when we decide on new strategic initiatives. The actual amounts and timing of expenditures will vary significantly depending on a number of factors, including the amount of cash used in our operations and our research and development efforts. Management's failure to use these funds effectively would have an adverse effect on the value of our common stock and could make it more difficult and costly to raise funds in the future.

Delaware law could discourage a change in control, or an acquisition of us by a third party, even if the acquisition would be favorable to you, and thereby adversely affect existing stockholders.

The Delaware General Corporation Law contains provisions that may have the effect of making more difficult or delaying attempts by others to obtain control of the Company, even when these attempts may be in the best interests of stockholders. Delaware law imposes conditions on certain business combination transactions with "interested stockholders." These provisions and others that could be adopted in the future could deter unsolicited takeovers or delay or prevent changes in our control or management, including transactions in which stockholders might otherwise receive a premium for their shares of common stock over then current market prices. These provisions may also limit the ability of stockholders to approve transactions that they may deem to be in their best interests.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

Not applicable.

ITEM 1C. CYBERSECURITY.

The Board recognizes the critical importance of maintaining the trust and confidence of our business partners, employees and clinical trial participants. The Audit Committee is responsible for reviewing our policies with respect to cybersecurity risks and relevant contingent liabilities and risks that may be material to the Company, including risks from third parties and business partners.

We generally seek to address cybersecurity risks by implementing security measures on our internal computer systems and ensuring that third parties and business partners implement similar measures. These security measures include firewalls, intrusion prevention and detection systems, anti-malware functionality and access controls, which are evaluated by our external IT consultant and improved through vulnerability assessments and cybersecurity threat intelligence.

Our Chief Operating and Business Officer is responsible for implementing protection measures for our information systems from cybersecurity threats and promptly responding to any cybersecurity incidents.

To date, risks from cybersecurity threats have not materially affected us and we do not currently believe any risks from cybersecurity threats are reasonably likely to affect the Company, including our business strategy, results of operations or financial condition. For further information, see "Item 1A. Risk Factors," under "Our business and operations would suffer in the event of computer system failures, cyber-attacks or deficiencies in our cyber-security."

ITEM 2. PROPERTIES.

We believe that our existing facilities are suitable and adequate to meet our current business requirements. In the event that we should require additional or alternative facilities, we believe that such facilities can be obtained on short notice at competitive rates.

ITEM 3. LEGAL PROCEEDINGS.

From time to time we may become subject to litigation incidental to our business. We are not currently a party to any material legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Common Stock

Our common stock is traded on the Nasdaq Capital Market and on the Tel Aviv Stock Exchange, in each case under the symbol "ORMP."

Holders

As of **March 6, 2023** **March 6, 2024**, there were **39,783,813** **40,519,160** shares of our common stock issued and outstanding held of record by approximately **34** **38** registered stockholders. We believe that a significant number of stockholders hold their shares of our common stock in brokerage accounts and registered in the name of stock depositories and are therefore not included in the number of stockholders of record.

Unregistered Sales of Equity Securities and Use of Proceeds

During No unregistered sales of equity securities were made during the three months ended December 31, 2022, we issued an aggregate amount of 3,000 unregistered shares of common stock to a service provider, as part of the compensation for services provided, pursuant to the exemption under Section 4(a)(2) of the Securities Act. 1,500 unregistered shares of common stock were issued to the service provider on each of October 15, 2022 and December 15, 2022 December 31, 2023.

ITEM 6. [RESERVED]

ITEM 7. 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 audited consolidated financial statements and the related notes included elsewhere herein and in our audited consolidated financial statements.

In addition to our audited consolidated financial statements, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Annual Report on Form 10-K, particularly in "Cautionary Statement Regarding Forward-Looking Statements" and "Item 1A. Risk Factors."

Overview of Operations

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

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

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

Impact of COVID-19

We do not expect any material impact on our development timeline and our liquidity due to COVID-19. However, we experienced approximately six months of delays in clinical trials due to slow-downs of recruitment for trials generally. On the other hand, Oravax continues to develop its oral vaccine, the demand for which may be reduced if COVID-19 continues to abate. We continue to assess the effect on our operations by monitoring the status of COVID-19.

On September 21, 2023, we entered into and consummated the Transaction. Pursuant to the Scilex SPA, in exchange for the DIP Assumption and for the ability to credit the amounts assumed under the DIP Assumption in exchange for certain equity securities of Scilex owned by Sorrento, Scilex (i) issued to us (A) the Note, (B) the Closing Penny Warrant, and (C) the Subsequent Penny Warrants, and (ii) caused the Transferred Warrants to be transferred to us. In addition, on the Closing Date, Scilex reimbursed \$1,910,000 of the Company's Transaction expenses pursuant to the Scilex SPA. For further details, see "Item 1 – Business – Description of Business – Scilex Transaction."

On January 22, 2024, we entered into the JV Agreement with HTIT, pursuant to which, subject to the terms and conditions set forth in the JV Agreement, the parties will establish the JV based on Oramed's oral drug delivery technology. The JV will focus on the development and worldwide commercialization of innovative products based on Oramed's oral insulin and POD™ (Protein Oral Delivery) pipeline and HTIT's manufacturing capabilities and technologies. The parties intend for the JV to use the protocol we are currently working on to initiate a Phase 3 oral insulin trial in the United States. For further details, see "Item 1 – Business – Research and Development – Oral Insulin."

Results of Operations

The table and discussion that follows includes a comparison of our results of operations and liquidity and capital resources for the **year** **years** ended December 31, 2022 December 31, 2023 and the **year** ended December 31, 2021 and the **four month** periods ended December 31, 2021 and 2020, 2022. For a comparison of our results of operations and financial condition for the **fiscal** **years** **year** ended **August 31, 2021** December 31, 2022 and 2020, the **year** ended December 31, 2021, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the **fiscal** **year** ended **August 31, 2021** December 31, 2022, filed with the SEC on **November 24, 2021** March 6, 2023. For information regarding the change in 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, see note 1 to our audited consolidated financial statements.

	Year ended December 31,		Four months ended December 31, 2021		Four months ended December 31, 2020		Year ended August 31, 2021	
	2022		2021		2021		2020	
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
(dollar amounts in thousands, except share and per share data)								
Revenues	\$ 2,703	\$ 2,703	\$ 904	\$ 904	\$ 904	\$ 904	\$ 2,703	\$ 2,703
Cost of revenues	-	-	-	-	-	-	-	-
Research and development expenses	27,639	23,203	9,037	6,889	6,889	6,889	20,989	20,989
Sales and marketing expenses	1,851	898	898	-	-	-	-	-
General and administrative expenses	13,811	7,591	3,295	1,576	1,576	1,576	5,937	5,937
Financial income (expense), net	2,934	1,068	71	237	237	237	1,234	1,234
Loss before taxes on income	37,664	27,921	12,255	7,324	7,324	7,324	22,989	22,989
Taxes on income	100	-	-	-	-	-	-	-
Net loss for the period	\$ 37,764	\$ 27,921	\$ 12,255	\$ 7,324	\$ 7,324	\$ 7,324	\$ 22,989	\$ 22,989
Net loss attributable to Company's stockholders	36,561	26,583	11,668	7,324	7,324	7,324	22,238	22,238
Net loss attributable to non-controlling interest	1,203	1,338	587	-	-	-	751	751
Net loss for the period	\$ 37,764	\$ 27,921	\$ 12,255	\$ 7,324	\$ 7,324	\$ 7,324	\$ 22,989	\$ 22,989
Basic and diluted loss per share of common stock	\$ 0.94	\$ 0.81	\$ 0.31	\$ 0.30	\$ 0.30	\$ 0.30	\$ 0.78	\$ 0.78
Weighted average shares of common stock outstanding used in computing basic and diluted loss per share of common stock	38,997,649	32,641,288	37,113,137	24,394,010	24,394,010	24,394,010	28,469,068	28,469,068

	Year ended December 31,	
	2023	
	(dollar amounts in thousands, except per share data)	
Revenues	\$ 1,340	\$ 2,703
Cost of revenues	-	-
Research and development expenses	(8,971)	(27,639)
Sales and marketing	287	(1,851)
General and administrative expenses	(8,425)	(13,811)
Interest expenses	(2,037)	-
Financial income (expenses), net	22,894	2,934
Income (loss) before taxes on income	5,088	(37,664)
Taxes on income	-	100
Net income (loss) for the year	5,088	(37,764)
Net income (loss) attributable to Company's stockholders	5,525	(36,561)
Net loss attributable to non-controlling interest	(437)	(1,203)
Net income (loss) for the year	5,088	(37,764)
Basic income (loss) per share of common stock	\$ 0.14	\$ (0.94)
Diluted income (loss) per share of common stock	\$ 0.14	\$ (0.94)
Weighted average shares of common stock outstanding used in computing basic income (loss) per share of common stock	40,315,068	38,997,649
Weighted average shares of common stock outstanding used in computing diluted income (loss) per share of common stock	40,566,901	38,997,649

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 by HTIT of June 2023, using the input method.

Revenues for the years ended December 31, 2022 and 2021 were both \$2,703.

Revenues December 31, 2023 decreased by 50% to \$1,340,000, compared to \$2,703,000 for the four month periods year ended December 31, 2021 and 2020 were both \$904. December 31, 2022. The decrease was mainly due to recognition of revenues until the product submission date by HTIT in June 2023.

Cost of Revenues

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

There was no cost of revenues for the years ended December 31, 2022 December 31, 2023 and 2021 and the four month periods ended December 31, 2021 and 2020, 2022.

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-study visits, training and program management.

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

Research and development expenses for the year ended December 31, 2022 increased December 31, 2023 decreased by 19% 68% to \$27,639,000, \$8,971,000, compared to \$23,203,000 \$27,639,000 for the year ended December 31, 2021 December 31, 2022. The increase decrease was mainly due to an increase a decrease in expenses related to our Phase 3 clinical trials and to in stock-based compensation expenses. Stock-based compensation expenses for the year ended December 31, 2022 December 31, 2023, were \$3,176,000, \$1,718,000, compared to \$1,598,000 \$3,176,000 for the year ended December 31, 2021 December 31, 2022. The increase This decrease was mainly due to new grants in 2022.

Research and development expenses for the four month period ended December 31, 2021 increased by 31% to \$9,037,000, compared to \$6,889,000 for the four month period ended December 31, 2020. The increase was mainly due to an increase in expenses related to our Phase 3 and NASH clinical trials in addition to expenses related to in process research and development costs related to Oravax. Stock-based compensation expenses for the four month period ended December 31, 2021, were \$649,000, compared to \$171,000 for the four month period ended December 31, 2020. The increase was mainly due to performance equity awards granted to a consultant that expired because they did not meet their performance conditions during the year ended December 31, 2023 and to new grants awarded in 2021, awards that were granted and issued during the year ended December 31, 2022.

Following the results of the ORA-D-013-1 Phase 3 trial, which did not meet its primary and secondary endpoints, we terminated both ORA-D-013-1 and ORA-D-013-2 Phase 3 clinical trials. In parallel, 2023, we have initiated a comprehensive completed an analysis of the data from the ORA-D-013-1 Phase 3 trial and found that subpopulations of patients with pooled specific parameters responded well to understand if there is oral insulin. Based on this analysis, we are working on a path forward protocol for our oral insulin candidate, a new Phase 3 clinical trial to be submitted to the FDA. We are also examining our existing pipeline and have commenced an evaluation process of potential strategic opportunities, with the goal of enhancing value for our stockholders.

Government Grants

The Government of Israel encourages research and development projects through the IIA, pursuant to the R&D Law. Under the R&D Law, a research and development plan that meets specified criteria is generally eligible for a grant of up to 50% of certain approved research and development expenditures. Each plan must be approved by the IIA.

From August 2009 to March 2014, our subsidiary Oramed Ltd. was awarded five government grants amounting to a total net amount of NIS 8 million (approximately \$2,194,000 during such period) from the IIA. We used these funds to support further research and development and clinical trials of our oral insulin capsule and oral GLP-1 analog candidate during the period from February 2009 to December 2014. The five grants are subject to repayment according to the terms determined by the IIA and applicable law.

In the years ended **December 31, 2022** **December 31, 2023** and **2021**, the four month periods ended **December 31, 2021** and **2020** and the year ended **August 31, 2021, 2022**, we did not recognize any research and development grants. As of **December 31, 2022** **December 31, 2023**, we had incurred liabilities to pay royalties to the Israel Innovation Authority of the Israeli Ministry of Economy and Industry of **\$133,000, \$59,000**.

Under the terms of the grants we received from the IIA, we are obligated to pay royalties of 3% on all revenues derived from the sale of the products developed pursuant to the funded plans, including revenues from licensed ancillary services. Royalties are generally payable up to a maximum amount **equaling** **equalling** 100% of the grants received (dollar linked) with the addition of interest at an annual rate based on the **LIBOR** **SOPR** rate.

The R&D Law generally requires that a product developed under a program be manufactured in Israel. However, when applying for a grant, the applicant may declare that part of the manufacturing will be performed outside of Israel or by non-Israeli residents and if the IIA is convinced that performing some of the manufacturing abroad is essential for the execution of the program, it may still approve the grant. This declaration will be a significant factor in the determination of the IIA as to whether to approve a program and the amount and other terms of the benefits to be granted. If a company wants to increase the volume of manufacturing outside of Israel after the grant has been approved, it may transfer up to 10% of the company's approved Israeli manufacturing volume, measured on an aggregate basis, outside of Israel after first notifying the IIA thereof (provided that the IIA does not object to such transfer within 30 days). In addition, upon the approval of the IIA, a portion greater than 10% of the manufacturing volume may be performed outside of Israel. In any case of transfer of manufacturing out of Israel, the grant recipient is required to pay royalties at an increased rate, which may be substantial, and the aggregate repayment amount is increased up to 120% **or** 150% **or** 300% of the grant **received** (dollar linked) **with the addition of interest at an annual rate based on the SOFR rate**, depending on the portion of the total manufacturing volume that is performed outside of Israel. The approval we received from the IIA for the License Agreement was subject to payment of increased royalties and an increased ceiling, all in accordance with the provisions of the R&D Law. The R&D Law further permits the IIA, among other things, to approve the transfer of manufacturing rights outside of Israel in exchange for the import of different manufacturing into Israel as a substitute, in lieu of the increased royalties.

The R&D Law also provides that know-how developed under an approved research and development program **and any derivatives thereof** may not be transferred or licensed to third parties in Israel without the approval of the research **committee**, **committee**, which approval may be subject to the payment of royalties from the sale. Such approval is not required for the sale or export of any products resulting from such research or development. The R&D Law further provides that the know-how developed under an approved research and development program **and any derivatives thereof** may not be transferred or licensed to any third parties outside Israel absent IIA approval which may be granted in certain circumstances as follows: (a) the grant recipient pays to the IIA a portion of the sale or license price paid in consideration for the purchase or license of such IIA-funded know-how or the price paid in consideration for the sale of the grant recipient itself, as the case may be, in accordance with certain formulas included in **the tracks published under** the R&D Law; (b) the grant recipient receives know-how from a third party in exchange for its IIA-funded know-how; or (c) such transfer of IIA-funded know-how is made in the context of IIA approved research and development cooperation projects or consortia.

The R&D Law imposes reporting requirements with respect to certain changes in the ownership of a grant recipient. The R&D Law requires the grant recipient to notify the IIA of any change in control of the recipient or a change in the holdings of the means of control of the recipient that results in a non-Israeli entity or person becoming an interested party in the recipient, and requires the new non-Israeli interested party to undertake to the IIA to comply with the R&D Law. In addition, the rules of the IIA may require the provision of additional information or representations in respect of certain such events. For this purpose, "control" is defined as the ability to direct the activities of a company other than any ability arising solely from serving as an officer or director of the company. A person is presumed to have control if such person holds 50% or more of the means of control of a company. "Means of control" refers to voting rights or the right to appoint directors or the chief executive officer. An "interested party" of a company includes a holder of 5% or more of its outstanding share capital or voting rights, its chief executive officer and directors, someone who has the right to appoint its chief executive officer or at least one director, and a company with respect to which any of the foregoing interested parties holds 25% or more of the outstanding share capital or voting rights or has the right to appoint 25% or more of the directors.

Failure to meet the R&D Law's requirements may subject us to mandatory repayment of grants received by us (together with interest and penalties), as well as expose us to criminal proceedings. In addition, the Israeli government may from time to time audit sales of products which it claims incorporate technology funded through IIA programs which may lead to additional royalties being payable on additional products.

Sales and Marketing Expenses

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

Sales We recorded sales and marketing expenses income of \$287,000 for the year ended December 31, 2022 increased by 106% to \$1,851,000, December 31, 2023, compared to \$898,000 expenses of \$1,851,000 for the year ended December 31, 2021 December 31, 2022. The increase This was primarily due to termination of the employment of an executive officer, which led to the forfeiture of his unvested options and RSUs, resulting in a reversal of the previously recorded expense. We recorded stock-based compensation income of \$440,000 for the year ended December 31, 2023, compared to expenses of \$1,172,000 for the year ended December 31, 2022. This was mainly due to stock-based compensation expenses, salary related expenses termination of the employment of an executive officer, which led to the forfeiture of his unvested options and consulting expenses, mainly resulting from hiring our Chief Commercial Officer. Stock-based compensation expenses for the year ended December 31, 2022 were \$1,172,000, compared to \$579,000 for the year ended December 31, 2021. The increase was mainly due to equity awards granted to an employee during 2022.

Sales and marketing expenses for the four month period ended December 31, 2021 were \$898,000, compared to no expenses for the four month period ended December 31, 2020. The increase was mainly due to stock-based compensation expenses, salary related expenses and consulting expenses. Stock-based compensation costs for the four month period ended December 31, 2021 were \$579,000, compared to no stock-based compensation expenses during the four month period ended December 31, 2020. The increase was mainly due to equity awards granted to an employee during 2021. RSUs.

General and Administrative Expenses

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

General and administrative expenses for the year ended December 31, 2022 increased December 31, 2023 decreased by 82% 39% to \$13,811,000, \$8,425,000, compared to \$7,591,000 \$13,811,000 for the year ended December 31, 2021 December 31, 2022. The increase decrease was mainly due to higher lower stock-based compensation costs an increase in and legal expenses, and higher salary expenses due to the recruitment of new employees in the year ended December 31, 2022, partially offset by lower bonuses in the year ended December 31, 2022, higher consulting expenses. Stock-based compensation expenses for the year ended December 31, 2022 December 31, 2023 were \$7,160,000, \$2,933,000, compared to \$2,368,000 \$7,160,000 for the year ended December 31, 2021 December 31, 2022. The increase decrease was mainly due to equity awards granted to employees during 2022, 2022, and performance equity awards that did not meet their performance conditions during the year ended December 31, 2023.

Interest Expenses

General and administrative Interest expenses were \$2,037,000 for the year ended December 31, 2023, while there were no interest expenses for the four month period year ended December 31, 2021 increased by 109% to \$3,295,000, compared to \$1,576,000 for the four month period ended December 31, 2020 December 31, 2022. The increase was mainly due to an increase in stock-based compensation expenses and professional fees as well as public relations and investor relations expenses. Stock-based compensation costs interest on the Short-Term Borrowings (as defined herein).

Financial Income, Net

Net financial income was \$22,894,000 for the four month period year ended December 31, 2021 were \$1,034,000, December 31, 2023, compared to \$242,000 during \$2,934,000 for the four month period year ended December 31, 2020 December 31, 2022. The increase was mainly due to revaluation of the Transaction (as defined herein), interest from short-term bank deposits and revaluation of non-marketable equity awards granted to employees during the four month period ended December 31, 2021 and to new award grants during 2021, securities.

Financial Income (Expense), Net

Net financial income was \$2,934,000 for the year ended December 31, 2022, compared to net financial income of \$1,068,000 for the year ended December 31, 2021. The increase is mainly due to interest from short and long-term bank deposits, partially offset by loss from revaluation of the shares we hold in Entera and DNA.

Net financial income was \$71,000 for the four month period ended December 31, 2021, compared to \$237,000 for the four month period ended December 31, 2020. The decrease is mainly due to a decrease in fair value of the ordinary shares of Entera.

Basic and Diluted Income and Loss Per Share of Common Stock

Basic and diluted loss income per share of common stock for the year ended December 31, 2022 increased by 16% to \$0.94, December 31, 2023 was \$0.14 per share, compared to \$0.81 a basic and diluted loss of \$0.94 per share for the year ended December 31, 2021. The increase in loss This was mainly primarily due to the higher net changes discussed above that caused us to have income in the year ended December 31, 2023, compared to a loss in the year ended December 31, 2022 compared to the year ended December 31, 2021.

Basic and diluted loss per share of common stock for the four month period ended December 31, 2021 increased by 3% to \$0.31, compared to \$0.30 for the four month period ended December 31, 2020. The increase in loss per share was due to a higher net loss and a higher number of weighted average shares of common stock in the four month period ended December 31, 2021 compared to the four month period ended December 31, 2020.

Weighted Average Shares of Common Stock Outstanding

Weighted average shares of common stock outstanding used in computing basic income (loss) per share of common stock for the year ended December 31, 2023 were 40,315,068 compared to 38,997,649 for the year ended December 31, 2022 were 38,997,649, compared to 32,641,288 for the year ended December 31, 2021. The increase was mainly due to shares issued in connection with our controlled equity offering and registered direct offering, RSUs that vested during the year ended December 31, 2023.

Weighted average shares of common stock outstanding used in computing diluted income (loss) per share of common stock for the four month period year ended December 31, 2021 December 31, 2023 were 37,113,137 40,566,901 compared to 24,394,010 38,997,649 for the four month period year ended December 31, 2020 December 31, 2022. The increase was mainly due to RSUs that vested during the year ended December 31, 2023.

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

Liquidity and Capital Resources

From our inception through December 31, 2022 December 31, 2023, we have incurred losses in an aggregate amount of \$163,081,000 \$157,556,000. During that period and through December 31, 2022 December 31, 2023, 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 \$252,946,000, \$255,384,000, net of transaction costs. During that period, we also received cash consideration of \$28,001,000 from the exercise of warrants and options. We expect to seek additional financing through similar sources in the future, as needed. As of December 31, 2022 December 31, 2023, we had \$40,464,000 \$9,055,000 of available cash \$111,513,000 and \$95,279,000 of short-term bank deposits, \$3,743,000 of marketable securities and \$2,700,000 of long-term investments, deposits.

From inception through December 31, 2022 December 31, 2023, we have not generated significant revenues from our operations. Management continues to evaluate various financing alternatives for funding new strategic activities, future research and development activities and general and administrative expenses through fundraising in the public or private equity markets. Although there is no assurance that we will be successful with those initiatives, management believes that it will be able to secure the necessary financing as a result of future third party investments. Following the termination of the ORA-D-013-1 and ORA-D-013-2 Phase 3 trials, the Company's research and development activities have been significantly reduced while it conducted a strategic review process. As a result, we are currently incurring lower research and development and sales and marketing expenses. We are working on a protocol for a new Phase 3 clinical trial to be submitted to the FDA. Concurrently, we are examining our existing pipeline and have commenced an evaluation process of potential strategic opportunities.

Based on our current cash resources and commitments, we believe we will be able to maintain our current planned activities and the corresponding level of expenditures for at least the next 12 months, although no assurance can be given that we will not need additional funds prior to such time.

If there are 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 may also need additional funds to realize the decisions made as part of our strategic review process. We cannot predict the outcome of these activities.

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

On September 21, 2023, we entered into and consummated the Transaction. Pursuant to the Scilex SPA, in exchange for the DIP Assumption and for the ability to credit the amounts assumed under the DIP Assumption in exchange for certain equity securities of Scilex owned by Sorrento, Scilex (i) issued to us (A) the Note, (B) the Closing Penny Warrant, and (C) the Subsequent Penny Warrants, and (ii) caused the Transferred Warrants to be transferred to us. In addition, on the Closing Date, Scilex reimbursed \$1,910,000 of the Company's Transaction expenses pursuant to the Scilex SPA.

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

On August 8, 2023, we borrowed an aggregate of \$99,550,000 pursuant to loan agreements from Israel Discount Bank Ltd., or the Short-Term Borrowings. The Short-Term Borrowings mature on dates ranging from August 11, 2023 to May 24, 2024, bear interest ranging from 6.66% to 7.38%, are secured by certificates of deposits issued by Israel Discount Bank Ltd. having an aggregate face amount of \$99,550,000. The net proceeds of the Short-Term Borrowings were used to fund the Note. The Short-Term Borrowings are paid in one payment of principal and interest at each respective maturity. As of December 31, 2023, \$50,000,000 was repaid under the Short-Term Borrowings.

As of December 31, 2023, our total current assets were \$162,584,000 and our total current liabilities were \$53,214,000. On December 31, 2023, we had a working capital surplus of \$109,370,000 and an accumulated loss of \$157,556,000. As of December 31, 2022, our total current assets were \$157,109,000 and our total current liabilities were \$5,746,000. On December 31, 2022, we had a working capital surplus of \$151,363,000 and an accumulated loss of \$163,081,000. 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 increase/decrease in working capital surplus from December 31, 2021 December 31, 2022 to December 31, 2022 December 31, 2023 was mainly due to an increase in cash and cash equivalents, the Short-Term Borrowings.

During the year ended December 31, 2022 December 31, 2023, cash and cash equivalents decreased to \$40,464,000 \$9,055,000 from \$77,245,000 \$40,464,000 as of August 31, 2021 December 31, 2022. The decrease was mainly due to the reasons described below.

Operating activities used cash of \$27,918,000 \$10,295,000 in the year ended December 31, 2022 December 31, 2023, compared to \$21,181,000 \$27,918,000 used in the year ended August 31, 2021 December 31, 2022. Cash used in operating activities consisted mainly of changes in fair value of investments partially offset by net loss resulting from research and development and general and administrative and sales and marketing expenses.

Investing activities used cash of \$73,038,000 in the year ended December 31, 2023, compared to cash provided by investing activities of \$30,211,000 in the year ended December 31, 2022, compared to cash used by investing activities of \$23,764,000 in the year ended August 31, 2021. Cash provided used in investing activities is mainly due to proceeds from our investment in the Transaction and the purchase of short-term investments, deposits, partially offset by the acquisition proceeds of short-term investments, deposits.

Financing activities provided cash of \$51,978,000 in the year ended December 31, 2023, compared to \$10,779,000 in the year ended December 31, 2022, compared to \$102,892,000 in the year ended August 31, 2021. Cash provided by financing activities consisted mainly of proceeds from our issuance of common stock and proceeds from exercise of warrants and options, the Short-Term Borrowings. Our primary financing activities since the beginning of the year ended December 31, 2022 December 31, 2023, were as follows:

- During the year ended December 31, 2023, no warrants and options were exercised. During the year ended December 31, 2022, 4,200 warrants were exercised and 71,607 options were exercised, resulting in the issuance of 38,651 shares of common stock. Out of these exercised options, 10,750 options were exercised for cash and 60,857 via a cashless method. The cash consideration received for the exercise of options and warrants was \$62,490.
- During the four month period year ended December 31, 2021 December 31, 2023, 73,800 warrants were exercised we received \$5,156,000 of income, mainly from interest on short-term and 18,166 options were exercised for cash, resulting in long-term deposits. During the issuance year ended December 31, 2022, we received \$1,844,000 of 91,966 shares of common stock. The cash consideration received for the exercise of options income, mainly from interest on short-term and warrants was \$638,267, long-term deposits.
- 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 we may issue and sell shares of our 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 December 31, 2022 December 31, 2023 and through March 6, 2023 March 6, 2024, 1,778,147 and 1,971,447 shares respectively, were issued under the Cantor Equity Distribution Agreement for aggregate net proceeds of \$23,823,000 and \$26,253,000, respectively.

During the four month period ended December 31, 2021, cash and cash equivalents decreased to \$27,456,000 from the \$77,245,000 reported as of August 31, 2021, which is due to the reasons described below.

Operating activities used cash of \$11,122,000 in the four month period ended December 31, 2021, compared to \$8,263,000 used in the four month period ended December 31, 2020. Cash used in operating activities primarily consisted of research and development, sales and marketing and general and administrative expenses, as well as changes in deferred revenue due to the HTIT License Agreement, partially offset by changes in accounts payable and accrued expenses and stock-based compensation.

Investing activities used cash of \$99,248,000 in the four month period ended December 31, 2021, compared to cash used in investing activities of \$2,405,000 in the four month period ended December 31, 2020. Cash used in investing activities in the four month period ended December 31, 2021 consisted primarily of the purchase of short-term deposits. Cash used in investing activities in the four month period ended December 31, 2020 consisted primarily of the purchase of short-term deposits, offset by the proceeds from bonds held to maturity.

Financing activities provided cash of \$60,572,000 in the four month period ended December 31, 2021, compared to \$13,001,000 provided in the four month period ended December 31, 2020. Cash provided by financing activities consisted primarily of proceeds from the issuance of our common stock.

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.

Trend Information

Following the results of the Phase 3 trials for our oral insulin capsule candidate, ORMD-0801, we have initiated conducted a comprehensive analysis of the data to understand if there is a path forward for our oral insulin candidate, and we are working on a protocol for a new Phase 3 clinical trial to be submitted to the FDA. Conducting this clinical trial, whether independently or as part of the JV with HTIT, will require significant funds and resources. Concurrently, we are examining our existing pipeline and have commenced an evaluation process of potential strategic opportunities, with the goal of enhancing value for our stockholders. At this time, we cannot foresee how these strategic decisions will impact our financial results and operations in 2023, 2024.

Planned Expenditures

We invest heavily In previous years, we primarily invested in research and development, and development. If we proceed to conduct a new clinical trial for our oral insulin candidate, we expect that in the upcoming years our research and development expenses will continue to be our major operating expense. As of December 31, 2022, we had expected obligations expense; however, if this clinical trial is conducted through the JV with respect to an aggregate of approximately \$21 million of clinical research obligations over HTIT, this cost may be borne by the next three years. JV.

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

Critical Accounting Policies

Our significant accounting policies are more fully described in the notes to our accompanying consolidated financial statements. We believe that the accounting policies below are critical for one to fully understand and evaluate our financial condition and results of operations.

The discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which we prepared in accordance with U.S. generally accepted accounting principles, or GAAP. The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported revenues and expenses during the reporting periods. On an ongoing basis, we evaluate such estimates and judgments. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Valuation of RSUs, options and warrants: We grant options to purchase shares of our common stock to employees and consultants and have and may in the future issue warrants in connection with some of our financings and to certain other consultants.

We account for share-based payments to employees, directors and consultants in accordance with the guidance that requires awards classified as equity awards to be accounted for using the grant-date fair value method. The fair value of share-based payment transactions is based on the Black Scholes option-pricing model or Monte Carlo model when appropriate and is recognized as an expense over the vesting period.

We elected to recognize compensation cost for awards to employees, directors and consultants that have a graded vesting schedule using the accelerated method based on the multiple-option award approach.

Revenue recognition: Revenue is recognized when delivery has occurred, evidence of an arrangement exists, title and risks and rewards for the products are transferred to the customer and collection is reasonably assured.

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

However, under ASC 606, we are required to recognize the total transaction price (which includes consideration related to milestones once the criteria for recognition have been satisfied) using the input method over the period the performance obligation is fulfilled. Accordingly, once the consideration associated with a milestone is included in the transaction price, incremental revenue is recognized immediately based on the period of time that has elapsed towards complete satisfaction of the performance obligation.

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

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

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

On November 13, 2022, we entered into a distribution license agreement with Medicox, or the Medicox License Agreement. The Medicox License Agreement grants Medicox an exclusive license to apply for regulatory approval and distribute ORMD-0801 in the Republic of Korea.

Under Accounting Standards Certification, or ASC, 606 "Revenue from Contracts with Customers", we identified Medicox as a customer and the Medicox License Agreement as a contract with a customer.

We identified a performance obligation in the Medicox License Agreement to stand-ready and provide Medicox with support in its commercialization efforts in the Republic of Korea. This performance obligation includes a non-distinct distribution license for ORMD-0801, which we view a predominant item in the combined performance obligation. We concluded that the license is not distinct, as no party other than us is capable of providing related services to Medicox, and both the license and related services are necessary for the customer to obtain a regulatory approval in the Republic of Korea. In addition, the agreement covers the terms of future manufacturing services, that are contingent on the completion and success of the commercialization efforts.

The Medicox License Agreement contains a fixed consideration of \$2 million, which was received by Oramed as of December 31, 2022 December 31, 2023 and is presented under long-term deferred revenues. It also contains variable consideration of contractual milestone payments and sales-based royalties.

Our obligation to stand-ready and support Medicox will be recognized on a straight-line basis over the period we expect to provide support to Medicox. As of December 31, 2022 December 31, 2023, this support has not commenced, and no revenue was recognized from the Medicox License Agreement.

If Medicox proceeds with the regulatory approval process in the Republic of Korea, we expect most of the revenue to be recognized in 2024 2025, going forward. We note that our Phase 3 trial did not meet its primary and or secondary endpoints. If Medicox chooses to terminate the agreement as a result of the outcome of the Phase 3 trials, we will accelerate revenue recognition and recognize it in 2023, the relevant period.

Investments at fair value: On September 21, 2023, Scilex (i) issued to us (A) the Note, (B) the Closing Penny Warrant, and (C) the Subsequent Penny Warrants, and (ii) caused the Transferred Warrants to be transferred to us.

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

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

Determining the fair value of the Note required significant judgment with regards to the expected repayment date of the Note which also impacts the number of Subsequent Penny Warrants to be issued to us. The total value of the Transaction (and of each of its components) was valued on a weighted average of the different scenarios.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are exposed to a variety of risks, including changes in interest rates, foreign currency exchange rates, changes in the value of our marketable securities and inflation.

As of December 31, 2022 December 31, 2023, we had \$40.5 million \$9.1 million in cash and cash equivalents \$111.5 million and \$95.3 million in short term and long term bank deposits and \$3.7 million in marketable securities, deposits.

We aim to preserve our financial assets, maintain adequate liquidity and maximize return while minimizing exposure to market risks. Such policy further provides that we should hold most of our current assets in bank deposits. As of today, the currency of our financial assets is mainly in U.S. dollars.

Marketable securities

We own 1,701,357 common shares of DNA, and 117,000 ordinary shares of Entera and 4,500,000 Closing Penny Warrants, which are presented in our financial statements as marketable securities. Marketable securities are presented at fair value and their realization is subject to certain limitations if sold through the market, and we are therefore exposed to market risk. There is no assurance that at the time of sale of the marketable securities the price per share will be the same or higher, nor that we will be able to sell all of the securities at once given the volume of securities we hold. Entera shares and the Closing Penny Warrants are traded on Nasdaq in U.S. dollars, while DNA shares are traded on the Tel Aviv Stock Exchange in NIS. We are also exposed to changes in the market price of the Entera, and DNA shares and the Closing Penny Warrants, as well as to exchange rates fluctuations in the NIS currency compared to the U.S. dollar with respect to the DNA shares.

Interest Rate Risk

We invest a major portion of our cash surplus in bank deposits in banks in Israel. Since the bank deposits typically carry fixed interest rates, financial income over the holding period is not sensitive to changes in interest rates, but only the fair value of these instruments. However, our interest gains from future deposits may decline in the future as a result of changes in the financial markets.

The Note issued by Scilex is based on the SOFR rate. Our interest income may decline in the future as a result of a change in the SOFR rate.

Foreign Currency Exchange Risk

A significant portion of our expenditures, including salaries, clinical research expenses, consultants' fees and office expenses relate to our operations in Israel. The cost of those Israeli operations, as expressed in U.S. dollars, is influenced by the extent to which any increase in the rate of inflation in Israel is not offset (or is offset on a lagging basis) by a devaluation of the NIS in relation to the U.S. dollar. If the U.S. dollar declines in value in relation to the NIS, it will become more expensive for us to fund our operations in Israel. In addition, as of **December 31, 2022** December 31, 2023, we own net balances in NIS of approximately **\$1,854,000**, **\$546,000**. Assuming a 10% appreciation of the NIS against the U.S. dollar, we would experience an exchange rate gain of approximately **\$206,000**, **\$50,000**, while assuming a 10% devaluation of the NIS against the U.S. dollar, we would experience an exchange rate loss of approximately **\$169,000**, **\$61,000**.

The exchange rate of the U.S. dollar to the NIS, based on exchange rates published by the Bank of Israel, was as follows:

	Year Ended December 31,	Year Ended December 31,	Four months ended December 31,	Four months ended December 31,	Year Ended August 31,	Year Ended December 31,	
	2022	2021	2021	2020	2021	2023	2022
Average rate for period	3.358	3.229	3.165	3.533	3.292	3.69	3.358
Rate at period-end	3.519	3.11	3.11	3.215	3.207	3.627	3.519

We do not use any currency hedging transactions of options or forwards to decrease the risk of financial exposure from fluctuations in the exchange rate of the U.S. dollar against the NIS.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

See Item 15 of this Annual Report on Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. 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 **December 31, 2022** December 31, 2023. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective.

Management's Annual Report on Internal Control over Financial Reporting

Our management, under the supervision of our Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over our financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act. The Company's internal control over financial reporting is defined as a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and asset dispositions;
- provide reasonable assurance that transactions are recorded as necessary to permit the preparation of our financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on our financial statements.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our internal control over financial reporting as of **December 31, 2022** **December 31, 2023** based on the current framework for Internal Control-Integrated Framework (2013) set forth by The Committee of Sponsoring Organizations of the Treadway Commission.

Based on this evaluation, our management concluded that the Company's internal control over financial reporting was effective as of **December 31, 2022** **December 31, 2023** at a reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended **December 31, 2022** **December 31, 2023** that have materially affected, or are reasonable likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION.

None. *Termination of Rule 10b5-1 Trading Arrangements*

On January 8, 2024, Mr. David Silberman, our Chief Financial Officer, terminated a trading plan before expiration that was previously entered into to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. This plan was entered into on June 25, 2023 and was meant to expire upon the earlier of May 15, 2024 or when 128,625 of Oramed's shares of common stock were sold, which was the aggregate maximum number of shares to be sold under the plan.

On January 8, 2024, Mr. Joshua Hexter, our Chief Operating and Business Officer, terminated a trading plan before expiration that was previously entered into to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. This plan was entered into on June 28, 2023 and was meant to expire upon the earlier of June 27, 2025 or when 245,333 of Oramed's shares of common stock were sold, which was the aggregate maximum number of shares to be sold under the plan.

On February 6, 2024, Mr. Netanel Derovan, our former Chief Legal Officer, terminated a trading plan before expiration that was previously entered into to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. This plan was entered into on June 8, 2023 and was meant to expire upon the earlier of June 28, 2024 or when 88,250 of Oramed's shares of common stock were sold, which was the aggregate maximum number of shares to be sold under the plan.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Directors and Executive Officers

The name and age of each of our directors and executive officers, his or her position with us and the period during which such person has served as a director or executive officer of the Company are set forth below.

Name	Age	Position	Serving Since	Age	Position	Serving Since
Nadav Kidron	48	President, Chief Executive Officer, Director and Chairman (effective as of June 30, 2022)	2006	49	President, Chief Executive Officer, Director and Chairman (effective as of June 30, 2022)	2006
Dr. Miriam Kidron	82	Chief Scientific Officer and Director	2006	83	Chief Scientific Officer and Director	2006
David Silberman	39	Chief Financial Officer and Treasurer	2021	40	Chief Financial Officer and Treasurer	2021
Joshua Hexter	52	Chief Operating & Business Officer	2019	53	Chief Operating & Business Officer	2019
Michael Rabinowitz	57	Chief Commercial Officer	2021			
Netanel Derovan	47	Chief Legal Officer and Secretary	2022			
Daniel Aghion				42	Director	2024
Dr. Arie Mayer	66	Director	2019	67	Director	2019
Yadin Rozov	45	Director	2022			
Leonard Sank	57	Director	2007	58	Director	2007
Benjamin Shapiro				40	Director	2023

Mr. Derovan, our former Chief Legal Officer and Secretary, ended his service with the Company on March 5, 2024.

Dr. Miriam Kidron is Mr. Nadav Kidron's mother. There are no other directors or officers of the Company who are related by blood or marriage.

Business Experience

The following is a brief account of the education and business experience during at least the past five years of each of our directors and of our executive officers who are not also directors, indicating the principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

Mr. Nadav Kidron was appointed **President, Chief Executive Officer and director** in March 2006, and **Chairman of the Board** effective as of June 30, 2022. He is also a director of Israel Advanced Technology Industries organization, and until 2016 was a director of Entera Bio Ltd. In 2009, he was a fellow at the Merage Foundation for U.S.-Israel Trade Programs for executives in the life sciences field. From 2003 to 2006, he was the managing director of the Institute of Advanced Jewish Studies at Bar Ilan University. From 2001 to 2003, he was a legal intern at Wine, Mishaike & Ernstoff Law Offices in Jerusalem, Israel. Mr. Kidron holds an LL.B. and an International MBA from Bar Ilan University, Israel.

We believe that Mr. Kidron's qualifications to serve on our Board include his familiarity with the Company as its founder, his experience in capital markets, as well as his knowledge and familiarity with corporate management.

Dr. Miriam Kidron was appointed **Chief Scientific Officer and director** in March 2006. Dr. Kidron is a pharmacologist and a biochemist with a Ph.D. in biochemistry. From 1990 to 2007, Dr. Kidron was a senior researcher in the Diabetes Unit at Hadassah University Hospital in Jerusalem, Israel. Dr. Kidron was formerly a visiting professor at the Medical School at the University of Toronto (Canada), and is a member of the American, European and Israeli Diabetes Associations. Dr. Kidron is a recipient of the Bern Schlanger Award.

We believe that Dr. Kidron's qualifications to serve on our Board include her expertise in the Company's technology, as it is based on her research, as well as her experience and relevant education in the fields of pharmacology and diabetes.

Mr. David Silberman was appointed **Chief Financial Officer and Treasurer** in July 2021. Prior to his appointment, from April 2018 to May 2021, Mr. Silberman served as a Corporate Financial Planning and Analysis associate director and director at Teva Pharmaceutical Industries Ltd., a global pharmaceutical company, committed to helping patients around the world to access affordable medicines and benefit from innovations to improve their health. From 2014 to 2018, Mr. Silberman served as Global Internal Audit senior manager at Teva Pharmaceutical Industries Ltd. From 2009 to 2014, Mr. Silberman provided internal audit and risk management services in the advisory department of Grant Thornton Fahn Kanne Control Management. From January 2009 until June 2009, Mr. Silberman worked in the audit department of KPMG, a certified public accounting firm. Mr. Silberman holds DCG and DSCG degrees from the French Ministry of Higher Study and Research and is a certified public accountant in Israel.

Mr. Joshua Hexter was appointed **Chief Operating & Business Officer** in September 2019. Prior to his appointment, Mr. Hexter served as Chief Business Officer at BrainsWay Ltd. (Nasdaq/TASE: BWAY) from 2018 to 2019, a commercial stage medical device company focused on the development and sale of non-invasive neuromodulation products. From 2013 to 2018, Mr. Hexter served as Chief Operating Officer and VP Business Development of the Company and from 2007 to 2013, Mr. Hexter was a Director or Executive Director of BioLineRx Ltd. (Nasdaq/TASE: BLRX), a biopharmaceutical development company dedicated to identifying, in-licensing and developing innovative therapeutic candidates. Prior to his employment with BioLineRx, Mr. Hexter was a member of the board of directors and Chief Executive Officer of Biosensor Systems Design, Inc., a company developing market-driven biosensors. Mr. Hexter holds a bachelor's degree from the University of Wisconsin and a master's degree in management from Boston University.

Mr. Michael Rabinowitz **Dr. Daniel Aghion** was appointed became a **Chief Commercial Officer** in August 2021. Prior to his appointment, Mr. Rabinowitz served for over 25 years, from 1993 to 2021, January 2024. Dr. Aghion has been a neurosurgeon at Memorial Neuroscience Institute in various marketing, sales, business development, and financial leadership roles at the global biopharmaceutical company Merck & Co., Florida since 2016, where he **launched** treats patients with a wide array of spine disorders, including severe degenerative spine diseases, spine trauma, cancer in the spine, spine tumors, peripheral nerve surgery and **marketed** products in over 30 countries across several disease areas, including launching billion-dollar oral agents in diabetes and managing a global business. Mr. Rabinowitz more. Dr. Aghion holds a **bachelors'** Bachelor of Science degree *summa cum laude* from Northwestern University and a masters' degree from The Carlson School of Management at the University of Minnesota. He has also participated in executive health care programs at Michigan and an MD from the Harvard Business School and the Wharton Sackler School of the Medicine at Tel Aviv University. He completed his residency at Rhode Island Hospital in 2015, and a complex spine fellowship at Johns Hopkins University of Pennsylvania in Baltimore in 2016.

Mr. Netanel Derovan was appointed **Chief Legal Officer** We believe that Dr. Aghion's qualifications to serve on the Board include his extensive practical and **Secretary** in January 2022. Prior to his appointment, from 2012 to 2021, Mr. Derovan served as executive counsel, corporate and securities, in the legal department of Teva Pharmaceutical Industries Ltd. From 2004 to 2012, he served as senior counsel in the International Corporate and Securities Department of Goldfarb Seligman & Co. From 2002 to 2004, he served as an associate attorney in the International Corporate Department at Caspi & Co. From 2001 to 2002, he served as a legal intern at Gornitzky & Co. Mr. Derovan holds an LLB degree from Bar Ilan University and is a member of the Israel Bar Association, academic medical background.

Dr. Arie Mayer became a **director** in December 2019. Dr. Mayer is currently the Managing Director and Chairman of the Board of Sigma-Aldrich Israel Ltd. and has held that position since January 2010. Dr. Mayer has held various roles with Sigma-Aldrich Israel Ltd. since 1995 and was instrumental in introducing and developing the Cell Culture and Molecular Biology business for Sigma Aldrich Israel Ltd. Dr. Mayer holds a Bachelor of Science degree in chemistry from Hebrew University and a Ph.D. in biochemistry from Israel Institute of Technology.

We believe that Dr. Mayer's qualifications to serve on our Board include his experience as an executive in the biotechnology industry, with knowledge in managing large organizations, as well as his experience and relevant education in the fields of chemistry and biochemistry.

Mr. Yadin Rozov became a **director** in April 2022. Mr. Rozov is the founder and managing partner of Terrace Edge Ventures LLC, a financial advisory firm, since January 2022. From 2019 to 2021, Mr. Rozov was a Partner of GoldenTree Asset Management LLC, a leading global credit asset management firm. From 2019 to 2021, Mr. Rozov also served as the Chief Executive Officer and President of Syncora Guarantee Inc. and from 2020 to 2021, as Chief Executive Officer of Financial Guaranty UK Ltd, each of which is a stand-alone specialty insurance company owned by GoldenTree. From 2009 to 2019, he was a Partner and Managing Director at Moelis & Company where he headed the Financial Institution Advisory group and was on the Management Committee of Moelis Asset Management. From 2014 to 2019, Mr. Rozov helped co-found College Avenue Student Loans LLC and served on its board and co-founded Chamonix Partners Capital Management LLC. From 2007 to 2009, Mr. Rozov was a Managing Director at UBS AG, where he was the Head of the Americas for the Repositioning Group. Mr. Rozov serves on the board of directors of Midwest Holding Inc. since June 2022, and on the board of directors of Neo Performance Materials Inc. since August 2022. Mr. Rozov holds an M.Sc. in data science from Columbia University and a bachelor's degree with highest honors in physics and materials engineering from Rutgers University.

We believe Mr. Rozov's qualifications to serve on the Board include his many years of experience in capital markets, corporate finance, investment banking and investment management, with substantial experience in corporate strategy and governance.

Mr. Leonard Sank became a **director** in October 2007. Mr. Sank is a South African entrepreneur and businessman, whose interests lie in entrepreneurial endeavors and initiatives, with over 25 years' experience of playing significant leadership roles in developing businesses. Mr. Sank serves on the boards of a few national businesses and local non-profit charity organizations in Cape Town, where he resides.

We believe that Mr. Sank's qualifications to serve on our Board include his years of experience in development stage businesses, as well as his experience serving as a director of many entities.

Mr. Benjamin Shapiro became a **director** in May 2023. Mr. Shapiro is a successful entrepreneur and business professional who co-founded The Daily Wire, a successful, industry leading, international media outlet in June 2015. Since May 2015, he has been host of "The Ben Shapiro Show," a popular podcast, and he is the author of numerous New York Times best-selling books. Mr. Shapiro earned a B.A. in Political Science from UCLA in 2004, summa cum laude, and a law degree from Harvard Law School in 2007, cum laude.

We believe that Mr. Shapiro's qualifications to serve on the Board include his extensive operational experience and his business background and acumen.
Board of Directors

There are no agreements with respect to the election of directors. Each director is currently elected for a period of one year at our annual meeting of stockholders and serves until the next such meeting and until his or her successor is duly elected or until his or her earlier resignation or removal. The Board may also appoint additional directors. A director so chosen or appointed will hold office until the next annual meeting of stockholders and until his or her successor is duly elected and qualified or until his or her earlier resignation or removal.

The Board has determined that Dr. **Daniel Aghion**, Dr. **Arie Mayer**, **Yadin Rozov** **Leonard Sank** and **Leonard Sank Benjamin Shapiro** are independent as defined under the rules promulgated by the Nasdaq. Except for Dr. Arie Mayer, who serves on the Board of Directors of Oravax, a company 63% owned by us, none of the independent directors has any **material** relationship with us besides serving on our Board.

We have determined that each of the directors is qualified to serve as a director of the Company based on a review of the experience, qualifications, attributes and skills of each director. In reaching this determination, we have considered a variety of criteria, including, among other things: character and integrity; ability to review critically, evaluate, question and discuss information provided, to exercise effective business judgment and to interact effectively with the other directors; and willingness and ability to commit the time necessary to perform the duties of a director.

Board Meeting Attendance

During the fiscal year ended **December 31, 2022** **December 31, 2023**, our Board held **six** **thirteen** meetings and took action by written consent on **nine** **eight** occasions. **During the Transition Period, our Board held five meetings and took action by written consent on one occasion.** All of our directors attended at least 75% of the aggregate number of meetings of the Board and the committees that were held during the period such director served on the Board. Board members are encouraged to attend our annual meetings of stockholders.

Board Evaluation Process

Our Board is committed to continuous improvement and conducts a board and committee evaluation process each year, to ensure that our Board maintains optimal composition and functions effectively.

As part of this process, the members of our Board complete a confidential written assessment of the performance, oversight and composition of the Board and its committees that is submitted to the Company secretary. The results are then reported back to the full Board. After the evaluations, the Board and management work to improve upon any issues presented during the evaluation process and to identify opportunities that may lead to further improvement.

Committees

Audit Committee and Audit Committee Financial Expert

The members of our Audit Committee are Dr. Daniel Aghion, Dr. Arie Mayer, Yadin Rozov and Leonard Sank. Our Board has determined that Yadin Rozov Dr. Arie Mayer is an “audit committee financial expert” as set forth in Item 407(d)(5) of Regulation S-K based on his experience as set forth above, and that all members of the Audit Committee are “independent” as defined by the rules of the SEC and the Nasdaq rules and regulations. The Audit Committee operates under a written charter that is posted on the “Investors” section of our website, www.oramed.com. The primary responsibilities of our Audit Committee include:

- Overseeing the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company;
- Appointing, compensating and retaining our registered independent public accounting firm;
- Overseeing the work performed by any outside accounting firm;
- Assisting the Board in fulfilling its responsibilities by reviewing: (i) the financial reports provided by us to the SEC, our stockholders or to the general public and (ii) our internal financial and accounting controls;
- Reviewing the Company’s policies with respect to cyber security risks and relevant contingent liabilities and risks that may be material to the Company;
- Recommending, establishing and monitoring procedures designed to improve the quality and reliability of the disclosure of our financial condition and results of operations; and
- Reviewing major financial risk exposures and the steps management has taken to monitor and control such exposures, and discussing the guidelines and policies to govern the process by which risk assessment and management is undertaken.

Our Audit Committee met ~~six~~ five times and took action by written consent on four occasions during the fiscal year ended ~~December 31, 2022~~ December 31, 2023. Our Audit Committee met three times and took action by written consent on two occasions during the Transition Period.
Compensation Committee

The members of our Compensation Committee are Dr. Daniel Aghion, Dr. Arie Mayer and Leonard Sank and Yadin Rozov, Sank. The Board has determined that all of the members of the Compensation Committee are "independent" as defined by the rules of the SEC and Nasdaq rules and regulations. The Compensation Committee operates under a written charter that is posted on the "Investors" section of our website, www.oramed.com. The primary responsibilities of our Compensation Committee include:

- Reviewing, negotiating and approving, or recommending for approval by our Board the salaries and incentive compensation of our executive officers;
-
- Administering our equity based plans and making recommendations to our Board with respect to our incentive-compensation plans and equity-based plans; and
- Making recommendations to our Board with respect to director ~~compensation~~ compensation; and
- Authority to exercise all rights, authority and functions of the Board under our Clawback Policy.

The Compensation Committee meets as often as it deems necessary, without the presence of any executive officer when approving compensation, except that the Company's Chief Executive Officer, at the discretion of the Compensation Committee, may be present during the approval of, or deliberations with respect to, the compensation of other executive officers. The Compensation Committee may delegate any authority granted to it to one or more subcommittees of the Compensation Committee, in its sole discretion.

Our Compensation Committee met ~~twice~~ four times and took action by written consent on four occasions during the fiscal year ended ~~December 31, 2022~~ December 31, 2023. Our Compensation Committee met once and took action by written consent on two occasions during the Transition Period.

Nominating Committee

The members of our Nominating Committee are Dr. Arie Mayer and Leonard Sank and Yadin Rozov, Sank. The Board has determined that all of the members of the Nominating Committee are "independent" as defined by the rules of the SEC and Nasdaq rules and regulations. The Nominating Committee operates under a written charter that is posted on the "Investors" section of our website, www.oramed.com. The primary responsibilities of our Nominating Committee include:

- Overseeing the composition and size of the Board, developing qualification criteria for Board members based on background, skills, experience and diversity, and actively seeking, interviewing and screening individuals qualified to become Board members for recommendation to the Board;
- Recommending the composition of the Board for each annual meeting of stockholders; and
- Reviewing periodically with the Chairman of the Board and the Chief Executive Officer the succession plans relating to positions held by directors, and making recommendations to the Board with respect to the selection and development of individuals to occupy those positions.

Our Nominating Committee met twice and took action by written consent on two occasions one occasion during the fiscal year ended December 31, 2022 December 31, 2023. Our Nominating Committee did not meet or take action by written consent during the Transition Period.
Delinquent Section 16(a) Reports

Based solely upon a review of Forms 3, 4 and 5, and amendments thereto, furnished to us during the fiscal year ended December 31, 2022 and the Transition Period, December 31, 2023, we believe that during the fiscal year ended December 31, 2022 and the Transition Period, December 31, 2023, our executive officers, directors and all persons who own more than ten percent of a registered class of our equity securities complied with all Section 16(a) filing requirements, except that Dr. Arie Mayer, one of our directors and officers failed to timely file a Form 4 reporting his November 1, 2021 sale of 3,000 shares of our common stock. Mr. Mayer their annual equity grants granted on April 17, 2023, due to a technical issue. The Form 4s reporting these grants were filed a Form 4 reporting this transaction on May 10, 2022 April 20, 2023.

Code of Ethics

We have adopted a Code of Ethics and Business Conduct for our senior officers, directors and employees. A copy of the Code of Ethics and Business Conduct is located at our website at www.oramed.com. We intend to satisfy the disclosure requirement regarding any amendment to, or a waiver from, a provision of the Code of Ethics that applies to our Chief Executive Officer, Chief Financial Officer or controller, or persons performing similar functions and that relates to the Code of Ethics by posting such information on our website, www.oramed.com.

ITEM 11. EXECUTIVE COMPENSATION.

Compensation Discussion and Analysis

This section explains the policies and decisions that shape our executive compensation program, including its specific objectives and elements, as it relates to our "named executive officers," or NEOs.

Our NEOs for the year ended **December 31, 2022** and the **Transition Period December 31, 2023** are those three individuals listed in the "Summary Compensation Table" below. The Compensation Committee believes that our executive compensation is appropriately designed to incentivize our NEOs to work for our long-term prosperity, is reasonable in comparison with the levels of compensation provided by comparable companies and reflects a reasonable cost. We believe our NEOs are critical to the achievement of our corporate goals, through which we can drive stockholder value.

The Compensation Committee of our Board is comprised solely of independent directors as defined by Nasdaq and non-employee directors as defined by Rule 16b-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act. The Compensation Committee has the authority and responsibility to review and approve the compensation of our President and Chief Executive Officer and other executive officers. Other information concerning the structure, roles and responsibilities of our Compensation Committee is set forth in "Board Meetings and Committees—Compensation Committee" section.

Our executive compensation program and our NEOs' compensation packages are designed around the following objectives:

- ● attract, hire, and retain talented and experienced executives;
- ● motivate, reward and retain executives whose knowledge, skills and performance are critical to our success;
- ● ensure fairness among the executive management team via recognizing the contributions of each executive to our success;
- ● focus executive behavior on achievement of our corporate objectives and strategy; and
- ● align the interests of management and stockholders by providing management with longer-term incentives through equity ownership.

The Compensation Committee reviews the allocation of compensation components regularly to ensure alignment with strategic and operating goals, competitive market practices and legislative changes. The Compensation Committee does not apply a specific formula to determine the allocation between cash and non-cash forms of compensation. Certain compensation components, such as base salaries, benefits and perquisites, are intended primarily to attract, hire, and retain well-qualified executives. Other compensation elements, such as long-term incentive opportunities, are designed to motivate and reward performance. Long-term incentives are intended to reward NEOs for our long-term performance and executing our business strategy, and to strongly align NEOs' interests with those of stockholders.

With respect to equity compensation, the Compensation Committee makes awards to executives under our Amended and Restated 2019 Incentive Plan, or the 2019 Plan. Executive compensation is paid or granted based on such matters as the Compensation Committee deems appropriate, including our financial and operating performance and the alignment of the interests of the executive officers and our stockholders.

Elements of Compensation

Our executive officer compensation program is comprised of: (i) base salary or monthly compensation; (ii) discretionary bonus; (iii) long-term equity incentive compensation in the form of stock option and RSU grants; and (iv) benefits and perquisites.

In establishing overall executive compensation levels and making specific compensation decisions for our NEOs in the year ended December 31, 2022 and the Transition Period, December 31, 2023, the Compensation Committee considered a number of criteria, including the executive's position, scope of responsibilities, prior base salary and annual incentive awards and expected contribution.

Generally, our Compensation Committee reviews and, as appropriate, approves compensation arrangements for the NEOs from time to time but not less than once each year. The Compensation Committee also takes into consideration the President and Chief Executive Officer's recommendations for executive compensation of the other NEOs. The President and Chief Executive Officer generally presents these recommendations at the time of our Compensation Committee's review of executive compensation arrangements.

During the fiscal year ended December 31, 2022 December 31, 2023, the Compensation Committee received consulting services from Deloitte Israel & Co. Aon Solutions UK Limited, or Deloitte, Aon, with regard to management compensation. The Compensation Committee engaged the consultant to review the Company's current compensation plans for its management and collect and analyze data regarding management compensation at other companies comparable to the Company, in order to provide a competitive compensation benchmark. Deloitte Aon collected SEC filings data regarding U.S. and Israeli compensation practices and developed a peer group of the following U.S. and Israeli companies: Theseus Pharmaceuticals ALX Oncology Holdings Inc., Athira Anavex Life Sciences Corp., Arbutus BioPharma Corporation, Atossa Therapeutics Inc., aTyr Pharma, Inc., Zomedica Corp., Rallybio Corp., Verastem Inc., VistaGen Therapeutics Inc., Acumen Pharmaceuticals Inc., Enochian Biosciences Inc., Aldeyra Therapeutics Inc., Viking Therapeutics Inc., Eliem Therapeutics Inc., Werewolf Therapeutics Chimerix, Inc., Compugen Ltd., Urogen Pharma Ltd., Kamada Ltd., Fulcrum Therapeutics, Inc., Gamida Cell Ltd., Sol Gel Technologies Ltd., Immunic, Inc., Redhill Biopharma Ltd., Lyra Therapeutics, Inc., Collplant Biotechnologies Ltd., Marinus Pharmaceuticals, Inc., Enlivex MediciNova, Inc., Minerva Neurosciences, Inc., Rani Therapeutics, Ltd. Inc., Vascular Biogenics Ltd., Relmada Therapeutics, Inc., PolyPid Ltd., Vistagen Therapeutics, Inc., and BioLine RX Ltd., Zevra Therapeutics, Inc.. Following its review, Deloitte Aon provided recommendations for cash and equity compensation at various percentiles for the Compensation Committee's consideration.

Base Salary

The Compensation Committee performs a review of base salaries and monthly compensation for our NEOs from time to time as appropriate. In determining salaries, the Compensation Committee members also take into consideration the scope of the NEOs' responsibilities and independent third-party market data, such as compensation surveys to industry, individual experience and performance and contribution to our clinical, regulatory, commercial and operational performance. None of the factors above has a dominant weight in determining the compensation of our NEOs, and our Compensation Committee considers the factors as a whole when considering such compensation. In addition, our Compensation Committee uses comparative data regarding compensation paid by peer companies in order to obtain a general understanding of current trends in compensation practices and ranges of amounts being awarded by other public companies, and not as part of an analysis or a formula.

We believe that a competitive base salary and monthly compensation is a necessary element of any compensation program that is designed to attract and retain talented and experienced executives. We also believe that attractive base salaries can motivate and reward executives for their overall performance. Base salary and monthly compensation are established in part based on the individual experience, skills and expected contributions to our performance, as well as such executive's performance during the prior year. Generally, we believe that executives' base salaries should be targeted near the median of the range of salaries for executives in similar positions with similar responsibilities, experience and performance at comparable companies. Compensation adjustments are made occasionally based on changes in an executive's level of responsibility, company progress or on changed local and specific executive employment market conditions.

In the year ended **December 31, 2022** **December 31, 2023**, our Compensation Committee increased the base salary of one of our NEOs by 10% (effective January 1, 2023) as it deemed this to be a reasonable rate based on, among other factors, such NEO's responsibilities and the report received from Deloitte Israel & Co. during the year ended December 31, 2022, as it determined the salary was not in line with market compensation.

In the **Transition Period**, January 2024, our Compensation Committee increased the base salary of **most of** our NEOs by **15%** **10%** (effective January 1, 2024, and in the case of our Chief Financial Officer, 5% effective January 1, 2024 and an additional 5% effective June 1, 2024) as it deemed this to be a reasonable rate based on, among other factors, such NEO's responsibilities and the report from **an independent compensation consultant**, Aon, as it determined **salaries were** the salary was not in line with market compensation.

Performance Based Bonus

Our NEOs are eligible to receive discretionary annual bonuses based upon performance. The amount of annual bonus to our NEOs is based on various factors, including, among others, the achievement of scientific and business goals and our financial and operational performance. The Compensation Committee takes into account the overall performance of the individuals, as well as the overall performance of the Company over the period being reviewed and the recommendation of management. For any given year, the compensation objectives vary, but relate generally to strategic factors such as developments in our clinical path, the execution of a license agreement for the commercialization of product candidates, the establishment of key strategic collaborations, the build-up of our pipeline and financial factors such as capital raising. Bonuses are awarded generally based on corporate performance, with adjustments made within a range for individual performance, at the discretion of the Compensation Committee. The Compensation Committee determines, on a discretionary basis, the size of the entire bonus pool and the amount of the actual award to each NEO. The overall payment is also based on historic compensation of the NEOs.

We believe that annual bonuses payable based on the achievement of short-term corporate goals incentivize our NEOs to create stockholder value and attain short-term performance objectives.

Long-Term Equity Incentive Compensation

Long-term incentive compensation allows the NEOs to share in any appreciation in the value of our common stock. The Compensation Committee believes that stock participation aligns executive officers' interests with those of our stockholders. Equity incentive awards are generally made at the commencement of employment and following a significant change in job responsibilities, or to meet other special retention or performance objectives. The amounts of the awards are designed to reward past performance and create incentives to meet long-term objectives. Awards are made at a level expected to be competitive within the biotechnology industry, as well as with Israeli-based companies. Awards are made on a discretionary basis and not pursuant to specific criteria set out in advance. In determining the amount of each grant, the Compensation Committee also takes into account the number of shares held by the executive prior to the grant. The vesting schedule for NEOs generally provides for annual installments for new grants, though the Compensation Committee also utilizes quarterly vesting from time to time, as well as performance-based vesting. The Compensation Committee believes that time-based vesting encourages recipients to build stockholder value over a long period of time and that performance-based vesting encourages recipients to achieve goals that benefit the Company.

As part of its engagement in the year ended **December 31, 2022** **December 31, 2023** described above, **Deloitte Aon** also provided consulting services in connection with grants of equity awards to our executive officers. **Deloitte Aon** reviewed annual long-term incentive grants at peer companies, as well as such grants made by companies in the broader market, based on a blend of Black-Scholes valuations and grants as a percentage of the applicable company's capitalization. Following such consultation, the Compensation Committee is considering alternative models and equity vehicles for future equity-based grants.

Benefits and Perquisites

Generally, benefits available to NEOs are available to all employees on similar terms and include welfare benefits, paid time-off, life and disability insurance and other customary or mandatory social benefits in Israel. We provide some of our NEOs with a **cellular** phone and a company car, which are customary benefits in Israel to managers and officers.

We do not believe that the benefits and perquisites described above deviate materially from the customary practice for compensation of executive officers by other companies similar in size and stage of development in Israel. These benefits represent a relatively small portion of the executive officers' total compensation.

The Company paid for certain direct costs, related taxes and expenses incurred in connection with the relocation of our President and Chief Executive Officer to the United States. During the fiscal year ended December 31, 2022 and the Transition Period, such relocation expenses totaled approximately \$331,000 and \$109,000, respectively, and included mainly payments intended to reflect the difference in the cost of living between Israel and the United States, relocation expenses, accommodation allowances, education allowances, health insurance and related taxes.

Say-on-Pay Vote

Our stockholders approved, on an advisory basis, our executive compensation program at our annual meeting of stockholders held on June 30, 2022. We did not seek or receive any specific feedback from our stockholders concerning our executive compensation program during the past fiscal year. The Compensation Committee did not specifically rely on the results of the prior vote in making any compensation-related decisions during the fiscal year ended December 31, 2022 and the Transition Period December 31, 2023.

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation earned by our NEOs for the **Transition Period** and fiscal years ended **December 31, 2022**, **December 31, 2023** and **August 31, 2021**.

Name and Principal Position	Year (1)	Salary (\$ (2))	Bonus (\$ (2)(3))	RSUs Awards (\$ (4))	Option Awards (\$ (4)(5))	All Other Compensation (\$ (2)(6))	Total (\$)
Nadav Kidron	2022	491,131	275,150	4,847,380	875,241	344,718	6,833,620
President, Chief Executive Officer and chairman ⁽⁷⁾	Transition Period	183,543	565,634	-	-	117,294	866,471
	2021	465,982	300,000	1,995,666	876,693	382,240	4,020,581
Dr. Miriam Kidron	2022	378,569	140,231	1,938,580	588,947	23,879	3,070,206
Chief Scientific Officer and director ⁽⁸⁾	Transition Period	134,505	285,273	-	-	5,327	425,105
	2021	319,868	86,000	1,330,451	584,462	14,193	2,334,974
David Silberman	2022	155,125	49,732	759,405	261,754	43,184	1,269,200
Chief Financial Officer ⁽⁹⁾	Transition Period	60,388	41,759	661,654	573,744	9,546	1,347,091
	2021	27,762	-	-	-	4,376	32,138

Name and Principal Position	Year	Salary (\$ (1))	Bonus (\$ (1)(2))	RSUs Awards (\$ (3))	Option Awards (\$ (4))	All Other Compensation (\$ (1)(5))	Total (\$)
Nadav Kidron	2023	462,988	242,576	904,920	-	48,738	1,659,222
President, Chief Executive Officer and Chairman ⁽⁶⁾	2022	491,131	275,150	4,847,380	875,241	344,718	6,833,620
Dr. Miriam Kidron	2023	347,405	139,123	605,480	-	17,423	1,109,431
Chief Scientific Officer and director ⁽⁷⁾	2022	378,569	140,231	1,938,580	588,947	23,879	3,070,206
David Silberman	2023	156,070	62,027	277,180	-	41,434	536,711
Chief Financial Officer	2022	155,125	49,732	759,405	261,754	43,184	1,269,200

(1) The information is provided for the fiscal year ended December 31, 2022, the Transition Period, which began on September 1, 2021 and ended on December 31, 2021, and the fiscal year ended August 31, 2021.

(2) Amounts paid for Salary, Bonus and All Other Compensation that were originally denominated in NIS were translated into U.S. Dollars at the then current exchange rate for each payment.

(3) (2) Bonuses were granted at the discretion of the Compensation Committee.

(4) (3) For RSU awards, the amounts reflect the grant date fair value, as calculated pursuant to FASB ASC Topic 718. 718 “Compensation–Stock Compensation.” The assumptions used to determine the fair value of the RSU awards are set forth in note 8 to our audited consolidated financial statements included in the Annual Report, statements. Our NEOs will not realize the value of these awards in cash unless and until the awards vest and the underlying shares are issued and subsequently sold.

(5) (4) The amounts reflect the grant date fair value, as calculated pursuant to FASB ASC Topic 718, of these option awards. The assumptions used to determine the fair value of the option awards are set forth in note 8 to our audited consolidated financial statements included in the Annual Report, statements. Our NEOs will not realize the value of these awards in cash unless and until these awards are exercised and the underlying shares subsequently sold.

(6) (5) Amounts exclude the fair market value of the options that were re-granted on September 11, 2019, as it was offset by the negative amount created by the cancelled options (that is, it was accounted for as a modification under FASB ASC Topic 718, and no incremental compensation expense was recorded). For more information about the regrant see note 7a to our audited consolidated financial statements included in the Annual Report, See “All Other Compensation Table” below.

(6) See “All Other Compensation Table” below.

(7) Until November 1, 2022, Mr. Kidron received certain compensation from Oramed Ltd. through KNRY, Ltd., an Israeli entity owned by Dr. Miriam Kidron, or KNRY. Beginning on November 1, 2022, Mr. Kidron receives certain compensation from the Company through Shnida Ltd., an Israeli entity owned by Mr. Kidron, and certain compensation from Oramed Ltd. For additional information see “—Employment and Consulting Agreements” below.

(8) (7) Dr. Kidron receives compensation from Oramed Ltd. through KNRY. See “—Employment and Consulting Agreements” below.

(9) (8) Mr. Silberman was appointed as Chief Financial Officer, effective July 5, 2021.

All Other Compensation Table

The “All Other Compensation” amounts set forth in the Summary Compensation Table above consist of the following:

Name	Year (1)	Automobile-Related Expenses (\$)					Year	Automobile-Related Expenses (\$)				
		Manager's Insurance (2)(\$)	Education Fund* (\$)	Relocation Expenses (3)(\$)	Total (\$)	Manager's Insurance (1)(\$)	Education Fund (\$)	Relocation Expenses (2)(\$)	Total (\$)			
Nadav Kidron	2022	9,774	3,703	682	330,559	344,718	2023	21,191	21,711	5,836	-	48,738
	Transition Period	8,568	-	-	108,726	117,294						
	2021	4,926	-	-	377,314	382,240		2022	9,774	3,703	682	330,559
Dr. Miriam Kidron	2022	23,879	-	-	-	23,879	2023	17,423	-	-	-	17,423
	Transition Period	5,327	-	-	-	5,327	2022	23,879	-	-	-	23,879
	2021	14,193	-	-	-	14,193						
David Silberman	2022	16,095	21,835	5,254	-	43,184	2023	14,666	21,888	4,880	-	41,434
	Transition Period	-	7,677	1,869	-	9,546	2022	16,095	21,835	5,254	-	43,184
	2021	-	3,527	849	-	4,376						

(1) The information is provided for the fiscal year ended December 31, 2022, the Transition Period, which began on September 1, 2021 and ended on December 31, 2021, and the fiscal year ended on August 31, 2021.

(2) Manager's insurance and education funds are customary benefits provided to employees based in Israel. Manager's insurance is a combination of severance savings (in accordance with Israeli law), defined contribution tax-qualified pension savings and disability insurance premiums. An education fund is a savings fund of pre-tax contributions to be used after a specified period of time for educational or other permitted purposes.

(3) (2) Relocation expenses represents additional compensation for the period during which Mr. Kidron was in the United States. These expenses mainly include relocation expenses, supplemental living expenses, accommodation allowances, education allowances, health insurance and related costs.

Employment and Consulting Agreements

On July 1, 2008, Oramed Ltd. entered into a consulting agreement with KNRY, whereby Nadav Kidron, through KNRY, provided services as President and Chief Executive Officer of both the Company and Oramed Ltd., or the Nadav Kidron Consulting Agreement. The Nadav Kidron Consulting Agreement was terminated, effective November 1, 2022, and replaced with the agreements as further described below. Additionally, on July 1, 2008, Oramed Ltd. entered into a consulting agreement with KNRY whereby Dr. Miriam Kidron, through KNRY, provides services as Chief Scientific Officer of both the Company and Oramed Ltd., or the Miriam Kidron Consulting Agreement.

The Miriam Kidron Consulting Agreement is terminable by either party upon 140 days prior written notice. The agreement, as amended, provides that KNRY will be reimbursed for reasonable expenses incurred in connection with performance of the agreement. Pursuant to the agreement, each of KNRY and Dr. Miriam Kidron agrees agreed that during the term of the agreement and for a 12-month period thereafter, none of them will compete with Oramed Ltd. nor solicit employees of Oramed Ltd. Starting September 1, 2021 January 1, 2024, Dr. Miriam Kidron receives a monthly consulting fee of NIS 106,400, 117,040.

The Nadav Kidron Consulting Agreement was terminable by either party upon 140 days prior written notice. The agreement, as amended, provided that KNRY will be reimbursed for reasonable expenses incurred in connection with performance of the agreement. Pursuant to the agreement, KNRY and Nadav Kidron each agreed that during the term of the agreement and for a 12-month period thereafter, none of them will compete with Oramed Ltd. nor solicit employees of Oramed Ltd. From September 1, 2021 until termination, Nadav Kidron received a monthly consulting fee of NIS 146,705.

Following the relocation of Nadav Kidron to the State of Israel, the Company entered into two agreements with Mr. Kidron, replacing the Nadav Kidron Consulting Agreement, substantially on the same terms, in order to allocate his time and services between the Company and Oramed Ltd.

Effective November 1, 2022, the Company entered into a consulting agreement with Shnida Ltd., whereby Nadav Kidron, through Shnida Ltd., provides services as President and Chief Executive Officer of the Company. The agreement is terminable by either party upon 140 days prior written notice. The agreement provides that Shnida Ltd. will be reimbursed for reasonable expenses incurred in connection with performance of the **agreement and that agreement**. Effective as of January 1, 2024, Nadav Kidron **will receive receives** a monthly consulting fee of NIS **88,023** **96,825**. Pursuant to the agreement, Shnida Ltd. and Nadav Kidron each agree that during the term of the agreement and for a 12-month period thereafter, none of them will compete with the Company nor solicit employees of the Company.

In addition, we, through Oramed Ltd., have entered into an employment agreement with Nadav Kidron, effective as of November 1, 2022, pursuant to which, **effective as of January 1, 2024**, Mr. Kidron receives gross monthly salary of NIS **46,901** **51,591** in consideration for his services as President and Chief Executive Officer of Oramed Ltd. In addition, Mr. Kidron is provided with a **cellular** phone and a company car pursuant to the terms of his agreement.

We, through Oramed Ltd., have entered into an employment agreement with David Silberman as of May 23, 2021, pursuant to which Mr. Silberman was appointed as Chief Financial Officer, Treasurer and Secretary of the Company and Oramed Ltd., effective July 5, 2021. **Mr. Silberman resigned as Secretary on January 9, 2022, upon the appointment of Mr. Netanel Deroval as Chief Legal Officer and Secretary.** In accordance with the employment agreement, as amended, Mr. Silberman's current gross monthly salary is NIS **47,438** **49,810**, effective **January 1, 2023** **January 1, 2024** and will increase to NIS 52,300, effective June 1, 2024. In addition, Mr. Silberman is provided with a **cellular** phone and a company car allowance pursuant to the terms of his agreement.

We have entered into indemnification agreements with our directors and officers pursuant to which we agreed to indemnify each director and officer for any liability he or she may incur by reason of the fact that he or she serves as our director or officer, to the maximum extent permitted by law.

Potential Payments upon Termination or Change-in-Control

We have no plans or arrangements in respect of remuneration received or that may be received by our NEOs to compensate such officers in the event of termination of employment (as a result of resignation, retirement, change-in-control) or a change of responsibilities following a change-in-control, retirement).

According to our NEOs' employment agreements, upon a termination in connection with a change-in-control that occurs during the period that is three months prior and 12 months after the event, the following "double trigger" change-in-control provisions shall apply:

- The President and Chief Executive Officer will be entitled to receive 18 months severance.
- All other NEOs will be entitled to receive 12 months severance.
- Severance shall be defined as base salary plus bonuses over the severance period. For U.S.-based persons, COBRA payments equivalent to healthcare benefits values will be provided over the severance period.
- Full vesting acceleration of all outstanding unvested equity incentives.

Pension, Retirement or Similar Benefit Plans

We have no arrangements or plans under which we provide pension, retirement or similar benefits for directors or executive officers. Our directors and executive officers may receive stock options, RSUs or restricted shares at the discretion of our Compensation Committee in the future.

Policy Relating to Recovery of Erroneously Awarded Compensation

Our Board has adopted an executive compensation clawback policy, administered by our Compensation Committee, which provides for the recoupment (or clawback) from current and former executive officers of certain compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws of the United States. In the event the Company is required to prepare an accounting restatement of its financial statements due to the Company's material non-compliance with any financial reporting requirement under the securities laws, the Compensation Committee will require prompt reimbursement or forfeiture of any excess incentive compensation (as defined in the clawback policy) received by any covered executive officer during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an accounting restatement.

OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2022/2023

The following table sets forth information concerning stock options and stock awards held by the NEOs as of December 31, 2022/2023.

Name	Option Awards				Stock Awards			Option Awards				Std
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of shares that have not vested (#)	Market value of shares that have not vested (\$)	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of shares that have not vested (#)	
Nadav Kidron	47,134 ⁽¹⁾	-	12.45	4/9/24			47,134 ⁽¹⁾	-	12.45	4/9/24		
	49,000 ⁽²⁾	-	7.77	6/30/27			49,000 ⁽²⁾	-	7.77	6/30/27		
	97,000 ⁽³⁾	-	8.14	1/31/28			97,000 ⁽³⁾	-	8.14	1/31/28		
	196,500 ⁽⁴⁾⁽⁵⁾	-	3.16	2/26/29			196,500 ⁽⁴⁾⁽⁵⁾	-	3.16	2/26/29		
	142,500 ⁽⁶⁾	47,500 ⁽⁶⁾	4.80	1/8/30			190,000 ⁽⁶⁾	-	4.80	1/8/30		
	75,000 ⁽⁷⁾	75,000 ⁽⁷⁾	10.40	2/3/31			112,500 ⁽⁷⁾	37,500 ⁽⁷⁾	10.40	2/3/31		
	-	107,000 ⁽⁸⁾	13.89	1/3/32			26,750 ⁽⁸⁾	80,250 ⁽⁸⁾	13.89	1/3/32		
	58,063 ⁽⁹⁾	58,064 ⁽⁹⁾	3.91	9/17/32			87,095 ⁽⁹⁾	29,032 ⁽⁹⁾	3.91	9/17/32		
					452,000 ⁽¹⁰⁾⁽¹¹⁾⁽¹²⁾⁽¹³⁾⁽¹⁴⁾⁽¹⁵⁾	5,437,560						582,500 ⁽¹²⁾⁽¹³⁾⁽¹⁴⁾⁽¹⁵⁾
Dr. Miriam Kidron	47,134 ⁽¹⁾	-	12.45	4/9/24			47,134 ⁽¹⁾	-	12.45	4/9/24		
	69,999 ⁽¹⁶⁾	-	7.77	6/30/27			69,999 ⁽¹⁶⁾	-	7.77	6/30/27		
	47,000 ⁽¹⁷⁾	-	8.14	1/31/28			47,000 ⁽¹⁷⁾	-	8.14	1/31/28		
	104,000 ⁽¹⁸⁾⁽⁵⁾	-	3.16	2/26/29			104,000 ⁽¹⁸⁾⁽⁵⁾	-	3.16	2/26/29		
	75,000 ⁽¹⁹⁾	25,000 ⁽¹⁹⁾	4.80	1/8/30			100,000 ⁽¹⁹⁾	-	4.80	1/8/30		
	50,000 ⁽²⁰⁾	50,000 ⁽²⁰⁾	10.40	2/3/31			75,000 ⁽²⁰⁾	25,000 ⁽²⁰⁾	10.40	2/3/31		
	-	72,000 ⁽²¹⁾	13.89	1/3/32			54,000 ⁽²¹⁾	18,000 ⁽²¹⁾	13.89	1/3/32		
	16,039 ⁽²²⁾	16,040 ⁽²²⁾	3.91	9/17/32			24,059 ⁽²²⁾	8,020 ⁽²²⁾	3.91	9/17/32		
					301,334 ⁽²³⁾⁽²⁴⁾⁽²⁵⁾⁽²⁶⁾⁽²⁷⁾	3,625,048						408,584 ⁽²³⁾⁽²⁴⁾⁽²⁵⁾⁽²⁶⁾⁽²⁷⁾
David Silberman	12,500 ⁽²⁸⁾	37,500 ⁽²⁸⁾	20.19	9/1/31			25,000 ⁽²⁸⁾	25,000 ⁽²⁸⁾	20.19	9/1/31		
	-	32,000 ⁽²⁹⁾	13.89	1/3/32			8,000 ⁽²⁹⁾	24,000 ⁽²⁹⁾	13.89	1/3/32		
	4,747 ⁽³⁰⁾	4,748 ⁽³⁰⁾	3.91	9/17/32			7,121 ⁽³⁰⁾	2,374 ⁽³⁰⁾	3.91	9/17/32		
					127,500 ⁽³¹⁾⁽³²⁾⁽³³⁾⁽³⁴⁾	1,533,825						176,375 ⁽³¹⁾⁽³²⁾⁽³³⁾⁽³⁴⁾

(1) On April 9, 2014, 47,134 options were granted to each of Nadav Kidron and Dr. Miriam Kidron under the 2008 Plan at an exercise price of \$12.45 per share; 15,710 of such options vested on April 30, 2014 and the remainder vested in eight equal monthly installments, commencing on May 31, 2014. The options have an expiration date of April 9, 2024.

(2) On June 30, 2017, 147,000 options were granted to Nadav Kidron under the 2008 Plan at an exercise price of \$7.77 per share; 49,000 of such options vested on December 31, 2017 and the remainder vested in two equal installments of 49,000 on each of December 31, 2018 and December 31, 2019, subject to the Company share price reaching the target of \$9.50 and \$12.50 per share, respectively. The options expire on June 30, 2027. As of December 31, 2021, 98,000 of these options were forfeited.

(3) On January 31, 2018, 97,000 options were granted to Nadav Kidron under the 2008 Plan at an exercise price of \$8.14 per share; 97,000 of such options vested in four equal installments of 24,250 on each of January 1, 2019, January 1, 2020, January 1, 2021 and January 1, 2022. The options expire on January 31, 2028.

(4)

(4)
On February 26, 2019, 196,500 options were granted to Nadav Kidron under the 2008 Plan at an exercise price of \$3.16 per share; 196,500 of such options vested in four equal installments of 49,125 on each of December 31, 2019, December 31, 2020, December 31, 2021 and December 31, 2022. The options expire on February 26, 2029. For additional information please see note [6 footnote 5](#) below.

- (5) On September 11, 2019, these options were canceled and re-granted under the 2019 Incentive Plan in the same amounts and under the same terms as the original grants.
- (6) On January 8, 2020, 190,000 options were granted to Nadav Kidron under the 2019 Incentive Plan at an exercise price of \$4.80 per share. 142,500 190,000 of the options vested in three four equal installments of 47,500 on each of December 31, 2020, December 31, 2021 and December 31, 2022 and the remainder of 47,500 shall vest on December 31, 2023. The options expire on January 8, 2030.
- (7) On February 3, 2021, 150,000 options were granted to Nadav Kidron under the 2019 Incentive Plan at an exercise price of \$10.40 per share. 75,000 112,500 of the options vested in two three equal installments of 37,500 on each of December 31, 2021, December 31, 2022 and December 31, 2022 December 31, 2023, and the remainder of 37,500 shall vest in two equal installments of 37,500 on each of December 31, 2023 and December 31, 2024. The options expire on February 3, 2031.
- (8) On January 3, 2022, 107,000 options were granted to Nadav Kidron under the 2019 Incentive Plan at an exercise price of \$13.89 per share. 107,000 26,750 options vested on January 1, 2023, and the options remainder shall vest in four three equal installments of 26,750 on each of January 1, 2023, January 1, 2024, January 1, 2025 and January 1, 2026. The options expire on January 3, 2032.
- (9) On September 18, 2022, 116,127 options were granted to Nadav Kidron under the Oravax Medical Inc. 2021 Long-Term Incentive Plan at an exercise price of \$3.91 per share. 58,063 87,095 of the options vested in two three installments on each of September 18, 2022, December 31, 2022 and December 31, 2022 December 31, 2023 and the remaining 58,064 29,032 options shall vest in two installments on each of December 31, 2023 and December 31, 2024. The options expire on September 17, 2032.
- (10) On November 13, 2014, 9,788 RSUs, representing a right to receive shares of the Company's common stock, were granted to Nadav Kidron. The RSUs vested in two equal installments, each of 4,894 shares, on November 30 and December 31, 2014. The shares of common stock underlying the RSUs will be issued upon request of the grantee.
- (11) On February 23, 2015, 79,848 RSUs, representing a right to receive shares of the Company's common stock, were granted to Nadav Kidron. The RSUs vested in 23 installments consisting of one installment of 6,654 shares on February 28, 2015 and 22 equal monthly installments of 3,327 shares each, commencing March 31, 2015. The shares of common stock underlying the RSUs will be issued upon request of the grantee.
- (12) On February 3, 2021, 300,000 RSUs, representing a right to receive shares of the Company's common stock, were granted to Nadav Kidron. 100,000 RSUs vested in one installment on August 31, 2021 and the remainder shall vest per the following: 100,000 shares shall vest upon our common stock achieving a specified price per share, and 100,000 shall vest upon our achievement of certain business objectives.
- (13) On January 3, 2022, 63,000 RSUs representing a right to receive shares of the Company's common stock were granted to Nadav Kidron. 63,000 15,750 RSUs vested on January 1, 2023 and the shares of common stock underlying the RSUs will be issued upon request of the grantee. 47,250 shall vest in four three equal installments of 15,750 on each of January 1, 2023, January 1, 2024, January 1, 2025 and January 1, 2026.
- (14) On July 28, 2022, 126,000 RSUs representing a right to receive shares of the Company's common stock were granted to Nadav Kidron. 126,000 RSUs shall vest in three equal installments of 42,000 on each of January 1, 2024, January 1, 2025 and January 1, 2026.

(15) On **July 28, 2022** April 17, 2023, 63,000 performance based 279,000 RSUs representing a right to receive shares of the Company's common stock were granted to Nadav Kidron. 42,000 were to vest upon receipt 69,750 RSUs vested in three equal quarterly installments of positive topline data in the first oral insulin Phase 3 clinical trial and 21,000 were to vest upon completion of enrollment of the second oral insulin Phase 3 clinical trial by June 30, 2023. Following the results of the ORA-D-013-1 Phase 3 trial 23,250 starting May 1, 2023 and the termination remainder of the ORA-D-013-2 Phase 3 trial, these performance goals have not been met and the RSUs did not vest. 209,250 shall vest in nine equal quarterly installments of 23,250 starting February 1, 2024.

(16) On June 30, 2017, 69,999 options were granted to Dr. Miriam Kidron under the 2008 Plan at an exercise price of \$7.77 per share; Such options vested in three equal installments of 23,333 on each of December 31, 2017, December 31, 2018 and December 31, 2019. The options have an expiration date of June 30, 2027.

(17) On January 31, 2018, 47,000 options were granted to Dr. Miriam Kidron under the 2008 Plan at an exercise price of \$8.14 per share; 47,000 of such options vested in four equal installments of 11,750 on each of January 1, 2019, January 1, 2020, January 1, 2021 and January 1, 2022. The options expire on January 31, 2028.

(18) On February 26, 2019, 104,000 options were granted to Dr. Miriam Kidron under the 2008 Plan at an exercise price of \$3.16 per share; 104,000 of such options vested in four equal installments of 26,000 on each of December 31, 2019, December 31, 2020, December 31, 2021 and December 31, 2022. The options expire on February 26, 2029. For additional information please see note footnote 5 above.

(19) On January 8, 2020, 100,000 options were granted to Dr. Miriam Kidron under the 2019 Incentive Plan at an exercise price of \$4.80 per share. 75,000 100,000 of the options vested in three four equal installments of 25,000 on each of December 31, 2020, December 31, 2021 and December 31, 2022 and the remaining 25,000 options shall vest on December 31, 2023. The options expire on January 8, 2030.

(20) On February 3, 2021, 100,000 options were granted to Dr. Miriam Kidron under the 2019 Incentive Plan at an exercise price of \$10.40 per share. 50,000 75,000 of such options vested in two three equal installments of 25,000 on each of December 31, 2021, December 31, 2022 and December 31, 2022 December 31, 2023 and the remaining 50,000 25,000 options shall vest in two equal installments of 25,000 on each of December 31, 2023 and December 31, 2024. The options expire on February 3, 2031.

(21)

(21)

On January 3, 2022, 72,000 options were granted to Dr. Miriam Kidron under the 2019 Incentive Plan at an exercise price of \$13.89 per share. 72,000 18,000 of such options vested on January 1, 2023 and the remaining 54,000 of the options shall vest in four three equal installments of 18,000 on each of January 1, 2023, January 1, 2024, January 1, 2025 and January 1, 2026. The options expire on January 3, 2032.

(22)

(22)

On September 18, 2022, 32,079 options were granted to Dr. Miriam Kidron under the Oravax Medical Inc. 2021 Long-Term Incentive Plan at an exercise price of \$3.91 per share.

16,039 24,059 of the options vested in **two** **three** installments on each of September 18, 2022, December 31, 2022 and **December 31, 2022** December 31, 2023 and the remaining **16,040** 8,020 options shall vest in **two** **installments** on each of December 31, 2023 and December 31, 2024. The options expire on September 17, 2032.

(23)

(23)
On June 30, 2017, 75,000 RSUs, representing a right to receive shares of the Company's common stock, were granted to Dr. Miriam Kidron. The RSUs vested immediately, have an exercise price of \$0.012 per share of common stock and expire on June 30, 2027.

(24)

On February 3, 2021, 200,000 RSUs, representing a right to receive shares of the Company's common stock, were granted to Dr. Miriam Kidron. 66,666 RSUs vested in one installment on August 31, 2021 and the remainder shall vest per the following: 66,667 shares shall vest upon our common stock achieving a specified price per share, and 66,667 shall vest upon our achievement of certain business objectives. The shares of common stock underlying the RSUs will be issued upon request of the grantee.

(24)

(25)

On January 3, 2022, 42,000 RSUs representing a right to receive shares of the Company's common stock were granted to Dr. Miriam Kidron.

42,000 10,500 vested on January 1, 2023 and 31,500 shall vest in four three equal installments of 10,500 on each of January 1, 2023, January 1, 2024, January 1, 2025 and January 1, 2026.

(26)

(25)

On July 28, 2022, 84,000 RSUs representing a right to receive shares of the Company's common stock were granted to Dr. Miriam Kidron. 84,000 shall vest in three equal installments of 26,000 on each of January 1, 2024, January 1, 2025 and January 1, 2026.

(26)

(27)

On July 28, 2022 April 17, 2023, 42,000 performance based RSUs 213,000 representing a right to receive shares of the Company's common stock were granted to Dr. Miriam Kidron. 28,000 were to 53,250 RSUs vested in three equal quarterly installments of 17,750 starting May 1, 2023 and the remainder of 159,750 shall vest in nine equal quarterly installments of 17,750 starting February 1, 2024. The shares of common stock underlying the RSUs will be issued upon receipt of positive topline data in the first oral insulin Phase 3 clinical trial and 14,000 were to vest upon completion of enrollment request of the second oral insulin Phase 3 clinical trial by June 30, 2023. Following the results of the ORA-D-013-1 Phase 3 trial and the termination of the ORA-D-013-2 Phase 3 trial, these performance goals have not been met and the RSUs did not vest. grantee,

(27) On April 17, 2023, 53,500 performance-based RSUs representing a right to receive shares of the Company's common stock were granted to Dr. Miriam Kidron. 120,000 RSUs vested in one installment on May 26, 2023, upon our common stock achieving a specified price per share. The shares of common stock underlying the RSUs will be issued upon request of the grantee.

(28) On September 1, 2021, 50,000 options were granted to David Silberman under the 2019 Incentive Plan at an exercise price of \$20.19 per share. ~~12,500~~ 25,000 options vested on June 27, 2022 and June 27, 2023 and the remainder shall vest in ~~three~~ two equal installments of 12,500 options on each of June 27, 2023, June 27, 2024 and June 27, 2025. The options expire on September 1, 2031.

(29)

(29)

On January 3, 2022, 32,000 options were granted to David Silberman under the 2019 Incentive Plan at an exercise price of \$13.89 per share. 8,000 options vested on January 1, 2023 and the remainder shall vest in three equal installments of 8,000 on each of January 1, 2024, January 1, 2025 and January 1, 2026. The options expire on January 3, 2032.

(30)

(30) On September 18, 2022, 9,495 options were granted to David Silberman under the Oravax Medical Inc. 2021 Long-Term Incentive Plan at an exercise price of \$3.91 per share.

4,747 7,121 of the options vested in two installments on each of September 18, 2022 and December 31, 2022 and the remaining **4,748** 2,374 options shall vest in two installments on each of December 31, 2023 and December 31, 2024. The options expire on September 17, 2032.

(31)

(31) On September 1, 2021, 50,000 RSUs, representing a right to receive shares of the Company's common stock, were granted to David Silberman. These RSUs vest as follows: (i) 33,333 shall vest upon our common stock achieving a price per share of \$25 for at least 20 days out of any 30-day trading period and (a) if the first

condition was met any time before June 27, 2022, then the RSUs would have vested in three equal installments (on June 27, 2022, June 27, 2023 and June 27, 2024), (b) if the first condition is met any time between June 27, 2022 and June 27, 2023, then 1/3 of the RSUs will vest immediately, and the remainder will vest in two equal installments (on June 27, 2023 and June 27, 2024), (c) if the first condition is met any time between June 27, 2023 and June 27, 2024, then 2/3 of the RSUs will vest immediately, and the remaining 1/3 will vest on June 27, 2024) and (d) if the first condition is met any time after June 27, 2024, then the RSUs will vest immediately; and (ii) 16,667 upon achievement of a certain licensing agreement as specified by the Board and (a) if the first condition was met any time before June 27, 2022, then the RSUs would have vested in

three equal installments (on June 27, 2022, June 27, 2023 and June 27, 2024), (b) if the first condition is met any time between

June 27, 2022 and June 27, 2023, then 1/3 of the RSUs will vest immediately, and the remainder will vest in two equal installments (on June 27, 2023 and June 27, 2024), (c) if the first condition is met any time between

June 27, 2023 and June 27, 2024, then 2/3 of the RSUs will vest immediately, and the remaining 1/3 will vest on June 27, 2024) and (d) if the first condition is met any time after June 27, 2024, then the RSUs will vest immediately.

(32)

(32)

On January
3, 2022,
19,000
RSUs
representing
a right to
receive
shares of the
Company's
common
stock were
granted to
David
Silberman.

19,000 4,750
RSUs vested
on January
1, 2023 and
14,250 shall
vest in
four three
equal
installments
of 4,750 on
each of
January 1,
2023,
January 1,
2024,
January 1,
2025 and
January 1,
2026.

(33)

(33)

On July 28, 2022, 39,000 RSUs representing a right to receive shares of the Company's common stock were granted to David Silberman. **30,000** 39,000 shall vest in three equal installments of 13,000 on each of January 1, 2024, January 1, 2025 and January 1, 2026.

(34)

(34)

On July 28, 2022 April 17, 2023, 19,500 performance based 97,500 RSUs representing a right to receive shares of the Company's common stock were granted to David Silberman. 13,000 were to vest upon receipt 24,375 RSUs vested in three equal quarterly installments of positive topline data in the first oral insulin Phase 3 clinical trial and 6,500 were to vest upon completion of enrollment of the second oral insulin Phase 3 clinical trial by June 30, 2023. Following the results of the ORA-D-013-1 Phase 3 trial 8,125 starting May 1, 2023 and the termination 73,125 shall vest in nine equal quarterly installments of the ORA-D-013-2 Phase 3 trial, these performance goals have not been met and the RSUs did not vest 8,125 starting February 1, 2024.

DIRECTOR COMPENSATION

The following table provides information regarding compensation earned by, awarded or paid to each person for serving as a director who is not an executive officer during the fiscal year ended **December 31, 2022** **December 31, 2023**:

Name of Director	Fees Earned or Paid in Cash (\$)	Stock Awards (1)(2)(\$)	Option Awards (1)(2)(\$)	All Other Compensation (\$)	Total (\$)
Dr. Arie Mayer ⁽⁴⁾⁽⁵⁾	103,308	184,980	112,974	-	401,262
Yadin Rozov	30,094	124,770	24,061	-	178,925
Leonard Sank	39,188	184,980	81,798	-	305,966
Aviad Friedman ⁽³⁾	15,000	83,340	81,798	-	180,138
Kevin Rakin ⁽³⁾	34,688	83,340	81,798	-	199,826

The following table provides information regarding compensation earned by, awarded or paid to each person for serving as a director who is not an executive officer during the Transition Period:

Name of Director	Fees Earned or Paid in Cash (\$)	Stock Awards (2)(\$)	Option Awards (2)(\$)	All Other Compensation (\$)	Total (\$)
Aviad Friedman ⁽³⁾	8,344	-	-	-	\$ 8,344
Dr. Arie Mayer ⁽⁴⁾	70,561	-	-	-	\$ 70,561
Kevin Rakin ⁽³⁾	10,781	-	-	-	\$ 10,781
Leonard Sank	7,875	-	-	-	\$ 7,875

Name of Director	Fees Earned or Paid in Cash (\$)	Stock Awards (1)(2)(\$)	Option Awards (1)(2)(\$)	All Other Compensation (\$)	Total (\$)
Dr. Arie Mayer ⁽³⁾	58,875	68,400	-	-	127,275
Yadin Rozov ⁽⁵⁾	40,125	68,400	-	-	108,525
Leonard Sank	43,875	68,400	-	-	112,275
Benjamin Shapiro ⁽⁶⁾	20,000	49,000	-	-	69,000

(1) As of **December 31, 2022** **December 31, 2023**, our non-employee directors then in office held options to purchase shares of our common stock and RSUs as follows:

Name of Director	Aggregate Number of Shares Underlying Stock Awards	Aggregate Number of Shares Underlying Option Awards	Aggregate Number of Shares Underlying Stock Awards	Aggregate Number of Shares Underlying Option Awards
Dr. Arie Mayer ⁽⁵⁾⁽⁴⁾	18,000	45,398	39,000	45,398
Yadin Rozov ⁽⁵⁾	16,500	7,500	37,875	7,500
Leonard Sank	18,000	59,867	39,000	59,867
Benjamin Shapiro ⁽⁶⁾		15,000		-

(2) The amounts reflect the grant date fair value, as calculated pursuant to FASB ASC Topic 718, of these option awards. The assumptions used to determine the fair value of the option awards are set forth in note 810 to our audited consolidated financial statements included in the Annual Report. Our directors will not realize the value of these awards in cash unless and until these awards are exercised and the underlying shares subsequently sold.

(3)	(3)
	The terms of each of Aviad Friedman and Kevin Rakin as directors expired on June 30, 2022.
(4)	Includes \$62,280 and \$61,683 as remuneration for \$15,000 in additional director fees paid to Dr. Mayer's service Mayer in his capacity as a member of the Board of Directors of Oravax director during the Transition Period and during the fiscal year ended December 31, 2022, respectively. December 31, 2023.
(5)	(4)
	Includes 15,398 option awards granted by Oravax for Dr. Mayer's service as a member of the Board of Directors of Oravax.

(5) Mr. Rozov resigned from the Board on January 17, 2024.

(6) Mr. Shapiro joined the Board on May 1, 2023.

Our directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of our Board. Based on a report provided to the Compensation Committee by Aon Consulting, Inc. during 2021, in 2023, effective as of December 1, 2021 January 1, 2024, each independent director is entitled to receive as remuneration for his or her service as a member of the Board a sum equal to \$30,000 and a grant of 5,070 RSUs per annum. The Chairman of our Board is entitled to receive an additional sum equal to \$25,500. The members of our Audit Committee are each entitled to receive an additional sum equal to \$5,625, \$6,000 and a grant of 2,230 RSUs. The members of our Compensation Committee are each entitled to receive an additional sum equal to \$4,500, \$4,500 and a grant of 1,520 RSUs. The members of our Nominating Committee are each entitled to receive an additional sum equal to \$3,750, \$4,000 and a grant of 505 RSUs. All cash remuneration is to be paid quarterly after the close of each quarter. The RSUs vest on April 1, July 1, October 1 and January 1 of each year, subject to Compensation Committee approval each year. Our executive officers did not receive additional compensation for service as directors. The Board may award special remuneration to any director undertaking any special services on behalf of us other than services ordinarily required of a director.

Other than as described above, we have no present formal plan for compensating our directors for their service in their capacity as directors. Other than indicated above, no director received and/or accrued any compensation for his services as a director, including committee participation and/or special assignments during the Transition Period and the year ended December 31, 2022 December 31, 2023.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Stock Option Plans

Our Board adopted the 2008 Plan and the 2019 Plan in order to attract and retain quality personnel.

The 2008 Plan, which is no longer utilized for new grants, provided for the grant of stock options, restricted stock, RSUs, and stock appreciation rights, collectively referred to as "awards." Under the 2008 Plan, as amended, 2,400,000 shares were reserved for the grant of awards. As of December 31, 2022 December 31, 2023, options with respect to 2,287,989 shares had been granted, of which 275,673 had been forfeited, 308,804 had been exercised and 1,310,586 have expired. As of December 31, 2022 December 31, 2023, 525,824 RSUs had been granted, of which 164,636 89,636 have vested and the shares of common stock underlying those RSUs have not been issued and 34,118 have been forfeited.

The 2019 Plan provides for the grant of stock options, restricted stock, RSUs, and stock appreciation rights, collectively referred to as "awards." Under the 2019 Plan, 1,000,000 shares were initially reserved for the grant of awards. On June 29, 2020, and August 3, 2020, respectively, our Board and stockholders approved to amend and restate the 2019 Plan, the principal change being an increase in the number of shares of common stock available under the 2019 Plan from 1,000,000 shares to 3,000,000 shares. On June 30, 2022, our Board and stockholders approved to amend and restate the 2019 Plan, the principal change being an increase in the number of shares of common stock available under the 2019 Plan from 3,000,000 shares to 7,500,000 shares. Stock options granted under the 2019 Plan may be either incentive stock options under the provisions of Section 422 of the Code, or non-qualified stock options. Under the amended 2019 Plan, 7,500,000 shares are reserved for the grant of awards, which may be issued at the discretion of our Board from time to time. As of December 31, 2022 December 31, 2023, options with respect to 1,863,646 shares have been granted, of which 100,918 232,918 had been forfeited, 66,978 had been exercised and none of them were expired. As of December 31, 2022 December 31, 2023, 1,881,600 3,015,600 RSUs had been granted, of which 100,666 122,500 have vested and the shares of common stock underlying those RSUs have not been issued and 85,334 371,751 have been forfeited. Since the Company had granted options during the time after the 2008 Plan allegedly terminated, and out of an abundance of caution, the Company canceled these grants and re-granted certain of the options under 2019 Plan in the same amounts and under the same terms as the original grants.

The following table sets forth additional information with respect to our equity compensation plans as of December 31, 2022 December 31, 2023:

Plan category	Number of securities to be issued upon exercise of outstanding options, RSUs and rights (a)	Weight-average exercise price of outstanding options, RSUs and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)	Number of securities to be issued upon exercise of outstanding options, RSUs and rights (a)		Weight-average exercise price of outstanding options, RSUs and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
				Number of securities to be issued upon exercise of outstanding options, RSUs and rights (a)	Weight-average exercise price of outstanding options, RSUs and rights (b)		
Equity compensation plans approved by security holders	3,654,246	\$ 4.79	4,106,898	3,791,038	\$ 4.10	3,365,488	
Equity compensation plans not approved by security holders	-	-	-	-	-	-	-
Total	3,654,246	\$ 4.79	4,106,898	3,791,038	\$ 4.10	3,365,488	

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information regarding the beneficial ownership of our common stock as of March 6, 2023 March 6, 2024 by: (1) each person who is known by us to own beneficially more than 5% of our common stock; (2) each of our current directors; (3) each of our NEOs; and (4) all of our directors and executive officers as a group. On such date, we had 39,783,813 40,519,160 shares of common stock outstanding.

As used in the table below and elsewhere in this form, the term "beneficial ownership" with respect to a security consists of sole or shared voting power, including the power to vote or direct the vote, and/or sole or shared investment power, including the power to dispose or direct the disposition, with respect to the security through any contract, arrangement, understanding, relationship or otherwise, including a right to acquire such power(s) during the 60 days following **March 6, 2023** **March 6, 2024**. Inclusion of shares in the table does not, however, constitute an admission that the named stockholder is a direct or indirect beneficial owner of those shares. Unless otherwise indicated, (1) each person or entity named in the table has sole voting power and investment power (or shares that power with that person's spouse) with respect to all shares of common stock listed as owned by that person or entity and (2) the address of each of the individuals named below is: c/o Oramed Pharmaceuticals Inc., 1185 Avenue of the Americas, Third Floor, New York, New York 10036.

Name and Address of Beneficial Owner	Number of Shares	Percentage of Shares Beneficially Owned	Number of Shares	Percentage of Shares Beneficially Owned
Nadav Kidron #+	1,735,966 ⁽¹⁾	4.3%	2,103,947 ⁽¹⁾	5.6%
Dr. Miriam Kidron #+	597,299 ⁽²⁾	1.5%	795,299 ⁽²⁾	1.9%
David Silberman+	25,250 ⁽³⁾	*	151,375 ⁽³⁾	*
Dr. Daniel Aghion #			2,206 ⁽⁴⁾	*
Dr. Arie Mayer #	24,000 ⁽⁴⁾	*	55,641 ⁽⁵⁾	*
Yadin Rozov #		*		
Leonard Sank #	64,563 ⁽⁵⁾	*	87,395 ⁽⁶⁾	*
Benjamin Shapiro #			1,909,602 ⁽⁷⁾	4.7%
All current executive officers and directors, as a group (nine persons)	2,743,637 ⁽⁶⁾	6.8%		
All current executive officers and directors, as a group (eight persons)			5,685,443 ⁽⁸⁾	13.9%

* Less than 1%

Director

+ NEO

- (1) Includes 633,884 745,634 shares of common stock issuable upon the exercise of outstanding stock options, 50,667 shares of common stock issuable upon the vesting of RSUs, and 105,386 163,136 shares of common stock underlying vested RSUs that are issuable upon request. Mr. Nadav's beneficial ownership includes the 218,603 shares of common stock held by Xiaopeng Li, a former director of the Company, over which he holds a proxy.
- (2) Includes 479,133 shares of common stock issuable upon the exercise of outstanding stock options, 42,375 shares of common stock issuable upon the vesting of RSUs, and 187,625 shares of common stock underlying vested RSUs that are issuable upon request.
- (2) (3) Includes 411,133 41,000 shares of common stock issuable upon the exercise of outstanding stock options and 186,166 19,500 shares of common stock underlying vested RSUs that are issuable upon request.
- (3) (4) Includes 20,500 2,206 shares of common stock issuable upon the vesting of RSUs.
- (5) Includes 25,000 shares of common stock issuable upon the exercise of outstanding stock options.
- (4) (6) Includes 22,500 54,867 shares of common stock issuable upon the exercise of outstanding stock options.
- (5) Includes 52,367 options and 4,832 shares of common stock issuable upon the exercise vesting of outstanding stock options.
- (6) (7) Includes 1,143,451 2,935 shares of common stock issuable upon the vesting of RSUs.
- (8) Includes 1,501,134 shares of common stock issuable upon the exercise of options beneficially owned by the referenced persons, 127,347 shares of common stock issuable upon the vesting of RSUs and 291,552 350,761 shares of common stock underlying vested RSUs that are issuable upon request.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

During the years ended December 31, 2022 December 31, 2023 and 2021, 2022, except for compensation arrangements described elsewhere herein, we did not participate in any transaction, and we are not currently participating in any proposed transaction, or series of transactions, in which the amount involved exceeded the lesser of \$120,000 or one percent of the average of our total assets at year end for the last two completed fiscal years, and in which, to our knowledge, any of our directors, officers, five percent beneficial security holders, or any member of the immediate family of the foregoing persons had, or will have, a direct or indirect material interest.

Our policy is to enter into transactions with related persons on terms that, on the whole, are no less favorable than those available from unaffiliated third parties. Based on our experience in the business sectors in which we operate and the terms of our transactions with unaffiliated third parties, we believe that all of the transactions described below met this policy standard at the time they occurred. All related person transactions are approved by our Board.

On November 30, 2015, we entered into the TLA with HTIT, which was further amended as the HTIT License Agreement. For further details, see "Item 1. Business—Description of Business—Out-Licensed Technology—HTIT." On November 30, 2015, we also entered into a Stock Purchase Agreement with HTIT, pursuant to which, among other things, Mr. Kidron would serve as proxy and attorney in fact of HTIT, with full power of substitution, to cast on behalf of HTIT all votes that HTIT is entitled to cast with respect to the Purchased Shares at any and all meetings of our stockholders to consent or dissent to any action taken without a meeting and to vote all the Purchased Shares held by HTIT in any manner Mr. Kidron deemed appropriate except for matters related to our activities in the People's Republic of China, on which Mr. Kidron would consult with HTIT before taking any action as proxy. On August 19, 2021, the proxy was revoked in accordance with its terms by HTIT.

The Board has determined that Dr. Daniel Aghion, Dr. Arie Mayer, Yadin Rozov Leonard Sank and Leonard Sank Benjamin Shapiro are independent as defined under the rules promulgated by Nasdaq.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The aggregate fees billed by Kesselman & Kesselman, independent registered public accounting firm, and member firm of PricewaterhouseCoopers International Limited, for services rendered to us during the fiscal year ended December 31, 2022, during the Transition Period December 31, 2023 and during the fiscal year ended August 31, 2021: 2022:

	2022	Transition Period	2021	2023	2022
Audit Fees ⁽¹⁾	\$ 130,000	\$ 39,000	\$ 90,000	\$ 132,501	\$ 130,000
Audit-Related Fees ⁽²⁾	45,000	42,000	47,500	1,500	45,000
Tax Fees ⁽³⁾	20,000	-	1,400	31,363	20,000
All Other Fees	-	-	-	-	-
Total Fees	\$ 195,000	\$ 81,000	\$ 138,900	\$ 165,364	\$ 195,000

(1) Amount represents fees paid for professional services for the audit of our consolidated financial statements, review of our interim condensed consolidated financial statements included in quarterly reports and services that are normally provided by our independent registered public accounting firm in connection with statutory and regulatory filings or engagements.

(2) Represents fees paid for services rendered in connection with our July 2021 public at-the-market offering of common stock related fees for fiscal year 2021, our November 2021 registered direct offering of common stock for the Transition Period, at-the-market offering related fees, 2022, and fees rendered in connection with the Israeli Innovation Authority requirements. Represents fees paid for services rendered with the Israeli Innovation Authority requirements.

(3) Represents fees paid for tax consulting services.

SEC rules require that before the independent registered public accounting firm are engaged by us to render any auditing or permitted non-audit related service, the engagement be: (1) pre-approved by our Audit Committee; or (2) entered into pursuant to pre-approval policies and procedures established by the Audit Committee, provided the policies and procedures are detailed as to the particular service, the Audit Committee is informed of each service, and such policies and procedures do not include delegation of the Audit Committee's responsibilities to management.

The Audit Committee pre-approves all services provided by our independent registered public accounting firm. All of the above services and fees were reviewed and approved by the Audit Committee before the services were rendered.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a)

(a)

Index to Financial Statements

The following consolidated financial statements are filed as part of this Annual Report on Form 10-K:

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM (PCAOB name: Kesselman & Kesselman C.P.A.s, PCAOB ID: 1309 and Auditor Location: Tel Aviv, Israel)	F-1
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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Oramed Pharmaceuticals Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Oramed Pharmaceuticals Inc. and its subsidiaries (the "Company") as of December 31, 2023 and 2022, and 2021, and the related consolidated statements of loss, income (loss), changes in stockholders' equity and cash flows for the year years then ended, December 31, 2022, for the four-months ended December 2021 and for the year ended August 31, 2021, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 December 31, 2023 and 2021 2022, and the results of its operations and its cash flows for the year years then ended December 31, 2022, for the four-months ended December 2021 and for the year ended August 31, 2021, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical The critical audit matters are matters communicated below is a matter arising from the current period audit of the consolidated financial statements that were was communicated or required to be communicated to the audit committee and that (i) relate relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. We determined there are no The communication of critical audit matters, matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Investments at fair value

As described in Note 4 to the consolidated financial statements, the Company has \$110,188 thousand investments at fair value recorded as of December 31, 2023 relating to the note and warrants issued to the Company by Scilex Holding Company. Management applied significant judgment in estimating the fair value of the investments recorded, which also impacted the results of operations of the Company by approximately \$15,638 thousand for the change in fair value of such investments in the year ended December 31, 2023. The fair value estimation involved the use of significant estimates and assumptions with respect to the repayment date of the note and the related amounts of the note and warrants.

The principal considerations for our determination that performing procedures relating to investments at fair value is a critical audit matter are (i) the high degree of auditor judgment and subjectivity in performing procedures relating to the fair value measurement of the investments recorded, due to significant judgment by management when developing the estimate; (ii) significant audit effort in evaluating the significant assumptions relating to the repayment date of the note and the related amounts of the note and warrants; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others (i) reading the related agreements and (ii) testing management's process for estimating the fair value of the investments. Testing management's process included evaluating the appropriateness of the valuation methods, testing the completeness and accuracy of the data provided by management, and evaluating the reasonableness of significant assumptions related to the repayment date. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's models.

/s/ Kesselman & Kesselman

Certified Public Accountants (Isr.)

A member firm of PricewaterhouseCoopers International Limited

Tel Aviv, Israel

March 6, 2023 2024

We have served as the Company's auditor since 2008.

Kesselman & Kesselman, Trade Tower, 25 Hamered Street, Tel-Aviv 6812508, Israel,
P.O Box 50005 Tel-Aviv 6150001 Telephone: +972 -3- 7954555, Fax: +972 -3- 7954556, www.pwc.com/il

ORAMED PHARMACEUTICALS INC.
CONSOLIDATED BALANCE SHEETS
In thousands (except share and per share data)

	December 31,		December 31,	
	2022	2021	2023	2022
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 40,464	\$ 27,456	\$ 9,055	\$ 40,464
Short-term deposits (note 2)	111,513	111,077	95,279	111,513
Marketable securities (note 3)	3,743	7,747	-	3,743
Investments at fair value (note 4)			57,713	-
Prepaid expenses and other current assets	1,389	1,657	537	1,389
Total current assets	<u>157,109</u>	<u>147,937</u>	<u>162,584</u>	<u>157,109</u>
LONG-TERM ASSETS:				
Long-term deposits (note 4)		7	25,094	7
Long-term deposits			7	7
Investments at fair value (note 4)			51,035	-
Marketable securities (note 3)	-	3,875	1,807	-
Long-term investment (note 6j)	2,700	-		
Other non-marketable equity securities (note 5)			3,524	2,700
Amounts funded in respect of employee rights upon retirement	24	26	27	24
Property and equipment, net	815	388	873	815
Operating lease right of use assets	987	500	694	987
Total long-term assets	<u>4,533</u>	<u>29,883</u>	<u>57,967</u>	<u>4,533</u>
Total assets	<u>\$ 161,642</u>	<u>\$ 177,820</u>	<u>\$ 220,551</u>	<u>\$ 161,642</u>
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Accounts payable and accrued expenses (note 5)	\$ 4,158	\$ 4,535		
Accounts payable and accrued expenses (note 6)			\$ 1,609	\$ 4,158
Short-term borrowings (note 7)			51,013	-
Deferred revenues	1,340	2,703	-	1,340
Payable to related parties (note 11b)	1	-		
Payable to related parties (note 13b)			325	1
Operating lease liabilities	247	130	267	247
Total current liabilities	<u>5,746</u>	<u>7,368</u>	<u>53,214</u>	<u>5,746</u>
LONG-TERM LIABILITIES:				
Long-term deferred revenues	4,000	3,340	4,000	4,000
Employee rights upon retirement	21	22	28	21
Provision for uncertain tax position (note 10f)	11	11		
Provision for uncertain tax position (note 12f)			11	11
Operating lease liabilities	647	370	342	647
Other liabilities	61	99	63	61
Total long-term liabilities	<u>4,740</u>	<u>3,842</u>	<u>4,444</u>	<u>4,740</u>
COMMITMENTS (note 6)				
COMMITMENTS (note 8)				
EQUITY				
EQUITY ATTRIBUTABLE TO COMPANY'S STOCKHOLDERS':				
Common stock, \$ 0.012 par value (60,000,000 authorized shares as of December 31, 2022 and December 31, 2021; 39,563,888 and 38,158,792 shares issued and outstanding as of December 31, 2022 and December 31, 2021, respectively)	476	459		
Common stock, \$ 0.012 par value (60,000,000 authorized shares as of December 31, 2023 and December 31, 2022; 40,338,979 and 39,563,888 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively)			485	476
Additional paid-in capital	314,417	292,514	320,892	314,417

Accumulated deficit	(163,081)	(126,520)	(157,556)	(163,081)
Total stockholders' equity	151,812	166,453	163,821	151,812
Non-controlling interests	(656)	157	(928)	(656)
Total equity	151,156	166,610	162,893	151,156
Total liabilities and equity	\$ 161,642	\$ 177,820	\$ 220,551	\$ 161,642

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

ORAMED PHARMACEUTICALS INC.
CONSOLIDATED STATEMENTS OF LOSS INCOME (LOSS)
In thousands (except share and per share data)

	Year ended December 31, 2022	Four months ended December 31, 2021	Year ended August 31, 2021	Year ended December 31, 2023	Year ended December 31, 2022
REVENUES	\$ 2,703	\$ 904	\$ 2,703	\$ 1,340	\$ 2,703
RESEARCH AND DEVELOPMENT EXPENSES	27,639	9,037	20,989	(8,971)	(27,639)
SALES AND MARKETING	1,851	898	-	287	(1,851)
GENERAL AND ADMINISTRATIVE EXPENSES	13,811	3,295	5,937	(8,425)	(13,811)
OPERATING LOSS	<u>40,598</u>	<u>12,326</u>	<u>24,223</u>	<u>(15,769)</u>	<u>(40,598)</u>
FINANCIAL INCOME (note 9a)	3,754	158	1,242		
FINANCIAL EXPENSES (note 9b)	820	87	8		
LOSS BEFORE TAX EXPENSES	<u>37,664</u>	<u>12,255</u>	<u>22,989</u>		
INTEREST EXPENSES (note 11b)				(2,037)	-
FINANCIAL INCOME (EXPENSES), NET (note 11a)				22,894	2,934
INCOME (LOSS) BEFORE TAX EXPENSES				5,088	(37,664)
TAX EXPENSES	100	-	-		(100)
NET LOSS	<u>\$ 37,764</u>	<u>\$ 12,255</u>	<u>\$ 22,989</u>		
NET LOSS (INCOME)				<u>\$ 5,088</u>	<u>\$ (37,764)</u>
NET LOSS ATTRIBUTABLE TO:					
NET INCOME (LOSS) ATTRIBUTABLE TO:					
COMPANY'S STOCKHOLDERS	36,561	11,668	22,238	5,525	(36,561)
NON-CONTROLLING INTERESTS	1,203	587	751	(437)	(1,203)
NET LOSS	<u>\$ 37,764</u>	<u>\$ 12,255</u>	<u>\$ 22,989</u>		
NET INCOME (LOSS)				<u>\$ 5,088</u>	<u>\$ (37,764)</u>
BASIC AND DILUTED LOSS PER SHARE OF COMMON STOCK	<u>\$ 0.94</u>	<u>\$ 0.31</u>	<u>\$ 0.78</u>		
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK USED IN COMPUTING BASIC AND DILUTED LOSS PER SHARE OF COMMON STOCK	<u>38,997,649</u>	<u>37,113,137</u>	<u>28,469,068</u>		
BASIC INCOME (LOSS) PER SHARE OF COMMON STOCK				<u>\$ 0.14</u>	<u>\$ (0.94)</u>
DILUTED INCOME (LOSS) PER SHARE OF COMMON STOCK				<u>\$ 0.14</u>	<u>\$ (0.94)</u>
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK USED IN COMPUTING BASIC INCOME (LOSS) PER SHARE OF COMMON STOCK				<u>40,315,068</u>	<u>38,997,649</u>
WEIGHTED AVERAGE NUMBER OF SHARES OF COMMON STOCK USED IN COMPUTING DILUTED INCOME (LOSS) PER SHARE OF COMMON STOCK				<u>40,566,901</u>	<u>38,997,649</u>

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

ORAMED PHARMACEUTICALS INC.
 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 in thousands

Attributable to Company's Stockholders							
	Common Stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity	Non-controlling interests	Total Equity
	Shares	\$					
BALANCE AS OF JANUARY 1, 2022	38,158	459	292,514	(126,520)	166,453	157	166,610
SHARES ISSUED FOR SERVICES	3	*	22	-	22	-	22
ISSUANCE OF COMMON STOCK, NET	1,213	15	11,485	-	11,500	-	11,500
EXERCISE OF WARRANTS AND OPTIONS	39	*	62	-	62	-	62
STOCK-BASED COMPENSATION	151	2	11,117	-	11,119	-	11,119
STOCK-BASED COMPENSATION OF SUBSIDIARY	-	-	-	-	-	390	390
TAX WITHHOLDINGS RELATED TO STOCK-BASED COMPENSATION SETTLEMENTS	-	-	(783)	-	(783)	-	(783)
NET LOSS	-	-	-	(36,561)	(36,561)	(1,203)	(37,764)
BALANCE AS OF DECEMBER 31, 2022	39,564	476	314,417	(163,081)	151,812	(656)	151,156

Attributable to Company's Stockholders							
	Common Stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity	Non-controlling interests	Total Equity
	Shares	\$					
BALANCE AS OF JANUARY 1, 2023	39,564	476	314,417	(163,081)	151,812	(656)	151,156
SHARES ISSUED FOR SERVICES	3	*	9	-	9	-	9
ISSUANCE OF COMMON STOCK, NET	193	2	2,426	-	2,428	-	2,428
STOCK-BASED COMPENSATION	579	7	4,040	-	4,047	-	4,047
STOCK-BASED COMPENSATION OF SUBSIDIARY	-	-	-	-	-	165	165
NET INCOME (LOSS)	-	-	-	5,525	5,525	(437)	5,088
BALANCE AS OF DECEMBER 31, 2023	40,339	485	320,892	(157,556)	163,821	(928)	162,893

* Represents an amount of less than \$1.

Attributable to Company's Stockholders							
	Common Stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity	Non-controlling interests	Total Equity
	Shares	\$					
BALANCE AS OF SEPTEMBER 1, 2021	35,293	424	230,201	(114,852)	115,773	744	116,517
ISSUANCE OF COMMON STOCK, NET	2,631	32	59,901	-	59,933	-	59,933
EXERCISE OF WARRANTS AND OPTIONS	92	1	638	-	639	-	639
STOCK-BASED COMPENSATION	142	2	1,774	-	1,776	-	1,776
NET LOSS	-	-	-	(11,668)	(11,668)	(587)	(12,255)
BALANCE AS OF DECEMBER 31, 2021	38,158	459	292,514	(126,520)	166,453	157	166,610

Attributable to Company's Stockholders							
	Common Stock		Additional paid-in capital	Accumulated deficit	Total stockholders' equity	Non-controlling interests	Total Equity
	Shares	\$					
BALANCE AS OF SEPTEMBER 1, 2020	23,675	284	125,209	(92,614)	32,879	-	32,879
BALANCE AS OF JANUARY 1, 2022					38,158	459	292,514
SHARES ISSUED FOR SERVICES					3	*	22
						-	22

ISSUANCE OF COMMON STOCK, NET	8,467	102	79,881	-	79,983	-	79,983	1,213	15	11,485	-	11,500
EXERCISE OF WARRANTS AND OPTIONS	3,151	38	21,371	-	21,409	-	21,409	39	*	62	-	62
STOCK-BASED COMPENSATION	-	-	2,695	-	2,695	-	2,695	151	2	11,117	-	11,119
ASSET ACQUISITION TRANSACTION	-	-	1,045	-	1,045	1,495	2,540					
STOCK-BASED COMPENSATION OF SUBSIDIARY								-	-	-	-	-
TAX WITHHOLDINGS RELATED TO STOCK-BASED COMPENSATION SETTLEMENTS								-	-	(783)	-	(783)
NET LOSS	-	-	-	(22,238)	(22,238)	(751)	(22,989)	-	-	(36,561)	(36,561)	(36,561)
BALANCE AS OF AUGUST 31, 2021	35,293	424	230,201	(114,852)	115,773	744	116,517					
BALANCE AS OF DECEMBER 31, 2022								39,564	476	314,417	(163,081)	151,812

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

ORAMED PHARMACEUTICALS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
In thousands

	Year ended December 31, 2022	Four months ended December 31, 2021	Year ended August 31, 2021	Year ended December 31, 2023	Year ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net loss	\$ (37,764)	\$ (12,255)	\$ (22,989)		
Adjustments required to reconcile net loss to net cash used in operating activities:					
Net income (loss)				\$ 5,088	\$ (37,764)
Adjustments required to reconcile net income (loss) to net cash used in operating activities:					
Depreciation	58	18	77	196	58
Gain from selling fixed assets	(13)	-	-		(13)
Non-cash expense for acquired In-Process Research & Development ("IPR&D")	-	-	1,040		
Exchange differences and interest on deposits and held to maturity bonds	(1,550)	(34)	187	(2,172)	(1,550)
Changes in fair value of investments	763	72	(876)	(16,392)	763
Stock-based compensation	11,509	1,776	2,695	4,212	11,509
Shares issued for services	22	-	-	9	22
Funds in respect of employee rights upon retirement				(3)	-
Accrued interest on short-term borrowings to maturity				1,463	-
Changes in operating assets and liabilities:					
Prepaid expenses and other current assets	268	(460)	(586)	852	268
Accounts payable, accrued expenses and related parties	(376)	689	2,060	(2,225)	(376)
Net changes in operating lease	(93)	-	-	8	(93)
Deferred revenues	(703)	(904)	(2,703)	(1,340)	(703)
Liability for employee rights upon retirement	(1)	1	3	7	(1)
Other liabilities	(38)	(25)	(89)	2	(38)
Total net cash used in operating activities	<u>(27,918)</u>	<u>(11,122)</u>	<u>(21,181)</u>	<u>(10,295)</u>	<u>(27,918)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property and equipment	(496)	(9)	(375)	(254)	(496)
Proceeds from selling fixed assets	24	-	-		24
Investment in short-term deposits	(151,700)	(100,000)	(18,460)		
Investment in long-term deposits	(5)	-	(25,000)		
Proceeds from sale of mutual funds	-	-	3,765		
Purchase of held to maturity securities	-	-	(10,362)		
Purchase of short-term deposits				(91,369)	(151,700)
Purchase of long-term deposits					(5)
Long-term investments				(99,550)	(2,700)
Proceeds from long-term investments				5,000	-
Proceeds from redemption of short-term deposits	178,200	-	18,460	109,760	178,200
Proceeds from maturity of held to maturity securities	6,886	761	8,209	3,375	6,886
Long-term investments	(2,700)	-	-		
Funds in respect of employee rights upon retirement	2	-	(1)		2
Total net cash provided by (used in) investing activities	<u>30,211</u>	<u>(99,248)</u>	<u>(23,764)</u>	<u>(73,038)</u>	<u>30,211</u>
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from issuance of common stock, net of issuance costs	11,500	59,933	79,983	2,428	11,500
Proceeds from exercise of warrants and options	62	639	21,409		62
Loans received				99,550	-
Loans repaid				(50,000)	-
Tax withholdings related to stock-based compensation settlements	(783)	-	-		(783)
Transaction with non-controlling interests	-	-	1,500		
Total net cash provided by financing activities	<u>10,779</u>	<u>60,572</u>	<u>102,892</u>	<u>51,978</u>	<u>10,779</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS					
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(64)</u>	<u>9</u>	<u>2</u>	<u>(54)</u>	<u>(64)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>13,008</u>	<u>(49,789)</u>	<u>57,949</u>	<u>(31,409)</u>	<u>13,008</u>
	<u>27,456</u>	<u>77,245</u>	<u>19,296</u>	<u>40,464</u>	<u>27,456</u>

CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 40,464	\$ 27,456	\$ 77,245	\$ 9,055	\$ 40,464
(A) SUPPLEMENTARY DISCLOSURE ON CASH FLOWS:					
Taxes paid	\$ 100	\$ -	\$ -	\$ -	\$ 100
Interest paid				\$ 574	\$ -
Interest received	\$ 1,844	\$ 128	\$ 563	\$ 5,156	\$ 1,844
(B) SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES:					
Recognition of operating lease right of use assets and liabilities	730	-	582	-	730
(C) ASSET ACQUISITION TRANSACTION (see note 12):					
IPR&D	-	-	-	1,040	
Transaction with non-controlling interests	-	-	-	1,500	
Additional paid in capital	-	-	-	(1,045)	
Non-controlling interests	-	-	-	(1,495)	

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

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
In thousands (except share and per share data)

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 **December 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.

On January 11, 2023, the Company announced that the ORA-D-013-1 Phase 3 trial did not meet its primary **and or** secondary endpoints. **The As a result, the Company terminated this trial and a parallel Phase 3, ORA-D-013-2 clinical trial. As these results are considered a triggering event, the Company evaluated this subsequent event all of its long lived assets which include fixed assets and determined operating lease right-of-use assets in the first quarter of 2023 and concluded that if no impairment was non-adjusting to required. In 2023, the consolidated financial statements for the year ended December 31, 2022, as it was not known or expected as of that date. The Company has initiated a comprehensive completed an analysis of the data from the ORA-D-013-1 Phase 3 trial and found that subpopulations of patients with pooled specific parameters, such as body mass index (BMI), baseline HbA1c and age, responded well to understand if there oral insulin. These subsets exhibited an over 1% placebo adjusted, statistically significant, reduction in HbA1c. Based on this analysis, the Company is working on a path forward protocol for its oral insulin candidate, a new Phase 3 clinical trial to be submitted to the U.S. Food and Drug Administration (the "FDA"). Concurrently, the Company is examining its existing pipeline and has commenced an evaluation process of potential strategic opportunities, with the goal of enhancing value for the Company's stockholders. See note 13.**

2) Change in Fiscal Year

On February 28, 2022, the Company's Board of Directors (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 (the "SEC") 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 Annual Report on Form 10-K is the Company's first annual report presenting its new fiscal year, and reports financial results for the 12 month period ended December 31, 2022.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

3)2) Development and liquidity risks

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

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 may also need additional funds to realize the decisions made as part of its strategic review process. The Company cannot predict the outcome of these activities.

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

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

On September 21, 2023, the Company does not expect any material impact on its development timeline entered into and its liquidity due to consummated the transactions contemplated by a Securities Purchase Agreement (the "Scilex SPA") with Scilex and Acquiom Agency Services LLC. Pursuant to COVID-19. However, the Scilex SPA, in exchange for Scilex assuming outstanding obligations of Sorrento under the Senior DIP Loan Agreement (the "DIP Assumption") and for the ability to credit the amounts assumed under the DIP Assumption in exchange for certain equity securities of Scilex owned by Sorrento, Scilex (i) issued to the Company experienced approximately six (A) a Senior Secured Promissory Note due 18 months from the date of delays issuance in clinical trials due the principal amount of \$101,875 (the "Note"), which includes accrued and unpaid interest of \$875 under the Senior DIP Loan Agreement and \$1,000 of fees added to slow-downs the principal amount of recruitment for trials generally. The Note, (B) the Closing Penny Warrant (as defined herein), and (C) the Subsequent Penny Warrants (as defined herein), and (ii) caused the Transferred Warrants (as defined herein) to be transferred to the Company. For further details, see note 4.

On August 8, 2023, the Company continues borrowed an aggregate of \$99,550 pursuant to assess the effect on its operations by monitoring the status of COVID-19. loan agreements from Israel Discount Bank Ltd. For further details, see note 7.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

b. Basis of presentation

The consolidated financial statements included herein have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

c. Use of estimates in the preparation of financial statements

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statements date and the reported revenues and expenses during the reporting periods. Actual results could differ from those estimates.

As applicable to these consolidated financial statements, the most significant estimates and assumptions relate to stock-based compensation expectation of milestone payments and to the expected product submission date for revenue recognition purposes, investments at fair value (for further details, see note 4).

d. Functional currency

The currency of the primary economic environment in which the operations of the Company and its subsidiaries are conducted is the U.S. dollar ("\$" or "dollar"). Therefore, the functional currency of the Company and its subsidiaries is the dollar.

Transactions and balances originally denominated in dollars are presented at their original amounts. Balances in foreign currencies are translated into dollars using historical and current exchange rates for non-monetary and monetary balances, respectively. For foreign transactions and other items reflected in the statements of operations, the following exchange rates are used: (1) for transactions – exchange rates at transaction dates or average rates and (2) for other items (derived from non-monetary balance sheet items such as depreciation) – historical exchange rates. The resulting transaction gains or losses are carried to financial income or expenses, as appropriate.

e. Principles of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All inter-company transactions and balances have been eliminated in consolidation.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

f. Cash equivalents

The Company considers all short-term, highly liquid investments, which include short-term deposits with original maturities of three months or less from the date of purchase that are not restricted as to withdrawal or use and are readily convertible to known amounts of cash, to be cash equivalents.

g. Fair value measurement:

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.

	December 31, 2022			
	Level 1	Level 2	Level 3	Fair Value
Assets:				
Marketable Securities				
DNA	352	-	-	352
Entera	85	-	-	85
	\$ 437	-	-	\$ 437

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

	December 31, 2021			
	Level 1	Level 2	Level 3	Fair Value
Assets:				
Marketable Securities				
DNA	863	-	-	863
Entera	337	-	-	337
	\$ 1,200	-	-	\$ 1,200

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

As of December 31, 2022, the

The Company's financial assets measured at subject to fair value are comprised measurements on a recurring basis and the level of equity securities (Level 1). inputs used in such measurements were as follows:

	December 31, 2023			
	Level 1	Level 2	Level 3	Fair Value
Assets:				
Marketable Securities				
DNA	297	-	-	297
Entera	70	-	-	70
Transferred Warrants (see note 4)	1,440	-	-	1,440
Closing Penny Warrant (see note 4)	-	9,180	-	9,180
Subsequent Penny Warrants (see note 4)	-	-	6,502	6,502
The Note (see note 4)	-	-	93,066	93,066
	\$ 1,807	\$ 9,180	\$ 99,568	\$ 110,555
	December 31, 2022			
	Level 1	Level 2	Level 3	Fair Value
Assets:				
Marketable Securities				
DNA	352	-	-	352
Entera	85	-	-	85
	\$ 437	\$ -	\$ -	\$ 437

The fair value of held to maturity bonds the investment in non-marketable equity securities as presented in note 3.5 was based on a Level 2.3 measurement.

As of December 31, 2023, the carrying amounts of cash equivalents, short-term deposits, Short-Term Borrowings (as defined in note 7) and accounts payable approximate their fair values due to the short-term maturities of these instruments.

As of December 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 December 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.

- h. **Marketable securities**
 - 1. **Equity securities**

The Company measured the securities (investments in equity securities of DNA GROUP (T.R.) Ltd. ("DNA"), Entera Bio Ltd. ("Entera") and the Transferred Warrants) at fair value, with changes in fair value recognized in earnings.
 - 2. **Held to maturity securities**

All debt securities are classified as held-to-maturity because the Company has the positive intent and ability to hold the securities to maturity. Held-to-maturity securities are stated at amortized cost, adjusted for amortization of premiums and accretion of discounts to maturity.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

h.i. Marketable Other non-marketable equity securities

1. Equity securities

The Company classified the securities (investments in equity securities of DNA GROUP (T.R.) Ltd. ("DNA"), Entera Bio Ltd. ("Entera") and other mutual funds) to financial assets measured at fair value through profit or loss.

2. Held to maturity securities

All debt securities are classified as held-to-maturity because the Company has the positive intent and ability to hold the securities to maturity. Held-to-maturity securities are stated at amortized cost, adjusted for amortization of premiums and accretion of discounts to maturity. On a continuous basis, management assesses whether there are any indicators that the value of the Company's marketable securities may be impaired, which includes reviewing the underlying cause of any decline in value and the estimated recovery period, as well as the severity and duration of the decline. In the Company's evaluation, the Company considers its ability and intent to hold these investments for a reasonable period of time sufficient for the Company to recover its cost basis. A marketable security is impaired if the fair value of the security is less than the carrying value of the security and such difference is deemed to be other-than temporary. To the extent impairment has occurred, the loss shall be measured as the excess of the carrying amount of the security over the estimated fair value of the security.

i. Long-term investment

The Company also invested in non-marketable equity securities, through an investment in a privately held company. This equity investment does not have a readily determinable fair value. The investment is measured under the measurement alternative in Accounting Standard Codification ("ASC") 321 "Investments – Equity Securities" to the extent such an investment is not subject to consolidation or the equity method. Under the measurement alternative, this equity investment is carried at cost, less any impairment, adjusted for changes resulting from observable price changes in transactions for an identical or similar investment of the same issuer. The investment would be impaired in accordance with the provisions of ASC 820 "Fair Value Measurement" if, based on a qualitative assessment of impairment indicators, the fair value of the investment is less than its carrying amount. If considered impaired, the difference between the carrying amount and fair value would be recorded in the consolidated statement of operations. See For further details, see note 6j. 5.

j. Investments, at fair value

The Company invested in the Note and received Penny Warrants issued by Scilex (see note 4), for which it has elected the fair value option. Under the Fair Value Option Subsections of ASC Subtopic 825-10, Financial Instruments – Overall, the Company has the irrevocable option to report financial assets at fair value on an instrument-by-instrument basis. Changes in fair value are recorded under financial income, net and include interest income on the Note.

Alongside the Note and the Penny Warrants, Scilex issued to the Company the Transferred Warrants. The Transferred Warrants meet the definition of a derivative under ASC 815 "Derivatives and Hedging," and therefore will also be measured at fair value. Changes in the fair value of the Warrants are recorded under financial income, net.

k. Concentration of credit risks

Financial instruments that subject the Company to credit risk consist primarily of cash and cash equivalents, short and long-term deposits, which are deposited in major financial institutions, marketable securities, and marketable securities, the Note (as defined herein). The Company is of the opinion that the credit risk in respect of these balances is remote, remote, except for the Note (as defined herein) for which the credit risk is reflected in its fair value measurement (for further details, see note 4).

k.l. Income taxes

1. Deferred taxes

Deferred taxes are determined utilizing the asset and liability method based on the estimated future tax effects of differences between the financial accounting and tax bases of assets and liabilities under the applicable tax laws. Deferred tax balances are computed using the tax rates expected to be in effect when those differences reverse. A valuation allowance in respect of deferred tax assets is provided if, based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company has provided a full valuation allowance with respect to its deferred tax assets. See note 10.12.

Regarding the Israeli subsidiary, the recognition is prohibited for deferred tax liabilities or assets that arise from differences between the financial reporting and tax bases of assets and liabilities that are measured from the local currency into dollars using historical exchange rates, and that result from changes in exchange rates or indexing for tax purposes. Consequently, the abovementioned differences were not reflected in the computation of deferred tax assets and liabilities.

Until the year ended August 31, 2019, the Israeli subsidiary measured its results for tax purposes in nominal terms in NIS. In order to avoid unfavorable tax implications derived from the fluctuations in the exchange rate, the Israeli subsidiary's results for tax purposes are measured in U.S. dollars starting from the year ended August 31, 2020.

Taxes that would apply in the event of disposal of investments in the Israeli subsidiary have not been taken into account in computing deferred taxes, as it is the Company's intention to hold this investment, not to realize it.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

2. Uncertainty in income tax

The Company follows a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon ultimate settlement. Such liabilities are classified as long-term, unless the liability is expected to be resolved within 12 months from the balance sheet date. The Company's policy is to include interest and penalties related to unrecognized tax benefits within income tax expenses.

I. Revenue recognition

HTIT

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 License Agreement and the SPA according to their fair value, as follows: \$10,617 was allocated to the issuance of common stock (less issuance expenses of \$23), based on the quoted price of the Company's shares on the closing date of the SPA on December 28, 2015, and \$38,883 was allocated to the License Agreement.

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

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

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

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

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

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

m. Revenue recognition

HTIT

On November 30, 2015, the Company entered into a Technology License Agreement, with Hefei Tianhui Incubator of Technologies Co. Ltd. ("HTIT") and on December 21, 2015, the parties entered into an Amended and Restated Technology License Agreement that was further amended by the parties on June 3, 2016 and July 24, 2016 (the "HTIT License Agreement").

As of December 31, 2022 December 31, 2023, an aggregate amount of \$22,382 was allocated to the HTIT License Agreement, all of which were received through the balance sheet date. Through December 31, 2022 December 31, 2023, the Company recognized revenue associated with this agreement in the aggregate amount of \$19,042 (of \$20,382, of which \$2,703 \$1,340 was recognized in the year twelve month period ended December 31, 2022), December 31, 2023, and deferred the remaining amount of \$3,340, \$2,000, which is presented as a contract liability long-term deferred revenues on the consolidated balance sheet.

Medicox

On November 13, 2022, the Company entered into a distribution license agreement ("Medicox License Agreement") with Medicox Co., Ltd. ("Medicox"). The Medicox License Agreement grants Medicox an exclusive license to apply for regulatory approval and distribute ORMD-0801 in the Republic of Korea. For further details, see note 6f. 8c.

Under ASC 606 "Revenue from Contracts with Customers," the Company identified Medicox as a customer and the Medicox License Agreement as a contract with a customer.

The Company identified a performance obligation in the Medicox License Agreement to stand-ready and provide Medicox with support in its commercialization efforts in the Republic of Korea. This performance obligation includes a non-distinct distribution license for ORMD-0801, which the Company views as a predominant item in the combined performance obligation. The Company concluded that the license is not distinct, as no party other than the Company is capable of providing related services to Medicox, and both the license and related services are necessary for the customer to obtain a regulatory approval in the Republic of Korea. In addition, the agreement covers the terms of future manufacturing services, that are contingent on the completion and success of the commercialization efforts.

The Medicox License Agreement contains a fixed consideration of \$2,000, which was received by the Company as of during the year ended December 31, 2022 and is currently presented under long-term deferred revenues. It also contains variable consideration of contractual milestone payments and sales-based royalties.

The Company's obligation to stand-ready and support Medicox will be recognized on a straight-line basis over the period the Company expects to provide support to Medicox. As of December 31, 2022 December 31, 2023, this support has not commenced, and no revenue was recognized from the Medicox License Agreement.

If Medicox proceeds with the regulatory approval process in the Republic of Korea, the Company expects most of the revenue to be recognized in 2024, at a later stage, going forward. The Company notes that its Phase 3 trial did not meet its primary and or secondary endpoints (see note 13) 1a.1). If Medicox chooses to terminate the agreement as a result of the outcome of the Phase 3 trials, the Company will accelerate revenue recognition and recognize it in 2023, at such time.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

In thousands (except share and per share data)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

m.n. Research and development

Research and development expenses include costs directly attributable to the conduct of research and development programs, including the cost of salaries, employee benefits, the cost of supplies, the cost of services provided by outside contractors, including services related to the Company's clinical trials, clinical trial expenses and the full cost of manufacturing drug 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. The Company outsources a substantial portion of its clinical trial activities, utilizing external entities such as Clinical Research Organizations ("CROs"), independent clinical investigators, and other third-party service providers to assist the Company with the execution of its clinical trials. For each clinical trial that the Company conducts, clinical trial costs are expensed immediately.

n.o. Stock-based compensation

Equity awards granted to employees are accounted for using the grant date fair value method. The grant date fair value is determined as follows: for stock options and restricted stock units ("RSUs") with an exercise price using the Black Scholes pricing model, for stock options and RSUs with market conditions using a Monte Carlo model and for RSUs with service conditions based on the grant date share price. The fair value of share based payment awards is recognized as an expense over the requisite service period. The expected term is the length of time until the expected dates of exercising the award and is estimated using the simplified method due to insufficient specific historical information of employees' exercise behavior, unless the award includes a market condition, in which case the contractual term is used. The volatility is based on a historical volatility, by statistical analysis of the weekly share price for past periods. The Company elected to recognize compensation cost for awards granted to employees that have a graded vesting schedule using the accelerated method based on the multiple-option award approach. For awards with only market conditions, compensation expense is not reversed if the market conditions are not satisfied.

The Company elects to account for forfeitures as they occur.

o.p. Loss Earnings (loss) per common share

Basic and diluted net loss earnings (loss) per common share are computed by dividing the net loss earnings (loss) attributable to stockholders for the period by the weighted average number of shares of common stock outstanding for each period, including vested RSUs. Outstanding stock options, warrants and RSUs have been excluded from the calculation of the diluted loss per share because all such securities are anti-dilutive for all periods presented, the year ended December 31, 2022.

For the diluted earnings per share calculation for the year ended December 31, 2023, the weighted average number of shares outstanding during the year is adjusted for the potential dilution that could occur in connection with employee share-based payment, using the treasury stock method.

The weighted average number of stock options, warrants, and RSUs that has been excluded from the calculation of the diluted income per share as of December 31, 2023 was 1,227,506 shares.

The weighted average number of stock options, warrants and RSUs excluded from the calculation of diluted net loss was 3,356,203 for the year ended December 31, 2022, 3,894,588 for the four month period ended December 31, 2021 and 5,042,299 for the year ended August 31, 2021.

p. Asset acquisition

When determining whether a transaction gives rise to an acquisition of a business or asset group, the Company applies a screening test to determine whether substantially all of the fair value of the gross assets acquired in the transaction is concentrated in a single identifiable asset or group of similar identifiable assets. If so, then the assets are not considered a business and the transaction is accounted for as an asset acquisition.

When a transaction is accounted for as an asset acquisition, an IPR&D asset is only capitalized if it has an alternative future use other than in a particular research and development project. Otherwise, amounts allocated to IPR&D that have no alternative use are expensed.

The Company has elected an accounting policy to measure non-controlling interests in an asset acquisition at fair value on the date of acquisition.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

In thousands (except share and per share data)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

q. Leases

The Company leases real estate and cars for use in its operations, which are classified as operating leases. In addition to rent, the leases may require the Company to pay directly for fees, insurance, maintenance and other operating expenses.

The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right of use assets and operating lease liabilities in the consolidated balance sheets. Right of use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Company uses its incremental borrowing rate based on the information available at the commencement date to determine the present value of the lease payments. Lease expenses are recognized on a straight-line basis over the lease term.

The Company elected the short-term lease recognition exemption for all leases with a term shorter than 12 months. This means that for those leases, the Company does not recognize ROU assets or lease liabilities but recognizes lease expenses over the lease term on a straight line basis. The Company also elected the practical expedient to not separate lease and non-lease components for all of its leases.

Lease terms will include options to extend or terminate the lease when it is reasonably certain that the Company will either exercise or not exercise the option to renew or terminate the lease.

The Company's lease agreements have remaining lease terms ranging from 1 year to 4 years. Some of these agreements include options to extend the leases for up to an additional 5 years and some include options to terminate the leases immediately. See also note **6h. 8e.**

r. Recently issued Accounting Pronouncements, not yet adopted New accounting pronouncements

Recently adopted accounting pronouncements

In June 2016, the Financial Accounting Standards Board (the "FASB") issued **ASU Accounting Standards Update ("ASU") 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** Company adopted the provisions of this guidance is not expected to have a significant update as of January 1, 2023, with no material impact on the Company's its consolidated financial statements.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued):

Recently issued accounting pronouncements, not yet adopted

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

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

NOTE 2 - SHORT-TERM DEPOSITS:

Composition:

	December 31,			
	2022		2021	
	Annual interest rate	Amount	Annual interest rate	Amount
Dollar deposits	0.93-6.81 %	\$ 111,513	0.73-0.93 %	\$ 111,077
	December 31,		2022	
	2023		2022	
Dollar deposits	6.35-6.81 %	\$ 95,279	0.93-6.81 %	\$ 111,513

NOTE 3 - MARKETABLE SECURITIES:

a. **Composition:**

The Company's marketable securities include investments in equity securities of DNA, Entera and the Transferred Warrants (as defined herein; for further details regarding the Transferred Warrants, see note 4). As of December 31, 2022, marketable securities also included held to maturity securities.

	December 31,	
	2023	2022
Short-term:		
DNA (see b below)	\$ -	\$ 352
Entera (see c below)	-	85
Held to maturity securities (see d below)	-	3,306
	\$ -	\$ 3,743
Long-term:		
DNA (see b below)	\$ 297	\$ -
Entera (see c below)	70	-
Transferred Warrants (see note 4)	1,440	-
	\$ 1,807	\$ -

ORAMED PHARMACEUTICALS INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
 In thousands (except share and per share data)

NOTE 3 - MARKETABLE SECURITIES: SECURITIES (continued):

a. Composition:DNA

The Company's marketable securities include investments in equity securities of DNA and Entera and in held to maturity securities.

Composition:

	December 31,	
	2022	2021
Short-term:		
DNA (see b below)	\$ 352	\$ 863
Entera (see c below)	85	337
Held to maturity securities (see d below)	3,306	6,547
	\$ 3,743	\$ 7,747
Long-term:		
Held to maturity securities (see d below)	\$ -	\$ 3,875
	\$ 3,743	\$ 11,622

b. DNA

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

During the **year** years ended December 31, 2022, the four month period ended December 31, 2021 December 31, 2023 and the year ended August 31, 2021 2022, the Company did not sell any of DNA's ordinary shares. As of December 31, 2022 December 31, 2023, the Company owns approximately 1.4% of DNA's outstanding ordinary shares.

The cost of the securities as of both December 31, 2022 December 31, 2023 and 2021 2022 was \$595.

c. Entera

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

d. Held to maturity securities

The Company did not have any held to maturity securities as of December 31, 2023.

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

	December 31, 2022			
	Amortized cost	Gross unrealized gains (losses)	Estimated fair value	Average yield to maturity rate
Short-term:				
Commercial bonds	\$ 3,258	\$ (82)	\$ 3,176	1.07%
Accrued interest	48	-	48	
	\$ 3,306	\$ (82)	\$ 3,224	
December 31, 2022				
	Amortized cost	Gross unrealized gains (losses)	Estimated fair value	Average yield to maturity rate
Short-term:				
Commercial bonds	\$ 3,258	\$ (82)	\$ 3,176	1.07%
Accrued interest	48	-	48	
	\$ 3,306	\$ (82)	\$ 3,224	

NOTE 4 - INVESTMENTS, AT FAIR VALUE:

Scilex Transaction

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

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 34 - MARKETABLE SECURITIES INVESTMENTS, AT FAIR VALUE (continued):

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

The Note

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

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

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

The Note includes customary events of default, upon which the Note will bear interest at a default rate of Term SOFR plus 15.0%, which shall be payable in-kind, by being capitalized and added to the principal amount of the Note on a monthly basis. If the Note is accelerated upon an event of default, Scilex is required to repay the principal amount of the Note at a mandatory default rate of 125% of such principal amount (together with 100% of accrued and unpaid interest thereon and all other amounts due in respect of the Note). Until the obligations under the Note are repaid in full, the Company has the right to designate one non-voting observer to attend meetings of the board of directors and committees of Scilex and its subsidiaries.

Pursuant to the terms of the Scilex SPA, the Company received the first principal payment of \$5,000 on December 21, 2023.

Closing Penny Warrant

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

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

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

Subsequent Penny Warrants

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

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

Transferred Warrants

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

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

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

The valuation was performed, as of December 31, 2023, based on several scenarios which some of them took into account a partial or full early repayment of the Note. Each scenario took into consideration the present value of the Note's cash flows (including the exit fee and the prepayment premium) and the Warrants' value. The total value of the Transaction (and of each of its components) was valued on a weighted average of the different scenarios.

The discount rate of the Note was based on the B- rating Zero curve in addition to a risk premium which takes into account the credit risk of Scilex and ranged between 51.92% to 52.84%.

The fair value of **held-to-maturity securities** the Transferred Warrants was based on their closing price on the Nasdaq Capital Market.

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

On the Closing Date, the fair value of the Transaction was \$101,875. As of December 31, 2023, the fair value of the Transaction was \$110,188, split between the Note (\$93,066, of which \$57,713 is presented under short-term investments at December 31, 2021 fair value and \$35,353 is presented under long-term investments at fair value), **are as follows:** the Closing Penny Warrant (\$9,180), the Subsequent Penny Warrants (\$6,502), both presented under long-term investments at fair value and the Transferred Warrants (\$1,440) presented under long-term marketable securities. This resulted in a gain of \$15,638, attributed mainly to the change in fair value of the Note and the Warrants. The difference between the Note's fair value and aggregate unpaid principal balance (which includes interest payable on maturity) is \$7,801.

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

ORAMED PHARMACEUTICALS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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. In thousands (except share and per share data)

NOTE 45 - LONG-TERM DEPOSITS: OTHER NON-MARKETABLE EQUITY SECURITIES:

	December 31,	
	2022	2021
Composition:		
Long-term deposits*	\$ -	\$ 25,092
Lease car deposits	7	2
	<hr/> <hr/>	<hr/> <hr/>
	\$ 7	\$ 25,094

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

* Long term deposits include one deposit of \$25,000 with an annual interest rate of 0.93% and a maturity date of August 10, 2023.

The Company's non-marketable equity securities are an investment in a company without a readily determinable fair value. The Company accounts for this investment under the measurement alternative in ASC 321, whereby the equity investment is recorded at cost, less impairment. The carrying amount is subsequently remeasured to its fair value in accordance with the provisions of ASC 820 when observable price changes occur as of the date the transaction occurred, or it is impaired. Any adjustments to the carrying amount are recorded in the statements of comprehensive income (loss).

During the year ended December 31, 2023, the Company recorded an \$824 increase in value due to the closing in June 2023 of a Series C preferred investment round in Diasome. The change was recorded using the transaction price of similar securities issued by Diasome, adjusted for contractual rights and obligations of the securities held by the Company.

NOTE 56 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES:

	December 31,	
	2022	2021
Composition:		
Accounts payable	\$ 2,175	\$ 1,692
Payroll and related accruals	529	1,197
Institutions	11	531
Accrued liabilities	<hr/> 1,443	<hr/> 1,115
	<hr/> <hr/>	<hr/> <hr/>
	\$ 4,158	\$ 4,535
Composition:		
Accounts payable	\$ 551	\$ 2,175
Payroll and related accruals	453	529
Institutions	-	11
Accrued liabilities	<hr/> 605	<hr/> 1,443
	<hr/> <hr/>	<hr/> <hr/>
	\$ 1,609	\$ 4,158

NOTE 67 - SHORT-TERM BORROWINGS:

On August 8, 2023, the Company borrowed an aggregate of \$99,550 pursuant to loan agreements from Israel Discount Bank Ltd. (the "Short-Term Borrowings"). The Short-Term Borrowings mature on dates ranging from August 11, 2023 to May 24, 2024, bear interest ranging from 6.66% to 7.38%, and are secured by certificates of deposits issued by Israel Discount Bank Ltd. having an aggregate face amount of \$99,550. The net proceeds of the Short-Term Borrowings were used to fund the Transaction (for further details, see note 4). The Short-Term Borrowings are paid in one payment of principal and interest at each respective maturity. As of December 31, 2023, \$50,000 was repaid under the Short-Term Borrowings.

The aggregate remaining annual principal payments on debt until maturity are as follows:

	Annual Principal Payments
2024	<hr/> 49,550
Total	<hr/> \$ 49,550

NOTE 8 - COMMITMENTS:

a. In March 2011, the Subsidiary sold shares of its investee company, Entera, to DNA, retaining 117,000 ordinary shares (after giving effect to a stock split by Entera in July 2018). In consideration for the shares sold to DNA, the Company received, among other payments, ordinary shares of DNA (see also note 3).

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 December 31, 2022

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 December 31, 2023, 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.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 6B - 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 HTIT License Agreement shall remain in effect until the expiration of the royalty term. The License Agreement contains customary termination provisions.

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

As of ~~December 31, 2022~~ December 31, 2023, 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 the years ended ~~December 31, 2022~~ December 31, 2023, and ~~December 31, 2021~~ December 31, 2022. The Company wholly disputes ~~disputed~~ 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, any such claims as follows: \$10,617 was allocated to the issuance of common stock (less issuance expenses of \$23), based on the quoted price ~~part~~ 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, discussions with HTIT.

~~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 ~~11~~ 1m.

On January 22, 2024, the Company and its wholly-owned subsidiary, Oramed Ltd., entered into a Joint Venture Agreement (the "JV Agreement"), with Hefei Tianhui Biotech Co., Ltd. ("HTIT Biotech"), and Technowl Limited, a wholly-owned indirect subsidiary of HTIT Biotech ("HTIT Sub," and together with HTIT Biotech, "HTIT"), pursuant to which, subject to the terms and conditions set forth in the JV Agreement, the parties will establish a joint venture (the "JV"), based on the Company's oral drug delivery technology. For further details, see note 14.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

In thousands (except share and per share data)

NOTE 68 - 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 December 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 CRO for the Subsidiary's Phase 3 clinical trial for its oral insulin. The CRO Services Agreement was amended effective May 26, 2022 and as consideration for its services, the Subsidiary will pay the CRO a total amended amount of \$22,684 during the term of the engagement and based on achievement of certain milestones, of which \$16,356 was recognized in research and development expenses through December 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. The CRO Services Agreement was amended effective May 26, 2022 and as consideration for its services, the Subsidiary will pay the CRO a total amended amount of \$15,796 during the term of the engagement and based on achievement of certain milestones, of which \$7,586 was recognized in research and development expenses through December 31, 2022.
- f. On November 13, 2022, the Company entered the Medicox License Agreement with Medicox.

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

Medicox will comply with agreed distribution targets and will purchase ORMD-0801 at an agreed upon transfer price per capsule. In addition, Medicox will pay the Company up to \$15,000 in developmental milestones, \$2,000 of which ~~have already been~~ were received by the Company in 2022, and up to 15% royalties on gross sales. Medicox will also be responsible for obtaining a regulatory approval in the Republic of Korea.

~~The Company is currently evaluating with Medicox a path forward to continue its collaboration, following the results of our ORA-D-013-1 Phase 3 trial.~~
For the Company's revenue recognition policy, see note 11.1m.

g.d. 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, SOFR~~.

At the time the grants were received, successful development of the related projects was not assured. The total amount that was received through ~~December 31, 2022~~ December 31, 2023 was \$2,208 (\$2,536 2,559 including ~~LIBOR~~ interest). All grants were received before the year ended August 31, 2020 and recorded as a reduction of research and development expenses at that time.

As of ~~December 31, 2022~~ December 31, 2023, the liability to the IIA was \$133, \$59.

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

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 6 - COMMITMENTS (continued):

h.e. Leases

On August 2, 2020, the Subsidiary entered into a lease agreement for its facilities in Israel. The lease agreement is for a period of 60 months commencing September 1, 2020. The Subsidiary has the option to extend the period for another 60 months. The annual lease payment, including management fees, as of **December 31, 2022** **December 31, 2023** is approximately NIS 435 (\$**124**) **120**. As security for its obligation under this lease agreement, the Company provided a bank guarantee in an amount equal to three monthly lease payments. For accounting purposes, the lease period is 60 months.

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 (\$**124**) **120**. 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. For accounting purposes, the lease period is 60 months.

The total expenses related to leases were **\$236** for the year ended **December 31, 2023**, and **\$264** for the year ended **December 31, 2022**, **\$61** for the four month period ended **December 31, 2021** and **\$124** for the year ended **August 31, 2021**.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 8 - COMMITMENTS (continued):

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 date of 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 the Company's operating right-of-use assets and operating lease liabilities as of **December 31, 2022** **December 31, 2023** and **2021**: **2022**:

	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022
Operating right-of-use assets	\$ 987	\$ 500	\$ 694	\$ 987
Operating lease liabilities, current	247	130	267	247
Operating lease liabilities long-term	647	370	342	647
Total operating lease liabilities	<u>\$ 894</u>	<u>\$ 500</u>	<u>\$ 609</u>	<u>\$ 894</u>
Weighted Average of Remaining Lease Term				
Operating leases	3.41	3.58	2.5	3.41
Weighted Average Discount Rate				
Operating leases	3.15 %	3.00 %	3.15 %	3.15 %

Operating cash flows from operating lease for the years ended December 31, 2023 and 2022 were \$267 and \$214, respectively.

Lease payments for the Company's right-of-use assets over the remaining lease periods as of **December 31, 2022** **December 31, 2023** are as follows:

	December 31, 2022	December 31, 2023
2023	\$ 291	
2024	291	\$ 282
2025	228	222
2026	124	120
2027	10	10
Total undiscounted lease payments	<u>944</u>	<u>634</u>
Less: Interest*	(50)	(25)
Present value of lease liabilities	<u>\$ 894</u>	<u>\$ 609</u>

* Future lease payments were discounted by 3% **3.15%** **5.75%** interest rate.

ORAMED PHARMACEUTICALS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

In thousands (except share and per share data)

NOTE 6 - COMMITMENTS (continued):

i.f.

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 in attorneys' fees, which was paid on April 28, 2022 and included in general and administrative expenses in the first quarter of 2022. All other details of the settlement were previously agreed by the parties and acted upon at the Company's 2021 annual meeting of stockholders.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 8 - COMMITMENTS (continued):

j.g. Investment in Diasome Pharmaceuticals, Inc.

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

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

NOTE 79 - STOCKHOLDERS' EQUITY:

The following are the significant capital stock transactions that took place during the year ended December 31, 2022, four month period ended December 31, 2021 December 31, 2023 and the year ended August 31, 2021: 2022:

- a. In August 2019, the Company became aware of a shareholder derivative claim and putative class action alleging, among other things, that the Second Amended and Restated 2008 Stock Incentive Plan (the "2008 Plan") may have terminated in 2018. However, the Company disputed these claims and believes that the 2008 Plan does not terminate until 2026 and any suggestion to the contrary is not well-founded. For the sake of clarity and out of an abundance of caution, the Company adopted a new option plan, which was approved at its 2019 shareholder meeting. Such 2019 Stock Incentive Plan, as amended and restated (the "2019 Plan") originally allowed the Company to grant up to 1,000,000 options. Since the Company had granted options during the time after the old plan allegedly terminated, and out of an abundance of caution, the Company canceled these grants and reissued the options under the new option plan in the same amounts and under the same terms as the original grants. The cancellation and grants were approved by the Board of Directors on September 11, 2019. Out of the available options under the 2019 Plan, the Company granted 563,646 to replace the options under dispute as mentioned above. The cancellation of the award accompanied by the concurrent grant of a replacement award was accounted for as modification of the terms of the cancelled award. Since the replacement award was given under the same terms as the cancelled award, no incremental compensation cost was recognized. On August 3, 2020, the stockholders of the Company adopted the amended and restated 2019 Plan which increased the shares available to grant under the plan by an additional 2,000,000 to 3,000,000 options. On June 30, 2022, the stockholders of the Company adopted the amended and restated 2019 Plan, which increased the shares available for grant under the plan by an additional 4,500,000 to 7,500,000 options.
- b. On September 5, 2019, the Company entered into an Equity Distribution Agreement (the "Sales Agreement"), pursuant to which the Company could, from time to time and at the Company's option, issue and sell shares of Company common stock having an aggregate offering price of up to \$15,000, through a sales agent, subject to certain terms and conditions. Any shares sold were to be sold pursuant to the Company's effective shelf registration statement on Form S-3 including a prospectus and prospectus supplement, each dated February 10, 2020 (which superseded a prior registration statement, prospectus and prospectus supplement that related to shares sold under the Sales Agreement). 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 Sales Agreement. As of December 31, 2022, 3,212,621 shares were issued under the Sales Agreement for aggregate net proceeds of \$14,397.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 7 - STOCKHOLDERS' EQUITY (continued):

- c.** On December 1, 2020, the Company entered into a new equity distribution agreement (the "New Sales Agreement"), pursuant to which the Company could, from time to time and at the Company's option, issue and sell shares of Company common stock having an aggregate offering price of up to \$40,000, through a sales agent, subject to certain terms and conditions. Any shares sold will be sold pursuant to the Company's effective shelf registration statement on Form S-3 including a prospectus dated February 10, 2020 as supplemented by a prospectus supplement dated December 1, 2020. 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 New Sales Agreement. As of December 31, 2022, 4,061,956 shares were issued under the New Sales Agreement for aggregate net proceeds of \$38,799.
- d.** On June 16, 2021, the Company entered into an equity distribution agreement (the "Equity Distribution Agreement") with Canaccord Genuity LLC, as agent ("Canaccord Genuity"), pursuant to which the Company could issue and sell shares of its common stock having an aggregate offering price of up to \$28,000 from time to time through Canaccord Genuity. The Equity Distribution Agreement replaced the New Sales Agreement, once it had been exhausted. Any shares sold will be sold pursuant to the Company's effective shelf registration statement on Form S-3 including a prospectus dated February 10, 2020 and prospectus supplement dated June 16, 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 Equity Distribution Agreement. As of December 31, 2022, 1,823,287 shares were issued under the Equity Distribution Agreement for aggregate net proceeds of \$27,119.
- e.** On July 15, 2021, the Company entered into a new equity distribution agreement (the "New Equity Distribution Agreement") with Canaccord Genuity, pursuant to which the Company may issue and sell shares of its common stock having an aggregate offering price of up to \$100,000 from time to time through Canaccord Genuity. The New Equity Distribution Agreement replaced the Equity Distribution Agreement, once it had been exhausted. Any shares sold will be sold pursuant to the Company's effective shelf registration statement on Form S-3 including a prospectus dated July 15, 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 New Equity Distribution Agreement. As of December 31, 2022, 273,997 shares were respectively issued under the New Equity Distribution Agreement for aggregate net proceeds of \$5,129.
- f.b.** 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 the Company's 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 December 31, 2022, December 31, 2023 and through March 6, 2023 March 6, 2024, 1,778,147 and 1,971,447 shares were issued under the Cantor Equity Distribution Agreement for aggregate net proceeds of \$23,823 and \$26,253, respectively. \$26,253.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 9 - STOCKHOLDERS' EQUITY (continued):

g.c. 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 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.

h.d. As of **December 31, 2022** **December 31, 2023**, the Company had outstanding warrants exercisable **commencing January 6, 2019** **starting February 25, 2020** for **150,705** **20,000** shares of common stock at **an exercise price ranging from** **\$4.13 to \$4.80** per share and expiring **from April 10, 2023 to** **on** **April 15, 2029**.

ORAMED PHARMACEUTICALS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

In thousands (except share and per share data)

NOTE 7 - STOCKHOLDERS' EQUITY (continued):

The following table presents the warrant activity for the **year** **years** ended **December 31, 2022**, **four month period ended December 31, 2021** **December 31, 2023** and **year ended August 31, 2021; 2022**:

	Year ended December 31,		Four months ended December 31,		Year ended August 31,	
	2022		2021		2021	
	Warrants	Weighted-Average Exercise Price	Warrants	Weighted-Average Exercise Price	Warrants	Weighted-Average Exercise Price
Warrants outstanding at beginning of the period	158,375	\$ 4.78	232,175	\$ 5.57	3,407,820	\$ 6.98
Issued	-	\$ -	-	\$ -	-	\$ -
Exercised	4,200	\$ 4.8	73,800	\$ 7.25	3,175,645	\$ 7.07
Expired	3,470	\$ 7.81	-	\$ -	-	\$ -
Warrants outstanding at end of the period	150,705	\$ 4.71	158,375	\$ 4.78	232,175	\$ 5.57
Warrants exercisable at end of the period	150,705	\$ 4.71	158,375	\$ 4.78	232,175	\$ 5.57
Year ended December 31,						
	2023		2022		Weighted-Average Exercise Price	
Warrants outstanding at beginning of year	150,705	\$ 4.71	158,375	\$ 4.78		
Issued	-	\$ -	-	\$ -		
Exercised	-	\$ -	4,200	\$ 4.80		
Expired	130,705	\$ 4.80	3,470	\$ 7.81		
Warrants outstanding at end of year	20,000	\$ 4.13	150,705	\$ 4.71		
Warrants exercisable at end of year	20,000	\$ 4.13	150,705	\$ 4.71		

NOTE 8 10 - STOCK-BASED COMPENSATION:

The Company makes awards only under the 2019 Plan, under which, the Company had reserved a pool of 7,500,000 shares of the Company's common stock which may be issued at the discretion of the Board of Directors from time to time. Under this 2019 Plan, each option or RSU is exercisable into one share of common stock of the Company. The options may be exercised after vesting and in accordance with vesting schedules which will be determined by the Board of Directors for each grant. The maximum term of the options and RSUs is 10 years.

The following are the significant stock options and RSUs transactions with employees, board members and non-employees made during the **year** **years** ended **December 31, 2022**, the **four month period ended December 31, 2021** **December 31, 2023** and the **year ended August 31, 2021; 2022**:

a. On February 3, 2021, the Company granted options to purchase an aggregate of 340,000 shares of common stock of the Company at an exercise price of \$10.40 per share (equivalent to the closing price of the Company's common stock on the date of grant) as follows: 150,000 to the CEO, 100,000 to the CSO, 40,000 to the Company's former Chief Financial Officer and 50,000 to the Company's Chief Operating & Business Officer. The options shall vest in four equal annual installments, on each of December 31, 2021, 2022, 2023 and 2024. As of December 31, 2022, 160,000 of such options are vested. These options expire on February 3, 2031. The fair value of all these options on the date of grant was \$1,987, using the Black Scholes option-pricing model and was based on the following assumptions: stock price of \$10.40; dividend yield of 0% for all years; expected volatility of 61.07%; risk-free interest rates of 0.64%; and expected term of 6.21 years.

On February 3, 2021, the Company granted a total of 680,000 RSUs as follows: 300,000 to the CEO, 200,000 to the CSO, 80,000 to the Company's former Chief Financial Officer and 100,000 to the Company's Chief Operating and Business Officer. These RSUs were granted under the Company's 2019 Plan and shall vest as follows: 226,666 shall vest upon the Company's common stock achieving a price per share of \$15 during 20 days out of any 30-day trading period, 226,667 shall vest upon the Company's common stock achieving a price per share of \$25 during 20 days out of any 30-day trading period, and 226,667 upon achievement of a certain licensing agreement as specified by the Board of Directors. The total fair value of these RSUs on the date of the grant was \$4,511, using the Monte-Carlo model.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 8 - STOCK-BASED COMPENSATION (continued):

b. On February 17, 2021, the Company granted options to purchase an aggregate of 15,000 shares of common stock of the Company at an exercise price of \$11.33 per share (equivalent to the closing price of the Company's common stock on the date of grant) to the former chairman of the Board of Directors. The options shall vest in three equal annual installments, on each of December 31, 2021, 2022 and 2023. These options expired upon the expiration of the former chairman's term as a director. The total fair value of these options on the date of grant was \$98, using the Black Scholes option-pricing model and was based on the following assumptions: stock price of \$11.33; dividend yield of 0% for all years; expected volatility of 64.39%; risk-free interest rates of 0.76%; and expected term of 5.94 years.

On February 17, 2021, the Company granted a total of 30,000 RSUs to the former chairman of the Board of Directors. These RSUs were granted under the Company's 2019 Plan and shall vest as follows: 10,000 shall vest upon the Company's common stock achieving a price per share of \$15 during 20 days out of any 30-day trading period, 10,000 shall vest upon the Company's common stock achieving a price per share of \$25 during 20 days out of any 30-day trading period, and 10,000 upon achievement of a certain licensing agreement as specified by the Board of Directors. 10,000 RSUs vested on August 31, 2021 and the remainder expired upon the expiration of the former chairman's term as a director. The total fair value of these RSUs on the date of the grant was \$217, using the Monte-Carlo model.

c. On August 4, 2021, the Company granted options to purchase an aggregate of 100,000 shares of common stock of the Company at an exercise price of \$15.10 per share (equivalent to the closing price of the Company's common stock on the date of grant) to the Chief Commercial Officer. The options shall vest as follows: 12,500 on December 31, 2021, three equal annual installments of 25,000 on each of December 31, 2022, 2023 and 2024 and 12,500 on August 4, 2025. As of December 31, 2022, 37,500 of such options are vested. These options expire on August 4, 2031. The fair value of all these options on the date of grant was \$860, using the Black Scholes option-pricing model and was based on the following assumptions: stock price of \$15.10; dividend yield of 0% for all years; expected volatility of 61.98%; risk-free interest rates of 0.82%; and expected term of 6.17 years.

On August 4, 2021, the Company granted a total of 100,000 RSUs to the Chief Commercial Officer. These RSUs were granted under the Company's 2019 Plan and shall vest as follows: 33,333 shall vest upon the Company's common stock achieving a price per share of \$15 during 20 days out of any 30-day trading period, 33,333 shall vest upon the Company's common stock achieving a price per share of \$25 during 20 days out of any 30-day trading period, and 33,334 upon achievement of a certain licensing agreement as specified by the Board of Directors. The total fair value of these RSUs on the date of the grant was \$985, using the Monte-Carlo model.

d. On September 1, 2021, the Company granted options to its Chief Financial Officer to purchase an aggregate of 50,000 shares of common stock of the Company at an exercise price of \$20.19 per share. The options shall vest in four equal installments of 12,500 options on each of June 27, 2022, June 27, 2023, June 27, 2024 and June 27, 2025. As of December 31, 2022, 12,500 of such options are vested. In addition, the Company granted 50,000 RSUs that shall vest as follows: 33,333 if the closing price per share of the Company's common stock will be at least \$25 for at least 20 days out of any 30-trading; and

1. If the first condition was met any time before June 27, 2022, then the RSUs would have vested in three equal installments (on June 27, 2022, June 27, 2023 and June 27, 2024).

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 8 - STOCK-BASED COMPENSATION (continued):

2. If the first condition is met any time between June 27, 2022 and June 27, 2023, then 1/3 of the RSUs will vest immediately, and the remainder will vest in two equal installments (on June 27, 2023 and June 27, 2024).
3. If the first condition is met any time between June 27, 2023 and June 27, 2024, then 2/3 of the RSUs will vest immediately, and the remaining 1/3 will vest on June 27, 2024.
4. If the first condition is met any time after June 27, 2024, then the RSUs will vest immediately.

16,667 upon achievement of a certain licensing agreement as specified by the Board of Directors; and

1. If the first condition was met any time before June 27, 2022, then the RSUs would have vested in three equal installments (on June 27, 2022, June 27, 2023 and June 27, 2024).
2. If the first condition is met any time between June 27, 2022 and June 27, 2023, then 1/3 of the RSUs will vest immediately, and the remainder will vest in two equal installments (on June 27, 2023 and June 27, 2024).
3. If the first condition is met any time between June 27, 2023 and June 27, 2024, then 2/3 of the RSUs will vest immediately, and the remaining 1/3 will vest on June 27, 2024.
4. If the first condition is met any time after June 27, 2024, then the RSUs will vest immediately.

These options and RSUs expire on September 1, 2031.

The total value of the options and RSUs is \$1,572. The fair value of the options was calculated using the Black Scholes option-pricing model and was based on the following assumptions: stock price of \$20.19; dividend yield of 0% for all years; expected volatility of 61.62%; risk-free interest rates of 0.93%; and expected term of 6.16 years.

e. 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.

f.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 vest in four equal annual installments 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).

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 10 - STOCK-BASED COMPENSATION (continued):

g.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 vest in four equal annual installments on each of January 1, 2023, 2024, 2025 and 2026. As of **December 31, 2022** **December 31, 2023**, **none** **82,875** of such options are vested. These options expire on January 3, 2032. The total fair value of 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.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 8 - STOCK-BASED COMPENSATION (continued):

h.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 vest in four equal annual installments on each of January 1, 2023, 2024, 2025 and 2026. As of December 31, 2022, none of such options are vested. These options expire on January 3, 2032. The total fair value of 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.

i.e. 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 former member of the Company's board of directors. The RSUs shall vest in four equal annual installments on each of May 2, 2023, 2024, 2025 and 2026. 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.

j.f. 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 former 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 shall vest in four equal annual installments on each of May 2, 2023, 2024, 2025 and 2026. As of December 31, 2022, none of such options are vested. These options expire on May 2, 2032. The total fair value of 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.

k.g. On July 28, 2022, the Company granted an aggregate of 404,100 RSUs representing a right to receive shares of the Company's common stock to the Company's executive officers, employees and board members. The RSUs granted to certain employees, executive officers and board members shall vest in three equal annual installments on each of January 1, 2024, 2025 and 2026 and the RSUs granted to certain employees will vest in three equal annual installments on each of January 1, 2023, 2024 and 2025. The total fair value of these RSUs on the date of grant was \$3,423, using the quoted closing market share price of \$8.47 on the Nasdaq Capital Market on the date of grant.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 10 - STOCK-BASED COMPENSATION (continued):

l.h. On July 28, 2022, the Company granted 34,000 shares of the Company's common stock to each of the Company's President and Chief Executive Officer and Chief Scientific Officer. These shares vested in full on August 1, 2022. The total fair value of these shares on the date of grant was \$576, using the quoted closing market share price of \$8.47 on the Nasdaq Capital Market on the date of grant.

m.i. On July 28, 2022, the Company granted an aggregate of 175,500 performance based RSUs ("PSUs") representing a right to receive shares of the Company's common stock to the Company's executive officers. The PSUs were to vest in two installments upon achievement of the following milestones: (i) two thirds were to vest upon receipt of positive topline data in the first oral insulin Phase 3 clinical trial; and (ii) one third was to vest upon completion of enrollment of the second oral insulin Phase 3 clinical trial by June 30, 2023. Following the results of the ORA-D-013-1 Phase 3 trial and the termination of the ORA-D-013-2 Phase 3 trial, these performance goals have not been met and the PSUs did not vest. The total fair value of these PSUs on the date of grant was \$1,486, using the quoted closing market share price of \$8.47 on the Nasdaq Capital Market on the date of grant.

n.j. On September 18, 2022, Oravax granted options to purchase an aggregate of 328,318 shares of Oravax's common stock to employees and board members of Oravax and to other service providers at an exercise price of \$3.91 per share. The options will vest in four annual installments as follows: the first installment vested immediately on the grant date and the remaining three installments shall vest on each of December 31, 2022, 2023 and 2024. These options expire on September 18, 2032. The total fair value of these options on the date of grant was \$665, using the Black Scholes option pricing model and was based on the following assumptions: stock price of \$3.91; dividend yield of 0% for all years; expected volatility of 52.87%; risk-free interest rates of 3.62%; and expected term of 5.49 years.

k. On April 17, 2023, the Company granted an aggregate of 868,500 RSUs representing a right to receive shares of the Company's common stock to executive officers and board members of the Company. The RSUs will vest in twelve equal quarterly installments starting May 1, 2023. The total fair value of these RSUs on the date of grant was \$1,980, using the quoted closing market share price of \$2.28 on the Nasdaq Capital Market on the date of grant.

l. On April 17, 2023, the Company granted an aggregate of 245,500 performance based RSUs ("PSUs") representing a right to receive shares of the Company's common stock to executive officers of the Company. The PSUs vested on May 26, 2023, upon the Company's common stock achieving and maintaining a specified price per share. The total fair value of these PSUs on the date of grant was \$550, using the Monte-Carlo model.

m. On May 1, 2023, the Company granted an aggregate of 20,000 RSUs representing a right to receive shares of the Company's common stock to a new board member. The RSUs will vest in twelve quarterly installments starting May 1, 2023. The total fair value of these RSUs on the date of grant was \$49, using the quoted closing market share price of \$2.45 on the Nasdaq Capital Market on the date of grant.

n. During 2023, 132,000 stock options and 110,917 unvested RSUs were forfeited, due to termination of the employment of an executive officer, resulting in a reversal of \$663 in sales and marketing expenses.

ORAMED PHARMACEUTICALS INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
 In thousands (except share and per share data)

NOTE 8.10 - STOCK-BASED COMPENSATION (continued):

o. Options to employees, directors and non-employees

The fair value of each option grant is estimated on the date of grant using the Black Scholes option-pricing model or Monte Carlo model with the following range of assumptions:

	For options granted in the year ended December 31, 2022		For options granted in the four months ended December 31, 2021		For options granted in the year ended August 31, 2021		For options granted in the year ended December 31, 2023	
	2022	2021	2021	2021	2023	2022	2023	2022
Expected option life (years)	6.25-6.26		6.16		5.94-6.21		-	6.25-6.26
Expected stock price volatility (%)	63.05-65.26		61.62		61.07-64.39		-	63.05-65.26
Risk free interest rate (%)	1.46-3.03		0.93		0.64-0.82		-	1.46-3.03
Expected dividend yield (%)	0.0		0.0		0.0		-	0.0

A summary of the status of the stock options granted to employees and directors as of December 31, 2022 December 31, 2023 and 2021 and August 31, 2021 December 31, 2022 and changes during the year ended December 31, 2022, for the four month period ended December 31, 2021 and for the year ended August 31, 2021, on those dates, is presented below:

	Year ended December 31,		Four months ended December 31,		Year ended August 31,	
	2022		2021		2021	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Options outstanding at beginning of the period	1,942,117	7.14	1,905,783	6.79	1,597,149	5.47
Changes during the period:						
Granted	359,000	13.55	50,000	20.19	455,000	11.46
Forfeited	(48,334)	10.59	-	-	(52,584)	7.78
Expired	(144,000)	4.08	-	-	-	-
Exercised	(67,107)	5.03	(13,666)	6.32	(93,782)	6.42
Options outstanding at end of the period	2,041,676	8.47	1,942,117	7.14	1,905,783	6.79
Options exercisable at end of the period	1,261,426	6.86	852,031	6.22	859,447	
Weighted average fair value of options granted during the period	\$ 7.99	\$ 11.47			\$ 6.47	

	Year ended December 31,			
	2023		2022	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Options outstanding at beginning of year	2,041,676	8.47	1,942,117	7.14
Changes during the year:				
Granted	-	-	359,000	13.55
Forfeited	(132,000)	14.81	(48,334)	10.59
Expired	-	-	(144,000)	4.08
Exercised	-	-	(67,107)	5.03
Options outstanding at end of year	1,909,676	8.03	2,041,676	8.47
Options exercisable at end of year	1,479,426	7.15	1,261,426	6.86
Weighted average fair value of options granted during the year	\$ -	\$ 7.99		

Expenses recognized in respect of stock options granted to employees and directors, for the years ended December 31, 2022, the four month period ended December 31, 2021 December 31, 2023 and 2022, were \$811 and \$2,662, respectively.

No options were granted during the year ended August 31, 2021 were \$2,662, \$859 and \$1,409, respectively. December 31, 2023. The total intrinsic value of employees' options exercised during the year ended December 31, 2022 was \$243, during the four month period ended December 31, 2021 was \$257 and \$1,287 during the year ended August 31, 2021. \$243.

The following table presents summary information concerning the options granted to employees and directors outstanding as of December 31, 2022:

Exercise prices \$	Number outstanding	Weighted Average Remaining Contractual Lift Years		Weighted average exercise price \$
1.00 to 6.00	857,250	6.85		3.94
6.23 to 9.12	283,008	4.8		7.96
10.40 to 20.19	901,418	7.69		12.94
	2,041,676	6.94		8.47

ORAMED PHARMACEUTICALS INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
 In thousands (except share and per share data)

NOTE 8.10 - STOCK-BASED COMPENSATION (continued):

1,261,426 The following table presents summary information concerning the options granted to employees and directors outstanding as of December 31, 2023:

Exercise prices \$	Number outstanding	Weighted Average Remaining Contractual Life	Weighted average exercise price
		Years	\$
1-6	857,250	5.85	3.94
6.23-9.12	283,008	3.80	7.96
10.40-20.19	769,418	6.52	12.62
	1,909,676	5.82	8.03

1,479,426 options granted to employees and directors were outstanding and exercisable as of December 31, 2022 December 31, 2023, compared to 852,031 1,261,426 as of December 31, 2021 and 859,447 as of August 31, 2021 December 31, 2022.

As of December 31, 2022 December 31, 2023, there were \$2,252 \$707 of unrecognized compensation costs related to non-vested options previously granted to employees and directors. The unrecognized compensation costs are expected to be recognized over a weighted average period of 2.5 0.8 years.

A summary of the status of the stock options granted to non-employees outstanding as of December 31, 2022 December 31, 2023 and 2021 and August 31, 2021 2022, and changes during the year ended December 31, 2022, for the four month period ended December 31, 2021 December 31, 2023 and for the year ended August 31, 2021, 2022, is presented below:

	Year ended December 31, 2022		Four months ended December 31, 2021		Year ended August 31, 2021	
	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$
Options outstanding at beginning of the period	51,500	4.26	56,000	4.22	103,152	6.64
Changes during the period:						
Granted	-	-	-	-	-	-
Exercised	(4,500)	3.74	(4,500)	3.74	(10,000)	7.36
Forfeited	-	-	-	-	-	-
Expired	-	-	-	-	(37,152)	6.00
Options outstanding at end of the period	47,000	4.31	51,500	4.26	56,000	4.22
Options exercisable at end of the period	47,000	4.31	41,500	4.06	46,000	4.03
Weighted average fair value of options granted during the period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	Year ended December 31,			
	2023		2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding at beginning of year	47,000	4.31	51,500	4.26
Changes during the year:				
Granted	-	-	-	-
Exercised	-	-	(4,500)	3.74
Forfeited	-	-	-	-
Expired	-	-	-	-
Options outstanding at end of year	47,000	4.31	47,000	4.31
Options exercisable at end of year	47,000	4.31	47,000	4.31
Weighted average fair value of options granted during the year	\$ -	\$ -	\$ -	\$ -

The Company recorded no stock-based compensation related to non-employees' awards during the years ended December 31, 2023 and 2022.

During the year ended December 31, 2023, no options were exercised. During the year ended December 31, 2022, \$2 during the four month period ended December 31, 2021 and \$22 during the year ended August 31, 2021.

During year ended December 31, 2022, the four month period ended December 31, 2021 and the year ended August 31, 2021, 4,500 4,500 and 10,000 options respectively, were exercised by non-employees for a total intrinsic value of \$24, \$49 and \$100, respectively. \$24.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 10 - STOCK-BASED COMPENSATION (continued):

The following table presents summary information concerning the options granted to non-employees outstanding as of December 31, 2023:

Range of exercise prices \$	Number outstanding	Weighted	Weighted
		Average Remaining Contractual Life Years	Average Exercise Price \$
3.74-5.08	47,000	5.98	4.31

47,000 options granted to non-employees were outstanding and exercisable as of December 31, 2023.

As of December 31, 2023, there were no unrecognized compensation costs related to non-vested options previously granted to non-employees.

p. Restricted stock units

The following table summarizes the activities for unvested RSUs granted to employees and directors for the years ended December 31, 2023 and 2022:

	Year ended December 31,	
	2023	2022
Outstanding at the beginning of period		Number of RSUs
Granted	1,561,570	801,303
Issued	1,134,000	1,009,600
Forfeited	(574,791)	(217,333)
Outstanding at the end of the period	1,834,362	1,561,570
Vested during the period	521,625	218,000
Vested and unissued at period end	212,136	265,302

The Company recorded compensation expenses related to RSUs of \$3,210 for the year ended December 31, 2023 and \$8,365 for the year ended December 31, 2022.

As of December 31, 2023, there were unrecognized compensation costs of \$2,693 related to RSUs. The unrecognized compensation costs are expected to be recognized over a weighted average period of 1 year.

Range of exercise prices \$	Number outstanding	Weighted	Weighted
		Average Remaining Contractual Life Years	Average Exercise Price \$
3.74-5.08	47,000	6.98	4.31

ORAMED PHARMACEUTICALS INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
 In thousands (except share and per share data)

NOTE 8.10 - STOCK-BASED COMPENSATION (continued):

47,000 options granted to non-employees were outstanding and exercisable as of December 31, 2022.

As of December 31, 2022, there were no unrecognized compensation costs related to non-vested options previously granted to non-employees.

q. Restricted stock units

The following table summarizes the activities for unvested RSUs granted to employees and directors for the year ended December 31, 2022, the four month period ended December 31, 2021 and the year ended December 31, 2021:

	Year ended December 31, 2022	Four months ended December 31, 2021	Year ended August 31, 2021
	Number of RSUs		
Outstanding at the beginning of period	801,303	921,302	164,636
Granted	1,009,600	50,000	810,000
Issued	(217,333)	(169,999)	-
Forfeited	(32,000)	-	(53,334)
Outstanding at the end of the period	<u>1,561,570</u>	<u>801,303</u>	<u>921,302</u>
Vested during the period	<u>218,000</u>	<u>33,333</u>	<u>236,665</u>
Vested and unissued at period end	<u>265,302</u>	<u>264,635</u>	<u>401,301</u>

The Company recorded compensation expenses related to RSUs of \$8,365 for the year ended December 31, 2022, \$1,286 for the four month period ended December 31, 2021 and \$1,265 for the year ended August 31, 2021.

As of December 31, 2022, there were unrecognized compensation costs of \$5,262 related to RSUs. The unrecognized compensation costs are expected to be recognized over a weighted average period of 2.04 years.

The following table summarizes the activities for unvested RSUs granted to non-employees for the years ended December 31, 2022, the four month period ended December 31, 2021 December 31, 2023 and the year ended December 31, 2021:

	Year ended December 31, 2022	Four months ended December 31, 2021	Year ended August 31, 2021	Year ended December 31, 2023	Year ended December 31, 2022
	Number of RSUs			Number of RSUs	
Outstanding at the beginning of period	8,000	-	-	4,000	8,000
Granted	-	12,000	-	-	-
Issued	(4,000)	(4,000)	-	(4,000)	(4,000)
Forfeited	-	-	-	-	-
Outstanding at the end of the period	<u>4,000</u>	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>4,000</u>
Vested during the period	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>4,000</u>
Vested and unissued at period end	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Company recorded compensation expenses related to RSUs of \$92 \$26 for the year ended December 31, 2022, and \$115 for the four month period ended December 31, 2021 December 31, 2023, compared to no \$92 compensation expenses recorded for the year ended August 31, 2021 December 31, 2022.

As of December 31, 2022 December 31, 2023, there were no unrecognized compensation costs of \$26 related to RSUs. The unrecognized compensation costs are expected to be recognized over a weighted average period of 2.01 years.

NOTE 11 - FINANCIAL INCOME AND EXPENSES:

a. Financial income

	Year ended December 31,	
	2023	2022
Income from interest on the Senior DIP Loan Agreement and deposits	\$ 8,016	\$ 3,473
Exchange rate differences, net	-	176
Income from interest on corporate bonds	10	100
Revaluation of securities, net	16,461	-
Other	143	5
	<u>\$ 24,630</u>	<u>\$ 3,754</u>

b. Financial expenses

	Year ended December 31,	
	2023	2022
Exchange rate differences, net	\$ 124	-
Bank and broker commissions	29	14

Loss from securities, net	-	43
Revaluation of securities, net	69	763
Fees regarding Scilex transaction	1,514	-
Interest expenses	2,037	-
	<hr/>	<hr/>
	\$ 3,773	\$ 820

ORAMED PHARMACEUTICALS INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

In thousands (except share and per share data)

NOTE 9 - FINANCIAL INCOME AND EXPENSES:

a. Financial income

	Year ended December 31, 2022	Four months ended December 31, 2021	Year ended August 31 2021
Income from interest on deposits	\$ 3,473	\$ 114	\$ 130
Exchange rate differences, net	176	-	-
Income from interest on corporate bonds	100	43	217
Gain from securities, net	-	-	6
Revaluation of securities, net	-	-	889
Other	5	1	-
	\$ 3,754	\$ 158	\$ 1,242

b. Financial expenses

	Year ended December 31, 2022	Four months ended December 31, 2021	Year ended August 31 2021
Exchange rate differences, net	\$ -	\$ 11	\$ 2
Bank and broker commissions	14	2	5
Loss from securities, net	43	-	-
Revaluation of securities, net	763	72	-
Other	-	2	1
	\$ 820	\$ 87	\$ 8

NOTE 10 - TAXES ON INCOME:

Taxes on income included in the consolidated statements of operations represent current taxes due to taxable income of the Company and its Israeli subsidiary.

a. Corporate taxation in the U.S.

The applicable corporate tax rate for the Company is 21%.

As of December 31, 2022 December 31, 2023, the Company has and Oravax Medical Inc. had an accumulated tax loss carryforward of approximately \$31,600 \$28,000 (as of December 31, 2021 December 31, 2022, \$21,211) \$24,000). Under U.S. tax laws, subject to certain limitations, carryforward tax losses originating in tax years beginning after January 1, 2018, have no expiration date, but they are limited to 80% of the company's taxable income in any given tax year. Carryforward tax losses originating in tax years beginning prior to January 1, 2018, expire 20 years after the year in which incurred. In the case of the Company, subject to potential limitations in accordance with the relevant law, the net loss carryforward will expire in the years 2029 2026 through 2041, 2037.

b. Corporate taxation in Israel

The Subsidiary is taxed in accordance with Israeli tax laws. The corporate tax rate applicable to 2022 2023 and 2021 2022 is 23%.

As of December 31, 2022 December 31, 2023, the Subsidiary has and Oravax Medical Ltd. had an accumulated tax loss carryforward of approximately \$87,291 \$102,000 (as of December 31, 2021 December 31, 2022, approximately \$75,836 \$87,000). Under the Israeli tax laws, carryforward tax losses have no expiration date.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 10 - TAXES ON INCOME (continued):

c. **Deferred income taxes**

In respect of:

	December 31,		December 31,	
	2022	2021	2023	2022
Net operating loss carryforward	\$ 27,610	\$ 22,230	\$ 27,757	\$ 27,610
Research and development expenses	5,195	4,429	2,731	5,195
Revaluation of investments			(2,611)	-
Other temporary differences			596	-
Less - valuation allowance	(32,805)	(26,659)	(28,473)	(32,805)
Net deferred tax assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Deferred taxes are determined based on temporary differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Realization of deferred tax assets is dependent upon sufficient future taxable income during the period that deductible temporary differences and carryforwards are expected to be available to reduce taxable income. As the achievement of required future taxable income is uncertain, the Company recorded a full valuation allowance.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 12 - TAXES ON INCOME (continued):

d. **Loss Income (Loss) before taxes on income and income taxes included in the income statements of operations**

	Year ended December 31, 2022	Four months ended December 31, 2021	Year ended August 31, 2021	Year ended December 31, 2023	Year ended December 31, 2022
Loss before taxes on income:					
Income (loss) before taxes on income:					
U.S.	\$ 11,164	\$ 3,639	\$ 5,307	\$ 11,604	\$ (11,164)
Outside U.S.	26,500	8,616	17,682	(6,516)	(26,500)
	\$ 37,664	\$ 12,255	\$ 22,989	\$ 5,088	\$ (37,664)
Taxes on income (tax benefit):					
Current:					
U.S.					
Outside U.S.	100	-	-	-	(100)
	\$ 100	\$ -	\$ -	\$ -	\$ (100)

e. **Reconciliation of the statutory tax benefit to effective tax expense**

Following is a reconciliation of the theoretical tax expense, assuming all income is taxed at the regular tax rates applicable to companies in the United States, and the actual tax expense:

	Year ended December 31, 2022	Four months ended December 31, 2021	Year ended August 31 2021
Loss before income taxes as reported in the consolidated statement of comprehensive loss			
Statutory tax benefit	(7,909)	(2,574)	(4,828)
Increase in income taxes resulting from:			
Change in the balance of the valuation allowance for deferred tax	7,290	2,497	4,872
Disallowable deductions	1,152	249	310
Influence of different tax rate applicable to the Subsidiary and changes in tax rates from previous years	(533)	(172)	(354)
Withholding tax, see note 10d above	100	-	-
Uncertain tax position	-	-	-
Taxes on income for the reported year	\$ 100	\$ -	\$ -

	Year ended December 31,	
	2023	2022
Income (loss) before income taxes as reported in the consolidated statement of comprehensive loss		
Statutory tax (benefit) expense – 21%	1,068	(7,909)
Increase (decrease) in income taxes resulting from:		
Change in the balance of the valuation allowance for deferred tax	(4,332)	7,290
Disallowable deductions	731	1,152
Influence of different tax rate applicable to the Subsidiary and Oravax Medical Ltd.	(305)	(533)
Prior year true-up	2,838	-
Withholding tax, see note 12d above	-	100
Uncertain tax position	-	-
Taxes on income for the reported year	\$ -	\$ 100

ORAMED PHARMACEUTICALS INC.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

In thousands (except share and per share data)

NOTE 10.12 - TAXES ON INCOME (continued):

f. Uncertainty in Income Taxes

ASC 740, "Income Taxes" requires significant judgment in determining what constitutes an individual tax position as well as assessing the outcome of each tax position. Changes in judgment as to recognition or measurement of tax positions can materially affect the estimate of the effective tax rate and consequently, affect the operating results of the Company. The Company recognizes interest and penalties related to its tax contingencies as income tax expense.

The following table summarizes the activity of the Company unrecognized tax benefits:

	Year ended December 31, 2022	Four months ended December 31, 2021	Year ended August 31, 2021
Balance at Beginning of Period	\$ 11	\$ 11	\$ 11
Decrease in uncertain tax positions for the current period	-	-	-
Balance at End of Period	\$ 11	\$ 11	\$ 11
Year ended December 31,			
	2023	2022	
Balance at Beginning of Year	\$ 11	\$ 11	
Decrease in uncertain tax positions for the current year	-	-	
Balance at End of Year	\$ 11	\$ 11	

The Company does not expect unrecognized tax expenses to change significantly over the next 12 months.

The Company is subject to U.S. Federal income tax examinations for the tax years of 2018 2020 through 2020, 2022.

The Subsidiary is subject to Israeli income tax examinations for the tax years of 2016 2017 through 2021, 2022.

g. Valuation Allowance Rollforward

	Period ended		
	Balance at beginning of period	Additions	Balance at end of period
Allowance in respect of carryforward tax losses:			
Year ended December 31, 2023	\$ 32,805	\$ (4,332)	\$ 28,473
Year ended December 31, 2022	26,659	6,146	32,805

g. Valuation Allowance Rollforward

	Period ended		
	Balance at beginning of period	Additions	Balance at end of period
Allowance in respect of carryforward tax losses:			
Year ended December 31, 2022	\$ 26,659	\$ 6,146	\$ 32,805
Four months ended December 31, 2021	25,073	1,585	26,659
Year ended August 31, 2021	19,392	5,681	25,073

ORAMED PHARMACEUTICALS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

In thousands (except share and per share data)

NOTE 11 13 - RELATED PARTY TRANSACTIONS:

- a. 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 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 (\$42) 40 and 106,400 (\$30) 29, respectively.

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
In thousands (except share and per share data)

NOTE 11 - RELATED PARTIES - TRANSACTIONS (continued):

In addition to the Consulting Agreements, based on a relocation cost analysis, the Company paid for certain direct costs, related taxes and expenses incurred in connection with the relocation of the President and Chief Executive Officer to New York. During the ten month period ended October 31, 2022, the four month period December 31, 2021 and the year ended August 31, 2021, such relocation expenses totaled \$331, \$109 and \$377, respectively. \$331.

Following the relocation of the President and Chief Executive Officer to the State of Israel, the Company entered into two agreements with the President and Chief Executive Officer, replacing his above-mentioned consulting agreement through KNRY, substantially on the same terms, in order to allocate his time and services between the Company and the Subsidiary.

Effective November 1, 2022, the Company entered into a consulting agreement with Shnida Ltd. ("Shnida"), whereby the President and Chief Executive Officer, through Shnida, Ltd., provides services as President and Chief Executive Officer of the Company. The agreement is terminable by either party upon 140 days prior written notice. The agreement provides that Shnida Ltd. will be reimbursed for reasonable expenses incurred in connection with performance of the agreement and that agreement. Effective as of January 1, 2024, the President and Chief Executive Officer will receive receives a monthly consulting fee of NIS 88,023 96,825 (\$25) 27, plus value added tax. Pursuant to the agreement, Shnida Ltd. and the President and Chief Executive Officer each agree that during the term of the agreement and for a 12-month period thereafter, none of them will compete with the Company nor solicit employees of the Company.

In addition, the Company, through the Subsidiary, has entered into an employment agreement with the President and Chief Executive Officer, effective as of November 1, 2022, pursuant to which, effective as of January 1, 2024, the President and Chief Executive Officer receives gross monthly salary of NIS 46,901 51,591 (\$13) 14 in consideration for his services as President and Chief Executive Officer of the Subsidiary. In addition, the President and Chief Executive Officer is provided with a cellular phone and a company car pursuant to the terms of his agreement.

b. Balances with related parties:

	December 31,	
	2022	2021
Accounts payable and accrued expenses - KNRY	\$ 1	\$ -

	December 31,	
	2023	2022
Accounts payable and accrued expenses - Shnida	\$ 160	\$ -
Accounts payable and accrued expenses - KNRY	\$ 165	\$ 1

c. Expenses to related parties:

	Year ended December 31,	Four months ended December 31,		Year ended August 31,	Year ended December 31,	
	2022	2021	2021	2021	2023	2022
	2022	2021	2021	2021	2023	2022
KNRY	\$ 800	\$ 818	\$ 872	\$ 486	\$ 800	\$ 800
Shnida	146	-	-	445	146	146
Nadav Kidron (President and Chief Executive Officer)	\$ 674	\$ 447	\$ 687	\$ 296	\$ 674	\$ 674

NOTE 12 - 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 the Company 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 (the "Licensed IP").

ORAMED PHARMACEUTICALS INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

In thousands (except share and per share data)

NOTE 12 - ASSET ACQUISITION TRANSACTION (continued):

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.

According to ASC 805, the transaction was accounted for as an asset acquisition. No gain or loss was recognized on the transfer of the cash or the Licensed IP to Oravax while the Company retained control of those assets. The Company has recognized an increase in non-controlling interests of \$1,495 based on the carrying amount of the contributed assets and, according to the Company's accounting policy, the fair value of Oravax excluding the contributed assets. Any difference between the fair value of consideration paid and the increase in the non-controlling interests' carrying amount was recognized in equity. As a result of the acquisition, the Company recognized IPR&D expense in the amount of \$1,040.

NOTE 13¹⁴ - SUBSEQUENT EVENTS:

On January 11, 2023, the Company announced that the ORA-D-013-1 Phase 3 trial did not meet its primary and secondary endpoints. As a result, the Company has initiated a comprehensive analysis of the data to understand if there is a path forward for its oral insulin candidate. Concurrently, the Company is examining its existing pipeline and has commenced an evaluation process of potential strategic opportunities, with the goal of enhancing value for the Company's stockholders.

1. On January 4, 2024, the Company granted an aggregate of 150,000 RSUs representing a right to receive shares of the Company's common stock to the Company's board members. The RSUs granted to the board members will vest in three equal annual installments on each of January 1, 2025, 2026 and 2027. The total fair value of these RSUs on the date of grant was \$359, using the quoted closing market share price of \$2.39 on the Nasdaq Capital Market on the date of grant.
2. On January 4, 2024, the Company granted an aggregate of 37,610 RSUs representing a right to receive shares of the Company's common stock to the Company's board members. The RSUs granted to certain board members will vest in four quarterly installments on each of April 1, 2024, July 1, 2024, October 1, 2024 and January 1, 2025. The total fair value of these RSUs on the date of grant was \$90, using the quoted closing market share price of \$2.39 on the Nasdaq Capital Market on the date of grant.

All other schedules for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions, or are inapplicable, and therefore have been omitted.

3. On January 4, 2024, the Company granted an aggregate of 950,500 RSUs representing a right to receive shares of the Company's common stock to the Company's executive officers and one employee. The RSUs granted to executive officers and one employee will vest in twelve equal quarterly installments starting January 8, 2024. The total fair value of these RSUs on the date of grant was \$2,272, using the quoted closing market share price of \$2.39 on the Nasdaq Capital Market on the date of grant.
4. On January 4, 2024, the Company granted an aggregate of 294,000 PSUs representing a right to receive shares of the Company's common stock to executive officers of the Company. The PSUs shall vest upon the Company's common stock achieving and maintaining a specified price per share. The total fair value of these PSUs on the date of grant was \$691, using the Monte-Carlo model.
5. On January 22, 2024, the Company and its wholly-owned subsidiary, Oramed Ltd., entered into the JV Agreement, with HTIT Biotech and HTIT Sub, pursuant to which, subject to the terms and conditions set forth in the JV Agreement, the parties will establish a JV, based on the Company's oral drug delivery technology. The JV will focus on the development and worldwide commercialization of innovative products based on the Company's oral insulin and POD™ (Protein Oral Delivery) pipeline and HTIT's manufacturing capabilities and technologies. The parties intend for the JV to use the protocol the Company is currently working on to initiate a Phase 3 oral insulin trial in the United States. The Company and HTIT will initially hold equal shares in the JV, with each owning 50% of the equity. The Board of Directors will initially consist of equal representation from HTIT and the Company. HTIT will contribute to the JV \$70,000 in cash, while the Company will contribute \$20,000 (comprised of \$10,000 in cash and \$10,000 in shares of the Company's common stock that will be subject to certain registration rights) and will transfer intellectual property related to its oral insulin and POD™ technology, as well as other assets in the Company's pipeline. HTIT will have an option to invest additional funds into the JV up to an aggregate amount of \$20,000, thereby increasing its equity holdings and board representation. The Company will be entitled to receive a 3% royalty on gross revenues of the JV generated from Company-related assets. The consummation of the JV Agreement is subject to and contingent upon the parties entering into additional agreements within a three-month period, including an asset transfer agreement for the transfer of the Company's intellectual property to the JV, a commercial supply agreement for the manufacture and supply of products by HTIT to the JV, as well as other documents and agreements to regulate the relationship of the parties and the JV to be formed pursuant to the JV Agreement. There is no assurance that the parties will complete and sign these additional agreements within the agreed timeline or at all. If such agreements are not signed within the agreed timeframe, then either party may apply a 30-day extension, after which the JV Agreement may be terminated and voided by either party. Thereafter, the consummation of the JV transaction is further subject to the satisfaction or waiver of certain other closing conditions within a three-month period following the completion of the aforesaid ancillary agreements. If the closing conditions are not met within the agreed timeframe, then either party may apply a 30-day extension, after which the JV Agreement may be terminated and voided by either party. In addition, completion of the transactions contemplated under the JV Agreement is subject to the satisfaction or waiver of customary and certain other closing conditions.
6. On January 30, 2024, the Company granted an aggregate of 3,750 RSUs representing a right to receive shares of the Company's common stock to one of the Company's board members. The RSUs granted to the board member will vest in four quarterly installments on each of April 1, 2024, July 1, 2024, October 1, 2024 and January 1, 2025. The total fair value of these RSUs on the date of grant was \$11, using the quoted closing market share price of \$2.98 on the Nasdaq Capital Market on the date of grant.

(b) Exhibits

3.1	<u>Composite Copy of Certificate of Incorporation, as amended as of January 22, 2013, corrected February 8, 2013, as amended as of July 25, 2014, corrected September 5, 2017 and as further amended as of August 3, 2020 (incorporated by reference from our annual report on Form 10-K filed November 24, 2020)</u>
3.3	<u>Fourth Amended and Restated By-laws (incorporated by reference from our current report on Form 8-K filed February 27, 2023).</u>
4.1	<u>Specimen Common Stock Certificate (incorporated by reference from our registration statement on Form S-1 filed February 1, 2013).</u>
4.2	<u>Form Description of Common Stock Purchase Warrant Securities (incorporated by reference from our current annual report on Form 8-K 10-K filed July 5, 2018 March 6, 2023).</u>
4.3	<u>Form of Underwriter's Warrant (incorporated by reference from our current report on Form 8-K filed February 28, 2020).</u>
4.4*	<u>Description of Securities.</u>
10.1+*	<u>Consulting Agreement by and between Oramed Pharmaceuticals Inc. and Shnida Ltd., entered into as of November 1, 2022, for the services of Nadav Kidron (incorporated by reference from our annual report on Form 10-K filed March 6, 2023).</u>
10.2+*	<u>Amendment, dated April 27, 2023, to Consulting Agreement by and between Oramed Pharmaceuticals Inc. and Shnida Ltd., entered into as of November 1, 2022, for the services of Nadav Kidron.</u>
10.2+ 10.3+*	<u>Amendment, dated January 8, 2024, to Consulting Agreement by and between Oramed Pharmaceuticals Inc. and Shnida Ltd., entered into as of November 1, 2022, for the services of Nadav Kidron.</u>
10.4+	<u>Employment Agreement by and between Oramed Ltd. and Nadav Kidron, entered into as of November 1, 2022 (incorporated by reference from our annual report on Form 10-K filed March 6, 2023).</u>
10.5+*	<u>Amendment, dated April 27, 2023, to Employment Agreement by and between Oramed Ltd. and Nadav Kidron, entered into as of November 1, 2022.</u>
10.3+ 10.6+*	<u>Amendment, dated January 8, 2024, to Employment Agreement by and between Oramed Ltd. and Nadav Kidron, entered into as of November 1, 2022.</u>
10.7+	<u>Consulting Agreement by and between Oramed Ltd. and KNRY, Ltd., entered into as of July 1, 2008, for the services of Miriam Kidron (incorporated by reference from our current report on Form 8-K filed July 2, 2008).</u>
10.4+10.8+	<u>Amendment, dated November 13, 2014, to Consulting Agreement by and between Oramed Ltd. and KNRY, Ltd., entered into as of July 1, 2008, for the services of Miriam Kidron (incorporated by reference from our annual report on Form 10-K filed November 14, 2014).</u>
10.5+	
10.9+	<u>Amendment, dated July 13, 2013, to Consulting Agreement by and between Oramed Ltd. and KNRY, Ltd., entered into as of July 1, 2008 for the services of Miriam Kidron (incorporated by reference from our annual report on Form 10-K filed November 14, 2014).</u>
10.6+	<u>Amendment, dated July 21, 2015, to Consulting Agreements by and between Oramed Ltd. and KNRY, Ltd., entered into as of July 1, 2008, for the services of Miriam Kidron (incorporated by reference from our annual report on Form 10-K filed November 25, 2015).</u>
10.10+	
10.7+	<u>Amendment, dated June 27, 2016, to Consulting Agreements by and between Oramed Ltd. and KNRY, Ltd., entered into as of July 1, 2008, for the services of Miriam Kidron (incorporated by reference from our annual report on Form 10-K filed November 25, 2016).</u>
10.11+	
10.8+	<u>Amendment, dated June 30, 2017, to Consulting Agreements by and between Oramed Ltd. and KNRY, Ltd., entered into as of July 1, 2008, for the services of Miriam Kidron (incorporated by reference from our annual report on Form 10-K filed November 29, 2017).</u>
10.12+	
10.9+	<u>Amendment, dated January 10, 2020, to Consulting Agreements by and between Oramed Ltd. and KNRY, Ltd., entered into as of July 1, 2008, for the services of Miriam Kidron (incorporated by reference from our quarterly report on Form 10-Q filed April 6, 2020).</u>
10.13+	

10.14+	
10.10+	Amendment, dated September 19, 2021, to Consulting Agreements by and between Oramed Ltd. and KNRY, Ltd., entered into as of July 1, 2008, for the services of Miriam Kidron (incorporated by reference from our annual report on Form 10-K filed November 24, 2021).
10.11+10.15+*	Amendment, dated April 27, 2023, to Consulting Agreements by and between Oramed Ltd. and KNRY, Ltd., entered into as of July 1, 2008, for the services of Miriam Kidron.
10.16+*	Amendment, dated January 8, 2024, to Consulting Agreements by and between Oramed Ltd. and KNRY, Ltd., entered into as of July 1, 2008, for the services of Miriam Kidron.
10.17+	Employment Agreement, dated May 23, 2021, by and between Oramed Ltd. and David Silberman (incorporated by reference from our quarterly report on Form 10-Q filed July 14, 2021).
10.12+10.18+	First Amendment, dated September 19, 2021, to Employment Agreement, by and between Oramed Ltd. and David Silberman (incorporated by reference from our annual report on Form 10-K filed November 24, 2021).
10.13+*10.19+	Second Amendment, dated October 25, 2022, to Employment Agreement, by and between Oramed Ltd. and David Silberman, Silberman (incorporated by reference from our annual report on Form 10-K filed March 6, 2023).
10.14+ 10.20+*	Third Amendment, dated April 27, 2023, to Employment Agreement, by and between Oramed Ltd. and David Silberman.
10.21+*	Fourth Amendment, dated January 8, 2024, to Employment Agreement, by and between Oramed Ltd. and David Silberman.
10.22+*	Representative Form of Indemnification Agreements between Oramed Pharmaceuticals Inc. and each of our directors and officers.
10.15+ 10.23+	Oramed Pharmaceuticals Inc. Second Amended and Restated 2008 Stock Incentive Plan (incorporated by reference from our definitive proxy statement on Schedule 14A filed August 4, 2016).
10.16+ 10.24+	Form of Restricted Stock Unit Notice and Restricted Stock Unit Agreement (incorporated by reference from our annual report on Form 10-K filed November 14, 2014).

10.17+	
10.25+	Form of Restricted Stock Unit Notice and Restricted Stock Unit Agreement between the Company and the CSO Chief Scientific Officer or CEO Chief Executvie Officer (incorporated by reference from our annual report on Form 10-K filed November 29, 2017).
10.18+10.26+	Form of Notice of Stock Option Award and Stock Option Award Agreement (incorporated by reference from our current report on Form 8-K filed July 2, 2008).
10.19+10.27+	Oramed Pharmaceuticals Inc. 2019 Stock Incentive Plan (incorporated by reference from our definitive proxy statement on Schedule 14A filed August 6, 2019).
10.20+10.28+	Oramed Pharmaceuticals Inc. Amended and Restated 2019 Stock Incentive Plan (incorporated by reference from our definitive proxy statement on Schedule 14A filed June 30, 2020).
10.21+10.29+	Amendment to Oramed Pharmaceuticals Inc. Amended and Restated 2019 Stock Incentive Plan (incorporated by reference from our definitive proxy statement on Schedule 14A filed June 2, 2022).
10.22+10.30+	Form of Notice of Stock Option Award and Stock Option Award Agreement (incorporated by reference from our annual report on Form 10-K filed November 27, 2019).
10.23+*10.31+	Form of Restricted Stock Unit Notice and Restricted Stock Unit Agreement.
10.24+	Clinical Trial Agreement dated September 11, 2011, between Oramed Ltd., Hadassit Medical Research Services and Development Ltd., Miriam Kidron and Daniel Schurr (incorporated by reference from our annual report on Form 10-K/A 10-K filed December 21, 2012 March 6, 2023).

10.25+10.32	Clinical Trial Agreement, dated July 8, 2009, between Oramed Ltd., Hadassit Medical Research Services and Development Ltd., Miriam Kidron and Itamar Raz (incorporated by reference from our current report on Form 8-K filed July 9, 2009).
10.26	Agreement, dated January 7, 2009, between Oramed Pharmaceuticals Inc. and Hadassit Medical Research Services and Development Ltd. (incorporated by reference from our current report on Form 8-K filed January 7, 2009).
10.27	Patent Transfer Agreement, dated February 22, 2011, between Oramed Ltd. and Entera Bio Ltd. (incorporated by reference from our registration statement on Form S-1 filed March 25, 2011).

10.28		
10.33	Amended and Restated Technology License Agreement, dated December 21, 2015, between Hefei Tianhui Incubator of Technologies Co., Ltd., Oramed Pharmaceuticals, Inc. and Oramed Ltd. (Confidential treatment has been granted for portions of this document. Incorporated document) (incorporated by reference from our quarterly report on Form 10-Q filed January 13, 2016).	
10.29	10.34	Amendment to the Amended and Restated Technology License Agreement, dated June 3, 2016, between Hefei Tianhui Incubator of Technologies Co., Ltd., Oramed Pharmaceuticals, Inc. and Oramed Ltd. (Confidential treatment has been requested for portions of this document. The confidential portions will be omitted and filed separately, on a confidential basis, with the Securities and Exchange Commission) (incorporated by reference from our annual report on Form 10-K filed November 25, 2016).
10.30	10.35	Amendment to the Amended and Restated Technology License Agreement, dated July 24, 2016, between Hefei Tianhui Incubator of Technologies Co., Ltd., Oramed Pharmaceuticals, Inc. and Oramed Ltd. (Confidential treatment has been requested for portions of this document. The confidential portions will be omitted and filed separately, on a confidential basis, with the Securities and Exchange Commission) (incorporated by reference from our annual report on Form 10-K filed November 25, 2016).
10.31	10.36	Service Joint Venture Agreement, dated as of June 3, 2016 January 22, 2024, between among Oramed Pharmaceuticals Inc., Oramed Ltd., Hefei Tianhui Biotech Co., Ltd. and XERTECS GmbH (Confidential treatment has been granted for portions of this document. The confidential portions have been omitted and filed separately, on a confidential basis, with the Securities and Exchange Commission) Technowl Limited (incorporated by reference from our annual current report on Form 10-K 8-K filed November 25, 2016 January 23, 2024).
10.32	10.37	General Technical Agreement between Oramed Ltd. and Premas Biotech Pvt. Ltd., dated July 24, 2016 (Confidential treatment has been granted for portions of this document. The confidential portions have been omitted and filed separately, on a confidential basis, with the Securities and Exchange Commission) (incorporated by reference from our annual report on Form 10-K filed November 25, 2016).
10.33		Equity Distribution Agreement, dated September 1, 2021, by and between the Company and Cantor Fitzgerald & Co. (incorporated by reference from our current report on Form 8-K filed September 1, 2021).
10.34	10.38	Clinical Research Organization Services Agreement, dated February 14, 2018 and effective as of November 1, 2017, between Oramed Ltd. and Integrium, LLC (Confidential treatment has been granted for portions of this document. The confidential portions have been omitted and filed separately, on a confidential basis, with the Securities and Exchange Commission.) (incorporated by reference from our quarterly report on Form 10-Q filed April 9, 2018).

10.35	Amendment #1 to Clinical Research Organization Services Agreement Protocol # ORA-D-015 between Oramed, Inc. and Integrium, LLC (incorporated by reference from our quarterly report on Form 10-Q filed July 10, 2019).
10.36	Amendment #2 to Clinical Research Organization Services Agreement Protocol # ORA-D-015 between Oramed, Inc. and Integrium, LLC (incorporated by reference from our quarterly report on Form 10-Q filed July 10, 2019).
10.37	Clinical Research Organization Services Agreement, dated September 2, 2020 and effective as of January 15, 2020, between Oramed Ltd. and Integrium, LLC (incorporated by reference from our Form 8-K filed September 9, 2020).
10.38	Clinical Research Organization Services Agreement, dated September 16, 2020 and effective as of January 15, 2020, between Oramed Ltd. and Integrium, LLC (incorporated by reference from our Form 8-K filed September 18, 2020).
10.39	License Agreement, dated as of March 18, 2021, between the Company, Oramed Ltd. and Oravax Medical Inc. (incorporated by reference from our current report on Form 8-K filed March 19, 2021).
10.40	Stockholders Agreement, dated as of March 18, 2021, between Oramed Pharmaceuticals Inc., Akers Biosciences Inc., Premas Biotech PVT Ltd., Cutter Mill Capital LLC, and Run Ridge LLC. (incorporated by reference from our Form 8-K filed March 19, 2021).
10.41*	Oravax Medical, Securities Purchase Agreement, dated September 21, 2023 by and between Scilex Holding Company and Oramed Pharmaceuticals Inc. 2021 Long-Term Incentive Plan, (incorporated by reference from our current report on Form 8-K filed September 26, 2023).
10.42*	Oravax Stock Option Agreement, Senior Secured Promissory Note, dated September 21, 2023 issued to Oramed Pharmaceuticals Inc. by Scilex Holding Company (incorporated by reference from our current report on Form 8-K filed September 26, 2023).
10.41	
21.1	Warrant No. ORMP CS-1 to Purchase Common Stock of Scilex Holding Company (incorporated by reference from our current report on Form 8-K filed September 26, 2023).
10.43	Warrant No. ORMP CS-2 to Purchase Common Stock of Scilex Holding Company (incorporated by reference from our current report on Form 8-K filed September 26, 2023).
10.44	Warrant No. ORMP CS-3 to Purchase Common Stock of Scilex Holding Company (incorporated by reference from our current report on Form 8-K filed September 26, 2023).
10.45	Warrant No. ORMP CS-4 to Purchase Common Stock of Scilex Holding Company (incorporated by reference from our current report on Form 8-K filed September 26, 2023).
10.46	Warrant No. ORMP CS-5 to Purchase Common Stock of Scilex Holding Company (incorporated by reference from our current report on Form 8-K filed September 26, 2023).

10.47	Scilex Holding Company Specimen Warrant Certificate (incorporated by reference from our current report on Form 8-K filed September 26, 2023).
10.48	Registration Rights Agreement, dated September 21, 2023, by and between Oramed Pharmaceuticals Inc. and Scilex Holding Company (incorporated by reference from our current report on Form 8-K filed September 26, 2023).
10.49*	Subsidiary Guarantee, dated September 21, 2023, by and among Oramed Pharmaceuticals, Acquiom Agency Services LLC, Scilex Holding Company, and certain subsidiaries of Scilex Holding Company party thereto (incorporated by reference from our current report on Form 8-K filed September 26, 2023).
10.50	Security Agreement, dated September 21, 2023, by and among Oramed Pharmaceuticals, Acquiom Agency Services LLC, Scilex Holding Company, and certain subsidiaries of Scilex Holding Company party thereto (incorporated by reference from our current report on Form 8-K filed September 26, 2023).
10.51	Mutual Termination and Release Agreement, dated September 21, 2023, by and between Sorrento Therapeutics, Inc. and Oramed Pharmaceuticals, Inc. (incorporated by reference from our current report on Form 8-K filed September 26, 2023).
10.52+	Oravax Medical, Inc. 2021 Long-Term Incentive Plan (incorporated by reference from our annual report on Form 10-K filed March 6, 2023).
10.53+	Oravax Stock Option Agreement (incorporated by reference from our annual report on Form 10-K filed March 6, 2023).
21.1	Subsidiaries (incorporated by reference from our annual report on Form 10-K filed November 24, 2021).
23.1*	Consent of Kesselman & Kesselman, Independent Registered Public Accounting Firm.
31.1*	Certification Statement of the Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.
31.2*	Certification Statement of the Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as amended.
32.1**	Certification Statement of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350.
32.2**	Certification Statement of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350.
101.1*97.1*	Oramed Pharmaceuticals Inc. Clawback Policy, adopted November 9, 2023
101.1*	The following financial statements from the Company's annual report on Form 10-K for the year ended December 31, 2022 December 31, 2023, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Loss, (iii) Consolidated Statements of Changes in Stockholders' Equity, (iv) Consolidated Statements of Cash Flows and (v) the Notes to Consolidated Financial Statements, tagged as blocks of text and in detail.
104.1*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

** Furnished herewith.

+ Management contract or compensation plan.

§ Certain exhibits and similar attachments to this agreement have been omitted in accordance with Item 601(a)(5) of Regulation S-K. A copy of any omitted exhibit or other attachment will be furnished supplementary to the SEC upon request.

ITEM 16. FORM 10-K SUMMARY.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) 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.

/s/ Nadav Kidron

Nadav Kidron,
President and Chief Executive Officer

Date: March 6, 2023March 6, 2024

Pursuant to the requirements of the Securities and Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Nadav Kidron

Nadav Kidron,
President and Chief Executive Officer and Director
(principal executive officer)

March 6, 20232024

/s/ David Silberman

David Silberman,
Chief Financial Officer
(principal financial and accounting officer)

March 6, 20232024

/s/ Miriam Kidron Daniel Aghion

Miriam Kidron, Daniel Aghion,
Director

March 6, 20232024

/s/ Arie Mayer Miriam Kidron

Arie Mayer, Miriam Kidron,
Director

March 6, 20232024

/s/ Yadin Rozov Arie Mayer

Yadin Rozov, Arie Mayer,
Director

March 6, 20232024

/s/ Leonard Sank

Leonard Sank,
Director

March 6, 20232024

/s/ Benjamin Shapiro

Benjamin Shapiro,
Director

March 6, 2024

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

The following description of the securities of Oramed Pharmaceuticals Inc. (the "Company") is a summary only. This summary is not complete and is subject to and qualified by the provisions of the Company's Certificate of Incorporation, as amended (the "Charter"), and By-laws, as amended and restated (the "By-laws"), which are filed as exhibits to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2020 and the Company's Current Report on Form 8-K filed February 27, 2023, respectively, and are incorporated by reference herein.

Common Stock

Pursuant to the Company's Charter, the Company is authorized to issue up to sixty million (60,000,000) shares of common stock, par value \$0.012 per share (the "Common Stock").

The Common Stock is traded on The Nasdaq Capital Market and the Tel Aviv Stock Exchange, in each case under the symbol "ORMP".

The holders of shares of Common Stock vote together as one class on all matters as to which holders of Common Stock are entitled to vote. Except as otherwise required by applicable law, all voting rights are vested in and exercised by the holders of Common Stock with each share of Common Stock being entitled to one vote, including in all elections of directors. The Company does not have a classified board of directors (the "Board").

The holders of Common Stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by the Board out of legally available funds therefore. The Company has not declared any dividends on its Common Stock and does not anticipate paying any dividends on its Common Stock in the foreseeable future.

In the event of the Company's liquidation, dissolution or winding up, holders of the Common Stock are entitled to share ratably in all assets remaining after payment of liabilities. The Common Stock has no cumulative voting rights and no preemptive or other rights to subscribe for shares of the Company.

There are no redemption or sinking fund provisions applicable to the Common Stock. All shares of Common Stock currently outstanding are fully paid and non-assessable.

The Company is permitted to issue, and has from time to time, issued warrants and options to purchase shares of the Common Stock, as well as restricted stock units.

Anti-Takeover Effects of the Company's Charter and By-Laws

In addition to provisions under Delaware law, the Company's Charter and By-Laws contain provisions that could have the effect of discouraging potential acquisition proposals or making a tender offer or delaying or preventing a change in control, including changes a stockholder might consider favorable. In particular, the Charter and/or By-Laws, as applicable, among other things:

- provide the Board with the exclusive authority to call special meetings of the stockholders;
- provide the Board with the ability to alter the By-Laws without stockholder approval and require the affirmative vote of the holders of a majority in voting power of the outstanding shares of capital stock of the Company entitled to vote thereon to alter the By-Laws without Board approval;
- provide rules for stockholder action by written consent, including procedures for a record date to be set by the Board in connection with such action, information requirements, the engagement of an independent inspector of election and timing requirements;
- provide the Board with the exclusive authority to fix the number of directors constituting the whole Board; and
- provide that vacancies on the Board may be filled by a majority of directors in office, although less than a quorum.

Such provisions may have the effect of discouraging a third-party from acquiring the Company, even if doing so would be beneficial to the Company's stockholders. These provisions are intended to enhance the likelihood of continuity and stability in the composition of the Board and in its policies, and to discourage some types of transactions that may involve an actual or threatened change in control of the Company. These provisions are designed to reduce the Company's vulnerability to an unsolicited acquisition proposal and to discourage some tactics that may be used in proxy fights. The Company believes that the benefits of increased protection of its potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure the Company outweigh the disadvantages of discouraging such proposals because, among other things, negotiation of such proposals could result in an improvement of their terms. However, these provisions could have the effect of discouraging others from making tender offers for shares of the Company's Common Stock and, as a consequence, they also may inhibit fluctuations in the market price of the shares of the Company's Common Stock that could result from actual or rumored takeover attempts. These provisions also may have the effect of preventing changes in the Company's management.

Exhibit 10.1

CONSULTING AGREEMENT Consulting Agreement

This **First Amendment to Consulting Agreement** (this "**Agreement First Amendment**") is **made** entered into as of April 27, 2023 and **is effective as of November 1, 2022 April 17, 2023**, by and between **Oramed Pharmaceuticals Inc.**, a company incorporated under the laws of the State of Delaware, with an address at 20 Mamilla Ave., Jerusalem, Israel 9414904 (the "Company") and **Shnida Ltd.**, a company incorporated under the laws of the State of Israel, (company I.D. no. 514519016) with an address at 32 Eliezer Hagadol Street, Jerusalem (the "Consultant").

WHEREAS

WHEREAS, the Company and the Consultant entered into a consulting agreement, effective as of November 1, 2022 (the "**Consulting Agreement**"); and

WHEREAS, the Company and the Consultant desire to amend the terms and conditions of the Consulting Agreement as set forth herein.

NOW, THEREFORE, the Company wishes to obtain consulting services from the Consultant to be provided by Nadav Kidron (Israeli I.D. number 027424282) ("Nadav") exclusively and the Consultant wishes to provide the Company with consulting services as an external consultant to the Company through Nadav exclusively and pursuant to the terms and conditions of this Agreement; and

WHEREAS the parties wish to regulate their legal relations as set forth in this Agreement.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. **Appointment.** The Company hereby appoints the Consultant, and the Consultant hereby agrees to serve the Company through Nadav exclusively, in the capacity of a consultant to the Company. For the avoidance of doubt, it is hereby clarified that in the event the Consultant ceases to provide the Consulting Services (as hereinafter defined) through Nadav exclusively, the Company shall have the right to terminate this Agreement immediately upon notification of such termination, without any further notice.
2. **Section 5 of the Consulting Agreement (Term).** will be amended and replaced as follows:
 1. **Appointment.** The Company hereby appoints the Consultant, and the Consultant hereby agrees to serve the Company through Nadav exclusively, in the capacity of a consultant to the Company. For the avoidance of doubt, it is hereby clarified that in the event the Consultant ceases to provide the Consulting Services (as hereinafter defined) through Nadav exclusively, the Company shall have the right to terminate this Agreement immediately upon notification of such termination, without any further notice.
 2. **The Consulting Services.** Until the termination of this Agreement, the Consultant through Nadav exclusively shall, as and when requested by the Company, act as a consultant and render his assistance and participation as the President and Chief Executive Officer of the Company, giving the full benefit of his knowledge, expertise, technical skill and ingenuity, in all matters involved in or relating to the business thereof (the "**Consulting Services**").
 3. **Supervision.** While acting as a consultant for the Company through Nadav exclusively, the Consultant and Nadav shall be under the supervision of the Board of Directors of the Company (the "**Board**") and shall report to and receive instructions from the Board.
 4. **Commencement of the Agreement.** The contractual relationship pursuant to this Agreement commenced on November 1, 2022 (the "**Commencement Date**").

5. **Term.** Either party may terminate this Agreement, for any reason whatsoever, upon the provision of a 140 day prior written notice (the “**Prior Written Notice**”). If the Consulting Agreement is terminated by the Company without Cause in connection with a Change in Control (as defined below) that occurs during the period that is three months prior and 12 months after the event, the following provisions shall apply:

- (a) The Consultant will be entitled to receive 18 months Consideration.
- (b) The Consultant will be entitled to full vesting acceleration of all outstanding unvested equity incentives.

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

Notwithstanding the foregoing, the Company may, at any time following the Commencement Date, terminate this Agreement immediately by provision of a written notice (and without any further notice, including the Prior Written Notice referred to above), in which case the termination date of this Agreement shall be the effective date of such notice of immediate termination, in any of the following circumstances:

- 5.1 Commission of a criminal offence, breach of trust or action adverse to the Company, its monies, property, assets or employees by the Consultant and/or Nadav.
- 5.2 Breach of any of the Consultant’s and/or Nadav’s undertakings as set forth in this Agreement.
- 5.3 The Consultant is for any reason unable to provide the Consulting Services through Nadav exclusively at a reasonable time as required by the Company pursuant to this Agreement.

6. **Compensation.** Effective November 1, 2022 (inclusive), the Company shall pay to the Consultant in consideration 2. Except for the performance of the Consulting Services, a gross monthly amount of NIS 88,023 + VAT (the “**Consideration**”), subject to the receipt by the Company of an invoice from the Consultant.

7. **Reimbursement of Expenses** – The Consultant will be reimbursed for any reasonable expenses incurred in connection with the performance of the Consulting Services under this Agreement subject to the Company’s prior written authorization, and provided, that, the Consultant submits such verification of the expenses as the Company may require. The Company will reimburse the Consultant for previously approved expenses in accordance with the Company’s then applicable expense reimbursement policy.

Additionally, the Company shall reimburse changes and/or additions stated herein, all the Consultant for pre-approved travel expenses incurred in connection with the performance other terms of the Consulting Services under Agreement shall remain valid and bind the parties without any change. In the case of a contradiction between the provisions of this Agreement.

8. **Directors’ and Officers’ Liability Coverage.** The Company shall provide the Consultant, for the benefit of Nadav, (including his heirs, executors and administrators) with coverage under a standard directors’ and officers’ liability insurance policy at the Company’s expense.

9. **Tax Withholding.** Notwithstanding the above, the Company has the right to withhold any amounts from payments made to the Consultant under this Agreement, including, *inter alia*, the Consideration, to the extent necessary to comply with any applicable tax laws.

10. **Confidentiality, Non-Competition and Intellectual Property.** Each of the Consultant and Nadav agrees during the term of this Agreement and thereafter to be bound by, and shall have executed and delivered to the Company, the Proprietary Information, Non-Compete and Protection of Intellectual Property Undertaking, substantially in the form of **Exhibit A** hereto.

11. **No Conflict of Interest.** Each of the Consultant and Nadav agrees during the term of the Agreement not to accept any work or enter into any contract or understanding or accept an obligation, inconsistent or incompatible with the Consultant’s and/or Nadav’s obligations under this Agreement or the scope of the Consulting Services. Each of the Consultant and Nadav warrants that there is no other existing contract or duty on the Consultant’s and/or Nadav’s part inconsistent with this Agreement. Each of the Consultant and Nadav further agrees not to disclose to the Company, or induce the Company to use any confidential information that belongs to anyone other than the Company or the Consultant.

12. **Independent Consultant Relationship.** Each of the Consultant and Nadav hereby declares and undertakes, that its relationship with the Company will be that of an independent consultant and nothing in this Agreement should be construed to create a partnership, joint venture, or employer-employee relationship between the Company and the Consultant and/or Nadav. Each of the Consultant and Nadav agrees, that it/he will not be entitled to any of the benefits that the Company may make available to its employees, such as group insurance, profit sharing or retirement benefits, unless otherwise mentioned herein. Furthermore, Each of the Consultant and Nadav agrees that no title that the Consultant and/or Nadav shall carry while acting in the capacity of a consultant of the Company, nor any conduct by the Company or the Consultant, shall derogate from this Section 12.

The Consultant will be solely responsible for all tax returns First Amendment and payments required to be filed with or made to any tax authority with respect to the Consultant’s performance provisions of the Consulting Services and receipt Agreement, the provisions of fees under this Agreement. Because First Amendment shall prevail. Without limiting the Consultant is an independent contractor, the Company will not withhold or make payments for National Insurance Institute; make unemployment insurance or disability insurance contributions; or obtain worker’s compensation insurance on the Consultant’s behalf.

Furthermore, each generality of the Consultant and Nadav hereby declares, that foregoing, the Consultant is term “Agreement” as used in the sole employer of Nadav and therefore the Consultant has the sole and complete liability for Nadav’s employment in any aspect whatsoever including, *inter alia*, obligations such as payment of taxes, National Insurance, disability, severance pay and other contributions based on fees paid to Nadav. The Consultant hereby agrees to indemnify and defend the Company against any and all such taxes or contributions, including penalties and interest, and the Company shall be entitled to require the Consultant to produce evidence of effecting the payments as aforesaid.

13. Without derogating from any of the above, should it be held by any competent judicial authority or any governmental authority, that the relationship between each of Consultant or Nadav and the Company is one of employer and employee; and/or in the event that the Company shall be demanded and/or obligated, to pay any of the Consultant or Nadav any amount, or give them any right, deriving from the existence of an employer-employee relationship between the Consultant or Nadav and the Company or usually paid to employees; all of the following provisions shall apply:

13.1 Retroactively, from the first date of Consultant’s engagement with the Company (the “**Effective Date**”) and in lieu of any remuneration paid to Consultant (including bonuses, benefits and expenses), Consultant will be deemed to have been entitled only to a gross monthly salary (including for all over-time hours, if relevant) in an amount equal to 150% of the gross monthly salary of the Company’s highest paid executive officer. Consultant will immediately return to the Company any amount paid to it beyond the above gross salary. Any entitlements as an employee (if at all) for Consultant, will be calculated on the base of the above salary;

13.2 The Company shall be entitled to set off from the amounts due to Consultant in accordance with any source, the amounts which the Consultant will be liable to refund to the Company pursuant to Section 13.1 or in accordance with any other source; and

13.3 Consultant shall indemnify the Company for any and all costs, liabilities and expenses it may have in connection with such demand and/or obligation, including the economic value of such right and legal expenses.

14. Should it be held by the tax authorities, including the Israeli National Insurance Institute, that the Company is required or obligated to pay any amount or bear any cost deriving from the existence of an employer-employee relationship between the Consultant or Nadav and the Company or usually paid to employees; all of the following provisions shall apply:

14.1 The Company shall be entitled to set off from the amounts due to Consultant in accordance with any source, the amounts which the Consultant will be liable to refund to the Company pursuant to Section 13.1 or in accordance with any other source; and

14.2 Consultant shall indemnify the Company for any and all costs, liabilities and expenses it may have in connection with such demand and/or obligation, including the economic value of such right and legal expenses.

15. **Consultant Representation and Warranties.** The Consultant hereby represents and warrants that the Consultant has full right and power to enter into and perform this Consulting Agreement without the consent of any third party.

16. **Return of Company Property.** Upon termination of this Agreement or earlier as requested by the Company, each of the Consultant and Each of the Consultant and Nadav hereby will deliver to the Company any and all drawings, notes, memoranda, specifications, devices, electronic devices, formulas, and documents, together with all copies thereof, and any other material containing or disclosing any Company Work Product, Third Party Information or Proprietary Information of the Company.

Data and software stored on magnetic and other media that cannot be returned shall be destroyed by the Consultant or Each of the Consultant and Nadav hereby together with all copies thereof.

17. **General Provisions.**

17.1 **Severability.** In case any one or more of the provisions contained in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. If moreover, any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it shall then appear.

17.2 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Israel. The parties hereby expressly consent to the exclusive jurisdiction of the court located in Tel-Aviv, Israel, and all disputes or claims arising out of or related to this Agreement shall be exclusively resolved by the courts located in Tel-Aviv, Israel.

17.3 **No Assignment.** This Agreement may not be assigned by the Consultant and/or Each of the Consultant and Nadav hereby without the Company's prior and written consent, and any such attempted assignment shall be void and of no effect.

17.4 **Waiver.** No waiver by a party of any breach of this Agreement shall be a waiver of any preceding or succeeding breach. No waiver by a party of any right under this Agreement shall be construed as a waiver of any other right.

17.5 **Entire Agreement.** This Agreement is the final, complete and exclusive agreement of the parties with respect to the subject matter hereof and supersedes and merges all prior agreements and/or discussions between the parties. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, will be effective unless in writing and signed by the party to be charged.

17.6 **Notices.** All communications under this Agreement shall be in writing and shall be delivered by email, hand or mailed by registered or certified mail, postage prepaid:

(i) If to the Consultant, at 32 Eliezer Hagadol Street, Jerusalem, or at such other address or email address as the Consultant may have furnished the Company in writing; and

(ii) If to the Company, at 20 Mamilla Ave., Jerusalem, Israel 9414904, marked for the attention of the Chief Financial Officer, or at such other address or email address as it may have furnished the Consultant in writing.

Any notice so addressed shall be deemed to be given: if delivered the Consulting Agreement as amended by hand or by email, on the date of such delivery; if mailed by courier, on the first business day following the date of such mailing; and if mailed by registered or certified mail, on the third business day after the date of such mailing, this First Amendment.

17.7 **Survival.** Sections 10 (including Exhibit A), 12, 13, 14, 16 and 17 shall survive termination of this Agreement.

17.8 **Section Headings.** The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part thereof.

IN WITNESS WHEREOF, the parties have executed this First Amendment to Consulting Agreement on as of the date first written above.

ORAMED PHARMACEUTICALS INC.

Shnida SHNIDA LTD.

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

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

I hereby confirm that I have read this First Amendment, understood its terms and agree to be personally bound by all its terms and provisions.

/s/ Nadav Kidron
Nadav Kidron

Exhibit 10.3

Second Amendment to Consulting Agreement

This Second Amendment to Consulting Agreement (this "Second Amendment") is entered into as of January 8, 2024 and is effective as of January 1, 2024, by and between **Oramed Pharmaceuticals Inc.**, a company incorporated under the laws of the State of Delaware, with an address at 20 Mamilla Ave., Jerusalem, Israel 9414904 (the "Company") and **Shnida Ltd.**, a company incorporated under the laws of the State of Israel, (company I.D. no. 514519016) with an address at 32 Eliezer Hagadol Street, Jerusalem (the "Consultant").

WHEREAS, the Company and the Consultant entered into a consulting agreement, effective as of November 1, 2022 and amended as of April 27, 2023 (the "Consulting Agreement"); and **WHEREAS**, the Company and the Consultant desire to amend the terms and conditions of the Consulting Agreement as set forth herein.

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

1. **Amendment to Section 6.** Section 6 of the Consulting Agreement is hereby amended and restated in its entirety to read as follows:
Compensation. Effective January 1, 2024 (inclusive), the Company shall pay to the Consultant in consideration for the performance of the Consulting Services, a gross monthly amount of NIS 96,825 (the "Consideration"), subject to the receipt by the Company of an invoice from the Consultant.
2. Except for the changes and/or additions stated herein, all the other terms of the Consulting Agreement shall remain valid and bind the parties without any change. In the case of a contradiction between the provisions of this Second Amendment and the provisions of the Consulting Agreement, the provisions of this Second Amendment shall prevail. Without limiting the generality of the foregoing, the term "Agreement" as used in the Consulting Agreement shall be deemed to be the Consulting Agreement as amended by this Second Amendment.

IN WITNESS WHEREOF, the parties have executed this Second Amendment to Consulting Agreement as of the date Second written above.
ORAMED PHARMACEUTICALS INC.

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

SHNIDA LTD.

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

I hereby confirm that I have read this **Agreement**, **Second Amendment**, understood its terms and agree to be personally bound by all its terms and **provisions**, including without limitations, the **provisions of Section 10 and 13 thereto**, **provisions**.

/s/ Nadav Kidron
Nadav Kidron

(The "Undertaking")

This undertaking is Exhibit A First Amendment to the Consulting Agreement made effective as of November 1, 2022 by and between Oramed Pharmaceuticals Inc. (the "Company") and Shnida Ltd., (the "Consultant") for the provision of consulting services by the Consultant via Nadav Kidron ("Nadav").

Each of Consultant and Nadav warrants and undertakes that during their relationship with the Company and thereafter, they shall maintain in complete confidence any matters that relate to the Company (together with its Affiliates shall be defined as the "Company"), its affairs or business, including regarding the terms and conditions of the Consulting Agreement, and that they shall not harm its goodwill or reputation, and they agree to the provisions of the confidentiality, non-competition, non-solicitation and intellectual property clauses as specified below.

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

The obligations of Consultant and Nadav pursuant to this Undertaking derive from their status and position in the Company, along with all matters connected therewith, and the terms and conditions of the Consulting Agreement, including their compensation, have been determined in part, inter alia, in consideration of this Undertaking and constitute sufficient consideration for their obligations hereunder.

1. Confidentiality

- 1.1 Each of Consultant and Nadav undertakes to maintain the Confidential Information (as defined below) of the Company during the term of his/her engagement with the Company and after the termination of such, for any reason. Each of Consultant and Nadav acknowledges that the Confidential Information constitutes a proprietary right, which the Company is entitled to protect.
- 1.2 Without derogating from the generality of the foregoing, Each of Consultant and Nadav hereby agrees that he/she shall not, directly or indirectly, disclose or transfer to any person or entity, at any time, either during or subsequent to his/her engagement with the Company, any trade secrets or other confidential information, whether patentable or not, of the Company, including but not limited to, any (i) processes, formulas, trade secrets, innovations, inventions, discoveries, improvements, research or development and test results, survey, specifications, data and know-how; (ii) marketing plans, business plans, strategies, forecasts, unpublished financial information, budgets, projections, product plans and pricing; (iii) personnel information, including organizational structure, salary, and qualifications of employees; (iv) customer and supplier information, including identities, product sales and purchase history or forecasts and agreements; and (v) any other information which is not known to the public (collectively, "Confidential Information"), of which Consultant and Nadav is or becomes informed or aware during his/her engagement period with the Company, whether or not developed by Consultant and/or Nadav.
- 1.3 The general prohibition contained in Sections 1.1 and 1.2 against the unauthorized disclosure, use or dissemination of the Confidential Information shall not apply in respect of any Confidential Information that: (i) is available to the public generally in the form disclosed; (ii) becomes part of the public domain through no fault of Consultant and Nadav; (iii) is already in the lawful possession of Consultant and Nadav at the time of receipt of the Confidential Information, as can be proven by written documentation; or (iv) is compelled by applicable law to be disclosed, provided that Consultant and Nadav gives the Company prompt written notice of such requirement prior to such disclosure and provides assistance in obtaining an order protecting the Confidential Information from public disclosure.
- 1.4 Each of Consultant and Nadav undertakes not to directly or indirectly give or transfer, directly or indirectly, to any person or entity, any material, raw material, product, part of a product, model, document or other information storage media, or any photocopied, printed or duplicated object containing any or all of the Confidential Information.
- 1.5 Each of Consultant and Nadav undertakes, that the Company may receive from third parties confidential or proprietary information ("Third Party Information") subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the term of the Consulting Agreement, and thereafter, each of Consultant and Nadav will hold Third Party Information in the strictest confidence and will not disclose to anyone (other than Company personnel who need to know such information in connection with their work for the Company) or use, except solely for the purpose of and in connection with his/her work for the Company, Third Party Information unless expressly authorized by the Company in writing.
- 1.6 During the term of the Consulting Agreement, each of Consultant and Nadav shall not improperly use or disclose any confidential information or trade secrets, if any, of any former employer or any other person to whom Consultant and/or Nadav has an obligation of confidentiality, and Each of Consultant and Nadav did not and will not bring onto the premises of the Company any unpublished documents or any property belonging to any former employer or any other person to whom he/she has an obligation of confidentiality unless consented to in writing by that former employer or person.
- 1.7 In the event Each of Consultant and Nadav is in breach of any of the above obligations, they shall be liable to compensate the Company in respect of all damages or expenses incurred by the Company as a result of such breach, including trial costs and legal fees and statutory VAT, without derogating from any other relief or remedy available to the Company by virtue of any law.

2. Non-Competition/Non-Solicitation

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

- 2.1 He shall not, anywhere in the world, do business, as an employee, independent contractor, consultant or otherwise, and shall not directly or indirectly participate in or accept any position, proposal or job offer that may directly or indirectly compete with or harm the Company, or in the field in which the Company engages, is engaged or the Company contemplates in good faith to be materially engaged in within six (6) months thereafter, provided that the Company has taken demonstrable actions to promote such engagement or that the Company's Board of Directors has adopted a resolution authorizing such actions prior to the date of termination(the "Competitive Occupation"); provided, however, that Consultant and Nadav may own securities of any corporation which is engaged in such business and is publicly owned and traded but in an amount not to exceed at any one time one percent (1%) of any class of stock or securities of such company, so long as he has no active role in the publicly owned and traded company as director, employee, consultant or otherwise.
- 2.2 Without derogating from the generality of the foregoing, each of Consultant and Nadav undertakes not to maintain any business relations of any type whatsoever, including a proposal to conduct business relations, directly or indirectly, with any of the Company's customers, suppliers or agents, including customers, suppliers or agents with whom the Company conducted negotiations towards an agreement at the time of the termination of the Consulting Agreement or prior thereto.
- 2.3 In addition, each of Consultant and Nadav undertakes not to approach, solicit or recruit any employee of the Company or any consultant, service provider, agent, distributor, customer or supplier of the Company, to terminate, reduce or modify the scope of such person's engagement with the Company.
- 2.4 The foregoing shall apply irrespective of whether the Competitive Occupation is carried out by Consultant and Nadav alone or in cooperation with others and shall apply to the participation of Consultant and Nadav in a Competitive Occupation, whether as a controlling shareholder or as an interested party.

3. Intellectual Property, Copyright and Patents

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

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

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

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

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

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

3.6 The obligations of Consultant and Nadav pursuant to this Section 3 shall survive the termination of the Consulting Agreement with the Company or its successors and assigns with respect to inventions conceived by them during the term of the Consulting Agreement or as a result thereof.

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

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

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

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

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

THE UNDERSIGNED HAVE READ THIS UNDERTAKING CAREFULLY AND UNDERSTAND ITS TERMS.

ACCEPTED AND AGREED TO:

SHNIDA LTD.

By: /s/ Nadav Kidron

Date

Name: Nadav Kidron

Title: Chief Executive Officer

/s/ Nadav Kidron

Nadav Kidron

Date

Employment Agreement

Exhibit 10.2

This First Amendment to Employment Agreement (this "First Amendment") is made entered into as of April 27, 2023 and is effective as of the 1st day of November 2022, April 17, 2023, by and between Nadav Kidron, an individual residing in Jerusalem, Israel (the "Executive"), and ORAMED Oramed Ltd, a company incorporated under the laws of the State of Israel, with an address at 20 Mamilla Ave., Jerusalem, Israel 9414904 (the "Company").

WHEREAS, the Company has agreed to engage and the Executive entered into an employment agreement, effective as of November 1, 2022 (the "Employment Agreement"); and WHEREAS, Company and the Executive desire to serve in the role of President and Chief Executive Officer in accordance with amend the terms and conditions of the Employment Agreement as described below, set forth herein.

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

1. **ENGAGEMENT**

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

1.2 **Term.** The term of employment under this Agreement shall commence on November 1, 2022 (the "Effective Date") and shall continue until terminated by either party as provided herein (the "Term").

1.3 Service.

- (a) As of the Effective Date, the Executive shall serve in the role of President and Chief Executive Officer of the Company, and of its parent company Oramed Pharmaceuticals Inc. (the "Parent").
- (b) The Company's standard working days and hours are 5 days a week between Sunday and Thursday, four days of 9 gross hours (including lunch and rest breaks) per day and one shortened day of 8 gross hours including breaks. The working hours of the Executive shall be as required by the nature of the Executive's position in the Parent and the Company, including during additional and overtime hours if it is so required in order to fulfill the Executive's obligations according to this Agreement. The regular weekly rest day is Saturday.
- (c) In consideration of the conditions and circumstances of the Executive's senior position and duties in the Parent and the Company which require a special degree of trust and as the conditions and circumstances of employment do not enable the Company to supervise the Executive's hours of work, the provisions of the Hours of Work and Rest Law, 1951 shall not apply to the Executive and he shall not be entitled to any additional consideration for work during overtime hours and/or on days that are not regular business days, except as specified in this Agreement. The Executive acknowledges that the consideration set for his services hereunder nevertheless includes within it consideration that would otherwise have been due to him by law.
- (d) The Executive agrees to faithfully, honestly and diligently serve the Parent and the Company and to devote Executive's attention and best efforts to further the business and interests of the Parent and the Company. The Executive agrees and undertakes to inform the Board of Directors of the Parent immediately after becoming aware of any matter that may in any way raise a conflict of interest between the Executive and the Parent and/or the Company. For the avoidance of doubt, nothing in this Section 1.3 shall degrade from the Executive's obligation to continue observing all of his undertakings under this Agreement in their entirety, including, without limitation, his obligations of confidentiality and non-disclosure.

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

- (a) The Executive shall report to the Board of Directors of the Parent (the "Board").
- (b) The Executive shall serve as President and Chief Executive Officer of the Company and the Parent, providing the full benefit of his knowledge, expertise, technical skill and ingenuity, in all matters involved in or relating to the business thereof, all subject to any applicable law and to instructions provided by the Board from time to time.

- (c) The Executive shall faithfully, honestly and diligently serve the Company and the Parent and cooperate with the Company and the Parent and utilize his professional skills and care to ensure that all services rendered hereunder are to the satisfaction of the Company and the Parent, acting reasonably, and the Executive shall provide any other services not specifically mentioned herein, but which by reason of the Executive's capability the Executive knows or ought to know to be necessary to ensure that the best interests of the Company and the Parent are maintained.
- (d) The Executive shall assume, obey, implement and execute such duties, directions, responsibilities, procedures, policies and lawful orders as may be determined or given from time to time by the Board.
- (e) The Executive shall report the results of his duties hereunder to the Board as it may request from time to time.
- (f) The Executive shall not, without the prior written authorization of the Parent and the Company, directly or indirectly undertake any other employment, whether as an employee of another employer or independently as an agent, consultant, director or in any other manner (whether for compensation or otherwise) and shall not assume any position or render services in any of the above-stated manners to any other entity or person.
- (g) The Executive undertakes to fulfill the responsibilities described in this Agreement and assist the Parent and the Company, their affiliates, subsidiaries, related corporations and parent company now or hereafter existing (collectively, "Affiliates") and to make himself available to them, during the employment period and even after the termination of his employment relations with the Company, for any reason, in any matter which the Parent or the Company may reasonably request his assistance, including for the purpose of providing any information relating to his work or actions taken by him and including in the framework of disputes (including legal or quasi-legal proceedings). If the Parent or the Company requires the Executive's services after the termination of the employment relations with him, for any reason, it shall reimburse the Executive for his expenses in connection with performing the provisions of this Section.
- (h) The Executive shall not receive any payment and/or benefit from any third party, directly or indirectly, in connection with his employment with the Company. In the event the Executive breaches this Sub-section, without derogating from any of the Company's right by law or contract, such benefit or payment shall become the sole property of the Company and the Company may set-off such amount from any sums due to the Executive.
- (i) The Executive acknowledges that the Company is committed to the restrictions as mentioned in the Prevention of Sexual Harassment Law, 1998, and that sexual harassment is a severe disciplinary offence.
- (j) The Executive undertakes not to make improper use of computer, computer devices, internet and/or e-mails, including (but not limited to) use of illegal software or the receipt and/or transfer of pornographic material, and/or any other material that is not connected with his work and may be harmful to the Company, other employees or any other third party, as further detailed in the Company's policy as may be amended from time. The current policy is attached hereto as [Annex A](#).
- (k) The Executive acknowledges and agrees that personal information related to him and the Executive's terms of employment at the Company, as shall be received and held by the Company will be held and managed by the Company, and that the Company shall be entitled to transfer such information to third parties, in Israel or abroad. The information will be collected, retained, used, and transferred for legitimate business purposes and to the reasonable and necessary scope only, including: human resources management, business management and customer relations, assessment of potential transactions and relating to such transactions, compliance with law and other requests and requirements from government authorities and audit, compliance checks and internal investigations.

2. COMPENSATION and additional TERMS

- 2.1 Salary.** For services rendered by the Executive during the Term, as the President and Chief Executive Officer of the Company and the Parent, the Executive shall be paid a monthly salary, 1. Section 5.2 of the Employment Agreement (Termination Without Cause), will be amended and replaced as follows:
 - (a) The Executive shall be entitled to a gross monthly amount of NIS 46,901 (the "Salary").
 - (b) As mentioned above, the Executive's positions are of a management or those requiring a special degree of personal trust, and the Company and the Parent is not able to supervise the number of working hours of the Executive; therefore the provisions of the Israeli Hours of Work and Rest Law - 1951, will not apply to the Executive and he will not be entitled to any additional remuneration whatsoever for his work with the exception of that specifically set out in this Agreement.
 - (c) The aforementioned Salary and the fringe benefits that are described below constitute the overall consideration for the Executive's work and in view of his position and status, and he shall not be entitled to any additional consideration, of any form, for his work including during additional and overtime hours and on weekends or holidays, insofar as required. The Salary will be paid to the Executive in accordance with the Company's normal and reasonable pay-roll practices, no later than the 9th day of each month. Any payment or benefit under this Agreement (including any bonuses or the like), other than the Salary, shall not be considered as a salary for any purpose whatsoever, and the Executive shall not maintain or claim otherwise.
 - (d) Executive's Salary and other benefits shall be annually reviewed by the Board based on his and the Parent's performance, all at the Board's sole and absolute discretion.
- 2.2 Company Vehicle.** The Executive shall be entitled to the use of a vehicle, as shall be determined by the Company and/or the Parent (the "Car"). The Company shall incur all reasonable expenses associated with use of the Car, including fuel expenses, however excluding personal traffic fines, and the Executive hereby authorizes the Company to deduct any such amount from any amount owing to him thereby, including from the Salary. The use of the Car shall be in accordance with the provisions of the Company's car internal procedures, as may be amended from time to time by the Company and the Executive hereby authorizes the Company to deduct any amount that needs to be deducted according to such internal procedures from any amount owing to him thereby, including from the Salary. The Executive shall receive a monthly amount reflecting the gross up of the tax due as a result of the use and maintenance of the Car. The Car will be returned to the Company by the Executive immediately upon termination of Executive's employment by the Company, for any reason whatsoever, or upon any request by the Company at any time. The Car is in lieu of travel expenses from Executive's premises to work and back in accordance with the law. Should the Executive not use a Car as described in this section 2.2, he will be entitled to a gross monthly amount of NIS 4,500 (instead of statutory travel expenses from home to the office and back).
- 2.3 Expenses.** The Executive will be reimbursed by the Company for pre-approved business expenses incurred by the Executive in connection with his duties, and in accordance with Company's policy.
- 2.4 Vacation; Sick Leave and Recreation Pay.** The Executive shall be entitled to 24 vacation days per year. The Executive shall be entitled to accrue a maximum of 24 vacation days (the "Maximum"). Any days accrued beyond the Maximum shall be erased. In addition, Executive shall be entitled to sick leave and Recreation Pay according to applicable law. Executive shall be entitled to cash redemption of vested vacation only upon termination of his employment.
- 2.5 Additional Benefits.** The Executive shall be entitled to the use of a Company paid mobile phone, according to the Company's policies and instructions, as amended from time to time. In addition, the Executive shall be entitled to the use of a Company owned laptop computer, according to the Company's policies and instructions, as amended from time to time. The Executive shall bear any tax payments resulting from the aforesaid, to the extent applicable.
- 2.6 Deductions.** The Executive acknowledges that all payments by the Company in respect of the services provided by the Executive shall be subject to the deduction of any amount which the Company as an employer is required to deduct or withhold from the Salary or other payments to an executive in accordance with statutory requirements (including, without limitation, income tax, employee contributions and unemployment insurance contributions).
- 2.7 Bonus.** The appropriate organ of the Parent shall consider granting the Executive a bonus for each then-outgoing calendar year and salary and compensation increases for each then-incoming calendar year in amounts to be determined by the Board (or a duly authorized Committee thereof) at least once every calendar year in line with other Executives.
- 2.8 Equity.** The appropriate organ of the Parent shall consider granting the Executive equity in amounts to be determined by the Board (or a duly authorized Committee thereof) at least once every calendar year in line with other Executives.

3. SOCIAL INSURANCE AND BENEFITS

- 3.1** The Executive shall be entitled to a pension arrangement, a Managers' Insurance Policy (the "Policy") and/or Pension Fund (the "Pension Fund") as follows:
 - The Company shall contribute 8.33% of the Salary for severance compensation (the "Severance Contribution").
 - In addition, the Company shall contribute 6.5% of the Salary for pension compensation (Tagmulum) towards Policy/Pension Fund.

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

The Company shall deduct from the Salary the Executive's contributions for pension compensation (Tagmulim) in an amount of 6% of the Salary towards Policy/Pension Fund. Any tax liability in connection with pension arrangement shall be borne solely by the Executive.

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

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

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

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

4. CONFIDENTIALITY, NON-COMPETITION AND INTELLECTUAL PROPERTY

The Executive agrees to be bound by, and shall have executed and delivered to the Company, the Proprietary Information, Non-Compete and Protection of Intellectual Property Undertaking, substantially in the form of **Exhibit B** hereto.

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

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

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

5. TERMINATION

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

- (a) committed an act of fraud, embezzlement or theft in connection with the Executive's duties or in the course of the Executive's employment with the Company;
- (b) intentionally and wrongfully damaged property of the Company, or any of its affiliates, associates or customers;
- (c) intentionally or wrongfully disclosed any of the Confidential Information (as such term is defined in **Exhibit B** hereto);
- (d) made material personal benefit at the expense of the Company without the prior written consent of the Board of Directors of the Parent;
- (e) accepted shares or options or any other gifts or benefits from a vendor without the prior written consent of the Board of Directors of the Parent;
- (f) fundamentally breached any of the Executive's material covenants contained in this Agreement; or
- (g) willfully and persistently, without reasonable justification, failed or refused to follow the lawful and proper directives of the Company specifying in reasonable detail the alleged failure or refusal and after a reasonable opportunity for the Executive to cure the alleged failure or refusal.

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

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

5.2 Termination Without Cause. Either the Executive or the Company may terminate the Executive's employment without Cause, for any reason whatsoever, with 140 days prior written notice.

5.3 The Notice Period. If the Executive's employment is terminated by the Company without Cause in connection with a Change in Control (as defined below) that occurs during the period that is three months prior and 12 months after the event, the following provisions shall apply:

- (a) During The Executive will be entitled to receive 18 months severance, which is defined as base salary plus on-target bonus over the period following the notice of termination (the "Notice Period"), Executive shall cooperate with the Company and use his best efforts to assist the integration into the Company's organization of the person or persons who will assume Executive's responsibilities, and shall act according to the instructions of the Company, severance period.
- (b) During the Notice Period, the The Executive shall continue to perform his duties until the conclusion of the Notice Period. Nevertheless, the Company shall be entitled, but not obligated, at any time prior to the expiration of the Notice Period, at its sole discretion: (i) to waive the Executive's actual work during the Notice Period, or to reduce the scope of the Executive's work hours, while continuing to pay the Executive his regular payments and benefits until the completion of the Notice Period; or (ii) terminate this Employment Agreement and the employment relationship, at any time prior to the expiration of the Notice Period, and pay a cash equivalent to his Salary and benefits for the remainder of the Notice Period as a payment in lieu of prior notice in accordance with the law; provided, however that any vesting of Parent's equity that would have occurred during the Notice Period but for the Company's decision to shorten the Notice Period pursuant to this Section 5.3(b)(ii), shall not be affected and such equity shall continue to vest as if the Notice Period was not terminated prior to its original expiration date.
- (c) It is hereby expressly stated that the Company reserves the right to terminate the Executive's employment at any time during the Notice Period, regardless of whether notice of termination of employment was delivered by the Company or whether such notice was delivered by the Executive. In the latter case, such termination shall not constitute a dismissal of the Executive by the Company.

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

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

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

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

6. MUTUAL REPRESENTATIONS

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

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

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

7. NOTICES

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

(a) in the case of the Company, to: **incentives.**

Oramed Ltd.

20 Mamilla Ave.

PO Box 39098

Jerusalem

Israel Fax: +972-2-566-0004 "Change in Control" means the sale or disposition, in one or a series of related transactions, of all or substantially all of the assets, or stock, or over fifty percent (50%) of the voting stock to any "person" or "group" (as such terms are defined in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), or any person or group is or becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than fifty percent (50%) of the total voting power of the voting stock of the Company, including by way of merger, consolidation or otherwise.

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

2. Except for the changes and/or additions stated herein, all the other terms of the Employment Agreement shall remain valid and bind the parties without any change. In the case of a contradiction between the provisions of this First Amendment and the provisions of the Employment Agreement, the provisions of this First Amendment shall prevail. Without limiting the generality of the foregoing, the term "Agreement" as used in the Employment Agreement shall be deemed to be the Employment Agreement as amended by this First Amendment.

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

8. GENERAL

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

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

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

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

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

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

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

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

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

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

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

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

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

Oramed Ltd.

/s/ David Silberman
David Silberman, CFO

/s/ David Silberman

David Silberman, CFO

/s/ Nadav Kidron
Nadav Kidron Executive

EXHIBIT B

PROPRIETARY INFORMATION, NON-COMPETE AND PROTECTION OF INTELLECTUAL PROPERTY UNDERTAKING

(The "Undertaking")

This undertaking is Exhibit B to the Employment Agreement made effective as of November 1, 2022 by and between Nadav Kidron, residing in Jerusalem, Israel (the "Executive") and Oramed Ltd. (the "Employment Agreement").

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

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

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

1. Confidentiality

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

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

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

- 1.3 The Executive undertakes not to directly or indirectly give or transfer, directly or indirectly, to any person or entity, any material, raw material, product, part of a product, model, document or other information storage media, or any photocopied, printed or duplicated object containing any or all of the Confidential Information.
- 1.4 The Executive undertakes, that the Company may receive from third parties confidential or proprietary information ("Third Party Information") subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. During the term of the Executive's relationship with the Company, and thereafter, the Executive will hold Third Party Information in the strictest confidence and will not disclose to anyone (other than Company personnel who need to know such information in connection with their work for the Company) or use, except solely for the purpose of and in connection with his/her work for the Company, Third Party Information unless expressly authorized by the Company in writing.
- 1.5 During the Executive's relationship with the Company the Executive shall not improperly use or disclose any confidential information or trade secrets, if any, of any former employer or any other person to whom the Executive has an obligation of confidentiality, and the Executive did not and will not bring onto the premises of the Company any unpublished documents or any property belonging to any former employer or any other person to whom he/she has an obligation of confidentiality unless consented to in writing by that former employer or person.
- 1.6 In the event the Executive is in breach of any of his/her above obligations, he/she shall be liable to compensate the Company in respect of all damages or expenses incurred by the Company as a result of such breach, including trial costs and legal fees and statutory VAT, without derogating from any other relief or remedy available to the Company by virtue of any law.

2. Non-Competition/Non-Solicitation

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

- 2.1 He shall not, anywhere in the world, do business, as an employee, independent contractor, consultant or otherwise, and shall not directly or indirectly participate in or accept any position, proposal or job offer that may directly or indirectly compete with or harm the Company, or in the field in which the Company engages, is engaged or the Company contemplates in good faith to be materially engaged in within six (6) months thereafter, provided that the Company has taken demonstrable actions to promote such engagement or that the Company's Board of Directors has adopted a resolution authorizing such actions prior to the date of termination (the "Competitive Occupation"); provided, however, that Executive may own securities of any corporation which is engaged in such business and is publicly owned and traded but in an amount not to exceed at any one time one percent (1%) of any class of stock or securities of such company, so long as he has no active role in the publicly owned and traded company as director, employee, consultant or otherwise.
- 2.2 Without derogating from the generality of the foregoing, the Executive undertakes not to maintain any business relations of any type whatsoever, including a proposal to conduct business relations, directly or indirectly, with any of the Company's customers, suppliers or agents, including customers, suppliers or agents with whom the Company conducted negotiations towards an agreement at the time of the termination of his/her employment with the Company or prior thereto.
- 2.3 In addition, the Executive undertakes not to approach, solicit or recruit any employee of the Company or any consultant, service provider, agent, distributor, customer or supplier of the Company, to terminate, reduce or modify the scope of such person's engagement with the Company.

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

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Intellectual Property, Copyright and Patents

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

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

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

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

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

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

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

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

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

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

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

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

I, NADAV KIDRON, HAVE READ THIS UNDERTAKING CAREFULLY AND UNDERSTAND ITS TERMS.

ACCEPTED AND AGREED TO:

/s/ Nadav Kidron

Nadav Kidron

Date

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ANNEX "A"
Use of computer systems, internet browsing and company email

1. It is strictly forbidden to make use of company¹ computers, internet browsing or company email for any purposes which are illegal, inappropriate or unsuitable, including accessing inappropriate or unsuitable websites (such as pornographic websites), it is additionally forbidden to install any programs on company computer systems, or make use of any such system to transfer materials unrelated to work or detrimental to the company, its clients, employees, or any other third party. misuse of company computers, internet browsing or company emails may cause considerable harm to the company or other third parties, as well as the computer systems themselves and their users. if in doubt, please refer to the company IT manager.

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

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

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

¹ All terms not defined herein shall have the meaning ascribed to them in the Employment Agreement.

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

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

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

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

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

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

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

/s/ Nadav Kidron

Nadav Kidron

Date

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Exhibit 10.13 10.6

Second Amendment to Employment Agreement

This Second Amendment to Employment Agreement (this "Second Amendment") is entered into as of this 25th day of October 2022 January 8, 2024 and is effective as of January 1, 2023 January 1, 2024, by and between **Nadav Kidron**, an individual residing in Jerusalem, Israel (the "Executive"), and **Oramed Ltd.**, a company incorporated under the laws of the State of Israel, with an address at 20 Mamilla Ave., Jerusalem, Israel 9414904 (the "Company").

WHEREAS, the Company and the Executive entered into an employment agreement, effective as of November 1, 2022 and amended as of April 27, 2023 (the "Employment Agreement"); and

WHEREAS, Company and the Executive desire to amend the terms and conditions of the Employment Agreement as set forth herein.

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

1. Section 2.1(a) of the Employment Agreement will be amended and replaced as follows:

The Executive shall be entitled to a gross monthly amount of NIS 51,591 (the "Salary").

2. Except for the changes and/or additions stated herein, all the other terms of the Employment Agreement shall remain valid and bind the parties without any change. In the case of a contradiction between the provisions of this Second Amendment and the provisions of the Employment Agreement, the provisions of this Second Amendment shall prevail. Without limiting the generality of the foregoing, the term "Agreement" as used in the Employment Agreement shall be deemed to be the Employment Agreement as amended by this Second Amendment.

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

Oramed Ltd.

/s/ David Silberman

David Silberman, CFO

/s/ Nadav Kidron

Nadav Kidron

Exhibit 10.15

AGREEMENT AND AMENDMENT NO. 8

This AGREEMENT AND AMENDMENT NO. 8 (this “**Eighth Amendment**”) is made as of April 27, 2023 and is effective as of April 17, 2023, by and between **Oramed Ltd.**, a company incorporated under the laws of the State of Israel, # 513976712 with an address at Mamilla, 20, Jerusalem, Israel 9414904 (the “**Company**”), and **KNRY, Ltd.**, a company incorporated under the laws of the State of Israel, # 513836502 with an address at 2 Elza Street, Jerusalem, Israel 93706 (the “**Consultant**”).

WHEREAS:

A. The Company and the Consultant are parties to that certain consulting agreement dated as of July 1, 2008, as amended on July 13, 2013, on November 13, 2014, on July 21, 2015, on June 27, 2016, on June 30, 2017, on January 10, 2020 and on September 19, 2021 (collectively, the “**Consulting Agreement**”), for services to be provided by Dr. Miriam Kidron Israeli I.D. number 9665993 (“**Miriam**”); and

B. The Company and the Consultant wish to amend the Consulting Agreement to revise the terms of the Consultant compensation thereunder.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

1. Section 5 of the Consulting Agreement (Term), will be amended and replaced as follows:

5. **Term.** Either party may terminate this Agreement, for any reason whatsoever, upon the provision of a 60 day prior written notice (the “**Prior Written Notice**”). If the Consulting Agreement is terminated by the Company without Cause in connection with a Change in Control (as defined below) that occurs during the period that is three months prior and 12 months after the event, the following provisions shall apply:

(a) The Consultant will be entitled to receive 12 months Consideration.

(b) The Consultant will be entitled to full vesting acceleration of all outstanding unvested equity incentives.

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

Notwithstanding the foregoing, the Company may, at any time following the Commencement Date, terminate this Agreement immediately by provision of a written notice (and without any further notice, including the Prior Written Notice referred to above), in which case the termination date of this Agreement shall be the effective date of such notice of immediate termination, in any of the following circumstances:

5.1 Commission of a criminal offence, breach of trust or action adverse to the Company, its monies, property, assets or employees by the Consultant and/or Miriam.

5.2 Breach of any of the Consultant’s and/or Miriam’s undertakings as set forth in this Agreement.

5.3 The Consultant is for any reason unable to provide the Consulting Services through Miriam exclusively at a reasonable time as required by the Company pursuant to this Agreement.

2. Except for the changes and/or additions stated herein, all the other terms of the Consulting Agreement shall remain valid and bind the parties without any change. In the case of a contradiction between the provisions of this Eighth Amendment and the provisions of the Consulting Agreement, the provisions of this Eighth Amendment shall prevail. Without limiting the generality of the foregoing, the term “Agreement” as used in the Consulting Agreement shall be deemed to be the Consulting Agreement as amended by this Eighth Amendment.

IN WITNESS WHEREOF, the parties have executed this Eighth Amendment to Consulting Agreement as of the date first written above.

ORAMED LTD.

By: /s /David Silberman

Name: David Silberman

Title: Chief Financial Officer

KNRY LTD.

By: /s/ Miriam Kidron

Name: Miriam Kidron

Exhibit 10.16

AGREEMENT AND AMENDMENT NO. 9

This AGREEMENT AND AMENDMENT NO. 9 (this “**Ninth Amendment**”) is made as of January 8, 2024 and is effective as of January 1, 2024, by and between **Oramed Ltd.**, a company incorporated under the laws of the State of Israel, # 513976712 with an address at Mamilla, 20, Jerusalem, Israel 9414904 (the “**Company**”), and **KNRY, Ltd.**, a company incorporated under the laws of the State of Israel, # 513836502 with an address at 2 Elza Street, Jerusalem, Israel 93706 (the “**Consultant**”).

WHEREAS:

A. The Company and the Consultant are parties to that certain consulting agreement dated as of July 1, 2008, as amended on July 13, 2013, on November 13, 2014, on July 21, 2015, on June 27, 2016, on June 30, 2017, on January 10, 2020, on September 19, 2021 and on April 17, 2023 (collectively, the “**Consulting Agreement**”), for services to be provided by Dr. Miriam Kidron Israeli I.D. number 9665993 (“**Miriam**”); and

B. The Company and the Consultant wish to amend the Consulting Agreement to revise the terms of the Consultant compensation thereunder.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

1. **Amendment to Section 6.** Section 6 of the Consulting Agreement is hereby amended and restated in its entirety to read as follows:

“**Compensation.** Effective January 1, 2024 (inclusive), the Company shall pay to the Consultant in consideration for the performance of the Consulting Services, a gross monthly amount of 117,040 + VAT (the “**Consideration**”), subject to the receipt by the Company of an invoice from the Consultant. Each of the Consultant and Miriam hereby declares that neither of them has, nor shall have in the future, any claims or demands in respect of amounts paid prior to May 2008.”

2. Except for the changes and/or additions stated herein, all the other terms of the Consulting Agreement shall remain valid and bind the parties without any change. In the case of a contradiction between the provisions of this Ninth Amendment and the provisions of the Consulting Agreement, the provisions of this Ninth Amendment shall prevail. Without limiting the generality of the foregoing, the term “**Agreement**” as used in the Consulting Agreement shall be deemed to be the Consulting Agreement as amended by this Ninth Amendment.

IN WITNESS WHEREOF, the parties have executed this Ninth Amendment to Consulting Agreement as of the date first written above.

ORAMED LTD.

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

KNRY LTD.

By: /s/ Miriam Kidron
Name: Miriam Kidron

Exhibit 10.20

Third Amendment to Employment Agreement

This Third Amendment to Employment Agreement (this “**Third Amendment**”) is entered into as of April 27, 2023 and is effective as of April 17, 2023, by and between **David Silberman**, an individual residing in Jerusalem, Israel (the “Executive”), and **Oramed Ltd.**, a company incorporated under the laws of the State of Israel, with an address at 20 Mamilla Ave., Jerusalem, Israel 9414904 (the “Company”).

WHEREAS, the Company and the Executive entered into an employment agreement, dated as of May 23, 2021, as amended effective September 1, 2022 and as further amended effective January 1, 2023 (the “**Employment Agreement**”); and

WHEREAS, Company and the Executive desire to amend the terms and conditions of the Employment Agreement as set forth herein.

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

1. Section 5.2 of the Employment Agreement (Termination Without Cause), will be amended and replaced as follows:

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

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

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

2. Except for the changes and/or additions stated herein, all the other terms of the Employment Agreement shall remain valid and bind the parties without any change. In the case of a contradiction between the provisions of this Third Amendment and the provisions of the Employment Agreement, the provisions of this Third Amendment shall prevail. Without limiting the generality of the foregoing, the term “Agreement” as used in the Employment Agreement shall be deemed to be the Employment Agreement as amended by this Third Amendment.

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

Oramed Ltd.

/s/ Nadav Kidron

Nadav Kidron, CEO

/s/ David Silberman

David Silberman

Exhibit 10.21

Fourth Amendment to Employment Agreement

This Fourth Amendment to Employment Agreement (this "Fourth Amendment") is entered into as of this 8th day of January 2024 and is effective as of January 1, 2024, by and between **David Silberman**, an individual residing in Jerusalem, Israel (the "Executive"), and **Oramed Ltd.**, a company incorporated under the laws of the State of Israel, with an address at 20 Mamilla Ave., Jerusalem, Israel 9414904 (the "Company").

WHEREAS, the Company and the Executive entered into an employment agreement, dated as of May 23, 2021, as amended effective September 1, 2022, January 1, 2023 and April 17, 2023 (the "Employment Agreement"); and

WHEREAS, Company and the Executive desire to amend the terms and conditions of the Employment Agreement to increase the Executive's salary.

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

1. In Section 2.1(a) of the Employment Agreement - Salary, the following paragraph is hereby added:

1. In Section 2.1(a) of the Employment Agreement - Salary, the following paragraph is hereby added:

As of January 1, 2023 January 1, 2024, the Executive shall be entitled to a gross monthly salary of NIS 47,438 49,810 (the "Salary").

2. Except for the changes and/or additions stated herein, all the other terms of the Employment Agreement shall remain valid and bind the parties without any change. In the case of a contradiction between the provisions of this Second Amendment and the provisions of the Employment Agreement, the provisions of this Second Amendment shall prevail. Without limiting the generality of the foregoing, the term "Agreement" as used in the Employment Agreement shall be deemed to be the Employment Agreement as amended by this Second Amendment.

As of June 1, 2024, the Executive shall be entitled to a gross monthly salary of NIS 52,300 (the "Salary").

2. Except for the changes and/or additions stated herein, all the other terms of the Employment Agreement shall remain valid and bind the parties without any change. In the case of a contradiction between the provisions of this Fourth Amendment and the provisions of the Employment Agreement, the provisions of this Fourth Amendment shall prevail. Without limiting the generality of the foregoing, the term "Agreement" as used in the Employment Agreement shall be deemed to be the Employment Agreement as amended by this Fourth Amendment.

IN WITNESS WHEREOF, the parties have executed this **Second** **Fourth** Amendment to Employment Agreement as of **October 25, 2022** **January 8, 2024**.

Oramed Ltd.

/s/ Nadav Kidron

Nadav Kidron, CEO

/s/ David Silberman

David Silberman

Exhibit **10.14** **10.22**

INDEMNIFICATION AGREEMENT

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

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

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

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

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

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

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

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

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

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

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

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

3. Contribution.

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

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

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

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

3. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his Corporate Status, a witness, or is made (or asked) to respond to discovery requests, in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually 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 for 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(g) 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(d) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law; or

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

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

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

11. Enforcement.

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

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

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

12. Definitions. For purposes of this Agreement:

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

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

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

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

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

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

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

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

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

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

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

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

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

SIGNATURE PAGE TO FOLLOW

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

COMPANY

ORAMED PHARMACEUTICALS INC.

By: _____
Name: _____
Title: _____

INDEMNITEE

Name: _____
Address: _____

Schedule to Exhibit 10.14

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

Name of Signatory	Date
Nadav Kidron President, Chief Executive Officer and Chairman	March 26, 2017
Daniel Aghion Director Miriam Kidron Chief Scientific Officer and Director	January 1, 2024 March 26, 2017
Dr. Arie Mayer, Ph.D. Director	December 5, 2019
Yadin Rozov Leonard Sank Director	April 5, 2022 January 26, 2017
Leonard Sank Benjamin Shapiro Director	January 26, 2017 April 30, 2023
Joshua Hexter Chief Operating & Business Officer	September 8, 2019
David Silberman Chief Financial Officer	July 4, 2021
Netanel Derovan Chief Legal Officer Michael Rabinowitz Chief Commercial Officer	December 7, 2021 July 25, 2021

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Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-252696 and 333-257926 and 333-257128) and Form S-8 (Nos. 333-244380, 333-234303, 333-213835, 333-199120, 333-190222, 333-163919 and 333-266105) of Oramed Pharmaceuticals Inc. of our report dated March 6, 2024 relating to the financial statements, which appears in this Form 10-K.

Tel-Aviv, Israel
March 6, 2024

/s/ Kesselman & Kesselman
Certified Public Accountants (Isr.)
A member firm of PricewaterhouseCoopers International Limited

Exhibit 10.23 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:

- I have reviewed this Annual Report on Form 10-K of Oramed Pharmaceuticals Inc.;
- 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;
- 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;
- 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:
 - 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;
 - 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;
 - 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
 - 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
- 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):
 - 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
 - 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: March 6, 2024

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

Exhibit 31.2

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

I, David Silberman, certify that:

1. I have reviewed this Annual Report on Form 10-K 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: March 6, 2024

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

Exhibit 32.1

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

In connection with the annual report of Oramed Pharmaceuticals Inc., or the Company, on Form 10-K for the period ended December 31, 2023, 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: March 6, 2024

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

Exhibit 32.2

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

In connection with the annual report of Oramed Pharmaceuticals Inc., or the Company, on Form 10-K for the period ended December 31, 2023, 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: March 6, 2024

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

Exhibit 97.1

ORAMED PHARMACEUTICALS INC.
AMENDED AND RESTATED 2019 STOCK INCENTIVE PLAN

Restricted Stock Unit Notice

Grantee Name and Address:

[REDACTED]

In accordance with and subject to the Restricted Stock Unit Agreement, of which this Restricted Stock Unit Notice is a part (which together, constitute the "Customizing Information"), the Company hereby grants to the above named grantee (the "Grantee" "Company") the following Restricted Stock Units.

Grant Date:

[REDACTED]

Restricted Stock Units Granted:

[REDACTED]

Purchase Price, if any:

[REDACTED]

Total Exercise Price:

[REDACTED]

Form of Settlement:

[REDACTED]

Restricted Stock Unit Vesting Schedule:

	Percentage of Total Restricted Stock Units Vested	
Vesting date	Incremental Amount	Cumulative Amount

ACCEPTANCE BY GRANTEE

IN WITNESS WHEREOF, the Company has caused this Restricted Stock Unit Agreement to be issued as of the date set forth above.

Date: _____

(Signature of Grantee)

Notice Address:

ORAMED PHARMACEUTICALS INC.

a Delaware corporation

By:

Name: _____

Title: _____

ORAMED PHARMACEUTICALS INC.
AMENDED AND RESTATED 2019 STOCK INCENTIVE PLAN
Restricted Stock Unit Agreement CLAWBACK POLICY

This Restricted Stock Unit Agreement and the associated restricted stock unit notice (the "Customizing Information"), which Customizing Information is available in written or electronic form from the Chief Financial Officer of Oramed Pharmaceuticals Inc., a Delaware corporation (the "Company"), is made as of the date shown as the "Grant Date" in the Customizing Information (the "Grant Date") by and between the Company, and the individual identified in the Customizing Information (the "Grantee"). This instrument and the Customizing Information is collectively referred to as the "Restricted Stock Unit Agreement." Effective: November 9, 2023

WITNESSETH THAT:

WHEREAS, the Company has instituted the Oramed Pharmaceuticals Inc. Amended and Restated 2019 Stock Incentive Plan, as amended and in effect from time to time (the "Plan"); and WHEREAS, the Compensation Committee (the "Committee") of the Company's Board of Directors has authorized the grant of restricted stock units ("RSUs") with respect to the Company's common stock, par value \$0.012 per share ("Stock"), upon the terms and conditions set forth below and pursuant to the Plan, a copy of which is incorporated herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and the Grantee agree as follows.

1. Grant. Subject to the terms of the Plan and this Restricted Stock Unit Agreement, the Company hereby grants to the Grantee that number of restricted stock units ("RSUs") equal to the corresponding number of shares of the Company's Stock (the "Underlying Shares") shown in the Customizing Information under "Restricted Stock Units Granted."

2. Vesting.

(a) Subject to the Continuous Service (as defined in the Plan) of the Grantee, as of a "Vesting Date," as specified in the Customizing Information, and the Grantee as of such date is not in violation of any confidentiality, inventions and/or non-competition agreement with the Company, all or a portion, as applicable (the "Incremental Amount," as specified in the Customizing Information), of the RSUs shall vest on such date. For the avoidance of doubt, except as otherwise provided pursuant to the terms of the Plan, if the Grantee's Continuous Service is terminated by the Company or by the Grantee for any reason, whether voluntarily or involuntarily, no RSUs granted pursuant to this Restricted Stock Unit Agreement shall vest under any circumstances on and after the date of such termination.

(b) The RSUs shall all vest immediately upon a "change in control" of the Company, as defined in the Plan.

(c) The vesting conditions and vesting schedule may be amended at any time at the Board's discretion in accordance with the terms of the Plan.

For purposes of this Section 2, the term "Company" refers to the Company and all Subsidiaries.

3. Dividends. A Grantee shall be credited with dividend equivalents equal to the dividends the Grantee would have received if the Grantee had been the actual record owner of the Underlying Shares on each dividend record date on or after the Grant Date and through the date the Grantee receives a settlement pursuant to Section 4 below (the "Dividend Equivalent"). If a dividend on the stock is payable wholly or partially in stock, the Dividend Equivalent representing that portion shall be in the form of additional RSUs, credited on a one-for-one basis. If a dividend on the stock is payable wholly or partially in cash, the Dividend Equivalent representing that portion shall also be in the form of cash and a Grantee shall be treated as being credited with any cash dividends, without earnings, until settlement pursuant to Section 4 below. If a dividend on stock is payable wholly or partially in other than cash or stock, the Committee may, in its discretion, provide for such Dividend Equivalents with respect to that portion as it deems appropriate under the circumstances. Dividend Equivalents shall be subject to the same terms and conditions as the RSUs originally awarded pursuant to this Restricted Stock Unit Agreement, and they shall vest (or, if applicable, be forfeited) as if they had been granted at the same time as the original RSU award. Dividend Equivalents representing the cash portion of a dividend on stock shall be settled in cash.

4. Delivery of Underlying Shares and Dividend Equivalent Settlement. With respect to any RSUs that become vested RSUs as of a Vesting Date pursuant to Section 2, subject to the Grantee's delivery of a written notice to the Company, which may be by electronic email (the date of such notice is the "Settlement Date"), and only following the Settlement Date, the Company shall issue and deliver to the Grantee as soon as practicable following the Settlement Date, (a) the number of Underlying Shares indicated in such written notice and (b) the amount (and in the form) due with respect to the Dividend Equivalents applicable to such Underlying Shares. The Grantee may request issuance of Underlying Shares with respect to any vested RSUs in one or more installments, from time to time, provided that the Settlement Date must be on or before the tenth anniversary of the grant date of the applicable RSUs (the "Final Settlement Date"). If the Grantee has not delivered a written notice regarding settlement on or before the Final Settlement Date, then the RSUs that have not yet been settled shall expire. Additional provisions set forth the Plan with respect to options, including Section 9 thereof, shall apply to the RSUs *mutatis mutandis*, as the Company may determine to be applicable.

Any shares issued pursuant to this Restricted Stock Unit Agreement shall be issued, without issue or transfer tax, by delivering a stock certificate or certificates for such shares out of theretofore authorized but unissued shares or treasury shares of its stock as the Company may elect; provided, however, that the time of such delivery may be postponed by the Company for such period as may be required for it with reasonable diligence to comply with any applicable requirements of law. Notwithstanding the prior sentence, delivery of Underlying Shares shall be made only if the required purchase price designated as the "Purchase Price" shown in the Customizing Information per underlying RSU is paid to the Company. Such payment may be made either (i) by means of payment acceptable to the Company in accordance with the terms of the Plan or (ii) by a reduction in the number of shares of stock, valued at its Fair Market Value (as defined in the Plan), issued hereunder equal in each case to the aggregate Purchase Price due. If the Grantee fails to pay for or accept delivery of all of the shares, the right to shares of stock provided pursuant to this RSU may be terminated by the Company.

5. Withholding Taxes. The Grantee hereby agrees, as a condition of the award of RSUs, to provide to the Company an amount sufficient to satisfy the Company's obligation to withhold federal, state, local and other taxes arising by reason of the issuance, vesting or settlement of RSUs and Dividend Equivalents (the "Withholding Amount"), if any, by (a) authorizing the Company and/or any Subsidiary to withhold the Withholding Amount from the Grantee's cash compensation or (b) remitting the Withholding Amount to the Company in cash; provided, however, that to the extent that the Withholding Amount is not provided by one or a combination of such methods, the Company may at its election withhold from the Underlying Shares and Dividend Equivalents that would otherwise be delivered that number of shares (and/or cash) having a Fair Market Value on the date of vesting sufficient to eliminate any deficiency in the Withholding Amount; and provided, further, that the Fair Market Value of shares withheld shall not exceed an amount in excess of the minimum required withholding.

6. Non-assignability of RSUs and Dividend Equivalents. RSUs and Dividend Equivalents shall not be assignable or transferable by the Grantee except by will or by the laws of descent and distribution or as permitted by the Committee in its discretion pursuant to the terms of the Plan. During the life of the Grantee, delivery of shares of stock and Dividend Equivalents shall be made only to the Grantee, to a conservator or guardian duly appointed for the Grantee by reason of the Grantee's incapacity or to the person appointed by the Grantee in a durable power of attorney acceptable to the Company's counsel.

7. Compliance with Securities Act; Lock-Up Agreement. The Company shall not be obligated to sell or issue any Underlying Shares or other securities in settlement of RSUs and Dividend Equivalents hereunder unless the shares of stock or other securities are at that time effectively registered or exempt from registration under the Securities Act and applicable state securities laws. In the event shares or other securities shall be delivered that shall not be so registered, the Grantee hereby represents, warrants and agrees that the Grantee will receive such shares or other securities for investment and not with a view to their resale or distribution, and will execute an appropriate investment letter satisfactory to the Company and its counsel. The Grantee further hereby agrees that as a condition to the settlement of RSUs and Dividend Equivalents, the Grantee will execute an agreement in a form acceptable to the Company to the effect that the shares shall be subject to any underwriter's lock-up agreement in connection with a public offering of any securities of the Company that may from time to time apply to shares held by officers and employees of the Company, and such agreement or a successor agreement must be in full force and effect.

8. Legends. The Grantee hereby acknowledges that the stock certificate or certificates evidencing shares of stock or other securities issued pursuant to any settlement of an RSU or Dividend Equivalent hereunder may bear a legend setting forth the restrictions on their transferability described in Section 7 hereof, if such restrictions are then in effect.

9. Rights as Stockholder. The Grantee shall have no rights as a stockholder with respect to any RSUs, Dividend Equivalents or Underlying Shares until the date of issuance of a stock certificate for Underlying Shares and any Dividend Equivalents. Except as provided by Section 3, no adjustment shall be made for any rights for which the record date is prior to the date such stock certificate is issued, except to the extent the Committee so provides, pursuant to the terms of the Plan and upon such terms and conditions it may establish.

10. Termination or Amendment of Plan. The Board may terminate or amend the Plan at any time. No such termination or amendment will affect rights and obligations under this Restricted Stock Unit Agreement, to the extent it is then in effect.

11. Effect Upon Employment and Performance of Services. Nothing in this Restricted Stock Unit Agreement or the Plan shall be construed to impose any obligation upon the Company or any Subsidiary to employ or utilize the services of the Grantee or to retain the Grantee in its employ or to engage or retain the services of the Grantee.

12. Time for Acceptance. Unless the Grantee shall evidence acceptance of this Restricted Stock Unit Agreement by electronic or other means prescribed by the Committee within thirty (30) days after its delivery, the RSUs and Dividend Equivalents shall be null and void (unless waived by the Committee).

13. Section 409A of the Internal Revenue Code. The RSUs and Dividend Equivalents granted hereunder are intended to avoid the potential adverse tax consequences to the Grantee of Section 409A of the Code, as defined in the Plan, and the Committee may make such modifications to this Agreement as it deems necessary or advisable to avoid such adverse tax consequences.

14. Adjustment Upon Changes in Capitalization. Subject to any required action by the stockholders of the Company, the number of Underlying Shares shall be proportionately adjusted for (i) any increase or decrease in the number of issued shares of Stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Stock, or similar transaction affecting the Stock, (ii) any other increase or decrease in the number of issued shares of Stock effected without receipt of consideration by the Company, or (iii) any other transaction with respect to Stock including a corporate merger, consolidation, acquisition of property or stock, separation (including a spin-off or other distribution of stock or property), reorganization, liquidation (whether partial or complete) or any similar transaction.

15. General Provisions.

(a) **Amendment; Waivers.** This Restricted Stock Unit Agreement, including the Plan, contains the full and complete understanding and agreement of the parties hereto as to the subject matter hereof, and except as otherwise permitted by the express terms of the Plan and this Restricted Stock Unit Agreement, it may not be modified or amended nor may any provision hereof be waived without a further written agreement duly signed by each of the parties; provided, however, that a modification or amendment that does not materially diminish the rights of the Grantee hereunder, as they may exist immediately before the effective date of the modification or amendment, shall be effective upon written notice of its provisions to the Grantee. The waiver by either of the parties hereto of any provision hereof in any instance shall not operate as a waiver of any other provision hereof or in any other instance. The Grantee shall have the right to receive, upon request, a written confirmation from the Company of the Customizing Information.

(b) **Binding Effect.** This Restricted Stock Unit Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, representatives, successors and assigns.

(c) **Fractional RSUs, Underlying Shares and Dividend Equivalents.** All fractional Underlying Shares and Dividend Equivalents settled in stock resulting from the application of the Vesting Schedule or the adjustment provisions contained in the Plan shall be rounded down to the nearest whole share. If Dividend Equivalents are settled in cash, the amount paid shall be rounded down to the nearest penny.

(d) **Governing Law.** This Restricted Stock Unit Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of law.

(e) **Construction.** This Restricted Stock Unit Agreement is to be construed in accordance with the terms of the Plan. In case of any conflict between the Plan and this Restricted Stock Unit Agreement, the Plan shall control. The titles of the sections of this Restricted Stock Unit Agreement and of the Plan are included for convenience only and shall not be construed as modifying or affecting their provisions. The masculine gender shall include both sexes; the singular shall include the plural and the plural the singular unless the context otherwise requires. Capitalized terms not defined herein shall have the meanings given to them in the Plan.

(f) **Data Privacy.** By entering into this Restricted Stock Unit Agreement and except as otherwise provided in any data transfer agreement entered into by the Company, the Grantee: (i) authorizes the Company, and any agent of the Company administering the Plan or providing Plan recordkeeping services, to disclose to the Company such information and data as the Company shall request in order to facilitate the administration of the Plan; (ii) waives any data privacy rights the Grantee may have with respect to such information; and (iii) authorizes the Company to store and transmit such information in electronic form. For purposes of this Section 14(f), the term "Company" refers to the Company and each of its Subsidiaries.

(g) **Notices.** Any notice in connection with this Restricted Stock Unit Agreement shall be deemed to have been properly delivered if it is delivered in the form specified by the Committee as follows:

To the Grantee:	Last address provided to the Company
To the Company:	David Silberman – CFO Oramed Pharmaceuticals Inc. 1185 Avenue of the Americas New York, NY 10036 Fax2mail: +972 73 714 6872 Email: david@oramed.com

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Exhibit 10.41

ORAVAX MEDICAL, INC.
2021 LONG-TERM INCENTIVE PLANBackground

The Oravax Medical, Inc. 2021 Long-Term Incentive Plan (the "Plan") was adopted by the Board of Directors of Oravax Medical, Inc., a Delaware corporation the Company (the "CompanyBoard"), effective as of _____, 2021 (the "Effective Date"), subject to approval by believes that it is in the Company's stockholders.

ARTICLE 1.

PURPOSE

The purpose of the Plan is to attract and retain the services of key Employees, key Contractors, and Outside Directors best interests of the Company and its Parent shareholders to create and Subsidiaries maintain a culture that emphasizes integrity and to provide such persons with a proprietary interest accountability and that reinforces the Company's compensation philosophy. The Board has therefore adopted this policy, which provides for the recoupment (or clawback) of certain executive compensation in the Company through event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the granting federal securities laws of Incentive Stock Options, Nonqualified Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Awards, Dividend Equivalent Rights, Performance Goals, Tandem Awards, and Other Awards, whether granted singly, or in combination, or in tandem, that will:

- (a) increase the interest of such persons in the Company's welfare;
- (b) furnish an incentive to such persons to continue their services for the Company or its Subsidiaries; and
- (c) provide a means through which the Company may attract able persons as Employees, Contractors, and Outside Directors.

The Plan is intended serve as an "umbrella" plan for the Company and its Affiliates and Subsidiaries. Therefore, if so required, appendices may be added to the Plan, at the discretion of the Board, for awards granted to individuals who are not resident in the United States in order to accommodate local regulations that do not correspond to the scope of the Plan. Any such appendices that the Company approves for purposes of using the Plan for individuals who are not resident in the United States will not affect the terms of the Plan for any other country.

Attached hereto as Appendix A is the Oravax Medical, Inc. Israeli Long-Term Incentive Plan (the "Israeli PlanPolicy"), designated for the purpose of making grants pursuant to Sections 102 and 3(i) of the Israeli Income Tax Ordinance (New Version), 1961, to Israeli employees and officers of the Company (or an Affiliate or Subsidiary) and any other service providers or control holders of the Company (or an Affiliate or Subsidiary) who are subject to Israeli income tax.

With respect to Reporting Participants, the Plan and all transactions under the Plan are intended . This Policy is designed to comply with all applicable conditions of Rule 16b-3 promulgated under the Exchange Act. To the extent any provision Section 10D of the Plan or action by the Committee fails to so comply, such provision or action shall be deemed null and void *ab initio*, to the extent permitted by law and deemed advisable by the Committee.

ARTICLE 2.
DEFINITIONS

For the purpose of the Plan, unless the context requires otherwise, the following terms shall have the meanings indicated:

2.1 "**Affiliate**" means, with respect to any specified Person, any other Person who directly or indirectly, controls, is controlled by or is under common control with such Person, including, without limitation, any general partner, managing member, officer, director or trustee of such Person, or any private equity fund, venture capital fund or registered investment company now or hereafter existing which is controlled by one or more general partners, managing members or investment advisers of, or shares the same management company or investment adviser with, such Person, and any Person that is a brother-sister entity or the Parent of another Person.

2.2 "**Applicable Law**" means all legal requirements relating to the administration of equity incentive plans and the issuance and distribution of shares of Common Stock, if any, under applicable corporate laws, applicable securities laws, the rules of any exchange or inter-dealer quotation system upon which the Company's securities are listed or quoted, the rules of any foreign jurisdiction applicable to Incentives granted to residents therein, and any other applicable law, rule or restriction.

2.3 "**Authorized Officer**" is defined in Section 3.2(b) hereof.

2.4 "**Award**" means the grant of any Incentive Stock Option, Nonqualified Stock Option, Restricted Stock, SAR, Restricted Stock Unit, Performance Award, Dividend Equivalent Right or Other Award, whether granted singly or in combination or in tandem (each individually referred to herein as an "**Incentive**").

2.5 "**Award Agreement**" means a written agreement between a Participant and the Company which sets out the terms of the grant of an Award.

2.6 "**Award Period**" means the period set forth in the Award Agreement during which one or more Incentives granted under an Award may be exercised.

2.7 "**Board**" means the board of directors of the Company.

2.8 "**Change in Control**" means the occurrence of the event set forth in any one of the following paragraphs, except as otherwise provided herein:

(a) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (a) of paragraph (c) below;

(b) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the effective date of this Plan, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds (2/3rds) of the directors then still in office who either were directors on the effective date of this Plan or whose appointment, election or nomination for election was previously so approved or recommended;

(c) there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least fifty percent (50%) of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates other than in connection with the acquisition by the Company or its Affiliates of a business) representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities; or

(d) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least fifty percent (50%) of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

For purposes hereof:

“**Affiliate**”, for purposes of this Section 2.8, shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act.

“**Beneficial Owner**” shall have the meaning set forth in Rule 13d-3 under the Exchange Act.

“**Person**” shall have the meaning given in Section 3(a)(9) of the **Securities Exchange Act of 1934**, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

Notwithstanding the foregoing provisions of this Section 2.8, if an Award issued under the Plan is subject to Section 409A of the Code, then an event shall not constitute a Change in Control for purposes of such Award under the Plan unless such event also constitutes a change in the Company’s ownership, its effective control or the ownership of a substantial portion of its assets within the meaning of Section 409A of the Code.

2.9 amended (the “**Claim**” means any claim, liability or obligation of any nature, arising out of or relating to this Plan or an alleged breach of this Plan or an Award Agreement.

2.10 “**Code**” means the United States Internal Revenue Code of 1986, as amended.

2.11 “**Committee**” means the Committee appointed or designated by the Board to administer the Plan in accordance with Article 3 of this Plan.

2.12 “**Common Stock**” means the common stock, par value \$0.0001 per share, which the Company is currently authorized to issue or may in the future be authorized to issue, or any securities into which or for which the common stock of the Company may be converted or exchanged, as the case may be, pursuant to the terms of this Plan.

2.13 “**Company**” means Oravax Medical, Inc., a Delaware corporation, and any successor entity.

2.14 “**Contractor**” means any natural person, who is not an Employee, rendering *bona fide* services to the Company or Parent or a Subsidiary or Affiliate of the Company, with compensation, pursuant to a written independent contractor agreement between such person and the Company or a Subsidiary, provided that such services are not rendered in connection with the offer or sale of securities in a capital raising transaction and do not directly or indirectly promote or maintain a market for the Company’s securities.

2.15 “**Corporation**” means any entity that (a) is defined as a corporation under Section 7701 of the Code and (b) is the Company or is in an unbroken chain of corporations (other than the Company) beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing a majority of the total combined voting power of all classes of stock in one of the other corporations in the chain. For purposes of clause (b) hereof, an entity shall be treated as a “corporation” if it satisfies the definition of a corporation under Section 7701 of the Code.

2.16 “**Date of Grant**” means the effective date on which an Award is made to a Participant as set forth in the applicable Award Agreement; provided, however, that solely for purposes of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder, the Date of Grant of an Award shall be the date of stockholder approval of the Plan if such date is later than the effective date of such Award as set forth in the Award Agreement.

2.17 "Dividend Equivalent Right" means the right of the holder thereof to receive credits based on the cash dividends that would have been paid on the shares of Common Stock specified in the Award if such shares were held by the Participant to whom the Award is made.

2.18 "Employee" means a common law employee (as defined in accordance with the Regulations and Revenue Rulings then applicable under Section 3401(c) of the Code) of the Company or Parent or any Subsidiary of the Company or an Affiliate of the Company; provided, however, in the case of individuals whose employment status, by virtue of their employer or residence, is not determined under Section 3401(c) of the Code, "Employee" shall mean an individual treated as an employee for local payroll tax or employment purposes by the applicable employer under Applicable Law for the relevant period.

2.19 "Exchange Act" means, Rule 10D-1 promulgated under the United States Securities Exchange Act ("Rule 10D-1") and the listing standards of 1934, as amended, the Nasdaq Stock Market ("Nasdaq") under Nasdaq Listing Rule 5608.

2.20 "Exercise Date" is defined in [Section 8.3\(b\)](#) hereof. [Administration](#)

2.21 "Exercise Notice" is defined in [Section 8.3\(b\)](#) hereof.

2.22 "Fair Market Value" means, as of a particular date, (a) if the shares of Common Stock are listed on any established national securities exchange, the closing sales price per share of Common Stock on the consolidated transaction reporting system for the principal securities exchange for the Common Stock on that date (as determined by the Committee, in its discretion), or, if there shall have been no such sale so reported on that date, on the last preceding date on which such a sale was so reported; (b) if the shares of Common Stock are not so listed, but are quoted on an automated quotation system, the closing sales price per share of Common Stock reported on the automated quotation system on that date, or, if there shall have been no such sale so reported on that date, on the last preceding date on which such a sale was so reported; (c) if the Common Stock is not so listed or quoted, the mean between the closing bid and asked price on that date, or, if there are no quotations available for such date, on the last preceding date on which such quotations shall be available, as reported by the National Association of Securities Dealer, Inc.'s OTC Bulletin Board or the Pink OTC Markets, Inc. (previously known as the National Quotation Bureau, Inc.); or (d) if none of the above is applicable, such amount as may be determined by the Committee (acting on the advice of an Independent Third Party, should the Committee elect in its sole discretion to utilize an Independent Third Party for this purpose), in good faith, to be the fair market value per share of Common Stock. The determination of Fair Market Value shall, where applicable, be in compliance with Section 409A of the Code.

2.23 "Immediate Family Members" is defined in [Section 15.7](#) hereof.

2.24 "Incentive" is defined in [Section 2.424](#) hereof.

2.25 "Incentive Stock Option" means an incentive stock option within the meaning of Section 422 of the Code, granted pursuant to this Plan.

2.26 "Independent Third Party" means an individual or entity independent of the Company having experience in providing investment banking or similar appraisal or valuation services and with expertise generally in the valuation of securities or other property for purposes of this Plan. The Committee may utilize one or more Independent Third Parties.

2.27 "Nonqualified Stock Option" means a nonqualified stock option, granted pursuant to this Plan, which is not an Incentive Stock Option.

2.28 "Option Price" means the price which must be paid by a Participant upon exercise of a Stock Option to purchase a share of Common Stock.

2.29 "Other Award" means an Award issued pursuant to [Section 6.9](#) hereof.

2.30 "Outside Director" means a director of the Company who is not an Employee or a Contractor.

2.31 "Parent" means any corporation which is a "parent corporation" of the Company (within the meaning of Code §424(e)).

2.32 "Participant" means an Employee, Contractor or an Outside Director to whom an Award is granted under this Plan.

2.33 "Performance Award" means an Award hereunder of cash, shares of Common Stock, units or rights based upon, payable in, or otherwise related to, Common Stock pursuant to Section 6.7 hereof.

2.34 "Performance Goal" means any of the Performance Criteria set forth in Section 6.10 hereof.

2.35 "Plan" means this Oravax Medical, Inc. 2021 Long-Term Incentive Plan, as amended from time to time.

2.36 "Reporting Participant" means a Participant who is subject to the reporting requirements of Section 16 of the Exchange Act.

2.37 "Restricted Stock" means shares of Common Stock issued or transferred to a Participant pursuant to Section 6.4 of this Plan which are subject to restrictions or limitations set forth in this Plan and in the related Award Agreement.

2.38 "Restricted Stock Units" means units awarded to Participants pursuant to Section 6.6 hereof, which are convertible into Common Stock at such time as such units are no longer subject to restrictions as established by the Committee.

2.39 "Restriction Period" is defined in Section 6.4(b)(i) hereof.

2.40 "SAR" or "Stock Appreciation Right" means the right to receive an amount, in cash and/or Common Stock, equal to the excess of the Fair Market Value of a specified number of shares of Common Stock as of the date the SAR is exercised (or, as provided in the Award Agreement, converted) over the SAR Price for such shares.

2.41 "SAR Price" means the exercise price or conversion price of each share of Common Stock covered by a SAR, determined on the Date of Grant of the SAR.

2.42 "Spread" is defined in Section 12.4(b) hereof.

2.43 "Stock Option" means a Nonqualified Stock Option or an Incentive Stock Option.

2.44 "Subsidiary" means (a) any corporation in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing a majority of the total combined voting power of all classes of stock in one of the other corporations in the chain, (b) any limited partnership, if the Company or any corporation described in item (a) above owns a majority of the general partnership interest and a majority of the limited partnership interests entitled to vote on the removal and replacement of the general partner, and (c) any partnership or limited liability company, if the partners or members thereof are composed only of the Company, any corporation listed in item (a) above or any limited partnership listed in item (b) above. "Subsidiaries" means more than one of any such corporations, limited partnerships, partnerships or limited liability companies.

2.45 "Termination of Service" occurs when a Participant who is (a) an Employee of the Company or any Subsidiary ceases to serve as an Employee of the Company and its Subsidiaries, for any reason; (b) an Outside Director of the Company or a Subsidiary ceases to serve as a director of the Company and its Subsidiaries for any reason; or (c) a Contractor of the Company or a Subsidiary ceases to serve as a Contractor of the Company and its Subsidiaries for any reason. Except as may be necessary or desirable to comply with applicable federal or state law, a "Termination of Service" shall not be deemed to have occurred when a Participant who is an Employee becomes an Outside Director or Contractor or vice versa. If, however, a Participant who is an Employee and who has an Incentive Stock Option ceases to be an Employee but does not suffer a Termination of Service, and if that Participant does not exercise the Incentive Stock Option within the time required under Section 422 of the Code upon ceasing to be an Employee, the Incentive Stock Option shall thereafter become a Nonqualified Stock Option. Notwithstanding the foregoing provisions of this Section 2.45, in the event an Award issued under the Plan is subject to Section 409A of the Code, then, in lieu of the foregoing definition and to the extent necessary to comply with the requirements of Section 409A of the Code, the definition of "Termination of Service" for purposes of such Award shall be the definition of "separation from service" provided for under Section 409A of the Code and the regulations or other guidance issued thereunder. The transfer of an Employee among the Company, a Subsidiary or a Parent shall not be treated as a Termination of Service under this Plan.

2.46 "Total and Permanent Disability" means a Participant is qualified for long-term disability benefits under the Company's or Subsidiary's disability plan or insurance policy; or, if no such plan or policy is then in existence or if the Participant is not eligible to participate in such plan or policy, that the Participant, because of a physical or mental condition resulting from bodily injury, disease, or mental disorder, is unable to perform his or her duties of employment for a period of six (6) continuous months, as determined in good faith by the Committee, based upon medical reports or other evidence satisfactory to the Committee; provided that, with respect to any Incentive Stock Option, Total and Permanent Disability shall have the meaning given it under the rules governing Incentive Stock Options under the Code. Notwithstanding the foregoing provisions of this [Section 2.46](#), in the event an Award issued under the Plan is subject to Section 409A of the Code, then, in lieu of the foregoing definition and to the extent necessary to comply with the requirements of Section 409A of the Code, the definition of "Total and Permanent Disability" for purposes of such Award shall be the definition of "disability" provided for under Section 409A of the Code and the regulations or other guidance issued thereunder.

2.47 "U.S. Taxpayer" means, for a given taxable year, any Participant who is a U.S. citizen or resident alien classified as a resident alien under Section 7701(b)(1)(A)(i) of the Code, other than an individual who is also a bona fide resident of a U.S. possession (within the meaning of Section 937(a) of the Code).

ARTICLE 3. ADMINISTRATION

3.1 General Administration; Establishment of Committee. Subject to the terms of this [Article 3](#), the Plan This Policy shall be administered by the Board or such Compensation Committee of the Board as is designated (the "Compensation Committee"). Any determinations made by the Board to administer the Plan (the "Committee"). The Committee shall consist of not fewer than two persons. Any member of the Committee may be removed at any time, with or without cause, by resolution of the Board. Any vacancy occurring in the membership of the Committee may be filled by appointment by the Board. At any time there is no Committee to administer the Plan, any references in this Plan to the Compensation Committee shall be deemed final and binding on all affected individuals. Subject to refer to any limitation under applicable law, the Board.

Membership on the Compensation Committee shall be limited to those members may authorize and empower any officer or employee of the Board who are "non-employee directors" as defined in Rule 16b-3 promulgated under Company to take any and all actions necessary or appropriate to carry out the Exchange Act. The Committee shall select one purpose and intent of its members to act as its Chairman. A majority of the Committee shall constitute a quorum, and the act of a majority of the members of the Committee present at a meeting at which a quorum is present shall be the act of the Committee.

3.2 Designation of Participants and Awards.

(a) The Committee or the Board shall determine and designate from time to time the eligible persons to whom Awards will be granted and shall set forth in each related Award Agreement, where applicable, the Award Period, the Date of Grant, and such other terms, provisions, limitations, and performance requirements, as are approved by the Committee, but not inconsistent with the Plan. The Committee shall determine whether an Award shall include one type of Incentive or two or more Incentives granted in combination or two or more Incentives granted in tandem (that is, a joint grant where exercise of one Incentive results in cancellation of all or a portion of the other Incentive). Although the members of the Committee shall be eligible to receive Awards, all decisions this Policy (other than with respect to any Award, and the terms and conditions thereof, to be granted recovery under the Plan to any member of the Committee shall be made solely and exclusively by the other members of the Committee, this Policy involving such officer or if such member is the only member of the Committee, by the Board. employee).

(b) Notwithstanding Section 3.2(a), Covered Executives

This Policy applies to the extent permitted by Applicable Law, the Board may, in its discretion Company's current and by a resolution adopted former executive officers, as determined by the Board authorize one or more officers in accordance with Section 10D of the Company (an "Authorized Officer") to (i) designate one or more Employees as eligible persons to whom Nonqualified Stock Options, Incentive Stock Options or SARs will be granted under the Plan, and (ii) determine the number of shares of Common Stock that will be subject to such Nonqualified Stock Options, Incentive Stock Options or SARs; provided, however, that the resolution of the Board granting such authority shall (x) specify the total number of shares of Common Stock that may be made subject to the Nonqualified Stock Options, Incentive Stock Options or SARs, (y) set forth the price or prices (or a formula by which such price or prices may be determined) to be paid for the purchase of the Common Stock subject to such Nonqualified Stock Options, Incentive Stock Options or SARs, and (z) not authorize an officer to designate himself as a recipient of any Award.

3.3 Authority of the Committee. The Committee, in its discretion, shall (a) interpret the Plan and Award Agreements, (b) prescribe, amend, and rescind any rules and regulations and sub-plans (including sub-plans for Awards made to Participants who are not resident in the United States), as necessary or appropriate for the administration of the Plan, (c) establish performance goals for an Award and certify the extent of their achievement, and (d) make such other determinations or certifications and take such other action as it deems necessary or advisable in the administration of the Plan. Any interpretation, determination, or other action made or taken by the Committee shall be final, binding, and conclusive on all interested parties. The Committee's discretion set forth herein shall not be limited by any provision of the Plan, including any provision which by its terms is applicable notwithstanding any other provision of the Plan to the contrary.

The Committee may delegate to officers of the Company, pursuant to a written delegation, the authority to perform specified functions under the Plan. Any actions taken by any officers of the Company pursuant to such written delegation of authority shall be deemed to have been taken by the Committee.

With respect to restrictions in the Plan that are based on the requirements of Rule 16b-3 promulgated under the Exchange Act Section 422 and the listing standards of the Code, the rules of any exchange or inter-dealer quotation system upon which the Company's securities are listed or quoted, or any other Applicable Law, to the extent that any such restrictions are no longer required by Applicable Law, the Committee shall have the sole discretion and authority to grant Awards that are not subject to such mandated restrictions and/or to waive any such mandated restrictions with respect to outstanding Awards.

ARTICLE 4. ELIGIBILITY

Any Employee (including an Employee who is also a director or an officer), Contractor or Outside Director of the Company (or an Affiliate or any Subsidiary of the Company) whose judgment, initiative, and efforts contributed or may be expected to contribute to the successful performance of the Company is eligible to participate in the Plan; provided that only Employees of a Corporation shall be eligible to receive Incentive Stock Options and, if an Employee is a U.S. Taxpayer, such Employee only shall be eligible to receive Stock Options if he or she is an Employee of the Company or one of its Subsidiaries (and is not an Employee of the Company's Parent). The Committee, upon its own action, may grant, but shall not be required to grant, an Award to any Employee, Contractor or Outside Director. Awards may be granted by the Committee at any time and from time to time to new Participants, or to then Participants, or to a greater or lesser number of Participants, and may include or exclude previous Participants, as the Committee shall determine. Except as required by this Plan, Awards need not contain similar provisions. The Committee's determinations under the Plan (including without limitation determinations of which Employees, Contractors or Outside Directors, if any, are to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards and the agreements evidencing same) need not be uniform and may be made by it selectively among Participants who receive, or are eligible to receive, Awards under the Plan.

ARTICLE 5. SHARES SUBJECT TO PLAN

5.1 Nasdaq ("Number Available for Awards. Covered Executives Subject to adjustment as provided in Articles 11 and 12, the maximum number of shares of Common Stock that may be delivered pursuant to Awards granted under the Plan is one million one hundred seven thousand (1,107,000) shares, of which one hundred percent (100%)") may be delivered pursuant to Incentive Stock Options. Shares to be issued may be made available from authorized but unissued Common Stock, Common Stock held by the Company in its treasury, or Common Stock purchased by the Company on the open market or otherwise. During the term of this Plan, the Company will at all times reserve and keep available the number of shares of Common Stock that shall be sufficient to satisfy the requirements of this Plan.

5.2 Reuse of Shares. To the extent that any Award under this Plan shall be forfeited, shall expire or be canceled, in whole or in part, then the number of shares of Common Stock covered by the Award or stock option so forfeited, expired or canceled may again be awarded pursuant to the provisions of this Plan. In the event that previously acquired shares of Common Stock are delivered to the Company in full or partial payment of the exercise price for the exercise of a Stock Option granted under this Plan, the number of shares of Common Stock available for future Awards under this Plan shall be reduced only by the net number of shares of Common Stock issued upon the exercise of the Stock Option. Awards that may be satisfied either by the issuance of shares of Common Stock or by cash or other consideration shall be counted against the maximum number of shares of Common Stock that may be issued under this Plan only during the period that the Award is outstanding or to the extent the Award is ultimately satisfied by the issuance of shares of Common Stock. Awards will not reduce the number of shares of Common Stock that may be issued pursuant to this Plan if the settlement of the Award will not require the issuance of shares of Common Stock, as, for example, a SAR that can be satisfied only by the payment of cash. Notwithstanding any provisions of the Plan to the contrary, only shares forfeited back to the Company, shares canceled on account of termination, expiration or lapse of an Award, shares surrendered in payment of the exercise price of a Stock Option or shares withheld for payment of applicable employment taxes and/or withholding obligations resulting from the exercise of an option shall again be available for grant of Incentive Stock Options under the Plan, but shall not increase the maximum number of shares described in Section 5.1 above as the maximum number of shares of Common Stock that may be delivered pursuant to Incentive Stock Options.

ARTICLE 6.
GRANT OF AWARDS

6.1 In General.

(a) The grant of an Award shall be authorized by the Committee and shall be evidenced by an Award Agreement setting forth the Incentive or Incentives being granted, the total number of shares of Common Stock subject to the Incentive(s), the Option Price (if applicable), the Award Period, the Date of Grant, and such other terms, provisions, limitations, and performance objectives, as are approved by the Committee, but (i) not inconsistent with the Plan, and (ii) to the extent an Award issued under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of Section 409A of the Code and the regulations or other guidance issued thereunder. The Company shall execute an Award Agreement with a Participant after the Committee approves the issuance of an Award. Any Award granted pursuant to this Plan must be granted within ten (10) years of the date of adoption of this Plan by the Board. The Plan shall be submitted to the Company's stockholders for approval; however, the Committee may grant Awards under the Plan prior to the time of stockholder approval. Any such Award granted prior to such stockholder approval shall be made subject to such stockholder approval. The grant of an Award to a Participant shall not be deemed either to entitle the Participant to, or to disqualify the Participant from, receipt of any other Award under the Plan.

(b) If the Committee establishes a purchase price for an Award, the Participant must accept such Award within a period of thirty (30) days (or such shorter period as the Committee may specify) after the Date of Grant by executing the applicable Award Agreement and paying such purchase price.

(c) Any Award under this Plan that is settled in whole or in part in cash on a deferred basis may provide for interest equivalents to be credited with respect to such cash payment. Interest equivalents may be compounded and shall be paid upon such terms and conditions as may be specified by the grant.

6.2 Option Price. The Option Price for any share of Common Stock which may be purchased under a Nonqualified Stock Option for any share of Common Stock must be equal to or greater than the Fair Market Value of the share on the Date of Grant. The Option Price for any share of Common Stock which may be purchased under an Incentive Stock Option must be at least equal to the Fair Market Value of the share on the Date of Grant; if an Incentive Stock Option is granted to an Employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than ten percent (10%) of the combined voting power of all classes of stock of the Company (or any parent or Subsidiary), the Option Price shall be at least one hundred ten percent (110%) of the Fair Market Value of the Common Stock on the Date of Grant.

6.3 Maximum ISO Grants. The Committee may not grant Incentive Stock Options under the Plan to any Employee which would permit the aggregate Fair Market Value (determined on the Date of Grant) of the Common Stock with respect to which Incentive Stock Options (under this and any other plan of the Company and its Subsidiaries) are exercisable for the first time by such Employee during any calendar year to exceed \$100,000. To the extent any Stock Option granted under this Plan which is designated as an Incentive Stock Option exceeds this limit or otherwise fails to qualify as an Incentive Stock Option, such Stock Option (or any such portion thereof) shall be a Nonqualified Stock Option. In such case, the Committee shall designate which stock will be treated as Incentive Stock Option stock by causing the issuance of a separate stock certificate and identifying such stock as Incentive Stock Option stock on the Company's stock transfer records.

6.4 Restricted Stock. If Restricted Stock is granted to or received by a Participant under an Award (including a Stock Option), the Committee shall set forth in the related Award Agreement: (a) the number of shares of Common Stock awarded, (b) the price, if any, to be paid by the Participant for such Restricted Stock and the method of payment of the price, (c) the time or times within which such Award may be subject to forfeiture, (d) specified Performance Goals of the Company, a Subsidiary, any division thereof or any group of Employees of the Company, or other criteria, which the Committee determines must be met in order to remove any restrictions (including vesting) on such Award, and (e) all other terms, limitations, restrictions, and conditions of the Restricted Stock, which shall be consistent with this Plan, to the extent applicable and, to the extent Restricted Stock granted under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of Section 409A of the Code and the regulations or other guidance issued thereunder. The provisions of Restricted Stock need not be the same with respect to each Participant.

(a) Legend on Shares. Each Participant who is awarded or receives Restricted Stock shall be issued a stock certificate or certificates in respect of such shares of Common Stock. Such certificate(s) shall be registered in the name of the Participant and shall bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock, substantially as provided in Section 15.9 of the Plan.

(b) Restrictions and Conditions. Shares of Restricted Stock shall be subject to the following restrictions and conditions:

(i) Subject to the other provisions of this Plan and the terms of the particular Award Agreements, during such period as may be determined by the Committee commencing on the Date of Grant or the date of exercise of an Award (the "Restriction Period"), the Participant shall not be permitted to sell, transfer, pledge or assign shares of Restricted Stock. Except for these limitations, the Committee may in its sole discretion, remove any or all of the restrictions on such Restricted Stock whenever it may determine that, by reason of changes in Applicable Laws or other changes in circumstances arising after the date of the Award, such action is appropriate.

(ii) Except as provided in sub-paragraph (a) above or in the applicable Award Agreement, the Participant shall have, with respect to his or her Restricted Stock, all of the rights of a stockholder of the Company, including the right to vote the shares, and the right to receive any dividends thereon. Certificates for shares of Common Stock free of restriction under this Plan shall be delivered to the Participant promptly after, and only after, the Restriction Period shall expire without forfeiture in respect of such shares of Common Stock or after any other restrictions imposed on such shares of Common Stock by the applicable Award Agreement or other agreement have expired. Certificates for the shares of Common Stock forfeited under the provisions of the Plan and the applicable Award Agreement shall be promptly returned to the Company by the forfeiting Participant. Each Award Agreement shall require that each Participant, in connection with the issuance of a certificate for Restricted Stock, shall endorse such certificate in blank or execute a stock power in form satisfactory to the Company in blank and deliver such certificate and executed stock power to the Company.

(iii) The Restriction Period of Restricted Stock shall commence on the Date of Grant or the date of exercise of an Award, as specified in the Award Agreement, and, subject to Article 12 of the Plan, unless otherwise established by the Committee in the Award Agreement setting forth the terms of the Restricted Stock, shall expire upon satisfaction of the conditions set forth in the Award Agreement; such conditions may provide for vesting based on length of continuous service or such Performance Goals, as may be determined by the Committee in its sole discretion.

(iv) Except as otherwise provided in the particular Award Agreement, upon Termination of Service for any reason during the Restriction Period, the nonvested shares of Restricted Stock shall be forfeited by the Participant. In the event a Participant has paid any consideration to the Company for such forfeited Restricted Stock, the Committee shall specify in the Award Agreement that either (1) the Company shall be obligated to, or (2) the Company may, in its sole discretion, elect to, pay to the Participant, as soon as practicable after the event causing forfeiture, in cash, an amount equal to the lesser of the total consideration paid by the Participant for such forfeited shares or the Fair Market Value of such forfeited shares as of the date of Termination of Service, as the Committee, in its sole discretion shall select. Upon any forfeiture, all rights of a Participant with respect to the forfeited shares of the Restricted Stock shall cease and terminate, without any further obligation on the part of the Company.

6.5 SARs. The Committee may grant SARs to any Participant, either as a separate Award or in connection with a Stock Option. SARs shall be subject to such terms and conditions as the Committee shall impose, provided that such terms and conditions are (a) not inconsistent with the Plan, and (b) to the extent a SAR issued under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of Section 409A of the Code and the regulations or other guidance issued thereunder. The grant of the SAR may provide that the holder may be paid for the value of the SAR either in cash or in shares of Common Stock, or a combination thereof. In the event of the exercise of a SAR payable in shares of Common Stock, the holder of the SAR shall receive that number of whole shares of Common Stock having an aggregate Fair Market Value on the date of exercise equal to the value obtained by multiplying (a) the difference between the Fair Market Value of a share of Common Stock on the date of exercise over the SAR Price as set forth in such SAR (or other value specified in the agreement granting the SAR), by (b) the number of shares of Common Stock as to which the SAR is exercised, with a cash settlement to be made for any fractional shares of Common Stock. The SAR Price for any share of Common Stock subject to a SAR may be equal to or greater than the Fair Market Value of the share on the Date of Grant. The Committee, in its sole discretion, may place a ceiling on the amount payable upon exercise of a SAR, but any such limitation shall be specified at the time that the SAR is granted.

6.6 Restricted Stock Units. Restricted Stock Units may be awarded or sold to any Participant under such terms and conditions as shall be established by the Committee, provided, however, that such terms and conditions are (a) not inconsistent with the Plan, and (b) to the extent a Restricted Stock Unit issued under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of Section 409A of the Code and the regulations or other guidance issued thereunder. Restricted Stock Units shall be subject to such restrictions as the Committee determines, including, without limitation, (a) a prohibition against sale, assignment, transfer, pledge, hypothecation or other encumbrance for a specified period; or (b) a requirement that the holder forfeit (or in the case of shares of Common Stock or units sold to the Participant, resell to the Company at cost) such shares or units in the event of Termination of Service during the period of restriction.

6.7 Performance Awards.

(a) The Committee may grant Performance Awards to one or more Participants. The terms and conditions of Performance Awards shall be specified at the time of the grant and may include provisions establishing the performance period, the Performance Goals to be achieved during a performance period, and the maximum or minimum settlement values, provided that such terms and conditions are (i) not inconsistent with the Plan and (ii) to the extent a Performance Award issued under the Plan is subject to Section 409A of the Code, in compliance with the applicable requirements of Section 409A of the Code and the regulations or other guidance issued thereunder. If the Performance Award is to be in shares of Common Stock, the Performance Awards may provide for the issuance of the shares of Common Stock at the time of the grant of the Performance Award or at the time of the certification by the Committee that the Performance Goals for the performance period have been met; provided, however, if shares of Common Stock are issued at the time of the grant of the Performance Award and if, at the end of the performance period, the Performance Goals are not certified by the Committee to have been fully satisfied, then, notwithstanding any other provisions of this Plan to the contrary, the Common Stock shall be forfeited in accordance with the terms of the grant to the extent the Committee determines that the Performance Goals were not met. The forfeiture of shares of Common Stock issued at the time of the grant of the Performance Award due to failure to achieve the established Performance Goals shall be separate from and in addition to any other restrictions provided for in this Plan that may be applicable to such shares of Common Stock. Each Performance Award granted to one or more Participants shall have its own terms and conditions.

If the Committee determines, in its sole discretion, that the established performance measures or objectives are no longer suitable because of a change in the Company's business, operations, corporate structure, or for other reasons that the Committee deemed satisfactory, the Committee may modify the performance measures or objectives and/or the performance period.

(b) Performance Awards may be valued by reference to the Fair Market Value of a share of Common Stock or according to any formula or method deemed appropriate by the Committee, in its sole discretion, including, but not limited to, achievement of Performance Goals or other specific financial, production, sales or cost performance objectives that the Committee believes to be relevant to the Company's business and/or remaining in the employ of the Company or a Subsidiary for a specified period of time. Performance Awards may be paid in cash, shares of Common Stock, or other consideration, or any combination thereof. If payable in shares of Common Stock, the consideration for the issuance of such shares may be the achievement of the performance objective established at the time of the grant of the Performance Award. Performance Awards may be payable in a single payment or in installments and may be payable at a specified date or dates or upon attaining the performance objective. The extent to which any applicable performance objective has been achieved shall be conclusively determined by the Committee.

6.8 Dividend Equivalent Rights. The Committee may grant a Dividend Equivalent Right to any Participant, either as a component of another Award or as a separate Award. The terms and conditions of the Dividend Equivalent Right shall be specified by the grant. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional shares of Common Stock (which may thereafter accrue additional dividend equivalents). Any such reinvestment shall be at the Fair Market Value at the time thereof. Dividend Equivalent Rights may be settled in cash or shares of Common Stock, or a combination thereof, in a single payment or in installments. A Dividend Equivalent Right granted as a component of another Award may provide that such Dividend Equivalent Right shall be settled upon exercise, settlement, or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right granted as a component of another Award may also contain terms and conditions different from such other Award.

6.9 Other Awards. The Committee may grant to any Participant other forms of Awards, based upon, payable in, or otherwise related to, in whole or in part, shares of Common Stock, if the Committee determines that such other form of Award is consistent with the purpose and restrictions of this Plan. The terms and conditions of such other form of Award shall be specified by the grant. Such Other Awards may be granted for no cash consideration, for such minimum consideration as may be required by Applicable Law, or for such other consideration as may be specified by the grant.

6.10 Performance Goals. Awards of Restricted Stock, Restricted Stock Units, Performance Award and Other Awards (whether relating to cash or shares of Common Stock) under the Plan may be made subject to the attainment of Performance Goals relating to one or more business criteria which may consist of one or more or any combination of the following criteria: cash flow; cost; revenues; sales; ratio of debt to debt plus equity; net borrowing, credit quality or debt ratings; profit before tax; economic profit; earnings before interest and taxes; earnings before interest, taxes, depreciation and amortization; gross margin; earnings per share (whether on a pre-tax, after-tax, operational or other basis); operating earnings; capital expenditures; expenses or expense levels; economic value added; ratio of operating earnings to capital spending or any other operating ratios; free cash flow; net profit; net sales; net asset value per share; the accomplishment of mergers, acquisitions, dispositions, public offerings or similar extraordinary business transactions; sales growth; price of the Company's Common Stock; return on assets, equity or stockholders' equity; market share; inventory levels, inventory turn or shrinkage; or total return to stockholders ("Performance Criteria"). Any Performance Criteria may be used to measure the performance of the Company as a whole or any business unit of the Company and may be measured relative to a peer group or index. Any Performance Criteria may include or exclude (a) events that are of an unusual nature or indicate infrequency of occurrence, (b) gains or losses on the disposition of a business, (c) changes in tax or accounting regulations or laws, (d) the effect of a merger or acquisition, as identified in the Company's quarterly and annual earnings releases, or (e) other similar occurrences. In all other respects, Performance Criteria shall be calculated in accordance with the Company's financial statements, under generally accepted accounting principles, or under a methodology established by the Committee prior to the issuance of an Award which is consistently applied and identified in the audited financial statements, including footnotes, or the Compensation Discussion and Analysis section of the Company's annual report.

6.11 Tandem Awards. The Committee may grant two or more Incentives in one Award in the form of a "tandem Award," so that the right of the Participant to exercise one Incentive shall be canceled if, and to the extent, the other Incentive is exercised. For example, if a Stock Option and a SAR are issued in a tandem Award, and the Participant exercises the SAR with respect to one hundred (100) shares of Common Stock, the right of the Participant to exercise the related Stock Option shall be canceled to the extent of one hundred (100) shares of Common Stock.

6.12 No Repricing of Stock Options or SARs. The Committee may not "reprice" any Stock Option or SAR. For purposes of this Section 6.12, "reprice" means any of the following or any other action that has the same effect: (a) amending a Stock Option or SAR to reduce its exercise price or base price, (b) canceling a Stock Option or SAR at a time when its exercise price or base price exceeds the Fair Market Value of a share of Common Stock in exchange for cash or a Stock Option, SAR, award of Restricted Stock or other equity award, or (c) taking any other action that is treated as a repricing under generally accepted accounting principles, provided that nothing in this Section 6.12 shall prevent the Committee from making adjustments pursuant to Article 11, from exchanging or cancelling Incentives pursuant to Article 12, or substituting Incentives in accordance with Article 14.

6.13 Recoupment for Restatements. Notwithstanding any other language in this Plan to the contrary, the Company may recoup all or any portion of any shares or cash paid to a Participant in connection with an Award, in the event of a restatement of the Company's financial statements as set forth in the Company's clawback policy, if any, approved by the Company's Board from time to time.

ARTICLE 7.
AWARD PERIOD; VESTING

7.1 Award Period. Subject to the other provisions of this Plan, the Committee may, in its discretion, provide that an Incentive may not be exercised in whole or in part for any period or periods of time or beyond any date specified in the Award Agreement. Except as provided in the Award Agreement, an Incentive may be exercised in whole or in part at any time during its term. The Award Period for an Incentive shall be reduced or terminated upon Termination of Service. No Incentive granted under the Plan may be exercised at any time after the end of its Award Period. No portion of any Incentive may be exercised after the expiration of ten (10) years from its Date of Grant. However, if an Employee owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than ten percent (10%) of the combined voting power of all classes of stock of the Company (or any parent or Subsidiary) and an Incentive Stock Option is granted to such Employee, the term of such Incentive Stock Option (to the extent required by the Code at the time of grant) shall be no more than five (5) years from the Date of Grant.

7.2 Vesting. The Committee, in its sole discretion, may determine that an Incentive will be immediately vested in whole or in part, or that all or any portion may not be vested until a date, or dates, subsequent to its Date of Grant, or until the occurrence of one or more specified events, subject in any case to the terms of the Plan. If the Committee imposes conditions upon vesting, then, subsequent to the Date of Grant, the Committee may, in its sole discretion, accelerate the date on which all or any portion of the Incentive may be vested.

ARTICLE 8.

EXERCISE OR CONVERSION OF INCENTIVE

8.1 In General. A vested Incentive may be exercised or converted, during its Award Period, subject to limitations and restrictions set forth in the Award Agreement.

8.2 Securities Law and Exchange Restrictions. In no event may an Incentive be exercised or shares of Common Stock issued pursuant to an Award if a necessary listing or quotation of the shares of Common Stock on a stock exchange or inter-dealer quotation system or any registration under state or federal securities laws required under the circumstances has not been accomplished.

8.3 Exercise of Stock Option.

(a) **In General.** If a Stock Option is exercisable prior to the time it is vested, the Common Stock obtained on the exercise of the Stock Option shall be Restricted Stock which is subject to the applicable provisions of the Plan and the Award Agreement. If the Committee imposes conditions upon exercise, then subsequent to the Date of Grant, the Committee may, in its sole discretion, accelerate the date on which all or any portion of the Stock Option may be exercised. No Stock Option may be exercised for a fractional share of Common Stock. The granting of a Stock Option shall impose no obligation upon the Participant to exercise that Stock Option.

(b) **Notice and Payment.** Subject to such administrative regulations as the Committee may from time to time adopt, a Stock Option may be exercised by the delivery of written notice to the Committee setting forth the number of shares of Common Stock with respect to which the Stock Option is to be exercised (the "Exercise Notice") and the date of exercise thereof (the "Exercise Date") with respect to any Stock Option shall be the date that the Participant has delivered both the Exercise Notice and consideration to the Company with a value equal to the total Option Price of the shares to be purchased (plus any employment tax withholding or other tax payment due with respect to such Award), payable as provided in the Award Agreement, which may provide for payment in any one or more of the following ways: (i) cash or check, bank draft, or money order payable to the order of the Company, (ii) Common Stock (including Restricted Stock) owned by the Participant on the Exercise Date, valued at its Fair Market Value on the Exercise Date, and which the Participant has not acquired from the Company within six (6) months prior to the Exercise Date, (iii) by delivery (including by FAX or electronic transmission) to the Company or its designated agent of an executed irrevocable option exercise form (or, to the extent permitted by the Company, exercise instructions, which may be communicated in writing, telephonically, or electronically) together with irrevocable instructions from the Participant to a broker or dealer, reasonably acceptable to the Company, to sell certain of the shares of Common Stock purchased upon exercise of the Stock Option or to pledge such shares as collateral for a loan and promptly deliver to the Company the amount of sale or loan proceeds necessary to pay such purchase price, (iv) by requesting the Company to withhold the number of shares otherwise deliverable upon exercise of the Stock Option by the number of shares of Common Stock having an aggregate Fair Market Value equal to the aggregate Option Price at the time of exercise (i.e., a cashless net exercise), and/or (v) in any other form of valid consideration that is acceptable to the Committee in its sole discretion. In the event that shares of Restricted Stock are tendered as consideration for the exercise of a Stock Option, a number of shares of Common Stock issued upon the exercise of the Stock Option equal to the number of shares of Restricted Stock used as consideration therefor shall be subject to the same restrictions and provisions as the Restricted Stock so tendered. If the Participant fails to deliver the consideration described in this Section 8.3(b) within three (3) business days of the date of the Exercise Notice, then the Exercise Notice shall be null and void and the Company will have no obligation to deliver any shares of Common Stock to the Participant in connection with such Exercise Notice.

(c) **Issuance of Certificate.** Except as otherwise provided in Section 6.4 hereof (with respect to shares of Restricted Stock) or in the applicable Award Agreement, upon payment of all amounts due from the Participant, the Company shall cause certificates for the Common Stock then being purchased to be delivered as directed by the Participant (or the person exercising the Participant's Stock Option in the event of his death) at its principal business office promptly after the Exercise Date; provided that if the Participant has exercised an Incentive Stock Option, the Company may at its option retain physical possession of the certificate evidencing the shares acquired upon exercise until the expiration of the holding periods described in Section 422(a)(1) of the Code. The obligation of the Company to deliver shares of Common Stock shall, however, be subject to the condition that, if at any time the Committee shall determine in its discretion that the listing, registration, or qualification of the Stock Option or the Common Stock upon any securities exchange or inter-dealer quotation system or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary as a condition of, or in connection with, the Stock Option or the issuance or purchase of shares of Common Stock thereunder, the Stock Option may not be exercised in whole or in part unless such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not reasonably acceptable to the Committee.

(d) **Failure to Pay.** Except as may otherwise be provided in an Award Agreement, if the Participant fails to pay for any of the Common Stock specified in such notice or fails to accept delivery thereof, that portion of the Participant's Stock Option and right to purchase such Common Stock may be forfeited by the Participant.

8.4 SARs. Subject to the conditions of this Section 8.4 and such administrative regulations as the Committee may from time to time adopt, a SAR may be exercised by the delivery (including by FAX) of written notice to the Committee setting forth the number of shares of Common Stock with respect to which the SAR is to be exercised and the date of exercise thereof (the "Exercise Date") which shall be at least three (3) days after giving such notice unless an earlier time shall have been mutually agreed upon. Subject to the terms of the Award Agreement and only if permissible under Section 409A of the Code and the regulations or other guidance issued thereunder (or, if not so permissible, at such time as permitted by Section 409A of the Code and the regulations or other guidance issued thereunder), the Participant shall receive from the Company in exchange therefor in the discretion of the Committee, and subject to the terms of the Award Agreement:

(a) cash in an amount equal to the excess (if any) of the Fair Market Value (as of the Exercise Date, or if provided in the Award Agreement, conversion, of the SAR) per share of Common Stock over the SAR Price per share specified in such SAR, multiplied by the total number of shares of Common Stock of the SAR being surrendered;

(b) that number of shares of Common Stock having an aggregate Fair Market Value (as of the Exercise Date, or if provided in the Award Agreement, conversion, of the SAR) equal to the amount of cash otherwise payable to the Participant, with a cash settlement to be made for any fractional share interests; or

(c) the Company may settle such obligation in part with shares of Common Stock and in part with cash.

The distribution of any cash or Common Stock pursuant to the foregoing sentence shall be made at such time as set forth in the Award Agreement.

8.5 Disqualifying Disposition of Incentive Stock Option. If shares of Common Stock acquired upon exercise of an Incentive Stock Option are disposed of by a Participant prior to the expiration of either two (2) years from the Date of Grant of such Stock Option or one (1) year from the transfer of shares of Common Stock to the Participant pursuant to the exercise of such Stock Option, or in any other disqualifying disposition within the meaning of Section 422 of the Code, such Participant shall notify the Company in writing of the date and terms of such disposition. A disqualifying disposition by a Participant shall not affect the status of any other Stock Option granted under the Plan as an Incentive Stock Option within the meaning of Section 422 of the Code.

ARTICLE 9.

AMENDMENT OR DISCONTINUANCE

Subject to the limitations set forth in this Article 9, the Board may at any time and from time to time, without the consent of the Participants, alter, amend, revise, suspend, or discontinue the Plan in whole or in part; provided, however, that no amendment for which stockholder approval is required either (a) by any securities exchange or inter-dealer quotation system on which the Common Stock is listed or traded or (b) in order for the Plan and Incentives awarded under the Plan to continue to comply with Sections 421 and 422 of the Code, including any successors to such Sections, or other Applicable Law, shall be effective unless such amendment shall be approved by the requisite vote of the stockholders of the Company entitled to vote thereon. Any such amendment shall, to the extent deemed necessary or advisable by the Committee, be applicable to any outstanding Incentives theretofore granted under the Plan, notwithstanding any contrary provisions contained in any Award Agreement. In the event of any such amendment to the Plan, the holder of any Incentive outstanding under the Plan shall, upon request of the Committee and as a condition to the exercisability thereof, execute a conforming amendment in the form prescribed by the Committee to any Award Agreement relating thereto. Notwithstanding anything contained in this Plan to the contrary, unless required by law, no action contemplated or permitted by this Article 9 shall adversely affect any rights of Participants or obligations of the Company to Participants with respect to any Incentive theretofore granted under the Plan without the consent of the affected Participant.

ARTICLE 10.
TERM

The Plan shall be effective from the date that this Plan is adopted by the Board. Unless sooner terminated by action of the Board, the Plan will terminate on the tenth anniversary of the Effective Date, but Incentives granted before that date will continue to be effective in accordance with their terms and conditions.

ARTICLE 11.

CAPITAL ADJUSTMENTS RECOUPMENT; ACCOUNTING RESTATEMENT

In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, stock split, reverse stock split, rights offering, reorganization, merger, consolidation, split-up, spin-off, split-off, combination, subdivision, repurchase, or exchange of Common Stock or other securities of the Company issuance is required to prepare an accounting restatement of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event affects the fair value of an Award, then the Committee shall adjust any or all of the following so that the fair value of the Award immediately after the transaction or event is equal to its financial statements due to the fair value of the Award immediately prior to the transaction or event (a) the number of shares and type of Common Stock (or Company's material noncompliance with any financial reporting requirement under the securities laws, the Compensation Committee will require prompt reimbursement or property) which thereafter may be made the subject of Awards, (b) the number of shares and type of Common Stock (or other securities or property) subject to outstanding Awards, (c) the number of shares and type of Common Stock (or other securities or property) specified as the annual per-participant limitation under Section 5.1 of the Plan, (d) the Option Price of each outstanding Award, (e) the amount, if any, the Company pays for forfeited shares of Common Stock in accordance with Section 6.4, and (f) the number of or SAR Price of shares of Common Stock then subject to outstanding SARs previously granted and unexercised under the Plan, to the end that the same proportion of the Company's issued and outstanding shares of Common Stock in each instance shall remain subject to exercise at the same aggregate SAR Price; provided, however, that the number of shares of Common Stock (or other securities or property) subject to any Award shall always be a whole number. Notwithstanding the foregoing, no such adjustment shall be made or authorized to the extent that such adjustment would cause the Plan or any Stock Option to violate Section 422 of the Code or Section 409A of the Code. Such adjustments shall be made in accordance with the rules forfeiture of any securities exchange, stock market, or stock quotation system to excess Incentive Compensation (as defined below) received by any Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is subject.

Upon the occurrence of any such adjustment, the Company shall provide notice to each affected Participant of its computation of such adjustment which shall be conclusive and shall be binding upon each such Participant.

ARTICLE 12.
RECAPITALIZATION, MERGER AND CONSOLIDATION

12.1 No Effect on Company's Authority. The existence of this Plan and Incentives granted hereunder shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure and its business, or any Change in Control, or any merger or consolidation of the Company, or any issuance of bonds, debentures, preferred or preference stocks ranking prior to or otherwise affecting the Common Stock or the rights thereof (or any rights, options, or warrants to purchase same), or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

12.2 Conversion of Incentives Where Company Survives. Subject to any required action by the stockholders and except as otherwise provided by Section 12.4 hereof or as may be required to comply with Section 409A prepare an accounting restatement. For the sake of the Code and the regulations or other guidance issued thereunder, if the Company shall be the surviving or resulting corporation in any merger, consolidation or share exchange, any Incentive granted hereunder shall pertain to and apply to the securities or rights (including cash, property, or assets) to which a holder of the number of shares of Common Stock subject to the Incentive would have been entitled.

12.3 Exchange or Cancellation of Incentives Where Company Does Not Survive. Except as otherwise provided by Section 12.4 hereof or as may be clarity, recoupment is required to comply with Section 409A of the Code and the regulations or other guidance issued thereunder, in the event of any merger, consolidation restatement that either: (a) corrects an error in previously issued financial statements that is material to the previously issued financial statements; or share exchange pursuant (b) corrects an error not material to which previously issued financial statements, but that would result in a material misstatement if (i) the Company error was left uncorrected in the then current period; or (ii) the error correction was recognized in the then current period. The Company's obligation to recover erroneously awarded compensation is not dependent on if or when the surviving or resulting corporation, there shall be substituted for each share restated financial statements are filed. For purposes of Common Stock subject to the unexercised portions of outstanding Incentives, that number of shares of each class of stock or other securities or that amount of cash, property, or assets of the surviving, resulting or consolidated company which were distributed or distributable to the stockholders of the Company in respect to each share of Common Stock held by them, such outstanding Incentives to be thereafter exercisable for such stock, securities, cash, or property in accordance with their terms.

12.4 Cancellation of Incentives. Notwithstanding the provisions of Sections 12.2 and 12.3 hereof, and except as may be required to comply with Section 409A of the Code and the regulations or other guidance issued thereunder, all Incentives granted hereunder may be canceled by the Company, in its sole discretion, as of the effective date of any Change in Control, merger, consolidation or share exchange, or any issuance of bonds, debentures, preferred or preference stocks ranking prior to or otherwise affecting the Common Stock or the rights thereof (or any rights, options, or warrants to purchase same), or of any proposed sale of all or substantially all of the assets of the Company, or of any dissolution or liquidation of the Company, by either:

(a) giving notice to each holder thereof or his personal representative of its intention to cancel those Incentives for which the issuance of shares of Common Stock involved payment by the Participant for such shares, and permitting the purchase during the thirty (30) day period next preceding such effective date of any or all of the shares of Common Stock subject to such outstanding Incentives, including in the Board's discretion some or all of the shares as to which such Incentives would not otherwise be vested and exercisable; or

(b) in the case of Incentives that are either (i) settled only in shares of Common Stock, or (ii) at the election of the Participant, settled in shares of Common Stock, paying the holder thereof an amount equal to a reasonable estimate of the difference between the net amount per share payable in such transaction or as a result of such transaction, and the price per share of such Incentive to be paid by the Participant (hereinafter the "Spread"), multiplied by the number of shares subject to the Incentive. In cases where the shares constitute, or would after exercise, constitute Restricted Stock, the Company, in its discretion, may include some or all of those shares in the calculation of the amount payable hereunder. In estimating the Spread, appropriate adjustments to give effect to the existence of the Incentives shall be made, such as deeming the Incentives to have been exercised, with the Company receiving the exercise price payable thereunder, and treating the shares receivable upon exercise of the Incentives as being outstanding in determining the net amount per share. In cases where relevant recovery period, the proposed transaction consists of the acquisition of assets of the Company, the net amount per share shall be calculated on the basis of the net amount receivable with respect to shares of Common Stock upon a distribution and liquidation by the Company after giving effect to expenses and charges, including but not limited to taxes, payable by the Company before such liquidation could be completed.

An Award that by its terms would be fully vested or exercisable upon a Change in Control will be considered vested or exercisable for purposes of Section 12.4(a) hereof.

ARTICLE 13. LIQUIDATION OR DISSOLUTION

Subject to Section 12.4 hereof, in case the Company shall, at any time while any Incentive under this Plan shall be in force and remain unexpired, (a) sell all or substantially all of its property, or (b) dissolve, liquidate, or wind up its affairs, then each Participant shall be entitled to receive, in lieu of each share of Common Stock of the Company which such Participant would have been entitled to receive under the Incentive, the same kind and amount of any securities or assets as may be issuable, distributable, or payable upon any such sale, dissolution, liquidation, or winding up with respect to each share of Common Stock of the Company. If the Company shall, at any time prior to the expiration of any Incentive, make any partial distribution of its assets, in the nature of a partial liquidation, whether payable in cash or in kind (but excluding the distribution of a cash dividend payable out of earned surplus and designated as such) and an adjustment is determined by the Committee to be appropriate to prevent the dilution of the benefits or potential benefits intended to be made available under the Plan, then the Committee shall, in such manner as it may deem equitable, make such adjustment in accordance with the provisions of Article 11 hereof.

ARTICLE 14.
INCENTIVES IN SUBSTITUTION FOR
INCENTIVES GRANTED BY OTHER ENTITIES

Incentives may be granted under the Plan from time to time in substitution for similar instruments held by employees, independent contractors or directors of a corporation, partnership, or limited liability company who become or are about to become Employees, Contractors or Outside Directors of the Company or any Subsidiary as a result of a merger or consolidation of the employing corporation with the Company, the acquisition by the Company of equity of the employing entity, or any other similar transaction pursuant to which the Company becomes the successor employer. The terms and conditions of the substitute Incentives so granted may vary from the terms and conditions set forth in this Plan to such extent as the Committee at the time of grant may deem appropriate to conform, in whole or in part, to the provisions of the incentives in substitution for which they are granted.

ARTICLE 15.

MISCELLANEOUS PROVISIONS

15.1 Investment Intent. The Company may require that there be presented to and filed with it by any Participant under the Plan, such evidence as it may deem necessary to establish that the Incentives granted or the shares of Common Stock to be purchased or transferred are being acquired for investment and not with a view to their distribution.

15.2 No Right to Continued Employment. Neither the Plan nor any Incentive granted under the Plan shall confer upon any Participant any right with respect to continuance of employment by the Company or any Subsidiary.

15.3 Indemnification of Board and Committee. No member of the Board or the Committee, nor any officer or Employee of the Company acting on behalf of the Board or the Committee, shall be personally liable for any action, determination, or interpretation taken or made in good faith with respect to the Plan, and all members of the Board and the Committee, each officer of the Company, and each Employee of the Company acting on behalf of the Board or the Committee shall, to the extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, determination, or interpretation to the fullest extent provided by law. Except to the extent required by any unwaivable requirement under applicable law, no member of the Board or the Committee (and no Subsidiary of the Company) shall have any duties or liabilities, including without limitation any fiduciary duties, to any Participant (or any Person claiming by and through any Participant) as a result of this Plan, any Award Agreement or any Claim arising hereunder and, to the fullest extent permitted under applicable law, each Participant (as consideration for receiving and accepting an Award Agreement) irrevocably waives and releases any right or opportunity such Participant might have to assert (or participate or cooperate in) any Claim against any member of the Board or the Committee and any Parent of the Company or any Subsidiary of the Company arising out of this Plan.

15.4 Effect of the Plan. Neither the adoption of this Plan nor any action of the Board or the Committee shall be deemed to give any person any right to be granted an Award or any other rights except as may be evidenced by an Award Agreement, or any amendment thereto, duly authorized by the Committee and executed on behalf of the Company, and then only to the extent and upon the terms and conditions expressly set forth therein.

15.5 Compliance with Other Laws and Regulations. Notwithstanding anything contained herein to the contrary, the Company shall not be required to sell or issue shares of Common Stock under any Incentive if the issuance thereof would constitute a violation by the Participant or the Company of any provisions of any law or regulation of any governmental authority or any national securities exchange or inter-dealer quotation system or other forum in which shares of Common Stock are quoted or traded (including without limitation Section 16 of the Exchange Act); and, as a condition of any sale or issuance of shares of Common Stock under an Incentive, the Committee may require such agreements or undertakings, if any, as the Committee may deem necessary or advisable to assure compliance with any such law or regulation. The Plan, the grant and exercise of Incentives hereunder, and the obligation of the Company to sell and deliver shares of Common Stock, shall be subject to all applicable federal and state laws, rules and regulations and to such approvals by any government or regulatory agency as may be required.

15.6 Tax Requirements. The Company or, if applicable, any Subsidiary (for purposes of this Section 15.6, the term "Company" shall be deemed to include any applicable Subsidiary), shall have the right to deduct from all amounts paid in cash or other form in connection with the Plan, any federal, state, local, or other taxes required by law to be withheld in connection with an Award granted under this Plan. The Company may, in its sole discretion, also require the Participant receiving shares of Common Stock issued under the Plan to pay the Company the amount of any taxes date that the Company is required to withhold in connection with prepare an accounting restatement as described above is the Participant's income arising with respect earlier to occur of: (A) the Award. Such payments shall be date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to be made when requested by the Company and may be required to be made prior to the delivery of any certificate representing shares of Common Stock. Such payment may be made by (a) the delivery of cash to the Company in prepare an amount that equals accounting restatement as described above; or exceeds (to avoid the issuance of fractional shares under (c) below) the required tax withholding obligations of the Company; (b) if the Company, in its sole discretion, so consents in writing, the actual delivery by the exercising Participant to the Company of shares of Common Stock that the Participant has not acquired from the Company within six (6) months prior to (B) the date of exercise, which shares so delivered have an aggregate Fair Market Value that equals a court, regulator, or exceeds (to avoid the issuance of fractional shares under (c) below) the required tax withholding payment; (c) if the Company, in its sole discretion, so consents in writing the Company's withholding of a number of shares to be delivered upon the exercise of the Stock Option, which shares so withheld have an aggregate fair market value that equals (but does not exceed) the required tax withholding payment; or (d) any combination of (a), (b), or (c). The Company may, in its sole discretion, withhold any such taxes from any other cash remuneration otherwise paid by legally authorized body directs the Company to the Participant. The Committee may in the Award Agreement impose any additional tax requirements prepare an accounting restatement as described above. In accordance with Nasdaq Rule 5608(e), this Policy is applicable to Incentive Compensation received on or provisions that the Committee deems necessary or desirable.

15.7 Assignability. Incentive Stock Options may not be transferred, assigned, pledged, hypothecated or otherwise conveyed or encumbered other than by will or the laws of descent and distribution and may be exercised during the lifetime of the Participant only by the Participant or the Participant's legally authorized representative, and each Award Agreement in respect of an Incentive Stock Option shall so provide. The designation by a Participant of a beneficiary will not constitute a transfer of the Stock Option. The Committee may waive or modify any limitation contained in the preceding sentences of this Section 15.7 that is not required for compliance with Section 422 of the Code.

Except as otherwise provided herein, Awards may not be transferred, assigned, pledged, hypothecated or otherwise conveyed or encumbered other than by will or the laws of descent and distribution. Notwithstanding the foregoing, the Committee may, in its discretion, authorize all or a portion of a Nonqualified Stock Option or SAR to be granted to a Participant on terms which permit transfer by such Participant to (a) the spouse (or former spouse), children or grandchildren of the Participant ("Immediate Family Members"), (b) a trust or trusts for the exclusive benefit of such Immediate Family Members, (c) a partnership in which the only partners are (1) such Immediate Family Members and/or (2) entities which are controlled by the Participant and/or Immediate Family Members, (d) an entity exempt from federal income tax pursuant to Section 501(c)(3) of the Code or any successor provision, or (e) a split interest trust or pooled income fund described in Section 2522(c)(2) of the Code or any successor provision, provided that (x) there shall be no consideration for any such transfer, (y) the Award Agreement pursuant to which such Nonqualified Stock Option or SAR is granted must be approved by the Committee and must expressly provide for transferability in a manner consistent with this Section, and (z) subsequent transfers of transferred Nonqualified Stock Options or SARs shall be prohibited except those by will or the laws of descent and distribution.

Following any transfer, any such Nonqualified Stock Option and SAR shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer, provided that for purposes of Articles 8, 9, 11, 13 and 15 hereof the term "Participant" shall be deemed to include the transferee. The events of Termination of Service shall continue to be applied with respect to the original Participant, following which the Nonqualified Stock Options and SARs shall be exercisable or convertible by the transferee only to the extent and for the periods specified in the Award Agreement. The Committee and the Company shall have no obligation to inform any transferee of a Nonqualified Stock Option or SAR of any expiration, termination, lapse or acceleration of such Stock Option or SAR. The Company shall have no obligation to register with any federal or state securities commission or agency any Common Stock issuable or issued under a Nonqualified Stock Option or SAR that has been transferred by a Participant under this Section 15.7 after October 2, 2023.

15.8 Use of Proceeds. Proceeds from the sale of shares of Common Stock pursuant to Incentives granted under this Plan shall constitute general funds of the Company.

15.9 Legend. Each certificate representing shares Incentive Compensation

For purposes of Restricted Stock issued to a Participant shall bear this Policy, "Incentive Compensation" means any of the following, legend, provided that such compensation is granted, earned or vested based wholly or in part on the attainment of a similar legend deemed financial reporting measure affected by the Company to constitute an appropriate notice of the provisions hereof (any such certificate not having such legend shall be surrendered upon demand by the Company and so endorsed):

On the face of the certificate:

"Transfer of this stock is restricted in accordance with conditions printed on the reverse of this certificate."

On the reverse:

"The shares of stock evidenced by this certificate are subject to and transferable only in accordance with that certain Oravax Medical, Inc. 2021 Long-Term Incentive Plan, a copy of which is on file at the principal office of the Company in New York, New York. No transfer or pledge of the shares evidenced hereby may be made except in accordance with and subject to the provisions of said Plan. By acceptance of this certificate, any holder, transferee or pledgee hereof agrees to be bound by all of the provisions of said Plan."

The following legend shall be inserted on a certificate evidencing Common Stock issued under the Plan if the shares were not issued in a transaction registered under the applicable federal and state securities laws:

"Shares of stock represented by this certificate have been acquired by the holder for investment and not for resale, transfer or distribution, have been issued pursuant to exemptions from the registration requirements of applicable state and federal securities laws, and may not be offered for sale, sold or transferred other than pursuant to effective registration under such laws, or in transactions otherwise in compliance with such laws, and upon evidence satisfactory to the Company of compliance with such laws, as to which the Company may rely upon an opinion of counsel satisfactory to the Company."

15.10 Governing Law. The Plan shall be governed by, construed, and enforced in accordance with the laws of the State of Delaware (excluding any conflict of laws, rule or principle of Delaware law that might refer the governance, construction, or interpretation of this Plan to the laws of another state). A Participant's sole remedy for any Claim shall be against the Company, and no Participant shall have any claim or right of any nature against any Subsidiary of the Company or any stockholder or existing or former director, officer or Employee of the Company or any Subsidiary of the Company. The individuals and entities described above in this [Section 15.11](#) (other than the Company) shall be third-party beneficiaries of this Plan for purposes of enforcing the terms of this [Section 15.11](#).

IN WITNESS WHEREOF, the Company has caused this instrument to be executed as of _____, 2021, by its Chief Executive Officer pursuant to prior action taken by the Board.

ORAVAX MEDICAL, INC.

By: _____

Name: _____

Title: Chief Executive Officer

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Designated for the Israeli Income Tax Ordinance

ARTICLE I

Purpose restated financial statements:

1. The purpose of this Oravax Medical, Inc. Israeli Long-Term Incentive Plan (the “**Israeli Plan**”) shall be as defined in the Oravax Medical, Inc. 2021 Long-Term Incentive Plan (the “**Incentive Plan**”), Annual bonuses and is intended to harmonize the terms other short- and conditions of the Incentive Plan with applicable Israeli law and provide specific provisions regarding Participants (as defined in the Incentive Plan) who are subject to the Ordinance (defined below). Unless expressly provided in the Israeli Plan, the provisions of the Incentive Plan shall apply. Capitalized terms not expressly defined in the Israeli Plan shall have the meaning ascribed to them under the Incentive Plan, long-term cash incentives.
2. The Israeli Plan is intended to promote the interests of the Company and its Affiliates (defined below), if any (the “**Group Companies**”, and each, a “**Group Company**”), by providing present and future officers of the Group Companies, other employees of the Group Companies (including directors of the Group Companies), and contractors of the Group Companies with an incentive to enter into and continue in the employ or service of the Group Companies and to acquire a proprietary interest in the long-term success of the Group Companies. Stock options.
3. The word “**Affiliate**”, when used in the Israeli Plan, shall mean any “employer company” within the meaning of Section 102(a) of the Israeli Income Tax Ordinance (New Version), 5721-1961 (the “**Ordinance**”).¹

ARTICLE II

Administration

4. The Israeli Plan shall be administered by the Board or the Committee (the “**Administrator**”) as shall be determined by the Board in its discretion. The Administrator shall have the authority, in its sole discretion, subject and not inconsistent with the express provisions of the Israeli Plan, to administer the Israeli Plan and to exercise all the powers and authorities specifically granted to it under the Israeli Plan as necessary and advisable in the administration of the Israeli Plan, including, without limitation: Stock appreciation rights.
- a. To determine which of the eligible officers, employees, directors, and contractors of the Group Companies or other persons shall be granted options to purchase Common Stock (each, an “**Option**”), as that term is defined below, or other Awards; provided, however, that (i) employees, officers and directors (excluding controlling members as defined in Section 32(9) of the Ordinance²) (“**Employees**”, and each, an “**Employee**”) may only be granted Awards, pursuant to Section 102 of the Ordinance and the rules and regulations promulgated thereunder, including the Income Tax Regulations (Tax Relief for Issue of Shares to Employees), 5763 - 2003 (“**Section 102 Incentives**”); and (ii) those who have no employee/employer relationship with the Group Companies and are not “officer holders” (such as contractors and service providers), and controlling members (“**Contractors**”, and each, a “**Contractor**”), may only be granted Incentives pursuant to Section 3(i) of the Ordinance (“**Section 3(i) Incentives**”); Restricted stock.
- b. To determine the type of Incentives to be granted (i.e. Section 102 Incentives or Section 3(i) Incentives) or any other type of Incentive provided in Section 6 of the Incentive Plan, and their Date of Grant; Restricted stock units.
- c. To determine the number of shares of Common Stock, to which an Incentive may relate, the terms, conditions, and restrictions of each Award and Incentive, the exercise price of each Option (the “**Option Exercise Price**”), the date on which each Option or other Incentives becomes exercisable or free of any restrictions (the “**Exercise Date**”), the Award Period and any other restrictions on (i) the exercise of Options issued hereunder, or (ii) other Incentives; Performance shares.
- d. To determine the form or forms of the Award Agreements under the Israeli Plan (“**Israeli Award Agreement**”) (which forms shall be consistent with the terms of the Incentive Plan, but need not be identical), any other instruments that constitute or contain Performance units.

Financial reporting measures are measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also financial reporting measures. A financial reporting measure need not be presented within the financial statements or included in a filing with the Securities and Exchange Commission. The Company’s financial reporting measures may include, but are not limited to, the following:

- Company obligation to grant an Incentive under the Israeli Plan (each, a “**Grant Instrument**”), as that term is defined below, and ancillary documentation; stock price.
- e. To determine whether, to what extent, and under what circumstances an Incentive may be settled, canceled, forfeited, exchanged, or surrendered; Total shareholder return.
- f. To construe Revenues.
- Net income.
- Earnings before interest, taxes, depreciation and interpret amortization (EBITDA).
- Funds from operations.
- Liquidity measures such as working capital, operating cash flow or Free Cash Flow.
- Return measures such as return on invested capital or return on assets.
- Earnings measures such as earnings per share.

This Policy applies to all Incentive Compensation received by a Covered Person:

- After beginning service as an executive officer;
- Who served as an executive officer at any time during the Israeli Plan, Israeli Award Agreements, any performance period for that Incentive Grant Instruments, and ancillary documentation and to make all other determinations deemed necessary Compensation;
- While the Company has a class of securities listed on a national securities exchange or advisable for the administration of the Israeli Plan; a national securities association; and
- g. To prescribe, amend, During the three completed fiscal years immediately preceding the date that the Company is required to prepare an accounting restatement as described in this Policy. In addition to these last three completed fiscal years, this Policy applies to any transition period (that results from a change in the Company’s fiscal year) within or immediately following those three completed fiscal years. However, a transition period between the last day of the Company’s previous fiscal year end and rescind rules and regulations relating the first day of its new fiscal year that comprises a period of nine to the Israeli Plan, 12 months would be deemed a completed fiscal year.

Incentive Compensation is deemed received in the Company’s fiscal period during which the financial reporting measure specified in the Incentive Compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

Excess Incentive Compensation: Amount Subject to Recovery

The amount to be recovered will be the excess of the Incentive Compensation paid to the Covered Executive based on the erroneous data over the Incentive Compensation that would have been paid to the Covered Executive had it been based on the restated results, as determined by the Compensation Committee, and without regard to any taxes paid by or withheld from the Covered Executive. If the Compensation Committee cannot determine the amount of excess Incentive Compensation received by the Covered Executive directly from the information in the accounting restatement, then it will make its determination based on a reasonable estimate of the effect of the accounting restatement. For Incentive Compensation based on stock price

or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in an accounting restatement, the amount will be based on a reasonable estimate of the effect of the accounting restatement on the stock price or total shareholder return upon which the Incentive Compensation was received. In such case, the Company shall maintain documentation of the determination of that reasonable estimate and provide such documentation to Nasdaq.

Method of Recoupment

The Compensation Committee will determine, in its sole discretion, the method for recouping Incentive Compensation hereunder which may include, without limitation:

1. s. 102 (a) Requiring reimbursement of the Ordinance: "employer company" – any of the following: (1) an employer that is an Israeli resident company or a foreign resident company with a permanent enterprise or a research and development center in Israel, if the Commissioner so approved (for this purpose: the employer), (2) a company that is a controlling member of the employer or of which the employer is a controlling member, or (3) a company controlled by a person if the same person controls the employer. cash Incentive Compensation previously paid;
2. s. 32(9) Seeking recovery of any gain realized on the Ordinance: "controlling member" – a person who holds, directly vesting, exercise, settlement, sale, transfer, or indirectly, alone or with a relative, one other disposition of the following: (a) at least 10% of the issued share capital or at least 10% of the voting power; the right to hold at least 10% of the issued share capital or at least 10% of the voting power, or a right to acquire either; (c) the right to receive at least 10% of the profits; (d) the right to appoint a director.

5. All decisions, determinations, and interpretations of the Administrator shall be final, binding, and conclusive on all Participants, unless otherwise determined by the Board of Directors, any equity-based awards;

6. Insofar as Offsetting the Board is entitled by law to delegate all or recouped amount from any of its powers and authority granted it under the Israeli Plan to a Committee, the Board shall be entitled to do so. The Committee's authority shall be as provided in the Incentive Plan. Any action may be taken by a written document (in lieu of meeting) signed compensation otherwise owed by the Committee, and action so taken shall be fully effective as if it had been taken by a vote of Company to the majority of the members at a meeting duly called and held. The Committee may appoint a Secretary who shall keep records of its meetings and shall make such rules and regulations for the conduct of its business as it shall determine. Covered Executive in accordance with applicable law;

7. No member Cancelling outstanding vested or former member of the Administrator shall be liable for any action, failure to act, or determination made in good faith with respect to the Israeli Plan or any right granted thereunder.

8. The Administrator may designate Incentives granted pursuant to Section 102 as (a) "**Approved 102 Incentives**" (i.e., Incentives granted pursuant to Section 102(b) of the Ordinance and held in trust by a trustee for the benefit of the Participant); or (b) "**Unapproved 102 Incentives**" (i.e. Incentives granted pursuant to Section 102(c) of the Ordinance and not held in trust by a trustee).

9. The Administrator may elect for Approved 102 Incentives to be classified as either (a) "**Work Income Incentives**" that qualify for tax treatment in accordance with the provisions of Section 102(b)(1) of the Ordinance; or (b) "**Capital Gain Incentives**" that qualify for tax treatment in accordance with the provisions of Section 102(b)(2) of the Ordinance (the "Election")

10. Unapproved 102 Incentives may be granted until the Administrator's Election has been appropriately filed with the Israeli tax authorities, which election must be made at least thirty days before the date of the first grant of an Approved 102 Incentive under the Israeli Plan or according to the instructions published by the Israeli tax authorities from time to time. The Election shall remain in effect until the end of the subsequent year following the year during which the Administrator first granted such Approved 102 Incentives. During the period indicated in the sentence above, the Administrator may grant only the type of Approved 102 Incentive it has elected, which Election shall apply to all Participants who were granted Approved 102 Incentives during the period indicated herein, all in accordance with the provisions of Section 102(g) of the Ordinance, as amended. For the avoidance of doubt, such Election shall not prevent the Administrator from granting, at all times, Unapproved 102 Incentives to Employees or Section 3(i) Incentives to Contractors.

ARTICLE III Incentive Shares

11. The shares to be issued under the Israeli Plan (the "**Incentive Shares**") shall be authorized but unissued Common Stock (the "**Shares**"). The total number of Shares reserved for issuance under the Israeli Plan shall be equal to the total number of Shares reserved under Section 5.1 of the Incentive Plan, subject to any adjustments and reductions made pursuant to the Incentive Plan. Such Shares are reserved out of the total number of Shares reserved under Section 5.1 of the Incentive Plan.

12. The number of Shares available for grant as Incentives under the Israeli Plan shall be decreased by the sum of the number of Shares with respect to which Incentives have been issued and are then outstanding and the number of Shares issued upon exercise of Options. In the event that any outstanding Incentive under the Israeli Plan for any reason expires, is terminated, or is forfeited or canceled, the Shares covered by the unexercised portion of such Incentive may again be subject to Awards under the Israeli Plan.

13. The Company shall at all times during the term of the Israeli Plan reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Incentives granted according to the Israeli Plan, shall pay all original issue taxes (which shall not include income taxes of the Participant), if any, with respect to the issuance of Shares pursuant hereto and all other fees and expenses necessarily incurred by the Company in connection therewith, and shall, from time to time, use its best efforts to comply with all laws and regulations which, in the opinion of counsel for the Company, shall be applicable thereto.

ARTICLE IV Incentive Price

14. Each Israeli Award Agreement and Grant Instrument with respect to an Award shall set forth the amount (the “**Incentive Price**”) which will be paid by the Participant to the Company upon exercise of the Options or allocation of other Incentives. Payment shall be made in cash or by certified check in the manner prescribed in Article VI (Exercise of Options, Termination) hereof.

ARTICLE V Terms of Awards

15. The Administrator shall determine the dates after which, or circumstances in which, Options may be exercised or other Incentives may be released of any restriction thereto, in whole or in part. If Incentives are exercisable in installments, then the installments or portions thereof which are exercisable and not exercised shall remain exercisable until such Incentives expire or terminate in accordance with the provisions herein.

16. Notwithstanding any other provision of the Israeli Plan but subject to Section 7.1 of the Incentive Plan, no Incentive shall be exercisable or otherwise valid after a date ten years from the date of grant of such Award (the “**Expiration Date**”).

17. Unless determined otherwise by the Administrator with regard to all or any of the Participants or the Options and subject to Section 7.2 of the Incentive Plan, the Options will be exercisable into Shares, as follows:

- a. 1/4th of the optioned Shares shall vest and that portion of the Option shall become exercisable upon the expiration of 12 months after their Date of Grant (the “**First Vesting Date**”), provided, that the Participant is continuously employed or engaged by a Group Company from the Date of Grant until the end of the First Vesting Date;
- b. an additional 1/4th of the optioned Shares shall vest and that portion of the Option shall become exercisable upon the expiration of 24 months after their Date of Grant (the “**Second Vesting Date**”), provided, that that the Participant is continuously employed or engaged by a Group Company from the First Vesting Date until the end of the Second Vesting Date;
- c. an additional 1/4th of the optioned Shares shall vest and that portion of the Option shall become exercisable upon the expiration of 36 months after their Date of Grant the Award (the “**Third Vesting Date**”), provided, that the Participant is continuously employed or engaged by a Group Company from the Second Vesting Date until the end of the Third Vesting Date; and
- d. an additional 1/4th of the optioned Shares shall vest and that portion of the Option shall become exercisable upon the expiration of 48 months after their Date of Grant (the “**Fourth Vesting Date**”), provided, that the Participant is continuously employed or engaged by a Group Company from the Third Vesting Date until the end of the Forth Vesting Date.

ARTICLE VI Exercise of Options, Termination

18. Subject to Article X (Trustee) below and as more fully provided in Section 8.3 of the Incentive Plan, the exercise of any Option shall be effected by a Participant signing and returning to the Company at its principal office a notice of exercise in the form prescribed from time to time by the Company or the Committee (a “**Notice of Exercise**”), along with payment for the Incentive Shares purchased thereby. Such payment will be made in dollars or shekels in accordance with the terms of the specific Israeli Award Agreement.

19. Subject to Article X (Trustee) below, the Company shall issue Incentive Shares, in the name of the respective Participant, and deliver to him a certificate or certificates, as the case may be, representing such Shares as soon as practicable after a Notice of Exercise and payment for the Shares shall be received. If Article X (Trustee) applies, then exercise of the Incentives will be subject to the agreement with the Trustee, as that term is defined below, and in accordance with Section 102 of the Ordinance.

20. The Company may, if required under any Applicable Law, require that a Participant deposit with the Company, in cash, at the time of exercise, such amount as the Company deems necessary to satisfy its obligations to withhold taxes or other amounts incurred by reason of the exercise or the transfer of Shares thereupon.

21. All Shares purchased upon the exercise of an Option or other grant of an Incentive as provided herein shall be fully paid and non-assessable.

22. In the event that an Option is exercised by any person or persons other than the Participant, pursuant to Article VII (Non-Transferability of Incentive Rights), such Notice of Exercise shall be accompanied by appropriate proof of the right of such person or persons to exercise the Option.

23. If the Participant shall cease to be employed or engaged by a Group Company, as the result of his resignation, then the Participant shall have the right to exercise the Options, but only to the extent that the Options are exercisable as of the date Participant resigns (according to the provisions of Article V (Terms of Awards)), within 30 days as of the Termination Date (defined below).

24. If the Participant shall cease to be employed or engaged by a Group Company, as the result of his dismissal without Cause (defined below), then the Participant shall have the right to exercise the Options, but only to the extent that the Options are exercisable on the date of Participant's dismissal (according to the provisions of Article V (Terms of Awards)), within 60 days after the Termination Date.

25. If the Participant shall cease to be employed or engaged by a Group Company as the result of his disability or retirement with the consent of the Group Company, then the Option, to the extent that it is exercisable by him at the time he ceases to be employed or engaged by the Group Company, and only to the extent that the Option is exercisable as of such time as defined in Article V (Terms of Awards), may be exercised by him within one year, after the Termination Date.

26. If the Participant shall die while employed or engaged by a Group Company, his estate, personal representative, or beneficiary shall have the right, subject to the provisions of Article V (Terms of Options), to exercise the Option (to the extent that the Participant would have been entitled to do so at the time of his death) at any time within two years from the date of his death.

27. If the Participants shall be terminated for Cause, then, all Options, whether exercisable or not on the date that the Group Company delivers to the employee a termination notice, will expire and may not be further exercised.

28. For the purpose of the Israeli Plan, "*Cause*" shall have the meaning ascribed to such term in any employment, consulting, or other service agreement in effect by and between the Company and the Participant; provided, however, at any time there is no such agreement in effect, or if such agreement does not define such term, the term "*Cause*" shall mean that the Participant shall have: (a) committed an act of fraud, embezzlement or theft in connection with the Participant's duties or in the course of the Participant's employment with any Group Company or is convicted of a felony; (b) intentionally and wrongfully damaged property of any Group Company, or any of their respective Affiliates, associates, or customers; (c) intentionally or wrongfully disclosed any confidential information of any Group Company; (d) made material personal benefit at the expense of any Group Company without the prior written consent of the management of the Company; (e) materially breached any employment, consulting, or other service agreement in effect by and between any Group Company and the Participant; or (f) willfully and persistently, without reasonable justification, failed or refused to follow the lawful and proper directives of any Group Company specifying in reasonable detail the alleged failure or refusal and after a reasonable opportunity for the Participant to cure the alleged failure or refusal.

29. In the event of the institution of any legal proceedings directed to the validity of the Israeli Plan or any Option, the Company may, in its sole discretion, and without incurring any liability therefore to the Participant, terminate such Option.

30. All terms and conditions herein are subject to any Applicable Law.

31. For purposes of this Article VI, "*Termination Date*" shall mean the date on which Participant's employment or engagement with a Group Company is terminated.

ARTICLE VII
Non-Transferability of Incentive Rights

32. An Incentive that is granted hereunder shall not be transferable otherwise than by will or the laws of descent and distribution. To the extent provided in Article VI (Exercise of Options, Termination), an Option may be exercised, during the lifetime of the Participant, only by the Participant. More particularly (but without limiting the generality of the foregoing), the Option may not be assigned, transferred (except as provided above), pledged or hypothecated in any way, shall not be assignable by operation of law, and shall not be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of an Incentive contrary to the provisions of the Israeli Award Agreement or the Israeli Plan, and the levy of any execution, attachment, or similar process upon the Incentive, shall be null and void and without effect; provided, however, that if the Participant shall die while in the employ of the Company or any subsidiary, his estate, personal representative, or beneficiary shall have the right to exercise the Option to the extent exercisable in accordance with Article VI (Exercise of Options, Termination).

ARTICLE VIII
Adjustments

33. Except as otherwise provided by Section 12.4 of the Incentive Plan, upon the occurrence of any of the following events (each a “*Transaction*”):

- a. a merger or consolidation of the Company (a “*Merger*”) with or into any company (the “*Successor Company*”) resulting in the Successor Company being the surviving entity; unvested equity awards; and/or
- b. an acquisition of: (i) all or substantially all of Taking any other remedial and recovery action permitted by law, as determined by the shares or assets of the Company in one or more related transactions to another party (a “*Share Sale*”), or (ii) all or substantially all of the assets of the Company, in one or more related transactions to another party, in each case such acquirer of shares or assets is referred to herein as the “*Acquiring Company*”; Compensation Committee.

No Indemnification

The Company shall not indemnify any Covered Executives against the loss of any Incentive Compensation recovered under this Policy or from any consequence arising therefrom.

Interpretation

The Compensation Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act, Rule 10D-1, any unexercised Incentive remain outstanding under applicable rules or standards adopted by the Israeli Plan (the “*Unexercised Incentive*”), there Securities and Exchange Commission or Nasdaq.

Effective Date

This Policy shall be substituted for the Shares subject to the Unexercised Incentive an appropriate number of shares of such class of shares or other securities effective as of the Successor Company or the Acquiring Company, as the case may be (or, if such company date it is not an operating company, of the first operating company in the ownership chain of such company) (the “*Substitute Shares*”). Appropriate equitable adjustments shall be made in the purchase price per share of the Substitute Shares subject to the Unexercised Incentive, and all other terms and conditions of the Israeli Award Agreements, such as the vesting dates, shall remain in force, all as will be determined adopted by the Board whose determination (the “Effective Date”) and, in accordance with Nasdaq Rule 5608(e), shall apply to Incentive Compensation that is received by Covered Executives on or after October 2, 2023.

Amendment; Termination

The Board may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to reflect regulations adopted by the Securities and Exchange Commission under Section 10D of the Exchange Act and to comply with any rules or standards adopted by Nasdaq. The Board may terminate this Policy at any time.

Other Recoupment Rights

The Board intends that this Policy will be applied to the fullest extent of the law. The Board or Compensation Committee may require that any employment agreement, equity award agreement, or similar agreement entered into or amended on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of: (a) any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement or similar agreement and any other legal remedies available to the Company, including termination of employment or institution of legal proceedings; and (b) any statutory recoupment requirement, including Section 304 of the Sarbanes-Oxley Act of 2002. For the avoidance of doubt, any amounts paid to the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 shall be final, considered (and may be credited) in determining any amounts recovered under this Policy.

Impracticability

The Compensation Committee shall recover any excess Incentive Compensation in accordance with this Policy unless such recovery would be impracticable, as determined in accordance with Rule 10D-1(b)(1)(iv) under the Exchange Act and the listing standards of Nasdaq. In order for the Company to determine that recovery would be impracticable, the Company’s Compensation Committee must conclude the following:

- 34. a) The Administrator shall have full authority direct expense paid to determine any provisions regarding a third party to assist in enforcing this Policy would exceed the acceleration of amount to be recovered after making a reasonable attempt to recover such Incentive Compensation. Note that the vesting period of any Incentive or attempt(s) to recover must be documented by the cancellation of all or any portion of any outstanding restrictions with respect Company and such documentation provided to any Incentive upon certain events or occurrences, and to include such provisions in the Israeli Award Agreement on such terms and conditions as the Committee shall deem appropriate. Nasdaq;
- 35. b) Subject Recovery would violate home country law where that law was adopted prior to Applicable Law, the Administrator shall have full authority to, at any time and from time to time, without the approval of the stockholders of November 28, 2022. Note that the Company (a) grant, must obtain a legal opinion of home country counsel that such recovery would result in its discretion a violation of local law and provide such opinion to the holder of an outstanding Incentive, in exchange for the surrender and cancellation of such Incentive, a new Incentive having an exercise price Nasdaq; or purchase price, as the case may be, lower than provided in the Award (and related Israeli Award Agreement) so surrendered and canceled and containing such other terms and conditions as the Committee may prescribe in accordance with the provisions of the Israeli Plan and any Applicable Law, or (b) effectuate a decrease in the Incentive Price of outstanding Incentives. At the full discretion of the Administrator, such actions may be brought before the stockholders of the Company for their approval, to the extent not otherwise required by Applicable Law.
- 36. c) In Recovery would likely cause an otherwise tax-qualified retirement plan under which benefits are broadly available to Company employees to fail to meet the event requirements for qualified pension, profit-sharing and stock bonus plans under Section 401(a)(13) of a Share Sale or a Merger, each Participant shall participate in the Share Sale U.S. Internal Revenue Code or the Merger minimum vesting standards under Section 411(a) of the U.S. Internal Revenue Code.

Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

Exhibit Filing

A copy of this Policy shall be filed as an exhibit to the Company’s annual report on Form 10-K.

**ATTESTATION AND ACKNOWLEDGEMENT OF CLAWBACK POLICY FOR
ORAMED PHARMACEUTICALS INC. (the "Company")**

By my signature below, I acknowledge and agree that:

- I have received and sell or exchange, as read the case may be, all attached Clawback Policy (this "Policy") of his or her Shares and Incentives in the Company, provided, however, that each such Share or Incentive shall be sold or exchanged at a price or ratio (as the case may be) equal to that of any other share sold or exchanged under the Share Sale or the Merger (minus the applicable exercise price), while accounting for changes in such price or ratio due to the respective terms of any such Award, Company.

37. ● With respect I hereby agree to Incentive Shares held in trust the following procedure will be applied: the Trustee (as defined below) will transfer the Incentive Shares held in trust and sign any document in order to effectuate the transfer of Incentive Shares, including share transfer deeds, provided, however, that the Trustee receives a notice from the Board, specifying that: (a) all or substantially abide by all of the issued outstanding share capital terms of this Policy both during and after my employment with the Company, is including, without limitation, by promptly repaying or returning any incorrectly awarded Incentive Compensation to be sold or exchanged, and therefore the Trustee is obligated to transfer the Incentive Shares held in trust; (b) the Company is obligated to withhold at the source all taxes required to be paid upon release of the Incentive Shares from the trust and to provide the Trustee with evidence, satisfactory to the Trustee, that such taxes indeed have been paid; and (c) the Company is obligated to transfer the consideration for the Incentive Shares directly to the Participant.

ARTICLE IX
Changes in Capitalization

38. In case of any change in capitalization event as provided in Article 11 of the Incentive Plan, appropriate equitable adjustments shall be made by the Board, whose determination shall be final, binding, and conclusive, to the number of Shares which may be purchased under the Israeli Plan, the number of Shares subject to Awards, and the Incentive Price per Share which may be purchased under outstanding Israeli Award Agreements, all as determined in accordance with Article 11 of the Incentive Plan.

ARTICLE X
Trustee

39. Approved 102 Incentives granted under the Israeli Plan and any Shares allocated or issued upon exercise of such Approved 102 Incentives, including all rights attaching to such shares, and other shares received subsequently following any realization of rights (including bonus shares), will be allocated or issued to a trustee nominated by the Board (the "Trustee") and approved in accordance with the provisions of Section 102 of the Ordinance, and will be held by the Trustee for the benefit of the Participants, this Policy.

40.

Approved 102 Incentives and any Shares received following exercise of Approved 102 Incentives, including all rights attached to such Shares, and other Shares received subsequently following any realization of rights (including bonus Shares), will be held by the Trustee for a period of (a) at least 24 months from the Date of Grant of the Capital Gain Incentives, or (b) at least 12 months from the Date of Grant of the Work Income Incentives (the "Trust Period"). If the requirements for Approved 102 Incentives are not met, then the Approved 102 Incentives will be regarded as Unapproved 102 Incentives. Notwithstanding the aforesaid, Shares received upon the exercise of Incentives may be sold or transferred, and the Trustee may release such Shares (or Approved 102 Incentives) from trust, prior to the lapse of the Trust Period; provided, however, that tax is paid or withheld in accordance with Section 102(b)(4) of the Ordinance and Section 7 of the Income Tax Rules (Tax Relief in Issuance of Shares to Employees), 2003. However, the Administrator may, in its sole discretion, require a Participant not to sell the Shares or transfer the Incentives in the Participant's name prior to the lapse of the Trust Period.

41. All rights attaching to any Shares received following exercise of Approved 102 Incentives, and other shares received subsequently following any realization of rights (including bonus Shares), will be subject to the same taxation treatment applicable to such received Shares.

42. Section 3(i) Incentives granted under the Israeli Plan and any Shares allocated or issued upon exercise of such Section 3(i) Incentives and other Shares received following any realization of rights, in the Administrator's discretion, may be allocated or issued to a Trustee and will be held by the Trustee until all of the terms required for release thereof, as set forth herein and in the applicable Israeli Award Agreement with the Participant, are fulfilled, including payment of the required taxes. Anything to the contrary notwithstanding, the Trustee shall not transfer to a Participant any Section 3(i) Incentives which were not already exercised into Shares by the Participant.

43. The Trustee shall not transfer to the Participant any Shares allocated or issued upon exercise of Incentives prior to the full payment of the Participant's tax liabilities arising from or relating to Incentives, which were granted to the Participant or any Shares allocated or issued upon exercise of such Incentives.

ARTICLE XI
No Obligation to Exercise Incentive

44. Granting of an Incentive shall impose no obligation on the recipient to exercise such Incentive.

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ARTICLE XII
Use of Proceeds

45. The proceeds received from the issuance of Shares upon exercise of Incentives pursuant to the Israeli Plan shall be used for general corporate purposes.

ARTICLE XIII

Rights of a Stockholder; Voting Rights

46. The Participant shall have no rights of a stockholder with respect to Shares to be acquired by the exercise of an Incentive until a certificate or certificates representing such Shares are issued to him following exercise of those Incentives which are fully vested and exercisable. Upon issuance of a certificate or certificates, the Participant shall have the rights of a stockholder attaching to Shares subject to any restrictions or legends under any Applicable Law, the Israeli Plan, or the Incentive Plan.

ARTICLE XIV
Employment Rights

47. Nothing in the Israeli Plan or in any Approved 102 Incentive granted hereunder shall confer on any Participant who is an employee or service provider any right to continue in the employ or service of the Company or a Group Company, or to interfere in any way with the right of the Company or a Group Company to terminate the Participant's employment or engagement at any time.

ARTICLE XV
Compliance with the Law

48. The Company and each of its Affiliates shall be relieved from any liability for the non-issuance or non-transfer or any delay in issuance or transfer of any Shares subject to Incentives under the Israeli Plan which results from the inability of the Company or its Affiliates to obtain, or from any delay in obtaining, from any regulatory body having jurisdiction, all requisite authority to issue or transfer the Shares upon exercise of the Incentives under the Israeli Plan, if counsel for the Company deems such authority necessary for lawful issuance or transfer of any such shares. Appropriate legends may be placed on the stock certificates evidencing shares issued upon exercise of Incentives to reflect such transfer restrictions.

ARTICLE XVI
Transfer of Shares

49. Any issued Shares shall, unless such shares are registered in accordance with the United States Securities Act of 1933, as amended (the "Act"), be sold only in accordance with exemptions under such Act. There shall be no exercises, transfers, sales, or other dispositions of issued Shares unless such shares are either registered or exempt from registration; provided, however, that such exercise, transfer, or other disposition may be subject to any lock up provision as agreed by the Company.

ARTICLE XVII
Investment Representation

50. Each Participant exercising any Incentive under the Israeli Plan acknowledges, by virtue of such exercise, that the Company has not, as of the date of the approval of this Plan by the Board, registered the Shares covered thereby under the Act. The Participant shall sign and deliver to the Company, if requested, a separate investment representation, certificate, or such other document as may be required by the Company's counsel, to such effect; provided, however, that such Incentive, representation, certificate, or other document may provide that the said investment restriction shall not be operative as to such Shares as may in the future be registered with the Securities and Exchange Commission pursuant to the Act. Furthermore, the Company may place a legend on any Shares certificate delivered to the Participant to the effect that such Shares were acquired pursuant to an investment representation and without registration of the Shares.

ARTICLE XVIII
Effectiveness and Term of Plan

51. The Israeli Plan was originally adopted by the Board on December __, 2021. The Israeli Plan shall expire on December __, 2031, except as to Incentives outstanding on that date. No Incentive shall be granted pursuant to the Israeli Plan after its expiration. All Shares reserved for issuance under the Israeli Plan, in respect of which the right of a Participant to purchase the same shall for any reason terminate, expire, or otherwise cease to exist, shall again be available for grant through Incentives under the Israeli Plan.

ARTICLE XIX

Amendment or Discontinuance of Plan

52. The Board may, without the consent of the stockholders of the Company or the Participants under the Israeli Plan, at any time terminate the Israeli Plan entirely and at any time, from time to time, amend or modify the Israeli Plan, provided that no such action shall adversely affect Incentives granted hereunder without the Participant's consent, and provided further that no such action by the Board, without the approval of the stockholders, may increase the total number of Shares which may be purchased pursuant to Incentives granted under the Israeli Plan.

ARTICLE XX

Tax Consequences and Other Requirements

53. The exercise of an Incentive that is granted hereunder shall be subject to the condition that if at any time the Company shall determine in its discretion that the satisfaction of withholding tax or other withholding liabilities, or that the listing, registration, or qualification of any shares otherwise deliverable upon such exercise upon any securities exchange or under any national, state, or federal law, or that the consent or approval of any regulatory body, is necessary or desirable as a condition of, or in connection with, such exercise in the delivery or purchase of shares pursuant thereto, then in any such event, such exercise shall not be effective unless such withholding, listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Company. Any tax obligations arising from the grant or exercise of an Incentive, from the payment for the Shares covered thereby, or from any other event or act (of the Company or the Participant) hereunder, shall be borne solely by the Participant. Furthermore, the Participant hereby agrees and undertakes to indemnify the Company, its directors and officers and any Trustee that holds the Incentives, and hold them harmless against and from any and all liability for any such tax or interest thereon, including, without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Participants.

ARTICLE XXI

Governing Law

54. The Israeli Plan and all instruments issued hereunder shall be governed by and interpreted in accordance with the laws of the State of Israel.

ARTICLE XXII

Notices

55. Each notice relating to the Israeli Plan shall be in writing and delivered in person or by first class mail; postage prepaid, to the address as hereinafter provided. Each notice shall be deemed to have been given on the date it is received. Each notice to the Company shall be addressed to it at its principal offices. Each notice to the Participant or other person or persons then entitled to exercise an Incentive shall be addressed to the Participant or such other person or persons at the Participant's last known address.

ARTICLE XXIII

Interpretation

56. The interpretation and construction of any terms or conditions of the Israeli Plan, or of the Israeli Award Agreement or other matters related to the Israeli Plan by the Administrator shall be final and conclusive.

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Exhibit 10.42

STOCK OPTION AGREEMENT

ORAVAX MEDICAL, INC.

2021 LONG-TERM INCENTIVE PLAN

1. Grant of Option. Pursuant to the Oravax Medical, Inc. 2021 Long-Term Incentive Plan (the "Plan") for Employees, Contractors, and Outside Directors of Oravax Medical, Inc., a Delaware corporation (the "Company"), the Company grants to

(the "Participant")

an option (the "Stock Option") to purchase a total of _____ full shares of Common Stock of the Company (the "Optioned Shares") at an "Option Price" equal to \$____ per share (being the Fair Market Value per share of the Common Stock on the Date of Grant).

The "Date of Grant" of this Stock Option is _____. The "Option Period" shall commence on the Date of Grant and shall expire on the date immediately preceding the tenth (10th) anniversary of the Date of Grant, unless terminated earlier in accordance with Section 4 below. The Stock Option is a Nonqualified Stock Option that is intended to comply with the provisions governing nonqualified stock options under the final Treasury Regulations issued on April 17, 2007, in order to exempt this Stock Option from application of Section 409A of the Code.

2. Subject to Plan. The Stock Option and its exercise are subject to the terms and conditions of the Plan, and the terms of the Plan shall control to the extent not otherwise inconsistent with the provisions of this Nonqualified Stock Option Agreement (this "Agreement"). The capitalized terms used herein that are defined in the Plan shall have the same meanings assigned to them in the Plan. The Stock Option is subject to any rules promulgated pursuant to the Plan by the Board or the Committee, as applicable, and communicated to the Participant in writing.

3. Vesting; Time of Exercise. Except as specifically provided in this Agreement and subject to certain restrictions and conditions set forth in the Plan, the Optioned Shares shall be vested and the Stock Option shall be exercisable as follows:

a. ____% of the total Optioned Shares shall vest and that portion of the Stock Option shall be exercisable on the Date of Grant.

b. ____% of the total Optioned Shares shall vest and that portion of the Stock Option shall become exercisable on _____, provided the Participant is employed by (or, if the Participant is a Contractor or an Outside Director, is providing services to) the Company or a Subsidiary on that date.

c. ____% of the total Optioned Shares shall vest and that portion of the Stock Option shall become exercisable on _____, provided the Participant is employed by (or, if the Participant is a Contractor or an Outside Director, is providing services to) the Company or a Subsidiary on that date.

d. ____% of the total Optioned Shares shall vest and that portion of the Stock Option shall become exercisable on _____, provided the Participant is employed by (or, if the Participant is a Contractor or an Outside Director, is providing services to) the Company or a Subsidiary on that date.

In the event that a Change in Control occurs, then immediately prior to the effective date of such Change in Control, the total Optioned Shares not previously vested shall thereupon immediately become vested and this Stock Option shall become fully exercisable, if not previously so exercisable.

5. Term; Forfeiture.

a. Except as otherwise provided in this Agreement, to the extent the unexercised portion of the Stock Option relates to Optioned Shares that are not vested on the date of the Participant's Termination of Service, the Stock Option will be terminated on that date. The unexercised portion of the Stock Option that relates to Optioned Shares which are vested on such date will terminate at the first of the following to occur:

- i. 5 p.m. on the date the Option Period terminates;
- ii. 5 p.m. on the date which is twelve (12) months following the date of the Participant's Termination of Service due to death or Total and Permanent Disability;
- iii. immediately upon the Participant's Termination of Service by the Company for Cause (as defined herein);
- iv. 5 p.m. on the date which is ninety (90) days following the date of the Participant's Termination of Service for any reason not otherwise specified in this Section
- v. 5 p.m. on the date the Company causes any portion of the Stock Option to be forfeited pursuant to Section 7 hereof.

4.a.; or

v. 5 p.m. on the date the Company causes any portion of the Stock Option to be forfeited pursuant to Section 7 hereof.

b. For purposes hereof, "Cause" shall have the meaning ascribed to such term in any employment, consulting, or other service agreement in effect by and between the Company and the Participant; provided, however, at any time there is no such agreement in effect, or if such agreement does not define such term, the term "Cause" shall mean that the Participant shall have: (i) committed an act of fraud, embezzlement or theft in connection with the Participant's duties or in the course of the Participant's employment with the Company, (ii) intentionally and wrongfully damaged property of the Company, or any of its respective affiliates, associates, or customers, (iii) intentionally or wrongfully disclosed any confidential information, (iv) made material personal benefit at the expense of the Company without the prior written consent of the management of the Company, (v) materially breached any employment, consulting, or other service agreement in effect by and between the Company and the Participant, or (vi) willfully and persistently, without reasonable justification, failed or refused to follow the lawful and proper directives of the Company specifying in reasonable detail the alleged failure or refusal and after a reasonable opportunity for the Participant to cure the alleged failure or refusal.

6. Who May Exercise. Subject to the terms and conditions set forth in Sections 3 and 4 above, during the lifetime of the Participant, the Stock Option may be exercised only by the Participant, or by the Participant's guardian or personal or legal representative. If the Participant's Termination of Service is due to his death prior to the dates specified in Section 4.a. hereof, and the Participant has not exercised the Stock Option as to the maximum number of vested Optioned Shares as set forth in Section 3 hereof as of the date of death, the following persons may exercise the exercisable portion of the Stock Option on behalf of the Participant at any time prior to the earliest of the dates specified in Section 4.a. hereof: the personal representative of his estate or the person who acquired the right to exercise the Stock Option by bequest or inheritance or by reason of the death of the Participant, provided that the Stock Option shall remain subject to the other terms of this Agreement, the Plan, and all Applicable Laws, rules and regulations.

7. **No Fractional Shares. The Stock Option may be exercised only with respect to full shares, and no fractional share of stock shall be issued.**

7. No Fractional Shares. The Stock Option may be exercised only with respect to full shares, and no fractional share of stock shall be issued.

8. Manner of Exercise. Subject to such administrative regulations as the Committee may from time to time adopt, the Stock Option may be exercised by the delivery of written notice to the Committee setting forth the number of shares of Common Stock with respect to which the Stock Option is to be exercised (the "Exercise Notice") and the date of exercise thereof (the "Exercise Date"), which shall be the date that the Participant has delivered to the Company both the Exercise Notice and consideration with a value equal to the total Option Price of the shares to be purchased (plus any employment tax withholding or other tax payment due with respect to the Stock Option), payable as follows: (a) cash, check, bank draft, or money order payable to the order of the Company; (b) Common Stock (including Restricted Stock) owned by the Participant on the Exercise Date, valued at its Fair Market Value on the Exercise Date, and which the Participant has not acquired from the Company within six (6) months prior to the Exercise Date; (c) by delivery (including by FAX or electronic transmission) to the Company or its designated agent of an executed irrevocable option exercise form (or, to the extent permitted by the Company, exercise instructions, which may be communicated in writing, telephonically, or electronically) together with irrevocable instructions from the Participant to a broker or dealer, reasonably acceptable to the Company, to sell certain of the shares of Common Stock purchased upon exercise of the Stock Option or to pledge such shares as collateral for a loan and promptly deliver to the Company the amount of sale or loan proceeds necessary to pay such purchase price; (d) by requesting the Company to withhold the number of shares otherwise deliverable upon exercise of the Stock Option by the number of shares of Common Stock having an aggregate Fair Market Value equal to the aggregate Option Price at the time of exercise (i.e., a cashless net exercise), and/or (e) in any other form of valid consideration that is acceptable to the Committee in its sole discretion. In the event that shares of Restricted Stock are tendered as consideration for the exercise of a Stock Option, a number of shares of Common Stock issued upon the exercise of the Stock Option equal to the number of shares of Restricted Stock used as consideration therefor shall be subject to the same restrictions and provisions as the Restricted Stock so tendered. If the Participant fails to deliver the consideration described in this **Section 7** within three (3) business days of the date of the Exercise Notice, then the Exercise Notice shall be null and void and the Company will have no obligation to deliver any shares of Common Stock to the Participant in connection with such Exercise Notice.

Upon payment of all amounts due from the Participant, the Company shall cause certificates for the Common Stock then being purchased to be delivered as directed by the Participant (or the person exercising the Participant's Stock Option in the event of the Participant's death) at its principal business office promptly after the Exercise Date. The obligation of the Company to deliver shares of Common Stock shall, however, be subject to the condition that, if at any time the Company shall determine in its discretion that the listing, registration, or qualification of the Stock Option or the Common Stock upon any securities exchange or inter-dealer quotation system or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary as a condition of, or in connection with, the Stock Option or the issuance or purchase of shares of Common Stock thereunder, then the Stock Option may not be exercised in whole or in part unless such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not reasonably acceptable to the Committee.

If the Participant fails to pay for any of the Optioned Shares specified in such notice or fails to accept delivery thereof, that portion of the Participant's Stock Option and the right to purchase such Optioned Shares may be forfeited by the Participant.

9. Nonassignability. The Stock Option is not assignable or transferable by the Participant except by will or by the laws of descent and distribution.

9. Nonassignability. The Stock Option is not assignable or transferable by the Participant except by will or by the laws of descent and distribution.

10. Rights as Stockholder. The Participant will have no rights as a stockholder with respect to any of the Optioned Shares until the issuance of a certificate or certificates to the Participant for the shares of Common Stock. The Optioned Shares shall be subject to the terms and conditions of this Agreement. Except as otherwise provided in Section 10 hereof, no adjustment shall be made for dividends or other rights for which the record date is prior to the issuance of such certificate or certificates. The Participant, by his execution of this Agreement, agrees to execute any documents requested by the Company in connection with the issuance of the shares of Common Stock.

Agreement, agrees to execute any documents requested by the Company in connection with the issuance of the shares of Common Stock.

11. Adjustment of Number of Optioned Shares and Related Matters. The number of shares of Common Stock covered by the Stock Option, and the Option Prices thereof, shall be subject to adjustment in accordance with Articles 11 - 13 of the Plan.

12. Nonqualified Stock Option. The Stock Option shall not be treated as an Incentive Stock Option, to adjustment in accordance with Articles 11-13 of the Plan.

13. Voting. The Participant, as record holder of some or all of the Optioned Shares following exercise of this Stock Option, has the exclusive right to vote, or consent with respect to, such Optioned Shares until such time as the Optioned Shares are transferred in accordance with this Agreement; provided, however, that this Section shall not create any voting right where the holders of such Optioned Shares otherwise have no such right.

14. Specific Performance. The parties acknowledge that remedies at law will be inadequate remedies for breach of this Agreement and consequently agree that this Agreement shall be enforceable by specific performance. The remedy of specific performance shall be cumulative of all of the rights and remedies at law or in equity of the parties under this Agreement.

15. Participant's Representations. Notwithstanding any of the provisions hereof, the Participant hereby agrees that he will not exercise the Stock Option granted hereby, and that the Company will not be obligated to issue any shares to the Participant hereunder, if the exercise thereof or the issuance of such shares shall constitute a violation by the Participant or the Company of any provision of any law or regulation of any governmental authority. Any determination in this connection by the Company shall be final, binding, and conclusive. The obligations of the Company and the rights of the Participant are subject to all Applicable Laws, rules, and regulations.

16. Investment Representation. Unless the shares of Common Stock are issued to the Participant in a transaction registered under applicable federal and state securities laws, by his execution hereof, the Participant represents and warrants to the Company that all Common Stock which may be purchased hereunder will be acquired by the Participant for investment purposes for his own account and not with any intent for resale or distribution in violation of federal or state securities laws. Unless the Common Stock is issued to him in a transaction registered under the applicable federal and state securities laws, all certificates issued with respect to the Common Stock shall bear an appropriate restrictive investment legend and shall be held indefinitely, unless they are subsequently registered under the applicable federal and state securities laws or the Participant obtains an opinion of counsel, in form and substance satisfactory to the Company and its counsel, that such registration is not required.

17. Lock-up Agreement. The Participant agrees that in connection with any underwritten public offering of Common Stock, including the Company's initial public offering, the Optioned Shares may not be sold, offered for sale, pledged or otherwise disposed of or transferred without the prior written consent of the Company or the principal underwriter managing such public offering, as the case may be, for at least one hundred eighty (180) days after the effectiveness of the registration statement filed in connection with such offering, or such longer period of time as the Board of Directors or the principal underwriter may determine, if all of the Company's directors and officers agree to be similarly bound. In the event of the declaration of a stock dividend, a spin-off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities without receipt of consideration, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Optioned Shares subject to this Section 16 or into which such Optioned Shares thereby become convertible shall immediately be subject to this Section 16. Appropriate adjustments to reflect the distribution of such securities or property shall be made to the number and/or class of the Optioned Shares subject to this Section 16. The obligations under this Section 16 shall remain effective for all underwritten public offerings with respect to which the Company has filed a registration statement on or before the date five (5) years after the closing of the Company's initial public offering; provided, however, that this Section 16 shall cease to apply to any Optioned Shares sold to the public pursuant to an effective registration statement or an exemption from the registration requirements of the United States Securities Act of 1933, as amended, in a transaction that complied with the terms of this Agreement.

18. Participant's Acknowledgments. The Participant acknowledges that a copy of the Plan has been made available for his review by the Company and represents that he is familiar with the terms and provisions thereof, and hereby accepts this Stock Option subject to all the terms and provisions thereof. The Participant hereby agrees to accept as binding, conclusive, and final all decisions or interpretations of the Committee or the Board, as appropriate, upon any questions arising under the Plan or this Agreement.

19. Law Governing. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Delaware (excluding any conflict of laws rule or principle of Delaware law that might refer the governance, construction, or interpretation of this Agreement to the laws of another state).

20. No Right to Continue Service or Employment. Nothing herein shall be construed to confer upon the Participant the right to continue in the employ or to provide services to the Company or any Subsidiary, whether as an Employee, Contractor, or Outside Director, or to interfere with or restrict in any way the right of the Company or any Subsidiary to discharge the Participant as an Employee, Contractor, or Outside Director at any time.

21. Legal Construction. In the event that any one or more of the terms, provisions, or agreements that are contained in this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect for any reason, the invalid, illegal, or unenforceable term, provision, or agreement shall not affect any other term, provision, or agreement that is contained in this Agreement, and this Agreement shall be construed in all respects as if the invalid, illegal, or unenforceable term, provision, or agreement had never been contained herein.

22. Covenants and Agreements as Independent Agreements. Each of the covenants and agreements that is set forth in this Agreement shall be construed as a covenant and agreement independent of any other provision of this Agreement. The existence of any claim or cause of action of the Participant against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of the covenants and agreements that are set forth in this Agreement.

23. Entire Agreement. This Agreement together with the Plan supersede any and all other prior understandings and agreements, either oral or in writing, between the parties with respect to the subject matter hereof and constitute the sole and only agreements between the parties with respect to the said subject matter. All prior negotiations and agreements between the parties with respect to the subject matter hereof are merged into this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement or the Plan and that any agreement, statement, or promise that is not contained in this Agreement or the Plan shall not be valid or binding or of any force or effect.

24. Parties Bound. The terms, provisions, and agreements that are contained in this Agreement shall apply to, be binding upon, and inure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, and permitted successors and assigns, subject to the limitation on assignment expressly set forth herein.

25. Modification. No change or modification of this Agreement shall be valid or binding upon the parties unless the change or modification is in writing and signed by the parties; provided, however, that the Company may change or modify this Agreement without the Participant's consent or signature if the Company determines, in its sole discretion, that such change or modification is necessary for purposes of compliance with or exemption from the requirements of Section 409A of the Code or any regulations or other guidance issued thereunder. Notwithstanding the preceding sentence, the Company may amend the Plan to the extent permitted by the Plan.

26. Headings. The headings that are used in this Agreement are used for reference and convenience purposes only and do not constitute substantive matters to be considered in construing the terms and provisions of this Agreement.

27. Gender and Number. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

28. Notice. Any notice required or permitted to be delivered hereunder shall be deemed to be delivered only when actually received by the Company or by the Participant, as the case may be, at the addresses set forth below, or at such other addresses as they have theretofore specified by written notice delivered in accordance herewith:

a. Notice to the Company shall be addressed and delivered as follows:

Oravax Medical, Inc.
1185 Avenue of the Americas
New York, NY 10036
Attn: Avi Gabay, CFO
Avi@ora-vax.com

b. Notice to the Participant shall be addressed and delivered as set forth on the signature page.

29. Tax Requirements. The Participant is hereby advised to consult immediately with his own tax advisor regarding the tax consequences of this Agreement. The Company or, if applicable, any Subsidiary (for purposes of this Section 28, the term "Company" shall be deemed to include any applicable Subsidiary), shall have the right to deduct from all amounts paid in cash or other form in connection with the Plan and this Agreement, any federal, state, local, or other taxes required by law to be withheld in connection with this Stock Option. The Company may, in its sole discretion, also require the Participant receiving shares of Common Stock issued under the Plan to pay the Company the amount of any taxes that the Company is required to withhold in connection with the Participant's income arising with respect to this Stock Option. Such payments shall be required to be made when requested by the Company and may be required to be made prior to the delivery of any certificate representing shares of Common Stock. Such payment may be made by (a) the delivery of cash to the Company in an amount that equals or exceeds (to avoid the issuance of fractional shares under (c) below) the required tax withholding obligations of the Company; (b) if the Company, in its sole discretion, so consents in writing, the actual delivery by the exercising Participant to the Company of shares of Common Stock that the Participant has not acquired from the Company within six (6) months prior to the date of exercise, which shares so delivered have an aggregate Fair Market Value that equals or exceeds (to avoid the issuance of fractional shares under (c) below) the required tax withholding payment; (c) if the Company, in its sole discretion, so consents in writing, the Company's withholding of a number of shares to be delivered upon the exercise of the Stock Option, which shares so withheld have an aggregate Fair Market Value that equals (but does not exceed) the required tax withholding payment; or (d) any combination of (a), (b), or (c). The Company may, in its sole discretion, withhold any such taxes from any other cash remuneration otherwise paid by the Company to the Participant.

[Remainder of Page Intentionally Left Blank;
Signature Page Follows.]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and the Participant, to evidence his consent and approval of all the terms hereof, has duly executed this Agreement, as of the date specified in Section 1 hereof.

COMPANY:

ORAVAX MEDICAL, INC.

By:

Name: _____

Title: _____

PARTICIPANT:

Signature _____

Name: _____

Address: Signature: _____

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Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-252696 and 333-257926 and 333-257128) and Form S-8 (Nos. 333-244380, 333-234303, 333-213835, 333-199120, 333-190222, 333-163919 and 333-266105) of Oramed Pharmaceuticals Inc. of our report dated March 6, 2023 relating to the financial statements, which appears in this Form 10-K.

Tel-Aviv, Israel

March 6, 2023

/S/ Kesselman & Kesselman

Certified Public Accountants (Isr.)

A member firm of PricewaterhouseCoopers International Limited

Kesselman & Kesselman, Derech Menachem Begin 146, Tel-Aviv 6492103, Israel,

P.O Box 7187 Tel-Aviv 6107120 Telephone: +972 -3- 7954555, Fax:+972 -3- 7954556, www.pwc.com/il

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:

Printed Name: 1. I have reviewed this Annual Report on Form 10-K 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: March 6, 2023

By: /s/ Nadav Kidron

Nadav Kidron

President and

Chief Executive Officer

Date:

Clawback Policy Acknowledgment

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 Annual Report on Form 10-K 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):

- 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
- 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: March 6, 2023

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 annual report of Oramed Pharmaceuticals Inc., or the Company, on Form 10-K for the period ended December 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:

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

Date: March 6, 2023

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 annual report of Oramed Pharmaceuticals Inc., or the Company, on Form 10-K for the period ended December 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:

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

Date: March 6, 2023

By: /s/ David Silberman

David Silberman
Chief Financial Officer

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