Raising Price Target

April 13, 2015

TICKER	NASDAQ: ORMP
RATING	BUY
PRICE TARGET	$30.00
Price (April 10, 2015)	$6.23

Oramed Pharmaceuticals, Inc.

Phase IIb Catalyst Nears - Raising Price Target

We are assuming coverage of Oramed Pharmaceuticals and raising our 12-month price target from $27 to $30 per share based on our expectation of positive data from an upcoming Phase IIb trial of ORMD-0801, the firm's lead oral insulin candidate, which we believe could be a transformational catalyst for the company.

- **Phase IIb Trial Could Conclusively Prove Efficacy.** Oramed's initial Phase IIa proof-of-concept data showed indications of reduction in fasting blood glucose (FBG), but was only conducted in 30 patients. The upcoming Phase IIb trial is slated to enroll roughly 180 subjects with Type II diabetes across approximately 30 clinical sites in the United States, and should in our view generate the kind of data that potential collaborators would find compelling, if successful. We note that this trial could report data early next year, depending upon the pace of enrollment.
- **Significant Market Opportunity.** Type II diabetics accounts for 95% of the market. An oral insulin pill at bedtime would be a particularly attractive way of controlling fasting glucose levels in Type II patients who have not yet transitioned to injectable insulin. On positive Phase IIb data, we expect a potential partnership and Phase III initiation by early 2017.
- **Glucose Clamp Study Under Way.** Oramed recently initiated a glucose clamp study with ORMD-0801, designed to complement the upcoming Phase IIb trial. The glucose clamp is a method for quantifying insulin absorption in order to measure a patient's insulin sensitivity and how well a patient metabolizes glucose, and represents the gold standard for diabetes pharmacodynamic studies.
- **Other Upcoming Catalysts.** Oramed's second pipeline candidate, ORMD-0901, could also move into a Phase IIb trial later this year. We note that ORMD-0801 and ORMD-0901 could conceivably be used in combination as well.

Market Data

Market Cap (M):	$67.4
Shares out (M):	10.8
Float (M):	8.0
Daily Vol, 3 Mo Avg (M):	0.2
52-Week Range:	$14.80-$3.71
Cash & Cash Eq (M):	$17.5
Debt (M):	$0.0

Cash includes short term investments, restricted cash, and deposits.

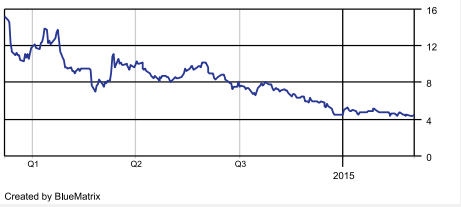
Financial Metrics

Short Interest (M):	0.8
Instit. Holdings (%):	13.0%
Cash Burn (M):	$10.0

EPS	1Q	2Q	3Q	4Q	FY
2013	-0.16A	-0.17A	-0.17A	-0.17A	-0.59A
2014	-0.17A	-0.12A	-0.18A	-0.17A	-0.62A
2015	-0.19A	-0.15A	-0.16E	-0.16E	-0.56E

Note: Historical quarterly EPS figures may not add up, due to a 1:12 reverse stock split that took place in 2013.

1-Year Price History



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VALUATION

Our PT is based on a DCF of ORMD-0801 and ORMD-0901 taken out to 2030, using a 10-15% discount rate and probabilities of success of 80% and 60%, respectively.

INVESTMENT RISK

Risks include: negative clinical trial data for either ORMD-0801 or ORMD-0901, failure to obtain strong US IP, any regulatory delays/ setbacks, and dilutive financings.

EXECUTIVE SUMMARY

We are assuming coverage of Oramed Pharmaceuticals, Inc. (ORMP) with a Buy rating and $30 price target. Oramed is an emerging biopharmaceutical firm focused on developing and commercializing novel, next-generation formulations of insulin and exenatide, which are key therapeutics in addressing both Type I and Type II diabetes. Key points for investing in ORMP are:

Risk-mitigated drug development initiatives. Oramed's lead programs are: ORMD-0801, an orally-bioavailable form of human insulin for night-time glucose control; and ORMD-0901, an orally-bioavailable form of exenatide, a well-characterized glucagon-like peptide 1 (GLP-1) agonist. Both ORMD-0801 and ORMD-0901 are novel formulations of existing agents that have lengthy track records of use in human subjects with diabetes. Accordingly, therefore, the likelihood of unexpected side effects is projected to be substantially lower than would be the case with new chemical entities. Insulin has been used for many decades, while Byetta®, the first injectable exenatide product, was first approved in April 2005.

Significant commercial opportunity. The global insulin market exceeded $20 billion last year and is projected to increase to roughly $47 billion by 2020. As for the total GLP-1 agonist market, this is currently approaching the $3 billion mark in annual sales and is projected to exceed $7 billion by 2020. We note that many patients being given injectable formulations of both insulins and GLP-1 agonists either stop treatment or exhibit poor compliance because of injection-related side effects.

Near-term clinical catalysts. We are expecting the imminent announcement of the formal initiation of a landmark Phase IIb trial of ORMD-0801, Oramed's proprietary oral insulin formulation, which should enroll roughly 180 patients with Type II diabetes across over 30 U.S. sites. We anticipate that this randomized, double-blinded, placebo-controlled study, which will assess the efficacy and safety of the drug over a 28-day evaluation period, should provide more definitive evidence of Oramed's hypothesis that ORMD-0801 can effectively be used to control night-time glucose levels. Favorable data from this trial could position Oramed to enter into a transformative partnership or potentially attract acquisition interest from one or another of the currently-established global diabetes players.

Additional value drivers underappreciated. In our view, other potential catalysts for Oramed are currently being largely ignored by the market. The firm could deploy ORMD-0801 in Type I diabetes, an indication where the drug has already shown initial signs of clinical activity, as well as advance ORMD-0901 into Phase II testing for Type II diabetes. ORMD-0801 demonstrated positive effect in a Phase IIa trial in Type I diabetics, which was completed in 2014, and could enter a larger proof-of-concept study in this indication either late this year or early next year. ORMD-0901 has already shown the ability to preserve the biological activity of injectable exenatide, and is slated to enter Phase II testing early in 2016.

Valuation methodology suggests significant appreciation potential. We used DCF methodology to derive our 12-month price target of $30, representing ~380% upside from current prices. With a near-term catalyst in the form of the proposed Phase IIb trial initiation and positive early-stage proof-of-concept efficacy and safety data in both Type I and Type II diabetes, we believe that Oramed is well-positioned to generate positive returns going forward. We note that the global diabetes market represents one of the world's most substantial healthcare growth opportunities, given the steadily rising incidence of both Type I and Type II diabetes in both developed and emerging markets. Furthermore, established pharmaceutical firms remain interested in next-generation formulations of existing, well-known anti-diabetic agents. Accordingly, therefore, we believe that positive Phase IIb data from the ORMD-0801 proof-of-concept clinical trial could enable Oramed to obtain a partnership with a larger, commercial-stage firm or potentially become the target of acquisition interest from such entities.

VALUATION ANALYSIS

We used discounted cash flows (DCF) methodology to arrive at our 12-month price target of $30.00 for ORMP shares. A discount rate of 10% was applied, based on the fact that ORMD-0801 has already shown activity in both animal studies and short-term proof-of-concept human trials in diabetic patients and is based on an active ingredient that has been successfully used in diabetes therapy for nearly a century, and thus, below-average risk relative to other drug candidates in late-stage development (see Exhibit 1). Using this methodology, we discounted free cash flows for each year, divided them by our projected number of shares for each year to account for dilution impact, and derived a per share value of $30.00. The following assumptions were used in our DCF methodology:

- Timely initiation of a proof-of-concept Phase IIb trial for ORMD-0801 in Type II diabetics (slated to occur imminently).
- Completion of enrollment in this Phase IIb trial within the next several months, with possible data readout in early to mid-2016 depending upon the pace of enrollment.
- Application of a 10% discount rate to free cash flows, as we note that: (i) Oramed is developing a lead drug candidate based on an active pharmaceutical ingredient (API) that has been used in treatment of diabetes for roughly a century; (ii) activity has already been seen in animal models, as well as in Phase IIa clinical trials in both Type I and Type II diabetics; (iii) assuming positive Phase IIb data, ORMD-0801 should be developable in conjunction with an establish pharmaceutical partner; and (iv) all of Oramed's pipeline programs involve existing approved agents that the company is optimizing via its proprietary oral formulation technology platform.
- An 80% probability of success for ORMD-0801 and a 60% probability of success for ORMD-0901, driven by the activity profile of ORMD-0801 in treatment of Type I diabetes as well as Type II diabetes, along with that of ORMD-0901 in Type II diabetes, and the possible utilization of both agents in tandem to achieve optimized glucose control in diabetic patients.

Exhibit 1: General Matrix of Discount Rate Assumptions versus Clinical Stage of Development

		Relative Risk		
		Below Average	**Average**	**Above Average**
Stage of Development	**Preclinical**	45%	55%	65%
	IND	40%	50%	60%
	Phase I Complete	35%	45%	55%
	Phase II Complete	20%	30%	40%
	Phase III Complete	15%	20%	30%
	Approved	10%	15%	25%

Source: MLV & Co. research.

Exhibit 2: DCF Valuation for ORMP

ORMD-0801 - Global	
Total diabetes patients[1]	60MM
Patients seeking treatment[2]	12.5MM
Peak market share[3]	8%
Treatment revenue/prescription/course of therapy[4]	$1,500
Peak sales[5]	$2.1B
Launch[6]	2021
Peak sales year	2026
Protection expires[7]	2030
Discount rate	10%
Probability of success[8]	80%
Risk-adjusted NPV[9]	$290MM
NPV per share	$17.00
Estimated Net Cash Position ($MM; end-F3Q 2016)	$32MM
Additional Value Drivers (ORMD-0901, combination regimen)	$185MM
Total firm value	$515MM
Shares Outstanding (MM; end-F3Q 2016)	17MM
Present value-derived price target	$30.00

Notes on assumptions:

[1] Type 2 diabetes mellitus patients - worldwide (only includes U.S. and European Union)
(Source: National Institute of Health, American Diabetes Association)

[2] Patients with type 2 diabetes seeking therapy
(Source: Aegis Capital Corp. estimates)

[3] Peak market share - blended; factoring in competition from injected insulins, other oral insulins, incretin mimetics and other drugs

[4] Revenue/year/prescription - estimated to be higher than injected intermediate insulin (wholesale acquisition cost)

[5] Peak sales - treatment revenue/year x treated patients x peak market share

[6] Launch in 2021 (US) / 2022 (EU)

[7] Patent expiry starting in 2026 - 2030; Hatch-Waxman extensions may provide up to an additional five years of protection

[8] Probability of success - ORMD-0801 is in Phase 2 testing (oral insulin formulation, known to be an effective diabetes therapeutic)

[9] Cash flow fully taxed at 35% following launch; upfront payments and milestones cancel out operating loss carry-forwards

Source: MLV & Co. research

INVESTMENT RISKS

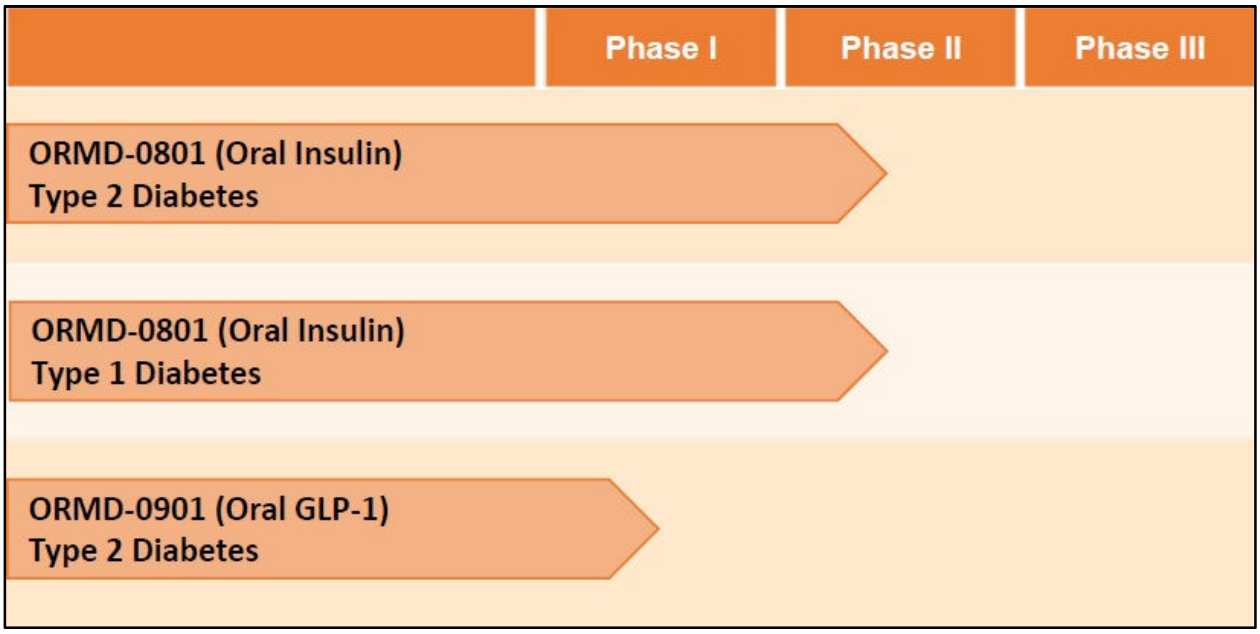
- ***Clinical Risks:*** Drug development is an inherently risky business, requiring significant investment of both time and capital. The company's clinical-stage assets, ORMD-0801 and ORMD-0901, could fail to demonstrate adequate safety or efficacy in clinical development or lack of comparable activity to existing injectable formulations of the active ingredients contained in these agents. In addition, the firm's technology platform focused on development of orally-bioavailable therapeutics could fail to produce clinically suitable product candidates that might fail to advance into human clinical trials at all. Should the firm's pipeline product candidates fail to advance in a timely manner, the firm's long-term revenue-generating prospects could suffer. Pipeline failures could decrease the company's innate value and adversely impact our valuation.
- ***Regulatory Risks:*** The amount of additional clinical data required to support a regulatory filing on Oramed's lead candidates is unclear at this juncture, making it impossible to predict the precise timing of market entry. Review times at the FDA may prove longer than originally expected. While we do not anticipate significant additional scrutiny of the safety profiles of agents like ORMD-0801 and ORMD-0901, we note that several other classes of anti-diabetic drugs have recently come under fire due to emergent side effects. These include the thiazolidinediones, also known as glitazones – e.g., Actos (pioglitazone) – the dipeptidyl peptidase IV (DPP-IV) inhibitors – e.g., Onglyza (saxagliptin) – and the sodium-glucose cotransporter 2 (SGLT2) inhibitors – e.g., Invokana (canagliflozin).
- ***Competitive Risks:*** The global diabetes market is extremely competitive and involves many companies with significantly greater resources than Oramed. As such, Oramed and / or its potential future collaboration partners are likely to face competition from companies such as AstraZeneca, GlaxoSmithKline, Johnson & Johnson, Merck & Co., Novartis, Novo Nordisk, and Sanofi. These companies could compete with Oramed on both the insulin as well as the GLP-1 agonist front.
- ***Intellectual Property Risks:*** Oramed relies on patents and trade secrets to protect its products from competition. The pharmaceutical industry is litigious and lawsuits are considered to be a normal part of doing business. A court might not uphold Oramed's intellectual property rights, or it could find that Oramed has infringed upon another party's property rights. In addition, generics manufacturers could potentially find loopholes in Oramed's patent estate, which might enable them to launch generics of Oramed's drugs prior to the expiration of patent protection on these products.
- ***Financial Risks:*** As of February 28th, 2015, Oramed Pharmaceuticals had approximately $17.5 million in cash and equivalents. On April 3rd, 2015, Oramed entered into an At-The-Market securities common stock sales agreement with MLV & Co. for the sale of up to $25 million in common stock, pursuant to an existing shelf registration statement. During the next 12 months, we estimate that Oramed may burn $10 million. Additional sources of cash could include: licensing fees from partnerships, warrant and option exercises, or the issuance of more shares. If ORMD-0801 fails to demonstrate appropriate clinical safety and efficacy in the planned upcoming Phase IIb clinical trial and Oramed's other candidates – particularly ORMD-0901 – do not progress through or into clinical testing in a timely manner, the firm may not be able to raise cash at all, in our opinion.
- ***Reimbursement Risks:*** Following the institution of healthcare reform policy, reimbursement agencies have grown more wary of systematically reimbursing for drugs that are either unnecessary or provide marginal benefit at excessive cost. If Medicare spending growth continues to outpace GDP growth and the ability of the government to fund healthcare becomes impaired, changes could be made to reimbursement policy that would negatively affect the company's business.

The above may not represent an exhaustive list of risks to achievement of our price objective and valuation for Oramed Pharmaceuticals. For more such risks, please refer to the firm's SEC filings.

COMPANY OVERVIEW

Oramed Pharmaceuticals is an emerging biopharmaceutical firm with a proprietary technology platform (POD™) focused on rendering biologically active peptides and proteins orally bioavailable. The figure below depicts the company's current clinical-stage pipeline. The firm's two clinical-stage candidates, ORMD-0801 (orally-bioavailable human insulin) and ORMD-0901 (orally-bioavailable exenatide) have both demonstrated clinical proof-of-concept activity in diabetic patients. ORMD-0801 is slated to enter a Phase IIb clinical trial in the U.S. within the coming weeks.

Exhibit 3: Pipeline Portfolio



Source: Company reports

ORMD-0801 is a potentially differentiated, orally-bioavailable solution aimed specifically at night-time glucose control

ORMD-0801 – Poised To Enter Phase IIb Testing

Oramed's lead product candidate, ORMD-0801, is a next-generation formulation of human insulin with potential in treatment of both Type I and Type II diabetes. The drug is based on an existing agent that was first utilized in diabetes treatment roughly a century ago years ago and that remains a mainstay of diabetes therapy. Briefly:

- **ORMD-0801** is a proprietary orally-bioavailable formulation of human insulin designed for once-daily dosing at night-time, thus potentially enhancing the effectiveness of glucose control. Through the use of a proprietary

Novel, proprietary oral delivery technology can be applied to a wide array of therapeutic proteins and peptides to enhance delivery convenience

combination of enhancements, Oramed's drug candidate can permit sustained night-time insulin delivery and effective glucose control throughout the night, when glycemic peaks would otherwise occur. ORMD-0801 is slated to enter a Phase IIb trial across multiple U.S. sites that should provide validation of Oramed's hypothesis concerning the feasibility of achieving and maintaining night-time glucose control via oral insulin delivery.

- Oramed's lead drug candidate represents a risk-mitigated opportunity, in our view, since it is not only based on an existing approved agent, but is solely aiming at night-time glucose control rather than long-term sustained delivery of insulin.
- **ORMD-0901** is a product candidate focusing on the stimulation of insulin production from the pancreas. The drug works as an agonist of the glucagon-like peptide 1 (GLP-1) receptor. Based on exenatide, a peptide extracted from the saliva of a poisonous desert lizard known as the Gila monster, ORMD-0901 is designed to provide an orally-bioavailable solution within the context of GLP-1 receptor agonism. We note that all of the currently-marketed GLP-1 receptor agonists – notably, agents such as Byetta® / Bydureon® (exenatide), Victoza® (liraglutide), Lyxumia® (lixisenatide), Tanzeum® (albiglutide) and Trulicity® (dulaglutide) – are all available only as injectable formulations. Companies that are well-established in the GLP-1 agonist space are working on oral formulations, but none have reached the market yet.

Integrium – A Proven Clinical Development Partner

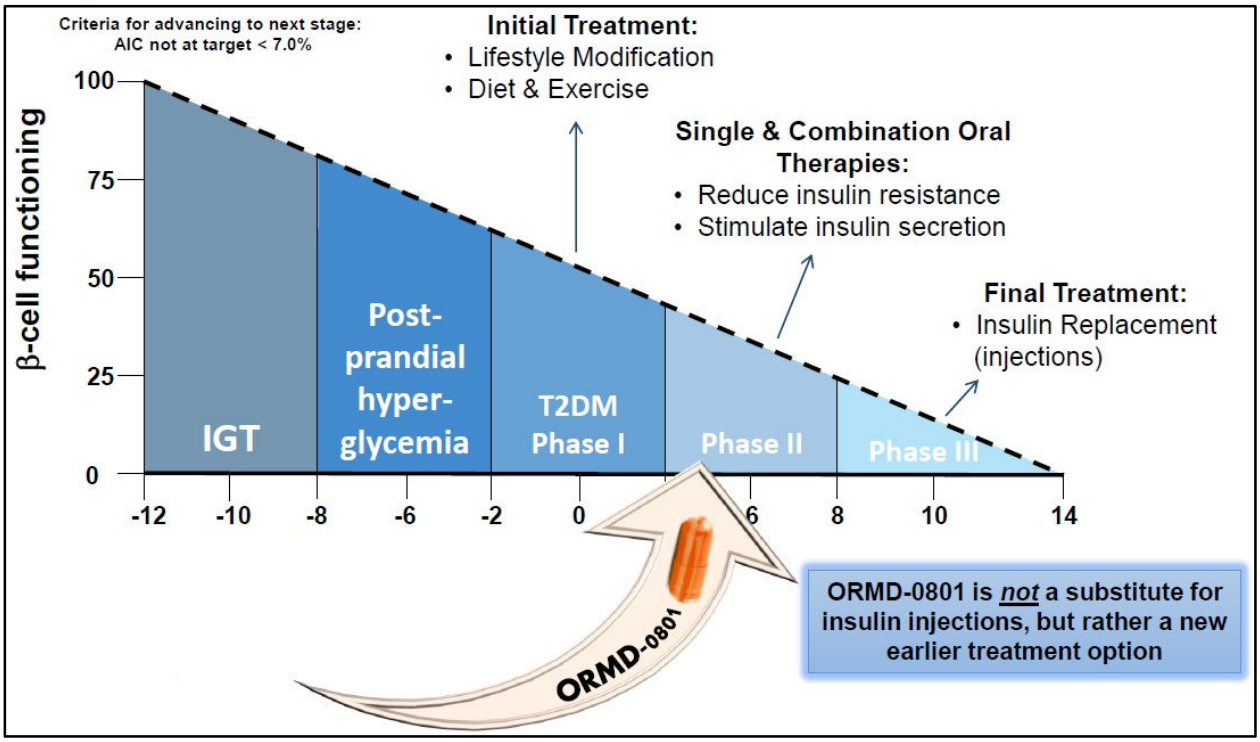
Integrium possesses a wealth of experience conducting clinical trials in diabetes and other metabolic disorders

We note that the upcoming Phase IIb trial of ORMD-0801 is being conducted in collaboration with Integrium Clinical Research, a well-known contract research organization (CRO) with offices on both the East and West Coasts as well as in South Africa. In our view, Integrium's involvement should ensure the smooth implementation of the trial protocol and generation of valid clinical outcome data, as Integrium has conducted 22 diabetes clinical trials to date covering a total of 781 sites and 6,564 clinical subjects. These trials spanned the entire gamut of clinical development (Phase I – IV), and most were conducted in the U.S. Integrium was involved in the full scope of trial implementation activities (including project management, clinical data collection, safety monitoring, and regulatory dossier preparation).

ORMD-0801 – TARGETING FASTING BLOOD GLUCOSE

Oramed's lead clinical-stage product candidate, ORMD-0801, is aimed at reducing excessive nocturnal glucose production from the liver. This glucose production over the course of the night is known to be an issue for Type I and Type II diabetics, since over the course of chronic disease the constant presence of excessive glucose can cause significant organ damage. Current methodologies for treatment of excessive nocturnal glucose production, which can be monitored by assessing fasting blood glucose (FBG), are considered sub-optimal. Long-acting insulins can cause hypoglycemia and may not be able to adequately control night-time glucose production. Accordingly, Oramed developed an orally-bioavailable insulin formulation that is designed specifically to provide glucose control during the night (i.e., for roughly 6 – 8 hours) without putting patients at substantial risk of hypoglycemia. It is to be noted that roughly 70% of individuals with impaired FBG develop Type II diabetes, and that an estimated 80% of Type II diabetics exhibit abnormal FDG and fail to achieve adequate glycemic control with sulfonylureas (i.e., metformin) or thiazolidinediones.

Exhibit 4: ORMD-0801 Positioning In Diabetes Treatment Continuum



Source: Oramed Pharmaceuticals, Inc.

Landmark Clinical Study Slated For Initiation Near-Term

Positive Phase IIb data could pave the way for a partnership or M&A transaction

We believe that ORMD-0801 currently represents a substantially undervalued clinical-stage asset within the biopharmaceutical sector. From our perspective, Oramed's planned Phase IIb trial is likely to generate the proof-of-concept data that the company needs to validate its hypothesis concerning effective control of night-time glucose production using orally-bioavailable insulin. Other firms in the diabetes market are constantly seeking next-generation solutions, and that thus far no one has been able to successfully develop an oral insulin product, despite many attempts. In our view, Oramed's candidate possesses the correct characteristics to enable it to potentially become a leading oral insulin product.

Phase IIb Study Design Parameters

We project that Oramed's CRO, Integrium, should begin enrolling patients in the Phase IIb trial imminently. This study is slated to have a 28-day evaluation period and is designed to enroll roughly 180 Type II diabetics across roughly 30 U.S. sites in a randomized, double-blinded, controlled format. Data could become available in 2016. The data shown below demonstrate that ORMD-0801 achieved reductions in FBG in Type II diabetics.

Exhibit 5: ORMD-0801 Phase IIa Proof-of-Concept Data

Mean fasting blood glucose concentrations (CGM)

Fasting CGM Glucose – mg/DL [1]	Placebo (n = 10)	ORMD-0801 8 mg + 8mg (n=10)	Difference (ORMD 0801 – placebo)	ORMD-0801 8 mg + 16mg (n=8)	Difference (ORMD 0801–placebo)
Last 2 days of data	156.26 (58.62)	126.02 (27.26)	-30.24	136.12 (43.17)	-20.14
All 7 days	154.37 (57.99)	129.27 (27.43)	-25.10	144.83 (39.28)	-9.54

Mean night time glucose concentrations (CGM)

Night time mean (SD) CGM Glucose – mg/DL(1)	Placebo (n = 10)	ORMD 0801 8 mg + 8 mg (n = 10)	Difference (ORMD 0801–placebo)	ORMD 0801 8 mg + 16 mg (n = 8)	Difference (ORMD 0801 – placebo)
Last 2 days of data	167.95 (64.17)	135.64 (39.40)	-32.31	150.24 (49.26)	-17.71
All 7 days	165.85 (60.76)	139.73 (38.86)	-26.12	149.38 (38.25)	-16.47

Mean daytime glucose concentrations (CGM)

Daytime mean (SD) CGM Glucose – mg/DL [1]	Placebo (n = 10)	ORMD 0801 8 mg + 8 mg (n = 10)	Difference (ORMD 0801 – placebo)	ORMD 0801 8 mg + 16 mg (n = 8)	Difference (ORMD 0801–placebo)
Last 2 days of data	176.06 (63.70)	153.23 (40.16)	-22.83	158.58 (40.67)	-17.48
All 7 days	175.99 (61.12)	152.55 (36.99)	-23.44	163.05 (30.28)	-12.94

Source: Company reports and MLV & Co. research

FINANCIAL STATEMENTS

Exhibit 6: Income Statement – Annual with Projections

Oramed Pharmaceuticals, Inc. Income Statement ($000)	FY 2013A	FY 2014A	FY 2015E	FY 2016E	FY 2017E	FY 2018E	FY 2019E	FY 2020E	FY 2021E	FY 2022E	FY 2023E	FY 2024E	FY 2025E
ORMD0801 T2D royalty revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3,381.7	31,616.8	76,821.6	133,430.2	202,279.5
ORMD0901 royalty revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	41,543.4	83,672.5	121,581.2	159,838.2	221,327.1	278,691.3
ORMD0801 milestone revenue	0.0	0.0	0.0	0.0	50,000.0	0.0	75,000.0	0.0	150,000.0	0.0	0.0	0.0	0.0
ORMD0901 milestone revenue	0.0	0.0	0.0	0.0	0.0	30,000.0	0.0	50,000.0	25,000.0	0.0	25,000.0	25,000.0	
Total revenue	0.0	0.0	0.0	0.0	50,000.0	30,000.0	75,000.0	91,543.4	262,054.2	153,198.0	261,659.7	379,757.3	480,970.8
COGS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross Profit	0.0	0.0	0.0	0.0	50,000.0	30,000.0	75,000.0	91,543.4	262,054.2	153,198.0	261,659.7	379,757.3	480,970.8
R&D	2,271.8	3,277.0	5,438.0	6,500	8,500	11,000	6,500	5,500	5,000	4,800	6,700	7,200	11,000
SG&A	2,032.1	2,629.0	2,588.0	3,200	4,000	5,000	6,500	7,500	8,800	9,200	9,600	10,400	12,500
Operating profit	(4,303.9)	(5,906.0)	(8,026.0)	(9,700.0)	37,500.0	14,000.0	62,000.0	78,543.4	248,254.2	139,198.0	245,359.7	362,157.3	457,470.8
Financial income	180.5	223.6	65.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial expense	313.4	9.6	22.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pre-tax profit (loss)	(4,436.9)	(5,692.0)	(7,983.0)	(9,700.0)	37,500.0	14,000.0	62,000.0	78,543.4	248,254.2	139,198.0	245,359.7	362,157.3	457,470.8
Tax	0.0	4.0	0.0	(2,570.5)	9,937.5	3,710.0	16,430.0	20,814.0	65,787.4	36,887.5	65,020.3	95,971.7	121,229.8
Other items, net	(303.4)	0.0	352.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income (loss)	**(4,133.5)**	**(5,696.0)**	**(8,335.0)**	**(7,129.5)**	**27,562.5**	**10,290.0**	**45,570.0**	**57,729.4**	**182,466.8**	**102,310.5**	**180,339.4**	**266,185.6**	**336,241.0**
Diluted EPS	**($0.59)**	**($0.62)**	**($0.56)**	**($0.48)**	**$1.59**	**$0.59**	**$2.63**	**$3.33**	**$10.53**	**$5.91**	**$10.41**	**$15.37**	**$19.41**
Diluted Shares Out	7,209.3	9,244.1	14,823.9	14,823.9	17,323.9	17,323.9	17,323.9	17,323.9	17,323.9	17,323.9	17,323.9	17,323.9	17,323.9

Source: Company reports and MLV & Co. research

Exhibit 7: Income Statement – Quarterly with Projections

Oramed Pharmaceuticals, Inc. Income Statement ($000)	FY 2013A	F1QA Nov 30	F2QA Feb 28	F3QA May 31	F4QA Aug 31	FY 2014A	F1QA Nov 30	F2QA Feb 28	F3QE May 31	F4QE Aug 31	FY 2015E	FY 2016E
ORMD0801 T2D royalty revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ORMD0901 royalty revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ORMD0801 milestone revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ORMD0901 milestone revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
COGS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross Profit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
R&D	2,271.8	850.0	850.0	850.0	727.0	3,277.0	1,302.0	1,136.0	1,400.0	1,600.0	5,438.0	6,500
SG&A	2,032.1	600.0	600.0	600.0	829.0	2,629.0	600.0	538.0	650.0	800.0	2,588.0	3,200
Operating profit	(4,303.9)	(1,450.0)	(1,450.0)	(1,450.0)	(1,556.0)	(5,906.0)	(1,902.0)	(1,674.0)	(2,050.0)	(2,400.0)	(8,026.0)	(9,700.0)
Financial income	180.5	46.1	74.0	79.5	24.0	223.6	27.0	38.0	0.0	0.0	65.0	0.0
Financial expense	313.4	2.2	3.2	4.2	0.0	9.6	21.0	1.0	0.0	0.0	22.0	0.0
Pre-tax profit (loss)	(4,436.9)	(1,406.1)	(1,379.3)	(1,374.7)	(1,532.0)	(5,692.0)	(1,896.0)	(1,637.0)	(2,050.0)	(2,400.0)	(7,983.0)	(9,700.0)
Tax	0.0	0.0	0.0	0.0	4.0	4.0	0.0	0.0	0.0	0.0	0.0	(2,570.5)
Other items, net	(303.4)	(30.8)	(512.8)	379.0	164.6	0.0	359.0	(7.0)	0.0	0.0	352.0	0.0
Net Income (loss)	**(4,133.5)**	**(1,375.3)**	**(866.4)**	**(1,753.7)**	**(1,700.6)**	**(5,696.0)**	**(2,255.0)**	**(1,630.0)**	**(2,050.0)**	**(2,400.0)**	**(8,335.0)**	**(7,129.5)**
Diluted EPS	**($0.59)**	**($0.17)**	**($0.12)**	**($0.18)**	**($0.17)**	**($0.62)**	**($0.19)**	**($0.15)**	**($0.16)**	**($0.16)**	**($0.56)**	**($0.48)**
Diluted Shares Out	7,209.3	7,941.1	9,127.8	9,888.1	9,956.0	9,244.1	10,142.0	10,826.1	12,823.9	14,823.9	14,823.9	14,823.9

Source: Company reports and MLV & Co. research

IMPORTANT DISCLOSURES

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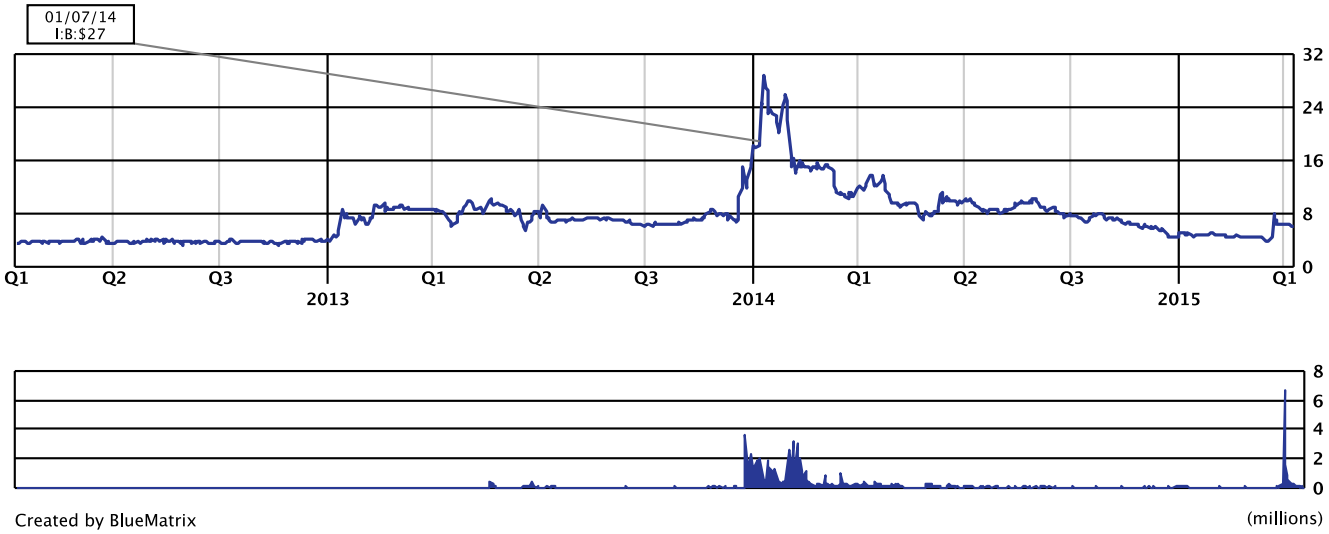
Oramed Pharmaceuticals, Inc. (ORMP): Share Price (in USD) and Volume History as of 04-10-2015



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Rating	Count	Percent	Count	Percent
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HOLD	59	31.38%	15	7.98%
SELL	0	0.00%	0	0.00%

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