

## Oramed Pharmaceuticals Inc.

(ORMP-NASDAQ)

### ORMP: Enabling Participation in Both ORMP & LFWD Businesses Expected to Enhance Shareholder Value

ORMP signed an agreement with Lifeward (LFWD) to invest in, potentially acquire a 49.9% stake & transfer its delivery technology to LFWD. LFWD CEO's extensive experience in pharma specifically focusing on diabetes, the historical focus of ORMP's clinical activities, arguably could enable potential synergies and was likely an important factor in advancing this deal, in our view.

### OUTLOOK

ORMP expects to fund and manage an upcoming clinical trial that builds on earlier Phase 2 and Phase 3 trials it conducted. Separately, ORMP has leveraged its balance sheet to make investments in multiple companies, while concurrently advancing its strategy to move its technology and assets forward. In the aggregate, these investments have yielded solid returns that funded a recent dividend payment to ORMP shareholders. Last month ORMP paid ~\$10.5m in aggregate dividends or \$0.25/share, funded with capital based on returns on its investment portfolio.

Current Price (2/25/2026) **\$3.73**  
Valuation **\$6.25**

### SUMMARY DATA

52-Week High **\$3.74**  
52-Week Low **\$1.82**  
One-Year Return (%) **49**  
Beta **1.31**  
Average Daily Volume (sh) **150,235**

Shares Outstanding (mil) **40**  
Market Capitalization (\$mil) **\$136**  
Short Interest Ratio (days) **N/A**  
Institutional Ownership (%) **17**  
Insider Ownership (%) **11**

Annual Cash Dividend **\$0.00**  
Dividend Yield (%) **0.00**

5-Yr. Historical Growth Rates  
Sales (%) **N/A**  
Earnings Per Share (%) **N/A**  
Dividend (%) **N/A**

P/E using TTM EPS **N/A**  
P/E using 2025 Estimate **N/A**  
P/E using 2026 Estimate **N/A**

Risk Level **High**  
Type of Stock **Small-Blend**  
Industry **Med Tech**

### ZACKS ESTIMATES

	Revenue (in millions of \$)				
	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)*
2022	0.7 A	0.7 A	0.7 A	0.7 A	2.7 A
2023	0.7 A	0.7 A	0.0 A	0.0 A	1.3 A
2024	0.0 A	0.0 A	0.0 A	0.0 A	0.0 A
2025	2.0 A	0.0 E	0.0 A	0.0 A	2.0 E

	Earnings per Share				
	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)*
2022	-\$0.27 A	-\$0.27 A	-\$0.18 A	-\$0.36 A	-\$0.94 A
2023	-\$0.08 A	-\$0.03 A	-\$0.08 A	\$0.33 A	\$0.14 A
2024	\$0.04 A	\$0.22 A	-\$0.48 A	-\$0.25 A	-\$0.48 A
2025	-\$0.19 A	\$0.31 A	\$1.13 A	\$0.00 E	\$1.28 E

Quarters might not sum due to round'g, share counts & FY chg  
Disclosures page 9 \*22 FY changed to Dec. 31

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## COMPANY EXPECTS TRANSACTION TO ENHANCE SHAREHOLDER VALUE

### *Transaction enables exposure to both oral drug delivery program & medical device businesses*

Oramed Pharmaceuticals (NASDAQ:ORMP) recently signed a binding agreement for a transformative strategic transaction with Lifeward Ltd and another accredited investor. Lifeward is a medical device company focused on devices to aid physical rehabilitation and recovery. Its initial products were robotic exoskeletons, including the ReWalk Personal and ReWalk Rehabilitation Exoskeleton for people with spinal cord injury (SCI). Lifeward has subsequently expanded its focus organically and through strategic transactions. For example, this week Lifeward announced its intention to acquire certain technology assets from Skelable Ltd., the developer of a robotic upper body orthotic device with AI capabilities.

Moreover, Lifeward's President and CEO, Mark Grant, has extensive experience in pharma specifically focusing on diabetes, which has been ORMP's historical focus of clinical development activities. He has more than 25 years of healthcare and medical technology experience, including serving as VP of the Americas for Medtronic's diabetes business exceeding \$1.5 billion in annual revenue, as well as diabetes-focused roles at Bristol Myers Squibb, according to the company. Arguably, his experience and existing relationships in the space could potentially enable synergies with ORMP's clinical development efforts and was likely an important factor in advancing this deal, in our view.

Oramed will invest in LFWD and potentially get a 49.9% beneficial ownership interest in Lifeward subject to satisfaction of certain conditions. Lifeward will issue \$10 million of 8% senior secured convertible notes in a private placement and an additional \$10 million of 8% senior secured convertible note based on hitting certain commercial milestones. Oramed will be the primary participant in both issuances, investing \$9 million in each with 100% warrant coverage. When/if the notes are fully converted and the warrants exercised, ORMP ownership in Lifeward will increase significantly.

Oramed believes Lifeward's product portfolio is positioned for strong growth and that this transaction can enhance shareholder value by retaining participation in the oral drug delivery program and innovations and enabling participation in a medical robotics company. According to Lifeward, the up to \$47 million strategic investment from Oramed and the other investor through equity, convertible notes, milestone-based funding and warrant coverage, is intended to give Lifeward a cash runway to profitability and diversify its portfolio across MedTech and BioTech.

Specifically, Oramed will transfer its proprietary Protein Oral Drug POD™ delivery technology to Lifeward. Oramed is expected to fund and manage the upcoming anticipated trial under a clinical trial management agreement. Oramed will receive 4% on net sales of the ReWalk franchise for up to 10 years. Lifeward cites ReWalk as its flagship product line. In 2024, Lifeward generated \$25.7 million in revenue, up about 85% from \$13.9 million in 2023. Lifeward noted in its 10-K that it expects future growth "to be primarily driven by sales of our ReWalk Personal device through expansion of coverage and reimbursement by commercial and government third-party payors, more shipments of our AlterG Anti-Gravity system through greater penetration of rehabilitation clinics in the U.S. and internationally, and more placements of the MyoCycle device with rehabilitation clinics and personal users."

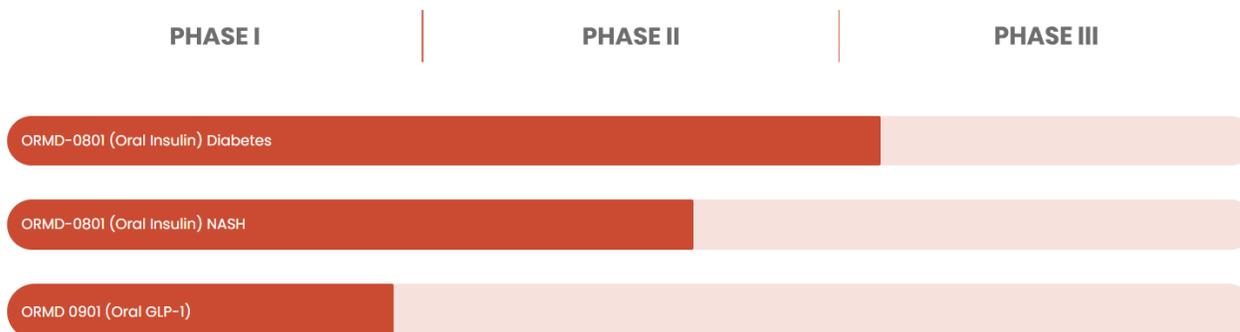
### *Moving forward with clinical activities...*

The company intends to continue advancing its clinical efforts around its POD and assets. ORMP targets initiating a 60-patient, US-based clinical trial evaluating lead asset ORMD-O801 following its analysis of earlier Phase 2 and Phase 3 data that identified high-responder subgroups demonstrating encouraging results. In prior clinical activities, a subpopulation of patients with specific parameters such as body mass index (BMI), baseline HbA1c, age, gender and body weight appeared to respond positively to the company's oral insulin. These subsets exhibited an over 1% placebo adjusted, statistically significant reduction in HbA1c. As a result, a differentiated protocol that is aligned with the positive subpopulation data and informed by feedback from discussions with the FDA is expected to guide the design of the

planned Phase 3 trial. Participants, including those with lower BMI and within older demographics, showed the possibility of achieving over 1% reduction in HbA1c, which ORMP notes is a clinically meaningful outcome that might strengthen the regulatory and commercial prospects of ORMD-0801.

The clinical trial in the U.S. will be designed to incorporate takeaways from previous clinical studies in order to focus on key patient subpopulations that have responded in prior activities as mentioned above. ORMP hopes to leverage its analysis in order to optimize the potential for successful outcomes to advance its oral insulin therapy in diabetes management.

## Oramed Pipeline



Source: [Company reports](#)

## ***ORMP has made investments in multiple companies***

Over the past several quarters, ORMP has leveraged its balance sheet to make investments in multiple early stage companies, while concurrently advancing its strategy to move its POD and assets forward. In fact, last month ORMP paid about \$10.5 million in aggregate dividends or \$0.25/share funded with surplus capital based on returns on its investment portfolio.

One of the investments ORMP made was in Scilex Holding Company, a biopharma company focused on acquiring, developing, and commercializing non-opioid management products to treat acute and chronic pain, with collateralized financing. Scilex had issued ORMP a promissory note collateralized by most of its assets, plus penny warrants to purchase Scilex shares.

The company received roughly \$27 million during 3Q25, resulting in total repayment from Scilex of \$100 million principal. Last month ORMP announced it has received an \$18 million payment from Scilex, bringing its cumulative returns to \$118 million on its original \$99.5 million Scilex investment. ORMP expects additional returns from the remaining convertible notes, warrants, and royalties.

Specifically, it retains a \$27 million note and a \$12 million convertible note with Scilex, convertible at Oramed's option into Scilex equity at \$36 per share, its warrant position (last week Oramed entered into a Warrant Agreement with Scilex deferring its right to receive a scheduled amortization payment) and a nine-year royalty interest in Scilex products. If the convertible note is not converted, Scilex will repay it in quarterly installments through October 2026.

## *Company put rights agreement in place*

The company adopted a Rights Agreement, dated November 17, 2025, and declared a dividend of one common stock purchase right on each outstanding ORMP share. The rights are designed to help the company fight a prospective hostile takeover attempt. Existing stockholders retain rights to purchase one share at \$10.00, in the event the rights become exercisable following the beneficial acquisition and / or tender offer for 15% or more of outstanding shares by a person or group.

## **INVESTMENT PORTFOLIO RETURNS FUND DIVIDEND PAYMENT**

### *Strategic investments in DRTS, SCLX have yielded returns*

In addition to the above noted Scilex investment, ORMP made a \$36.9 million investment in and formed a strategic collaboration with Alpha Tau Medical (NASDAQ:DRTS), an Israeli oncology therapeutics company developing an innovative alpha-radiation cancer therapy called Alpha DaRT™ (which stands for Diffusing Alpha-emitters Radiation Therapy). Alpha DaRT represents a novel approach to cancer treatment that leverages the use of alpha radiation to treat solid tumors. It is localized alpha particle radiotherapy designed to destroy solid tumors with precision, while minimizing damage to surrounding healthy tissue. Conventional gamma/beta radiation relies on oxygen-dependent, single-strand DNA breaks. Conversely, Alpha DaRT directly damages the cell DNA, inducing irreparable double-strand DNA breaks that are known to be highly destructive to cancerous cells regardless of the cell's lifecycle stage or level of oxygenation. In this way, Alpha DaRT delivers more precise alpha radiation that minimizes damage to healthy tissue around the tumor. Alpha Tau's technology platform can be used alone or in conjunction with other cancer treatment modalities.

The companies also entered into a three-year service agreement for Oramed to provide investor and shareholder outreach, business strategic guidance, and capital markets expertise to Alpha Tau. The companies each seek to develop and offer novel therapeutic delivery technologies; Oramed's oral administration of injectable drugs and Alpha Tau's precise delivery of radiation therapy to tumor sites.

Oramed initially purchased about 14.1 million Alpha Tau shares at \$2.612 per share. Subsequently, ORMP purchased roughly 259,000 additional shares through September 30, 2025, in the open market at an average \$3.27 per share for an aggregate \$846,000, raising the total investment to \$37.7 million. DRTS shares closed at \$8.42 in the latest trading session. Unrealized gains from the Alpha Tau position and other investments, combined with the complete \$100 million cash repayment from Scilex contributed to \$65 million in net income in 3Q25.

In addition, on March 4, 2025, ORMP participated in a registered direct offering by BioXcel Therapeutics, a biopharmaceutical company leveraging artificial intelligence (AI) to develop innovative medicines in neuroscience and immuno-oncology, generating proceeds from sale of BioXcel shares in 1Q25, as noted. Oramed earlier had entered into a loan agreement with Rabi Binyamin 4 Tama 38 Ltd. to finance a real estate project that is essentially collateralized by the project. Separately, subsequent to the close of 3Q25, ORMP repurchased and canceled the shares HTIT had acquired as part of their JV.

Oramed had cash of \$52.2 million the end of September 2025, compared to \$54.4 million at year-end 2024, plus \$82.5 million of short-term deposits, marketable securities and investments. ORMP has substantial liquidity as it advances its oral drug delivery platform and pursues strategic opportunities, including its portfolio of strategic investments.

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## VALUATION

We believe the sizable population with or at risk for diabetes globally and analysis of data from ORMP's terminated concurrent ORMD-0801 trials support the company moving forward to potentially attain regulatory approval for lead asset ORMD-0801 (and perhaps ORMD-0901 down the road) and commercializing it. Moreover, obtaining a stake in LFWD and 4% of net sales of its ReWalk franchise also adds another source of shareholder value, we believe.

We also continue to view the versatility of the oral protein platform as a long-term positive and believe there could be additional opportunities for Oramed to apply its oral delivery technology. Studies indicate that many patients with a variety of diseases would prefer an oral treatment over injectable if the oral treatment proved as effective.

It is difficult to know the revenue arc for ORMD-0801 at this early stage, but given the growing incidence of diabetes worldwide, we believe it is not unreasonable to expect that ORMD-0801 could reach revenue of about \$250 million to \$300 million by the 2030-32 timeframe, depending on clinical trial results and commercialization milestones. We apply a ~2.1x P/sales multiple, which is the low end of the range for other clinical companies at similar stages of development. We use a 10% discount rate (versus 11% before) and 75% confidence factor. The latter reflects uncertainty that ORMD-0801 reaches this revenue in this timeframe. Given the expected economics, our NPV for ORMP shares on ORMD-0801 near-term prospects is roughly \$5.00. We add another \$1.25 reflecting potential upside from the pending LFWD transaction and the company's ongoing investment portfolio. Our prior valuation before lowering the discount rate and prior to announcement of the pending transaction was \$3.25. Potential development and/or economics milestones could cause us to change our confidence metric or other valuation factors.

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## RISKS

Risks to Oramed achieving its objectives, and to our valuation, include the following.

- The company's transaction with Lifeward might fall short of management expectations in terms of delivering shareholder value.
- The company's overall investment portfolio might not generate future returns.
- The company's assets might not attain regulatory approval in the short to medium-term or at all.
- ORMP might need to raise additional capital earlier than expected.
- Clinical studies and potential commercialization timelines might be delayed.
- Other drug candidates might experience clinical failure and/or might not receive FDA and other regulatory approvals.
- The price of ORMP shares could continue to fluctuate, as the company advances its strategy.
- Competition in areas where ORMP has development efforts might intensify.

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## RECENT NEWS

- Oramed and Lifeward announced their strategic transaction on January 13, 2026.
- On January 7, 2026, ORMP received an \$18 million payment from Scilex, bringing cumulative returns to \$118 million and its board approved a dividend payment.
- ORMP reported 3Q25 results on November 17, 2025.
- Oramed declared Rights Plan on November 17, 2025.
- Oramed released a Letter to Shareholders on October 23, 2025.
- The company announced a \$36.9 million investment in Alpha Tau Medical on April 28, 2025.
- On July 22, 2025, the company entered into the above noted warrants repurchase agreement with Scilex.
- Oramed issued a letter to shareholders on March 4, 2025.
- Oramed announced updates to OraTech on February 11, 2025, intended to accelerate development and commercialization of oral insulin.

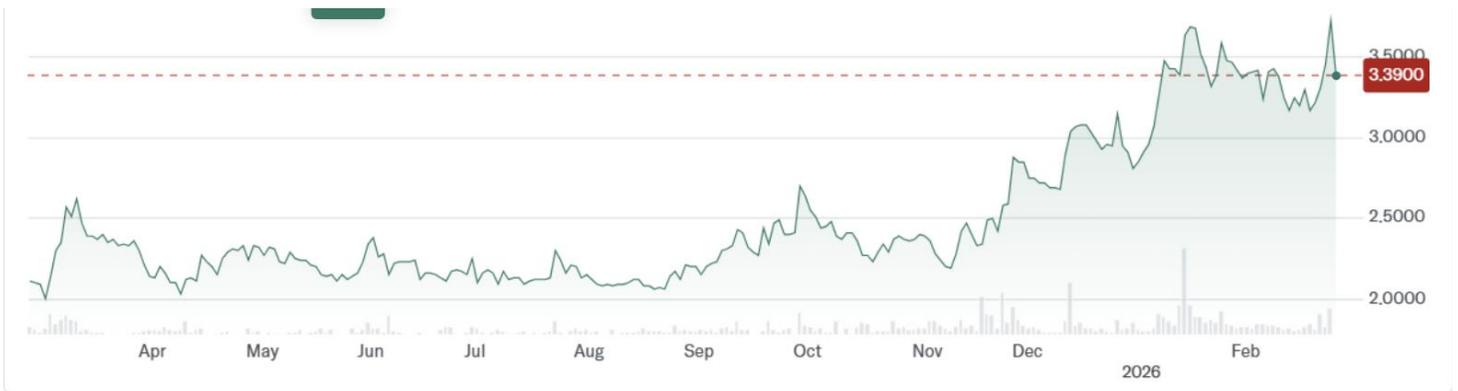
## PROJECTED FINANCIALS

Oramed Pharmaceuticals Inc. (Fiscal Year ends Dec. 31*) \$Mns	Q1 A	Q2 A	Q3 A	Q4 A	2024 A	Q1 A	Q2 A	Q3 A	Q4 E	2025 E
License Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.0	\$0.0	\$0.0	\$0.0	\$2.0
<i>YOY Growth</i>										
Grant/Contract Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>YOY Growth</i>					-					-
ORMD-0801	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>YOY Growth</i>					-					-
ORMD-0901	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<i>YOY Growth</i>					-					-
<b>Total Revenues</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$2.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$2.0</b>
<i>YOY Growth</i>					NM					NM
Cost of Revenue	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.0	\$0.0	\$0.0	\$0.0	\$2.0
<b>Gross Income</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<i>Gross Margin</i>	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Research & Development	\$1.2	\$1.4	\$2.2	\$1.5	\$6.3	\$2.2	\$1.0	\$1.2	\$1.6	\$6.0
General & Administrative	\$1.8	\$1.7	\$0.8	\$2.1	\$6.5	\$2.3	\$1.5	\$1.3	\$1.3	\$6.4
Other Expenses	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Operating Income / (loss)	<b>(\$3.0)</b>	<b>(\$3.1)</b>	<b>(\$3.1)</b>	<b>(\$3.6)</b>	<b>(\$12.8)</b>	<b>(\$4.5)</b>	<b>(\$2.5)</b>	<b>(\$2.4)</b>	<b>(\$3.0)</b>	<b>(\$12.4)</b>
<i>Operating Margin</i>					-					-
Other Income (Net)	\$4.5	\$14.0	<b>(\$15.4)</b>	<b>(\$6.2)</b>	<b>(\$3.1)</b>	<b>(\$2.6)</b>	\$15.6	\$61.9	\$3.0	\$77.9
<b>Pre-Tax Income</b>	<b>\$1.5</b>	<b>\$10.8</b>	<b>(\$18.5)</b>	<b>(\$9.8)</b>	<b>(\$15.9)</b>	<b>(\$7.1)</b>	<b>\$13.1</b>	<b>\$59.5</b>	<b>\$0.0</b>	<b>\$65.6</b>
Net Taxes (benefit)	\$0.0	\$1.6	\$1.1	\$0.4	\$3.2	\$0.6	\$0.1	\$11.1		\$11.5
<i>Tax Rate</i>	0.0%	15.1%	-6.1%	nm	-20.0%					17.6%
Minority interest / other	(\$0.0)	(\$0.0)	(\$0.0)	\$0.0	(\$0.0)	\$0.0	(\$0.0)	(\$0.0)	(\$0.0)	\$0.0
<b>Reported Net Income</b>	<b>\$1.5</b>	<b>\$9.2</b>	<b>(\$19.6)</b>	<b>(\$10.2)</b>	<b>(\$19.1)</b>	<b>(\$7.6)</b>	<b>\$13.3</b>	<b>\$48.4</b>	<b>\$0.0</b>	<b>\$54.0</b>
<i>Net Margin</i>										-
<b>Reported EPS</b>	<b>\$0.04</b>	<b>\$0.22</b>	<b>(\$0.48)</b>	<b>(\$0.25)</b>	<b>(\$0.48)</b>	<b>(\$0.19)</b>	<b>\$0.31</b>	<b>\$1.13</b>	<b>\$0.00</b>	<b>\$1.29</b>
<i>YOY Growth</i>										-
Basic Shares Outstanding	41.6	41.6	40.9	40.9	40.8	41.2	42.6	42.8	41.0	41.9

Source: Zacks Investment Research, Inc.

\*ORMP's fiscal year changed from ending on August 31 to ending on December 31. 2024 primarily noncash below the operating line income relates to Scilex, other financial agreements.

## HISTORICAL STOCK PRICE



Source: Yahoo Finance

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