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Oramed Pharmaceuticals Inc. (ORMP-NASDAQ)

ORMP: Investment Gains Contributed to Strong 2Q26 EPS, While Inclusion in Russell Indexes Arguably Boosts Awareness

ORMP leverages its strong balance sheet, with ~$50.6m of cash and equivalents plus short-term investments, to allocate capital to its investment portfolio. In our view, ORMP has substantial liquidity as it pursues investments and strategic opportunities and indirectly advance the oral drug delivery platform.

Current Price (8/27/2026)	$5.10
Valuation	**$7.00**

OUTLOOK

Several recent investment portfolio holdings have yielded strong returns and ORMP is optimistic about its ability to continue to create shareholder value by actively operating the businesses of companies in which it has a majority stake. Gains on its investment portfolio and financial income, along with payments from service agreements such as ORMP's agreement with Alpha Tau, contributed to 2Q26 EPS of $2.76. Under its services agreement with Alpha Tau, ORMP is entitled to receive six semi-annual payments aggregating to $3.0m.

SUMMARY DATA

52-Week High	**$5.47**
52-Week Low	**$2.09**
One-Year Return (%)	**132**
Beta	**1.16**
Average Daily Volume (sh)	**302,596**
Shares Outstanding (mil)	**42**
Market Capitalization ($mil)	**$212**
Short Interest Ratio (days)	**4**
Institutional Ownership (%)	**8**
Insider Ownership (%)	**22**
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	**1.5**
P/E using 2025	**1.1**
P/E using 2026 Estimate	**1.1**

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)*
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 A	0.0 A	0.0 A	2.0 A
2026	0.0 A	0.0 A	0.0 E	0.0 E	0.0 E

Earnings per Share

	Q1 (Mar)	**Q2** (Jun)	**Q3** (Sep)	**Q4** (Dec)	**Year** (Dec)*
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	$0.23 A	$1.50 A
2026	$0.91 A	$2.76 A	$0.43 E	$0.37 E	$4.47 E

Quarters might not sum due to round'g, share counts & FY chg
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ORMP SHARES RECENTLY ADDED TO THE RUSSELL 2000® & RUSSELL 3000®

Gains on investment portfolio + service agreement income contributed to 2Q26 EPS of $2.76

Oramed Pharmaceuticals (NASDAQ:ORMP) leverages its strong balance sheet, with $15.2 million of cash and equivalents and $50.6 million of cash and equivalents plus short-term investments, to allocate capital to investments in the biomedical and other areas. In our view, ORMP has substantial liquidity as it pursues investments and strategic opportunities and indirectly advance the oral drug delivery platform.

Gains on its investment portfolio and financial income, along with payments from service agreements such as ORMP's agreement with Alpha Tau, contributed to 2Q26 EPS of $2.76. For example, ORMP invested 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 per ORMP's refocused operating strategy, for which Alpha Tau agreed to pay a non-refundable fee of $3.0 million over three years and issue warrants to ORMP for purchase of up to 3.2 million shares. Under its services agreement with Alpha Tau, ORMP is entitled to receive six semi-annual payments aggregating to $3.0 million, which is recorded as Other income.

Believe inclusion in Russell indexes could continue to raise awareness of ORMP prospects

The company's shares were added to the U.S. small cap Russell 2000® and broad-market Russell 3000® Index in the June Russell reconstitution. The 2026 Russell 2000 and Russell 3000 reconstitution became effective at the market open on June 29, 2026. Trading volume in ORMP shares rose substantially on several days ahead or reconstitution. We believe inclusion in these Russell indexes could continue to raise awareness of Oramed within the investment community, which we view as a positive. In part, this reflects that many institutional investment managers use Russell indexes as benchmarks. Roughly $12.2 trillion in assets are benchmarked against the Russell US indexes, according to FTSE Russell data.

This inclusion comes as the company's strategy has transitioned to acquiring interests in a portfolio of entities. With many investments, ORMP's strategy is to take responsibility for appointing and overseeing management teams of companies in which it has invested, designing and executing clinical trial programs and supporting their capital markets activities – including investor relations – and advancing their go-to-market commercialization strategy and long-term business development, among other activities. Several recent investments have yielded strong returns and ORMP is optimistic about its ability to continue to create shareholder value by actively operating the businesses of companies in which it has a majority stake.

Recent investments include Lifeward transaction…

Oramed also recently invested in Lifeward (LFWD). ORMP CEO Nadav Kidron and ORMP Chief Scientific Officer Miriam Kidron Ph.D. were appointed to LFWD's board. 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). Oramed will receive 4% of net sales from the ReWalk franchise, Lifeward's flagship product line. In addition to ReWalk, Lifeward has expanded its focus organically and through strategic transactions such as acquiring certain technology assets from Skelable Ltd., the developer of a robotic upper body orthotic device with AI capabilities.

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 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 transaction and funding is intended to give Lifeward a cash runway to profitability and diversify its portfolio across MedTech and BioTech.

With Lifeward, the company intends to continue advancing its clinical efforts around its POD and assets, indirectly following the transfer of the oral insulin (POD™) technology and related intellectual property to OraTech in conjunction with the closing of the Lifeward transaction. Prior to the March 25, 2026, closing of the Lifeward transaction, Oramed transferred the IP and related assets associated with its POD™ (Protein Oral Delivery) technology platform to OraTech, along with funds to support the next planned clinical trial and development activities. going forward, OraTech will bear all research and development expenses related to the POD™ technology platform.

As ORMP does not conduct clinical development activities directly any longer and has no revenue-generating operations, the company is evaluating potential strategic alternatives, including expanding into therapeutic and technology areas, acquiring or investing in additional businesses or assets, and continuing to actively manage its portfolio of holdings in publicly traded and privately held companies.

In terms of the POD™ technology platform, 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 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 the oral insulin therapy in diabetes management. ORMP expects to retain exposure to the potential of the oral delivery technology through its stake in and affiliation with Lifeward.

Other investments include in Scilex & Nano Dimension

Another 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. ORMP invested about $99.5 million in Scilex and has to-date recouped about ~$118 million as of June 2026, with further repayments from Scilex expected.

ORMP also purchased a stake in Nano Dimension (Nasdaq: NNDM) and 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. As of the end of 2Q26, ORMP had purchased an aggregate of 18.2 million NNDM shares for roughly $29.4 million and sold 3.1 million, generating aggregate proceeds of about $5.9 million.

Subsequent to the end of 2Q26 and through August 10, 2026, Oramed sold 8.2 million shares of Nano for roughly $12.7 million and closed its remaining options for net proceeds of about $1.2 million. Following these transactions, ORMP held 6.9 million Nano shares as of August 10, 2026.

VALUATION

We believe ORMP shares should be valued based on potential investment portfolio returns and the prospects of advancing ORMD-0801 to regulatory approval and commercialization, which in turn would arguably contribute to share price appreciation on ORMP's stake in Lifeward. Moreover, 4% of net sales of LFWD's ReWalk franchise also adds another source of shareholder value, we believe.

While it is difficult to know the returns ORMP's investment strategies could produce at this early stage, reflecting recent portfolio gains we add ~$2.50 to our valuation reflecting potential upside and revenue share from certain aspects of the LFWD transaction and the company's ongoing investment portfolio. In terms of the oral delivery platform beginning with diabetes, the population with or at risk for diabetes is sizable globally and analysis of data from earlier ORMD-0801 trials support the companies moving forward to potentially attain regulatory approval for ORMD-0801 (and perhaps ORMD-0901 down the road) and commercializing it. 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. Given the expected economics, our NPV for ORMD-0801 near-term prospects is roughly $5.50 per share.

In the aggregate, this yields a valuation of about $8.00 per share. We apply a roughly 85% confidence factor to reflect uncertainty that ORMD-0801 reaches this revenue level within this timeframe and/or that the investment portfolio continues to generate strong returns. This yields an expected valuation of about $7.00 per share.

Potential development and/or economics milestones could cause us to change our confidence metric or other valuation factors. While Oramed paid a special cash dividend of $0.25 per share earlier this year, based largely – we believe – on investment returns, other investments might not be as profitable in the future. Nevertheless, we believe the company will remain a disciplined and strategic investor and in terms of the oral delivery opportunity, 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 the 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.

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, particularly reflecting fluctuating market share prices and liquidity of entities in its investment portfolio.
- ORMP might need to raise additional capital that could be dilutive to existing shareholders.
- Clinical studies with LFWD / potentially others and potential commercialization timelines might be delayed or clinical development assets might not attain regulatory approval.
- 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.

RECENT NEWS

- ORMP reported 2Q26 results on August 10, 2026.
- Oramed announced inclusion in Russell indexes on June 17, 2026.
- 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.
- 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 a warrants repurchase agreement with Scilex.

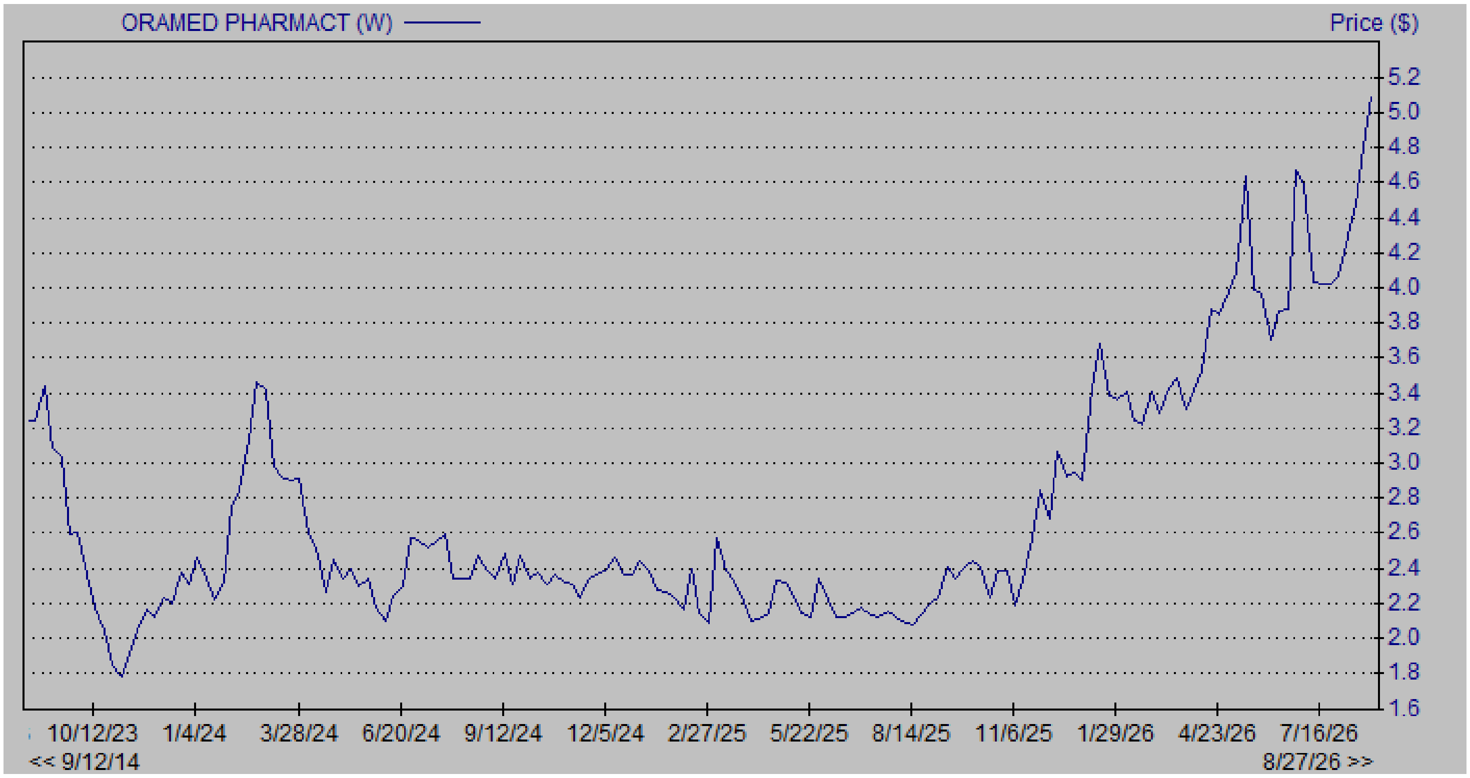
PROJECTED FINANCIALS

Oramed Pharmaceuticals Inc. (Fiscal Year ends Dec. 31*) $Mns	Q1 A	Q2 A	Q3 A	Q4 A	2025 A	Q1 A	Q2 A	Q3 E	Q4 E	2026 E
Total Revenues	**$2.0**	**$0.0**	**$0.0**	**$0.0**	**$2.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
YOY Growth					*NM*					
Cost of Revenue	$2.0	$0.0	$0.0	$0.0	$2.0	$0.0	$0.0	$0.0	$0.0	$0.0
Gross Income	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
Gross Margin	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*	*NM*
Research & Development	$2.2	$1.0	$1.2	$2.0	$6.4	$1.6	$1.6	$1.6	$1.6	$6.4
General & Administrative	$2.3	$1.5	$1.3	$3.7	$8.7	$2.1	$4.8	$4.9	$4.9	$16.6
Other Expenses	$0.0	$0.0	$0.0	$1.0	$1.0	$0.0	$0.0	$0.0	$0.0	$0.0
Operating Income / (loss)	**($4.5)**	**($2.5)**	**($2.4)**	**($4.7)**	**($14.1)**	**($3.7)**	**($6.4)**	**($6.5)**	**($6.5)**	**($23.1)**
Operating Margin					-					
Other Income (Net)	($2.6)	$15.6	$61.9	$14.5	$89.5	$53.1	$157.5	$31.9	$28.7	$271.1
Pre-Tax Income	**($7.1)**	**$13.1**	**$59.5**	**$9.8**	**$75.3**	**$49.4**	**$151.0**	**$25.4**	**$22.2**	**$248.0**
Net Taxes (benefit)	$0.6	$0.1	$11.1	$0.2	$11.3	$11.1	$34.6	$7.3	$6.4	$59.4
Tax Rate					*15.0%*					
Minority interest / other	$0.0	($0.0)	($0.0)	($0.0)	**$0.0**	$0.0	$0.0	$0.0	$0.0	**$0.0**
Reported Net Income	**($7.6)**	**$13.3**	**$48.4**	**$10.0**	**$64.0**	**$38.3**	**$116.5**	**$18.1**	**$15.8**	**$188.6**
Net Margin					-					
Reported EPS	**($0.19)**	**$0.31**	**$1.13**	**$0.23**	**$1.50**	**$0.91**	**$2.76**	**$0.43**	**$0.37**	**$4.47**
YOY Growth										
Basic Shares Outstanding	41.2	42.6	42.8	42.6	42.4	42.0	42.2	42.1	42.2	42.1

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



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