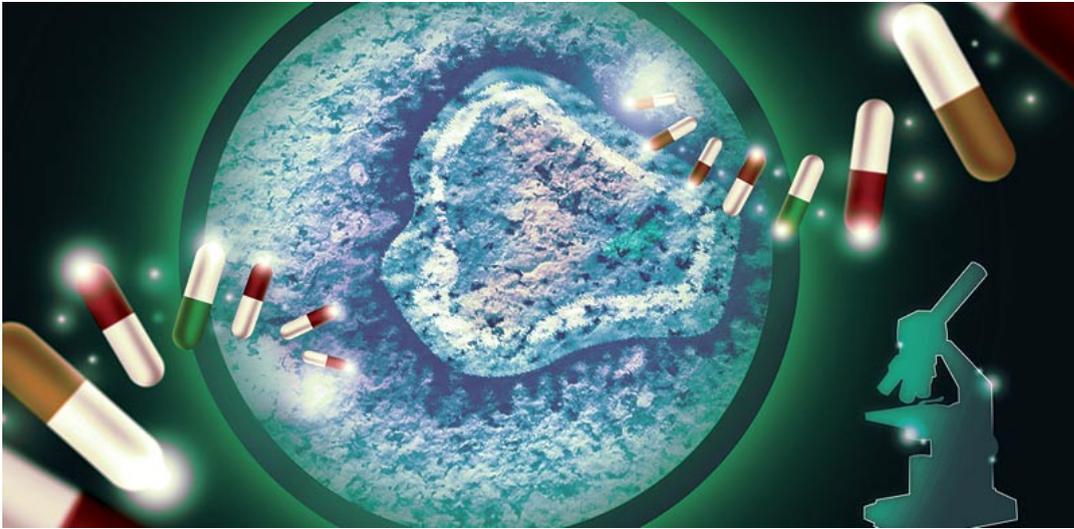


Oramed signs \$50m oral insulin deal with Chinese co



30/11/2015, 14:38 Shiri Habib-Valdhorn

Hefei has signed a \$38 million licensing agreement for the Israeli company's capsule and is investing \$12 million.

Oramed Pharmaceuticals Inc. (NASDAQ: ORMP), an Israeli clinical-stage pharmaceutical company focused on the development of oral drug delivery systems, has signed licensing and investment agreements worth over \$50 million with China's Hefei Life Science & Technology Park Investments and Development Co. Ltd. (HLST). The licensing agreement worth \$38 million gives Hefei exclusive rights to market Oramed's oral insulin capsule, ORMD-0801, in China, Hong Kong and Macau.

The license agreement payments include \$11 million payable in near term installments and the remaining \$27 million upon achievement of certain milestones. In addition, Hefei will pay a 10% royalty on net sales of the related commercialized products.

Oramed will issue to Hefei Life 1,155,469 shares at \$10.39, a 34% premium on the company's current share price, for a \$12 million investment.

Oramed has developed a method to deliver drugs orally rather than by injection. The first application for this method is for the treatment of diabetes by administering insulin orally using capsules currently in a Phase IIb clinical trial in the US.

Oramed was founded in 2006 by CEO Nadav Kidron on the basis of technology developed by Dr. Miriam Kidron, his mother, a doctor at Jerusalem's Hadassah Medical Center.

Nadav Kidron said, "China recently became the country with the largest number of diabetics in the world. Having signed these definitive license and investment agreements, our oral insulin capsule could help serve the growing population of people in China living with diabetes. In addition to the \$50 million in milestone payments and investments, we believe the 10% royalty on net sales throughout China will have a very significant impact on Oramed's future revenues and earnings, upon market approval of ORMD-0801 in China."

The Chinese investors will take it upon themselves to bring the drug to market in China and build the first manufacturing facility there, and will also be responsible for surmounting regulatory hurdles.

Oramed is also in talks over licensing deals with companies in other countries.

The company has been traded on Nasdaq since 2013, and its share price peaked in 2014, giving a market cap of \$250 million, following good trial results for the oral insulin capsule. The share has fallen considerably since then, and Oramed currently has a market cap of \$90 million.

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Nasdaq Dec	S&P 500 Dec	TA Bluet Dec	TA25 Dec	USD/EUR Dec	NIS/EUF
23 17:25	23 17:10	23 17:24	23 17:24	23 17:25	23 17
▲ +0.58% 5030.1	▲ +0.66% 2052.4	▲ +0.47% 326.05	▲ +0.64% 1498	▼ -0.48% 1.0902	▼ -0.47%