
**Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934**

For the Month of May 2020

Commission File Number 001-35948

Kamada Ltd.
(Translation of registrant's name into English)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 6-K

Report of Foreign Private Issuer

**2 Holzman Street
Science Park, P.O. Box 4081
Rehovot 7670402
Israel**
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-____

This Form 6-K is being incorporated by reference into the Registrant's Form S-8 Registration Statements, File Nos. 333-192720, 333-207933, 333-215983, 333-222891 and 333-233267, and the Registrant's Form F-3 Registration Statement, as amended, File No. 333-214816.

The following exhibit is attached:

- | | |
|------|--|
| 99.1 | <u>Press Release: Kamada Reports First Quarter 2020 Financial Results and Highlights Recent Corporate Progress</u> |
| 99.2 | <u>Kamada Ltd.'s Consolidated Financial Statements as of March 31, 2020 (Unaudited)</u> |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 18, 2020

KAMADA LTD.

By: /s/ Orna Naveh
Orna Naveh
General Counsel and Corporate Secretary

EXHIBIT INDEX

<u>EXHIBIT NO.</u>	<u>DESCRIPTION</u>
99.1	Press Release: Kamada Reports First Quarter 2020 Financial Results and Highlights Recent Corporate Progress
99.2	Kamada Ltd.'s Consolidated Financial Statements as of March 31, 2020 (Unaudited)

Kamada Reports First Quarter 2020 Financial Results and Highlights Recent Corporate Progress

- *Total Revenues were \$33.3 Million, an Increase of 24% Year-over-Year*
- *Net Income was \$5.2 Million, an Increase of 6% Year-over-Year*
- *Company Reports Continued Progress of its Development Program of a Plasma-Derived Hyperimmune IgG Therapy for COVID-19; Product Availability for Clinical and Compassionate Use Treatment for COVID-19 patients in Israel is Expected by End of the Second Quarter of 2020*
- *Company's Manufacturing Plant Continues to Operate Without Significant Disruption During Ongoing Coronavirus (COVID-19) Outbreak*
- *Kamada Reiterates Full-Year 2020 Total Revenue Guidance of \$132 Million to \$137 Million*

REHOVOT, Israel – May 18, 2020 — Kamada Ltd. (NASDAQ: KMDA; TASE: KMDA.TA), a plasma-derived biopharmaceutical company, today announced financial results for the three months ended March 31, 2020.

“As the ongoing COVID-19 global pandemic continues to create substantial complications in daily life and business operations, we are focused on the safety and well-being of our employees, who continue to find innovative solutions to support our patients and partners,” said Amir London, Kamada’s Chief Executive Officer. “These efforts contributed to our strong performance in the first quarter of the year. Total revenues were \$33.3 million, an increase of 24 percent year-over-year. These results were driven by similar year-over year increase in sales of both our Proprietary and Distributed products. Based on our strong performance in the first quarter and our current outlook for the remainder of the year, we are reiterating our guidance of total revenues of between \$132 million and \$137 million for full-year 2020.”

“To date, our manufacturing plant remains operational with no effect on business continuity, even amidst the emergency regulations enforced in Israel in recent months due to the COVID-19 pandemic. Moreover, based on the most recent interactions with our U.S. distribution partners regarding finished product inventory levels available for distribution in the U.S and our planned supply for the remainder of the year, we do not anticipate meaningful supply shortages in the foreseeable future in the U.S. market for GLASSIA® or KEDRAB®. In addition, based on currently available inventory levels and planned supply of our Distributed products in Israel, we do not anticipate significant supply shortages in the foreseeable future. Going forward, although certain COVID-19 pandemic-related dynamics may affect market demand and production conditions, we intend to maintain our current manufacturing and supply plans, and increased inventory levels of raw materials through our suppliers and service providers in order to appropriately manage any potential supply disruptions and secure continued manufacturing,” continued Mr. London.

“As previously reported, during the first quarter, we were able to quickly focus our efforts on the development and manufacturing of a plasma-derived hyperimmune IgG product for COVID-19, which leverages our proprietary IgG platform technology, as a potential treatment for COVID-19 patients. We are pleased to report today that we have secured adequate quantities of COVID-19 convalescent plasma in Israel. This has enabled us to initiate manufacturing of the product, which is expected to be available by the end of the second quarter for compassionate use treatment in Israel, based on Israeli Ministry of Health (IMOH) regulations. Concurrently, we have ongoing discussions with the IMOH with regard to the potential initiation of related clinical trials. In addition, we were excited to recently announce our global collaboration with Kedrion Biopharma, which will allow us to more rapidly develop our plasma-derived hyperimmune IgG product for COVID-19 and broaden our international reach,” concluded Mr. London.

Financial Highlights for the Three Months Ended March 31, 2020

- Total revenues were \$33.3 million in the first quarter of 2020, a 24% increase from the \$26.8 million recorded in the first quarter of 2019
- Revenues from the Proprietary Products segment in the first quarter of 2020 were \$25.3 million, a 24% increase from the \$20.4 million reported in the first quarter of 2019
- Revenues from the Distribution segment were \$8.0 million in the first quarter of 2020, a 24% increase from the \$6.4 million recorded in the first quarter of 2019
- Gross profit was \$11.5 million in the first quarter of 2020, a 2% increase from the \$11.2 million reported in the first quarter of 2019; overall gross profitability differences are affected by changes in product sales mix between the quarters
- Operating expenses, including R&D, Sales & Marketing, G&A, and Other expenses, totaled \$6.6 million in the first quarter of 2020, as compared to \$6.0 million in the first quarter of 2019. This increase was primarily driven by increased R&D expenses specifically related to the initiation of the Company's pivotal Phase 3 InnovAATe clinical trial, which is designed to evaluate the Company's proprietary inhaled Alpha-1 Antitrypsin therapy for treatment of Alpha-1 Antitrypsin Deficiency
- Net income was \$5.2 million, or \$0.12 per share, in the first quarter of 2020, as compared to net income of \$4.9 million, or \$0.12 per share, in the first quarter of 2019
- Adjusted EBITDA, as detailed in the tables below, was \$6.3 million in the first quarter of 2020, as compared to \$6.7 million in the first quarter of 2019
- Cash used in operating activities was \$1.9 million in the first quarter of 2020, as compared to cash provided by operating activities of \$6.1 million in the first quarter of 2019. This change in operating activity cash flow is specifically related to timing of payments to suppliers on account of inventories which are expected to be sold later this year

Balance Sheet Highlights

As of March 31, 2020, the Company had cash, cash equivalents, and short-term investments of \$96.4 million, as compared to \$73.9 million at December 31, 2019. This includes the net proceeds generated from the \$25 million private placement transaction with the FIMI Opportunity Fund closed in February 2020.

Recent Corporate Highlights

- Plasma-derived hyperimmune IgG product for COVID-19
 - o Announced a collaboration with Kedrion Biopharma for the development, manufacturing and distribution of a plasma-derived hyperimmune IgG product for COVID-19
 - o Initiated manufacturing of the product based on collected convalescent plasma in Israel; product is expected to be available for clinical and compassionate use treatment in Israel by the end of the second quarter
- Inhaled AAT product
 - o Enrolment in the pivotal Phase 3 InnovAATe clinical trial, which continued through February 2020, was temporarily halted due to the impact of COVID-19 pandemic on healthcare systems. Patients already recruited to the study continued treatment as planned. The Company anticipates resuming enrollment into the study in the third quarter of 2020, pending appropriate conditions at clinical trial sites.
 - o InnovAATe clinical trial is designed to evaluate the Company's proprietary inhaled Alpha-1 Antitrypsin therapy for treatment of Alpha-1 Antitrypsin Deficiency
 - o Obtained U.S. Food and Drug Administration (FDA) acceptance for the protocol design of a 30 patients sub-study, designed to evaluate the effect of Kamada's Inhaled AAT on pharmacokinetics of IV-AAT and collect safety and immunogenicity data, including the effect of anti-drug antibodies (ADA) on AAT levels in plasma. Initiation of this sub-study has been delayed due to COVID-19 pandemic effect

Conference Call

Kamada management will host an investment community conference call on Monday, May 18, at 8:30am Eastern Time to discuss these results and answer questions. Shareholders and other interested parties may participate in the conference call by dialing 877-407-0792 (from within the U.S.), 1809 406 247 (from Israel), or 201-689-8263 (International) and entering the conference identification number: 13699990. The call will also be webcast live on the Internet on the Company's website at www.kamada.com.

About Kamada

Kamada Ltd. ("the Company") is a commercial stage plasma-derived biopharmaceutical company focused on orphan indications, with an existing marketed product portfolio and a late-stage product pipeline. The Company uses its proprietary platform technology and know-how for the extraction and purification of proteins from human plasma to produce Alpha-1 Antitrypsin (AAT) in a highly-purified, liquid form, as well as other plasma-derived immune globulins. The Company's flagship product is GLASSIA®, the first liquid, ready-to-use, intravenous plasma-derived AAT product approved by the U.S. FDA. The Company markets GLASSIA in the U.S. through a strategic partnership with Takeda Pharmaceuticals Company Limited and in other countries through local distributors. The Company's second leading product is KamRab®, a rabies immune globulin (Human) for post-exposure prophylaxis against rabies infection. KamRab is FDA approved and is being marketed in the U.S. under the brand name KEDRAB® through a strategic partnership with Kedrion S.p.A. In addition to Glassia and KEDRAB, the Company has a product line of four other plasma-derived pharmaceutical products administered by injection or infusion, that are marketed through distributors in more than 15 countries, including Israel, Russia, Brazil, India and other countries in Latin America and Asia. The Company has late-stage products in development, including an inhaled formulation of AAT for the treatment of AAT deficiency. In addition, the Company's intravenous AAT is in development for other indications, such as GvHD and prevention of lung transplant rejection. The Company leverages its expertise and presence in the plasma-derived protein therapeutics market by distributing more than 20 complementary products in Israel that are manufactured by third parties. FIMI Opportunity Fund, the leading private equity investor in Israel, is the Company's lead shareholder, beneficially owning approximately 21% of the outstanding ordinary shares.

Cautionary Note Regarding Forward-Looking Statements

This release includes forward-looking statements within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934, as amended, and the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are statements that are not historical facts, including statements regarding 1) the total revenues to be in the range of \$132 million to \$137 million for fiscal 2020; 2) not anticipating meaningful supply shortages in the foreseeable future in the U.S. market for GLASSIA® or KEDRAB®; 3) not anticipating significant supply shortages in the foreseeable future for Kamada's Distributed products in Israel; 4) anticipating maintaining current manufacturing and supply plans; 5) increasing inventory levels of raw materials through suppliers and service providers in order to appropriately manage any potential supply disruptions and secure continued manufacturing; 6) anticipating availability for clinical and compassionate-use treatment in Israel of a plasma-derived hyperimmune IgG product for COVID-19, from COVID-19 convalescent plasma, by the end of the second quarter of 2020; 7) anticipating that the global collaboration with Kedrion Biopharma will allow Kamada to speed up the development of the plasma-derived hyperimmune IgG product for COVID-19 and broaden the product's international reach; and 8) anticipating that Phase 3 InnovAATe clinical trial will resume enrollment in the third quarter of 2020. Forward-looking statements are based on Kamada's current knowledge and its present beliefs and expectations regarding possible future events and are subject to risks, uncertainties and assumptions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of several factors including, but not limited to, the continued evolution of the COVID-19 pandemic, its effect and duration, availability of sufficient raw materials required to maintain manufacturing plans, the effects of the COVID-19 pandemic and related government mandates on the availability of adequate levels of work-force required to maintain manufacturing plans, disruption to the supply chain due to COVID-19 pandemic, continuation of inbound and outbound international delivery routes, continued demand for Kamada's products, including GLASSIA and KEDRAB, in the U.S. market and its distributed products in Israel, ability to obtain regulatory approval for clinical trials of the plasma-derived hyperimmune IgG product for COVID-19, unexpected results of clinical studies and on-going compassionate-use treatments, ability to find doctors and medical facilities to collaborate on compassionate-use treatments, Kamada's ability to manage operating expenses, additional competition in the markets that Kamada competes, regulatory delays, prevailing market conditions and the impact of general economic, industry or political conditions in the U.S., Israel or otherwise. The forward-looking statements made herein speak only as of the date of this announcement and Kamada undertakes no obligation to update publicly such forward-looking statements to reflect subsequent events or circumstances, except as otherwise required by law.

CONTACTS:

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Consolidated Balance Sheets

	As of March 31,		As of
	2020	2019	December 31,
	Unaudited		2019
			Audited
	U.S Dollars in thousands		
<u>Assets</u>			
<u>Current Assets</u>			
Cash and cash equivalents	\$ 49,288	\$ 22,037	\$ 42,662
Short-term investments	47,124	33,800	31,245
Trade receivables, net	26,266	23,210	23,210
Other accounts receivables	1,736	3,442	3,272
Inventories	41,787	31,708	43,173
Total Current Assets	166,201	114,197	143,562
<u>Non-Current Assets</u>			
Property, plant and equipment, net	24,379	24,642	24,550
Right-of-use assets	3,800	4,187	4,022
Other long term assets	1,053	174	352
Deferred expenses	421	-	-
Deferred taxes	939	1,895	1,311
Total Non-Current Assets	30,592	30,898	30,235
Total Assets	\$ 196,793	\$ 145,095	\$ 173,797
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Current maturities of bank loans	\$ 465	\$ 470	\$ 489
Current maturities of lease liabilities	928	961	1,020
Trade payables	18,440	15,255	24,830
Other accounts payables	4,875	4,424	5,811
Deferred revenues	649	461	589
Total Current Liabilities	25,357	21,571	32,739
<u>Non-Current Liabilities</u>			
Bank loans	138	591	257
Lease liabilities	3,663	4,036	3,981
Deferred revenues	569	605	232
Employee benefit liabilities, net	1,251	823	1,269
Total Non-Current Liabilities	5,621	6,055	5,739
<u>Shareholder's Equity</u>			
Ordinary shares	11,647	10,412	10,425
Additional paid in capital net	204,702	179,352	180,819
Capital reserve due to translation to presentation currency	(3,490)	(3,490)	(3,490)
Capital reserve from hedges	264	11	8
Capital reserve from financial assets measured at fair value through other comprehensive income	-	118	145
Capital reserve from share-based payments	8,903	9,463	8,844
Capital reserve from employee benefits	(356)	4	(359)
Accumulated deficit	(55,855)	(78,401)	(61,073)
Total Shareholder's Equity	165,815	117,469	135,319
Total Liabilities And Shareholder's Equity	\$ 196,793	\$ 145,095	\$ 173,797

Consolidated Statements of Comprehensive Income

	Three months period ended March 31,		Year ended December 31,
	2020	2019	2019
	Unaudited		Audited
	U.S Dollars in thousands		
Revenues from proprietary products	\$ 25,317	\$ 20,381	\$ 97,696
Revenues from distribution	7,973	6,416	29,491
Total revenues	33,290	26,797	127,187
Cost of revenues from proprietary products	14,947	10,490	52,425
Cost of revenues from distribution	6,892	5,123	25,025
Total cost of revenues	21,839	15,613	77,450
Gross profit	11,451	11,184	49,737
Research and development expenses	3,347	2,766	13,059
Selling and marketing expenses	940	1,092	4,370
General and administrative expenses	2,312	2,094	9,194
Other expense	2	23	330
Operating income	4,850	5,209	22,784
Financial income	317	280	1,146
Income (expense) in respect of securities measured at fair value, net	102	(52)	(5)
Income (expense) in respect of currency exchange differences and derivatives instruments, net	432	(313)	(651)
Financial expense	(77)	(71)	(293)
Income before tax on income	5,624	5,053	22,981
Taxes on income	406	130	730
Net Income	\$ 5,218	\$ 4,923	\$ 22,251
Other Comprehensive Income (loss) :			
Amounts that will be or that have been reclassified to profit or loss when specific conditions are met			
Gain (loss) from securities measured at fair value through other comprehensive income	(188)	108	143
Gain on cash flow hedges	241	74	92
Net amounts transferred to the statement of profit or loss for cash flow hedges	34	(2)	(23)
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) from defined benefit plan	-	-	(388)
Tax effect	27	(28)	(11)
Total comprehensive income	\$ 5,332	\$ 5,075	\$ 22,064
Earnings per share attributable to equity holders of the Company:			
Basic income per share	\$ 0.12	\$ 0.12	\$ 0.55
Diluted income per share	\$ 0.12	\$ 0.12	\$ 0.55

Consolidated Statements of Cash Flows

	Three months period Ended		Year Ended
	March 31,		December 31,
	2020	2019	2019
	Unaudited		Audited
	U.S Dollars in thousands		
Net income	\$ 5,218	\$ 4,923	\$ 22,251
Adjustments to reconcile net income to net cash provided by operating activities:			
Adjustments to the profit or loss items:			
Depreciation and impairment	1,192	1,127	4,519
Financial expenses (income), net	(774)	156	(197)
Cost of share-based payment	258	315	1,163
Taxes on income	406	130	730
Loss (gain) from sale of property and equipment	-	(6)	(2)
Change in employee benefit liabilities, net	(18)	36	94
	<u>1,064</u>	<u>1,758</u>	<u>6,307</u>
Changes in asset and liability items:			
Decrease (increase) in trade receivables, net	(3,016)	4,727	5,117
Decrease (increase) in other accounts receivables	1,513	131	(214)
Decrease (increase) in inventories	1,386	(2,392)	(13,857)
Decrease (increase) in deferred expenses	(421)	(246)	399
Increase (decrease) in trade payables	(7,216)	(2,368)	6,259
Increase (decrease) in other accounts payables	(1,180)	(510)	863
Increase (decrease) in deferred revenues	397	(63)	(283)
	<u>(8,537)</u>	<u>(721)</u>	<u>(1,716)</u>
Cash received (paid) during the year for:			
Interest paid	(55)	(63)	(243)
Interest received	451	172	1,106
Taxes paid	(61)	(8)	(134)
	<u>335</u>	<u>101</u>	<u>729</u>
<u>Net cash provided by (used in) operating activities</u>	<u>\$ (1,920)</u>	<u>\$ 6,061</u>	<u>\$ 27,571</u>

Consolidated Statements of Cash Flows

	Three months period Ended March 31,		Year Ended December 31,
	2020	2019	2019
	Unaudited		Audited
	U.S Dollars in thousands		
<u>Cash Flows from Investing Activities</u>			
Investment in short term investments, net	\$ (15,646)	\$ (1,058)	\$ 1,727
Purchase of property and equipment and intangible assets	(896)	(304)	(2,300)
Proceeds from sale of property and equipment	-	6	9
Net cash used in investing activities	<u>(16,542)</u>	<u>(1,356)</u>	<u>(564)</u>
<u>Cash Flows from Financing Activities</u>			
Proceeds from exercise of share base payments	5	3	16
Repayment of lease liabilities	(278)	(263)	(1,070)
Repayment of long-term loans	(123)	(115)	(476)
Proceeds from issuance of ordinary shares, net	<u>24,894</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>24,498</u>	<u>(375)</u>	<u>(1,530)</u>
Exchange differences on balances of cash and cash equivalent	<u>590</u>	<u>(386)</u>	<u>(908)</u>
Increase in cash and cash equivalents	6,626	3,944	24,569
<u>Cash and cash equivalents at the beginning of the year</u>	<u>42,662</u>	<u>18,093</u>	<u>18,093</u>
<u>Cash and cash equivalents at the end of the year</u>	<u>\$ 49,288</u>	<u>\$ 22,037</u>	<u>\$ 42,662</u>
<u>Significant non-cash transactions</u>			
Purchase of property and equipment through capital lease	<u>\$ 58</u>	<u>\$ 4,431</u>	<u>\$ 5,035</u>
Purchase of property and equipment	<u>\$ 579</u>	<u>\$ 235</u>	<u>\$ 992</u>

Adjusted EBITDA

	Three months period Ended March 31,		Year ended December 31,
	2020	2019	2019
	U.S. Dollars in thousands		
Net income (loss)	\$ 5,218	\$ 4,923	\$ 22,251
Taxes on income	406	130	730
Financial income, net	(774)	156	(197)
Depreciation and amortization expense	1,192	1,127	4,519
Cost of share - based payments	258	315	1,163
Adjusted EBITDA	<u>\$ 6,300</u>	<u>\$ 6,651</u>	<u>\$ 28,466</u>

Adjusted Net Income

	Three months period Ended March 31,		Year ended December 31,
	2020	2019	2019
	U.S. Dollars in thousands		
Net income (loss)	\$ 5,218	\$ 4,923	\$ 22,251
Cost of share - based payments	258	315	1,163
Adjusted net income	<u>\$ 5,476</u>	<u>\$ 5,238</u>	<u>\$ 23,414</u>

KAMADA LTD.
CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2020
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CONSOLIDATED BALANCE SHEETS

	As of March 31,		As of December 31,
	2020	2019	2019
	Unaudited		Audited
	U.S Dollars in thousands		
<u>Assets</u>			
<u>Current Assets</u>			
Cash and cash equivalents	\$ 49,288	\$ 22,037	\$ 42,662
Short-term investments	47,124	33,800	31,245
Trade receivables, net	26,266	23,210	23,210
Other accounts receivables	1,736	3,442	3,272
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Deferred taxes	939	1,895	1,311
Total Non-Current Assets	30,592	30,898	30,235
Total Assets	\$ 196,793	\$ 145,095	\$ 173,797
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Current maturities of bank loans	\$ 465	\$ 470	\$ 489
Current maturities of lease liabilities	928	961	1,020
Trade payables	18,440	15,255	24,830
Other accounts payables	4,875	4,424	5,811
Deferred revenues	649	461	589
Total Current Liabilities	25,357	21,571	32,739
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Bank loans	138	591	257
Lease liabilities	3,663	4,036	3,981
Deferred revenues	569	605	232
Employee benefit liabilities, net	1,251	823	1,269
Total Non-Current Liabilities	5,621	6,055	5,739
<u>Shareholder's Equity</u>			
Ordinary shares	11,647	10,412	10,425
Additional paid in capital net	204,702	179,352	180,819
Capital reserve due to translation to presentation currency	(3,490)	(3,490)	(3,490)
Capital reserve from hedges	264	11	8
Capital reserve from financial assets measured at fair value through other comprehensive income	-	118	145
Capital reserve from share-based payments	8,903	9,463	8,844
Capital reserve from employee benefits	(356)	4	(359)
Accumulated deficit	(55,855)	(78,401)	(61,073)
Total Shareholder's Equity	165,815	117,469	135,319
Total Liabilities And Shareholder's Equity	\$ 196,793	\$ 145,095	\$ 173,797

The accompanying Notes are an integral part of the Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

	Three months period ended March 31,		Year ended December 31,
	2020	2019	2019
	Unaudited		Audited
	U.S Dollars in thousands		
Revenues from proprietary products	\$ 25,317	\$ 20,381	\$ 97,696
Revenues from distribution	7,973	6,416	29,491
Total revenues	33,290	26,797	127,187
Cost of revenues from proprietary products	14,947	10,490	52,425
Cost of revenues from distribution	6,892	5,123	25,025
Total cost of revenues	21,839	15,613	77,450
Gross profit	11,451	11,184	49,737
Research and development expenses	3,347	2,766	13,059
Selling and marketing expenses	940	1,092	4,370
General and administrative expenses	2,312	2,094	9,194
Other expense	2	23	330
Operating income	4,850	5,209	22,784
Financial income	317	280	1,146
Income (expense) in respect of securities measured at fair value, net *	102	(52)	(5)
Income (expense) in respect of currency exchange differences and derivatives instruments, net	432	(313)	(651)
Financial expense	(77)	(71)	(293)
Income before tax on income	5,624	5,053	22,981
Taxes on income	406	130	730
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Remeasurement gain (loss) from defined benefit plan	-	-	(388)
Tax effect	27	(28)	(11)
Total comprehensive income	\$ 5,332	\$ 5,075	\$ 22,064
Earnings per share attributable to equity holders of the Company:			
Basic income per share	\$ 0.12	\$ 0.12	\$ 0.55
Diluted income per share	\$ 0.12	\$ 0.12	\$ 0.55

* Refer to note 5c for additional information.

The accompanying Notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Additional paid in capital	Capital reserve from securities measured at fair value through other comprehensive income	Capital reserve due to translation to presentation currency	Capital reserve from hedges	Capital reserve from share-based payments	Capital reserve from employee benefits	Accumulated deficit	Total equity
	Unaudited								
	In thousands								
Balance as of January 1, 2020 (audited)	\$ 10,425	\$ 180,819	\$ 145	\$ (3,490)	\$ 8	\$ 8,844	\$ (359)	\$ (61,073)	\$135,319
Net income	-	-	-	-	-	-	-	5,218	5,218
Other comprehensive income (loss)	-	-	(188)	-	275	-	-	-	87
Tax effect	-	-	43	-	(19)	-	3	-	27
Total comprehensive income (loss)	-	-	(145)	-	256	-	3	5,218	5,332
Issuance of ordinary shares	1,217	23,684	-	-	-	-	-	-	24,901
Exercise and forfeiture of share-based payment into shares	5	199	-	-	-	(199)	-	-	5
Cost of share-based payment	-	-	-	-	-	258	-	-	258
Balance as of March 31, 2020	<u>\$ 11,647</u>	<u>\$ 204,702</u>	<u>\$ -</u>	<u>\$ (3,490)</u>	<u>\$ 264</u>	<u>\$ 8,903</u>	<u>\$ (356)</u>	<u>\$ (55,855)</u>	<u>\$165,815</u>

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Additional paid in capital	Capital reserve from securities measured at fair value through other comprehensive income	Capital reserve due to translation to presentation currency	Capital reserve from hedges	Capital reserve from sharebased payments	Capital reserve from employee benefits	Accumulated deficit	Total equity
					Unaudited				
					U.S Dollars in thousands				
Balance as of January 1, 2019 (audited)	\$ 10,409	\$ 179,147	\$ 34	\$ (3,490)	\$ (57)	\$ 9,353	\$ 4	\$ (83,024)	\$112,376
Cumulative effect of initially application of IFRS 16	-	-	-	-	-	-	-	(300)	(300)
Balance as at January 1, 2019 (after initially application of IFRS 16)	10,409	179,147	34	(3,490)	(57)	9,353	4	(83,324)	112,076
Net income	-	-	-	-	-	-	-	4,923	4,923
Other comprehensive income	-	-	108	-	72	-	-	-	180
Tax effect	-	-	(24)	-	(4)	-	-	-	(28)
Total comprehensive income (loss)	-	-	84	-	68	-	-	4,923	5,075
Exercise and forfeiture of share-based payment into shares	3	205	-	-	-	(205)	-	-	3
Cost of share-based payment	-	-	-	-	-	315	-	-	315
Balance as of March 31, 2019	<u>\$ 10,412</u>	<u>\$ 179,352</u>	<u>\$ 118</u>	<u>\$ (3,490)</u>	<u>\$ 11</u>	<u>\$ 9,463</u>	<u>\$ 4</u>	<u>\$ (78,401)</u>	<u>\$117,469</u>

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Additional paid in capital	Capital reserve from securities measured at fair value through other comprehensive income	Capital reserve due to translation to presentation currency	Capital reserve from hedges	Capital reserve from sharebased payments	Capital reserve from employee benefits	Accumulated deficit	Total equity
	Audited								
	U.S Dollars in thousands								
Balance as of January 1, 2019 (audited)	\$ 10,409	\$ 179,147	\$ 34	\$ (3,490)	\$ (57)	\$ 9,353	\$ 4	\$ (83,024)	\$112,376
Cumulative effect of initially application of IFRS 16	-	-	-	-	-	0	0	(300)	(300)
Balance as at January 1, 2019 (after initially application of IFRS 16)	10,409	179,147	34	(3,490)	(57)	9,353	4	(83,324)	112,076
Net income	-	-	-	-	-	-	-	22,251	22,251
Other comprehensive income	-	-	143	-	69	-	(388)	-	(176)
Tax effect	-	-	(32)	-	(4)	-	25	-	(11)
Total comprehensive income	-	-	111	-	65	-	(363)	22,251	22,064
Exercise and forfeiture of share-based payment into shares	16	1,672	-	-	-	(1,672)	-	-	16
Cost of share-based payment	-	-	-	-	-	1,163	-	-	1,163
Balance as of December 31, 2019	<u>\$ 10,425</u>	<u>\$ 180,819</u>	<u>\$ 145</u>	<u>\$ (3,490)</u>	<u>\$ 8</u>	<u>\$ 8,844</u>	<u>\$ (359)</u>	<u>\$ (61,073)</u>	<u>\$135,319</u>

The accompanying Notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months period Ended March 31,		Year Ended December 31,
	2020	2019	2019
	Unaudited		Audited
	U.S Dollars in thousands		U.S Dollars in thousands
Net income	\$ 5,218	\$ 4,923	\$ 22,251
Adjustments to reconcile net income to net cash provided by operating activities:			
Adjustments to the profit or loss items:			
Depreciation and impairment	1,192	1,127	4,519
Financial expenses (income), net	(774)	156	(197)
Cost of share-based payment	258	315	1,163
Taxes on income	406	130	730
Loss (gain) from sale of property and equipment	-	(6)	(2)
Change in employee benefit liabilities, net	(18)	36	94
	<u>1,064</u>	<u>1,758</u>	<u>6,307</u>
Changes in asset and liability items:			
Decrease (increase) in trade receivables, net	(3,016)	4,727	5,117
Decrease (increase) in other accounts receivables	1,513	131	(214)
Decrease (increase) in inventories	1,386	(2,392)	(13,857)
Decrease (increase) in deferred expenses	(421)	(246)	399
Increase (decrease) in trade payables	(7,216)	(2,368)	6,259
Increase (decrease) in other accounts payables	(1,180)	(510)	863
Increase (decrease) in deferred revenues	397	(63)	(283)
	<u>(8,537)</u>	<u>(721)</u>	<u>(1,716)</u>
Cash received (paid) during the year for:			
Interest paid	(55)	(63)	(243)
Interest received	451	172	1,106
Taxes paid	(61)	(8)	(134)
	<u>335</u>	<u>101</u>	<u>729</u>
<u>Net cash provided by (used in) operating activities</u>	<u>\$ (1,920)</u>	<u>\$ 6,061</u>	<u>\$ 27,571</u>

The accompanying Notes are an integral part of the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months period Ended March 31,		Year Ended December 31,
	2020	2019	2019
	Unaudited		Audited
	U.S Dollars in thousands		U.S Dollars in thousands
<u>Cash Flows from Investing Activities</u>			
Investment in short term investments, net	\$ (15,646)	\$ (1,058)	\$ 1,727
Purchase of property and equipment and intangible assets	(896)	(304)	(2,300)
Proceeds from sale of property and equipment	-	6	9
Net cash used in investing activities	<u>(16,542)</u>	<u>(1,356)</u>	<u>(564)</u>
<u>Cash Flows from Financing Activities</u>			
Proceeds from exercise of share base payments	5	3	16
Repayment of lease liabilities	(278)	(263)	(1,070)
Repayment of long-term loans	(123)	(115)	(476)
Proceeds from issuance of ordinary shares, net	<u>24,894</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>24,498</u>	<u>(375)</u>	<u>(1,530)</u>
Exchange differences on balances of cash and cash equivalent	<u>590</u>	<u>(386)</u>	<u>(908)</u>
Increase in cash and cash equivalents	6,626	3,944	24,569
<u>Cash and cash equivalents at the beginning of the year</u>	<u>42,662</u>	<u>18,093</u>	<u>18,093</u>
<u>Cash and cash equivalents at the end of the year</u>	<u>\$ 49,288</u>	<u>\$ 22,037</u>	<u>\$ 42,662</u>
<u>Significant non-cash transactions</u>			
Purchase of property and equipment through capital lease	\$ 58	\$ 4,431	\$ 5,035
Purchase of property and equipment	\$ 579	\$ 235	\$ 992

The accompanying Notes are an integral part of the Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1:- General

Kamada Ltd. (“the Company”) is a plasma-derived biopharmaceutical company focused on orphan indications, with an existing marketed product portfolio and a late-stage product pipeline. The Company uses its proprietary platform technology and know-how for the extraction and purification of proteins from human plasma to produce Alpha-1 Antitrypsin (AAT) in a highly-purified, liquid form, as well as other plasma-derived immune globulins. The Company’s flagship product is Glassia® (“Glassia”), the first liquid, ready-to-use, intravenous plasma-derived AAT product approved by the U.S. FDA. The Company markets Glassia in the U.S. through a strategic partnership with Takeda Pharmaceuticals Company Limited (“Takeda”) and in other countries through local distributors. The Company’s second leading product is KamRab®, a rabies immune globulin (Human) for post-exposure prophylaxis against rabies infection. KamRab is FDA approved and is being marketed in the U.S. under the brand name KedRab® (“KedRab”) through a strategic partnership with Kedrion S.p.A. In addition to Glassia and KedRab, the Company has a product line of four other plasma-derived pharmaceutical products administered by injection or infusion, that are marketed through distributors in more than 15 countries, including Israel, Russia, Brazil, India and other countries in Latin America and Asia. The Company has late-stage products in development, including an inhaled formulation of AAT for the treatment of AAT deficiency. In addition, the Company’s intravenous AAT is in development for other indications, such as GvHD and prevention of lung transplant rejection. The Company leverages its expertise and presence in the plasma-derived protein therapeutics market by distributing more than 20 complementary products in Israel that are manufactured by third parties.

Pursuant to the agreement with Takeda (as detailed on Note 17 of the Company’s annual financial statements as of December 31, 2019) the Company will continue to produce Glassia for Takeda through 2021. Takeda is planning to complete the technology transfer of Glassia, and pending FDA approval, will initiate its own production of Glassia for the U.S. market in 2021. Accordingly, following the transition of manufacturing to Takeda, the Company will terminate the manufacturing and sale of Glassia to Takeda resulting in a significant reduction in revenues. Pursuant to the agreement, upon initiation of sales of Glassia manufactured by Takeda, Takeda will pay royalties to the Company at a rate of 12% on net sales through August 2025, and at a rate of 6% thereafter until 2040, with a minimum of \$5 million annually, for each of the years from 2022 to 2040.

These Financial Statements have been prepared in a condensed format as of March 31, 2020 and for the three months then ended (“interim consolidated financial statements”).

These financial statements should be read in conjunction with the Company’s annual financial statements as of December 31, 2019 and for the year then ended and the accompanying notes (“annual consolidated financial statements”).

Note 2:- Significant Accounting Policies

a. Basis of preparation of the interim consolidated financial statements:

The interim consolidated financial statements have been prepared in accordance with generally accepted accounting principles for the preparation of financial statements for interim periods, as prescribed in IAS 34, “Interim Financial Reporting”.

b. Implementation of new accounting standards

The accounting policy applied in the preparation of the interim consolidated financial statements is consistent with that applied in the preparation of the annual consolidated financial statements, except for the following:

Amendments to IFRS 9, IFRS 7 and IAS 39

In September 2019, the IASB published an amendment to IFRS 9, “Financial Instruments”, IFRS 7, “Financial Instruments: Disclosures” and IAS 39, “Financial Instruments: Recognition and Measurement” (“the Amendment”).

In view of global regulatory changes, numerous countries have considered introducing a reform in the benchmark Interbank Offered Rates (“IBORs”) (LIBOR, the London Interbank Offered Rate, being one of the most common examples) and switching to a risk-free interest rate alternative (“RFR”) which extensively rely on data of specific transactions. The IBOR reform leads to uncertainty regarding the dates and amounts to be attributed to future cash flows relating to both hedging instruments and hedged items that rely on existing IBORs.

According to the existing accounting guidance of IFRS 9 and IAS 39, entities that have entered into the above hedges are facing uncertainty as a result of the IBOR reform which is likely to affect their ability to continue meeting the effective hedging requirements underlying existing transactions as well as the hedging requirements of future transactions. In order to resolve this uncertainty, the IASB issued the Amendment to offer transitional reliefs for entities that apply IBOR-based hedge accounting. The Amendment represents phase one in the reform that will include additional amendments in the future.

The Amendment also permits certain reliefs in applying the hedge accounting effectiveness tests during the period of transition from IBORs to RFRs. These reliefs assume that the benchmark interest underlying the hedge will not change as a result of the expected interest reform. The reliefs will be effective indefinitely, until the occurrence of one of the events specified in the Amendment. The Amendment also requires entities to provide specific disclosures of the application of any reliefs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 2:- Significant Accounting Policies (cont.)

The Amendment was applied retrospectively for annual periods beginning on or after January 1, 2020.

The Company estimates that the adoption of the Amendment will have no effect on its financial statements since it does not currently enter into substantial IBOR-based hedges.

Note 3:- Significant events in the reporting period

a. Effects of the COVID-19 Outbreak:

Following the global COVID-19 outbreak, there has been a decrease in economic activity worldwide, including Israel. The spread of the COVID-19 pandemic led, inter alia, to a disruption in the global supply chain, a decrease in global transportation, restrictions on travel and work that were announced by the State of Israel and other countries worldwide as well as a decrease in the value of financial assets and commodities across all markets in Israel and the world.

To date the Company's manufacturing plant remains operational with no effect on business continuity.

The Company intends to maintain its current manufacturing and supply plans and increased its inventory levels of raw materials through our suppliers and service providers in order to appropriately manage any potential supply disruptions and secure continued manufacturing. In addition, the Company is actively engaging its freight carriers to ensure inbound and outbound international delivery routes remain operational and identify alternative routes, if needed.

The Company is complying with the State of Israel mandates and recommendations with respect to its work-force management and currently maintains the work-force levels required to support its ongoing commercial operations. The Company has taken a number of precautionary health and safety measures to safeguard its employees and continues to monitor and assess orders issued by the State of Israel and other applicable governments to ensure compliance with evolving COVID-19 guidelines.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3:- Significant events in the reporting period (cont.)

While the impact of the COVID-19 pandemic on the Company's financial results for the first quarter of 2020 was not material, and the Company expects meeting its annual sales guidance, a number of COVID-19 pandemic-related dynamics may still affect market demand for the Company's products, availability of raw materials and potential effects on the Company's employees all of which may have an effect on the Company's future financial position and results of operations.

- b. On February 10, 2020, the Company closed a private placement with FIMI Opportunity Fund 6, L.P. and FIMI Israel Opportunity Fund 6, Limited Partnership (the "FIMI Funds"), a then 12.99% stockholder of the Company. Pursuant to the private placement the Company issued 4,166,667 ordinary shares at a price of \$6.00 per share, for an aggregate net proceeds of \$24,894 thousands. Upon closing of the private placement, the FIMI Funds ownership represented approximately 21% of the Company's outstanding shares. Concurrently, the Company entered into a registration rights agreement with the FIMI Funds, pursuant to which the FIMI Funds are entitled to customary demand registration rights (effective six months following the closing of the transaction) and piggyback registration rights with respect to all shares held by FIMI Funds. Mr. Ishay Davidi, Ms. Lilach Asher Topilsky and Mr. Amiram Boehm, members of our board of directors, are executives of the FIMI Funds.
- c. On March 25, 2020, the Company's shareholders approved the grant of options to purchase 90,000 Ordinary Shares of the Company at an exercise price of NIS 21.34 per share and 30,000 Restricted Shares ("RS") to the Company's Chief Executive Officer. The fair value of the options and of the RSs was \$166 thousands and \$167 thousands, respectively, estimated based on the binomial option valuation model.

In addition, on such date, the Company's shareholders approved the grant of options to purchase 212,000 Ordinary Shares of the Company at an exercise price of NIS 23.67 per share to members of the Company's Board of Directors. The fair value of the options calculated on the date of grant was estimated at \$356 thousands using the binomial option valuation model.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**Note 4:- Operating Segments**

a. General:

The company has two operating segments, as follows:

- Proprietary Products - Medicine development, manufacture and sale of plasma-derived therapeutics products.
- Distribution - Distribution in Israel of drugs manufactured by third parties, majority of which are produced from plasma or its derivatives products.

b. Reporting on operating segments:

Three months period ended March 31, 2020			
	Proprietary Products	Distribution	Total
	U.S Dollars in thousands		
	Unaudited		
Revenues	\$ 25,317	\$ 7,973	\$ 33,290
Gross profit	\$ 10,370	\$ 1,081	\$ 11,451
Unallocated operational expenses			(6,601)
Finance income (expense), net			774
Income before taxes on income			\$ 5,624

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4:- Operating Segments (cont.)

b. Reporting on operating segments (continued):

Three months period ended March 31, 2019			
	Proprietary Products	Distribution	Total
	U.S Dollars in thousands		
	Unaudited		
Revenues	\$ 20,381	\$ 6,416	\$ 26,797
Gross profit	\$ 9,891	\$ 1,293	\$ 11,184
Unallocated operational expenses			(5,975)
Finance income (expense), net			(156)
Income before taxes on income			\$ 5,053

Year ended December 31, 2019			
	Proprietary Products	Distribution	Total
	U.S Dollars in thousands		
	Audited		
Revenues	\$ 97,696	\$ 29,491	\$ 127,187
Gross profit	\$ 45,271	\$ 4,466	\$ 49,737
Unallocated operational expenses			(26,953)
Finance income (expense), net			197
Income before taxes on income			\$ 22,981

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4:- Operating Segments (cont.)

c. Reporting on operating segments by geographic region:

	Three months period ended March 31, 2020		
	Proprietary		
	Products	Distribution	Total
	U.S Dollars in thousands		
	Unaudited		
<u>Geographical markets</u>			
U.S.A.	\$ 22,721	\$ -	\$ 22,721
Israel	589	7,973	8,562
Europe	553	-	553
Latin America	858	-	858
Asia	113	-	113
Others	483	-	483
	\$ 25,317	\$ 7,973	\$ 33,290

	Three months period ended March 31, 2019		
	Proprietary		
	Products	Distribution	Total
	U.S Dollars in thousands		
	Unaudited		
<u>Geographical markets</u>			
U.S.A.	\$ 18,062	\$ -	\$ 18,062
Israel	547	6,416	6,963
Europe	873	-	873
Latin America	239	-	239
Asia	660	-	660
Others	-	-	-
	\$ 20,381	\$ 6,416	\$ 26,797

	Year ended December 31, 2019		
	Proprietary		
	Products	Distribution	Total
	U.S Dollars in thousands		
	Audited		
Geographical markets			
U.S.A.	\$ 84,572	\$ -	\$ 84,572
Israel	2,468	29,491	31,959
Europe	4,701	-	4,701
Latin America	3,792	-	3,792
Asia	2,067	-	2,067
Others	96	-	96
	\$ 97,696	\$ 29,491	\$ 127,187

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 5:- Financial Instruments

- a. Classification of financial instruments by fair value hierarchy

Financial assets (liabilities) measured at fair value

	<u>Level 1</u>	<u>Level 2</u>
	<u>U.S Dollars in thousands</u>	
<u>March 31, 2020</u>		
Derivatives instruments	-	(245)
	<u>\$ -</u>	<u>\$ (245)</u>
<u>March 31, 2019</u>		
Debt securities (corporate and government) measured at fair value through other comprehensive income	\$ 1,661	\$ 8,849
Derivatives instruments	-	19
	<u>\$ 1,661</u>	<u>\$ 8,868</u>
<u>December 31, 2019</u>		
Debt securities (corporate and government) measured at fair value through other comprehensive income	\$ 4,289	\$ 8,543
Derivatives instruments	-	15
	<u>\$ 4,289</u>	<u>\$ 8,558</u>

- b. During the three months ended March 31, 2020 there were no transfers from Level 1 to Level 2, and to or from Level 3 due to the fair value measurement of any financial instrument.
- c. During the three months ended March 31, 2020, the Company divested all of its investments in debt securities (corporate and government) and realized the fair value of such debt securities through other comprehensive income. As a result, the Company recognized \$102 thousands in Consolidated Statements of Comprehensive Income.
