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

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the Month of August 2022

Commission File Number 001-35948

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

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](#), [333-233267](#) and [333-265866](#).

The following exhibit is attached:

99.1	Kamada Reports Second Quarter and First Half 2022 Financial Results; Significant Growth Driven by Multiple Catalysts Expected in Second Half of 2022; Reiterates 2022 Revenue and Profitability Guidance
99.2	Kamada Ltd's Consolidated Financial Statements as of June 30, 2022 (Unaudited)
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

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: August 17, 2022

KAMADA LTD.

By: /s/ Yifat Philip
Yifat Philip
Vice President General Counsel and
Corporate Secretary

EXHIBIT INDEX

<u>EXHIBIT NO.</u>	<u>DESCRIPTION</u>
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**Kamada Reports Second Quarter and First Half 2022 Financial Results;
Significant Growth Driven by Multiple Catalysts Expected in Second Half of 2022;
Reiterates 2022 Revenue and Profitability Guidance**

- *Second Quarter 2022 Revenues were \$23.6 Million; First Half 2022 Revenues of \$51.7 Million Increased 5% Year-Over-Year*
- *First Half 2022 Adjusted EBITDA of \$4.6 Million; Excluding Labor Strike Related Loss, Adjusted EBITDA Totaled \$8.0 Million, Representing Adjusted EBITDA Margins of 15% of First Half 2022 Revenues*
- *Generated Operating Cash Flows of \$16.4 Million in First Half of 2022, Supporting the Increase of Cash Position to \$29.9 Million as of June 30, 2022*
- *2022 Year-to-Date Progress is Indicative of the Company's Evolution into a Diversified Fully Integrated Commercial Company with Multiple Growth Drivers*
- *Significant Revenue and Profitability Growth Expected in Second Half of 2022, Supporting the Reiteration of Fiscal Year 2022 Revenue Guidance of \$125 - \$135 Million, Representing a 20% to 30% Increase over 2021 and Adjusted EBITDA Margins Anticipated Between 12% -15%, More Than 2.5x Over 2021 Adjusted EBITDA*

Rehovot, Israel, and Hoboken, NJ – August 17, 2022 -- Kamada Ltd. (NASDAQ: KMDA; TASE: KMDA.TA), a vertically integrated global biopharmaceutical company, focused on specialty plasma-derived therapeutics, today announced financial results for the three and six months ended June 30, 2022.

“We continue to be highly encouraged by the performance of our business in 2022, and believe it is a testament to our ability to rapidly transition from our past dependency on GLASSIA® sales to Takeda to a diversified fully integrated commercial company and a global leader in the plasma-derived specialty market,” said Amir London, Kamada’s Chief Executive Officer. “Our recently acquired portfolio of four FDA-approved IgGs, consisting of CYTOGAM®, HEPAGAM B®, VARIZIG® and WINRHO®SDF, continues to gain traction in the U.S. and international markets, and delivered strong sales and gross margins of more than 50% in the first half of the year. We are focused on growing the new portfolio’s revenues through on-going promotional activities in the U.S. and expect these marketing efforts to bear fruit commencing in the second half of 2022. We also anticipate meaningful growth outside the U.S. from these products in the second half of the year, which is expected to include approximately half of the total revenues anticipated from the recently announced \$11.4 million international VARIZIG supply agreement.”

“Based on our expectation of significant revenue growth and enhanced profitability in the second half of the year, we are reiterating our full-year 2022 financial guidance, which represents a 20% to 30% increase over 2021 revenue and more than 2.5x over 2021 adjusted EBITDA. Our outlook for a stronger second half of the year is driven by multiple key factors, including anticipated continued growth of the new IgG portfolio, including sales boosted by the new VARIZIG supply agreement, and the expected growth of KEDRAB® sales to Kedrion supporting the product continued increased in-market sales during 2022. In addition, total revenues in the second half of the year will include two full quarters of GLASSIA royalty income, as compared to only four months in the first half of the year. Second half profitability will continue to be driven by the new IgG products and KEDRAB sales, all of which generate more than 50% gross margins, and the GLASSIA royalty, which represents pure profit. Moreover, the now concluded labor strike will have a substantially reduced impact on the second half of the year profitability as compared to the first half,” continued Mr. London.

“Lastly, we continue to forecast growth at a double-digit rate in the foreseeable years beyond 2022 driven by our proprietary product catalysts, our plasma collection operations, GLASSIA’s royalties and the planned launch of 11 biosimilar products in Israel. In addition, we continue to advance our inhaled AAT pivotal phase 3 trial with the opening of additional clinical sites and recruitment of patients to the study,” concluded Mr. London.

Financial Highlights for the Three Months Ended June 30, 2022

- Total revenues were \$23.6 million in the second quarter of 2022, a 3% decrease from the \$24.2 million recorded in the second quarter of 2021. Total revenues during the second quarter of 2022 included strong sales from the portfolio of the four FDA-approved commercial products recently acquired, which grew meaningfully year-over-year and as compared to the first quarter of 2022. Total revenues included \$3.7 million of sales-based royalty income from Takeda based on GLASSIA sales in the U.S., which was in line with management’s expectations. A portion of the sales derived from products manufactured at the Israel facility were delayed to the second half of the year due to the work stoppage that was settled in mid-July.
- Gross profit and gross margins were \$7.2 million and 31%, respectively, in the second quarter of 2022, compared to \$9.1 million and 37%, respectively, reported in the second quarter of 2021. Gross profit for the second quarter of 2022 was impacted by a loss of \$3.3 million related to the recently concluded labor strike. As the labor strike concluded in July 2022, a subsequent portion of the strike-related loss will be recognized in the third quarter. Cost of goods sold in the Company’s Proprietary segment in the second quarter of 2022 included \$1.4 million of depreciation expenses associated with intangible assets generated through the recent acquisition of the portfolio of four FDA-approved commercial products. Gross profit and gross margins, excluding such intangible assets depreciation and the loss related to the labor strike, would have been \$11.9 million and 51%, respectively, representing a significant increase year-over-year.
- Operating expenses, including R&D, Sales& Marketing (S&M), G&A and other expenses, totaled \$9.5 million in the second quarter of 2022, as compared to \$8.0 million in the second quarter of 2021. This increase was attributable to increased S&M costs associated with the recently acquired portfolio of four FDA-approved commercial products distribution and commercial operations. S&M costs for the quarter included \$0.4 million of depreciation expenses of intangible assets generated through the recent acquisition.
- Finance expense, net for the second quarter of 2022 included a \$1.9 million expense associated with the revaluation of the contingent consideration and other long-term liabilities assumed as part of the recent acquisition of the portfolio of the four FDA-approved commercial products. For more information with respect to such contingent consideration and other long-term liabilities please refer to Note 5 of the Company’s 2021 financial statements included in the 2021 Annual Report on Form 20-F filed on March 15, 2022, with the Securities and Exchange Commission.
- Net loss was \$3.9 million, or \$(0.09) per share, in the second quarter of 2022, as compared to net income of \$0.9 million, or \$0.02 per share, in the second quarter of 2021. Excluding loss associated with the labor strike, depreciation expenses of intangible assets generated through the recent acquisition and finance expense associated with the revaluation of the contingent consideration and other assumed long-term liabilities, the Company would have recorded net income of \$3.0 million, or \$0.07 per share, in the second quarter of 2022.
- Adjusted EBITDA, as detailed in the tables below, was \$1.3 million in the second quarter of 2022, as compared to \$2.4 million in the second quarter of 2021. Adjusted EBITDA excluding loss associated with the labor strike would have been \$4.7 million, representing 20% of revenues.

- Cash provided by operating activities was \$10.9 million in the second quarter of 2022, as compared to cash used in operating activities of \$3.3 million in the second quarter of 2021.

Financial Highlights for the Six Months Ended June 30, 2022

- Total revenues for the first six months of 2022 were \$51.7 million, a 5% increase from the \$49.1 million generated in the first six months of 2021.
- Gross profit and gross margins for the first six months of 2022 were \$18.5 million and 36%, respectively, compared to \$18.0 million and 37%, respectively, in the first half of 2021. Gross profit and gross margins in the first six months of 2022 excluding intangible assets depreciation and the loss related to the recently concluded labor strike, would have been \$24.6 million and 48%, respectively, representing a significant increase year-over-year.
- Operating expenses, including R&D, S&M, G&A and other expenses, totaled \$20.6 million in the first six months of 2022, as compared to \$14.6 million in the first half of 2021. This increase was attributable to an increase in S&M costs associated with the recently acquired portfolio distribution and commercial operation, as well as increased R&D costs, primarily due to advancing the pivotal phase 3 InnovAAte trial for Inhaled AAT through the opening of new clinical sites and the manufacturing of clinical supply for the study. S&M costs for the first six months included \$0.8 million of depreciation expenses of intangible assets generated through the recent acquisition.
- Finance expense, net for the first six months of 2022 included a \$3.9 million expense associated with the revaluation of the contingent consideration and other long-term liabilities assumed as part of the recent acquisition of the portfolio of the four FDA-approved commercial products.
- Net loss for the first six months of 2022 was \$5.8 million, or \$(0.13) per share, as compared to net income of \$3.6 million, or \$0.08 per share, in the prior year period. Excluding loss associated with the labor strike, depreciation expenses of intangible assets generated through the recent acquisition and finance expense associated with the revaluation of the contingent consideration and other assumed long-term liabilities, the Company would have recorded net income of \$5.0 million, or \$0.11 per share, in the first six months of 2022.
- Adjusted EBITDA, as detailed in the tables below, was \$4.6 million in the first six months of 2022, as compared to \$6.2 million in the first six months of 2021. Adjusted EBITDA, excluding loss associated with the labor strike, would have been \$8.0 million, representing a 15% margin, which would have been in line with Kamada's annual guidance.
- Cash provided by operating activities during the first six months of 2022 was approximately \$16.4 million, as compared to cash used in operating activities of \$1.2 million during the first six months of 2021.

Balance Sheet Highlights

As of June 30, 2022, the Company had cash, cash equivalents, and short-term investments of \$29.9 million, as compared to \$18.6 million as of December 31, 2021. The increase was due to positive operational cash flows. Kamada's working capital as of June 30, 2022, comprising of current assets (excluding cash and cash equivalents, and short-term investments) net of current liabilities, totaled \$39.0 million.

Fiscal Year 2022 Guidance

Kamada continues to expect to generate fiscal year 2022 total revenues in the range of \$125 million to \$135 million, which would represent a 20% to 30% growth compared to fiscal year 2021. The Company also anticipates generating adjusted EBITDA during 2022 at a rate of 12% to 15% of total revenues, representing more than 2.5x of the adjusted EBITDA for the year ended December 31, 2021.

Recent Corporate Highlights

- Secured an \$11.4 million agreement to supply VARIZIG® to an undisclosed international organization, operating principally in Latin America. The supply of the product is expected to occur from the fourth quarter of 2022 through the first half of 2023.
- Strengthened senior management team through promotions of Shavit Beladev to Vice President responsible for the Company's Plasma Operations, and Boris Gorelik to Vice President of Business Development and Strategic Programs. These promotions further Kamada's commitment to becoming a fully integrated global leader in the specialty plasma derived therapeutics market.

Conference Call

Kamada management will host an investment community conference call on Wednesday, August 17, 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 1-877-407-0792 (from within the U.S.), 1 809-406-247 (from Israel), or 1 201-689-8263 (International) and entering the conference identification number: 13732049. The call will also be webcast live on the Internet at:

https://viavid.webcasts.com/starthere.jsp?ei=1562507&tp_key=0cee4cf215.

Non-IFRS financial measures

We present EBITDA and adjusted EBITDA because we use this non-IFRS financial measure to assess our operational performance, for financial and operational decision-making, and as a means to evaluate period-to-period comparisons on a consistent basis. Management believes this non-IFRS financial measure are useful to investors because: (1) they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making and provide investors with a meaningful perspective on the current underlying performance of the Company's core ongoing operations; and (2) they exclude the impact of certain items that are not directly attributable to our core operating performance and that may obscure trends in the core operating performance of the business. Non-IFRS financial measures have limitations as an analytical tool and should not be considered in isolation from, or as a substitute for, our IFRS results. We expect to continue reporting non-IFRS financial measures, adjusting for the items described below, and we expect to continue to incur expenses similar to certain of the non-cash, non-IFRS adjustments described below. Accordingly, unless otherwise stated, the exclusion of these and other similar items in the presentation of non-IFRS financial measures should not be construed as an inference that these items are unusual, infrequent or non-recurring. EBITDA and adjusted EBITDA are not recognized terms under IFRS and do not purport to be an alternative to IFRS terms as an indicator of operating performance or any other IFRS measure. Moreover, because not all companies use identical measures and calculations, the presentation of EBITDA and adjusted EBITDA may not be comparable to other similarly titled measures of other companies. EBITDA and adjusted EBITDA are defined as net income (loss), plus income tax expense, plus or minus financial income or expenses, net, plus or minus income or expense in respect of securities measured at fair value, net, plus or minus income or expenses in respect of currency exchange differences and derivatives instruments, net, plus depreciation and amortization expense, plus non-cash share-based compensation expenses and certain other costs.

About Kamada

Kamada Ltd. (the "Company") is a vertically integrated global biopharmaceutical company, focused on specialty plasma-derived therapeutics, with a diverse portfolio of marketed products, a robust development pipeline and industry-leading manufacturing capabilities. The Company's strategy is focused on driving profitable growth from our current commercial activities as well as our manufacturing and development expertise in the plasma-derived biopharmaceutical market. The Company's commercial products portfolio includes its developed and FDA approved products GLASSIA® and KEDRAB® as well as its recently acquired FDA approved plasma-derived hyperimmune products CYTOGAM®, HEPAGAM B®, VARIZIG® and WINRHO®SDF. The Company has additional four plasma-derived products which are registered in markets outside the U.S. The Company distributes its commercial products portfolio directly, and through strategic partners or third-party distributors in more than 30 countries, including the U.S., Canada, Israel, Russia, Brazil, Argentina, India and other countries in Latin America and Asia. The Company has a diverse portfolio of development pipeline products including an inhaled AAT for the treatment of AAT deficiency for which the Company is currently conducting the InnovAATe clinical trial, a randomized, double-blind, placebo-controlled, pivotal Phase 3 trial. The Company leverages its expertise and presence in the Israeli pharmaceutical market to distribute in Israel more than 20 products that are manufactured by third parties and have recently added eleven biosimilar products to its Israeli distribution portfolio, which, subject to EMA and the Israeli MOH approvals, are expected to be launched in Israel through 2028. 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) expectation for significant revenues and profitability growth in the second half of the 2022 driven by multiple catalysts; 2) expectation to meet full-year 2022 revenue guidance, which would represent a 20% to 30% growth compared to fiscal year 2021, and expected adjusted EBITDA margins to expect to generate fiscal year 2022 total revenues in the range of \$125 million to \$135 million, which would represent more than 2.5x of the adjusted EBITDA for the year ended December 31, 2021; 3) statements regarding the performance of the Company's business in 2022 being indicative of the company's transition from dependency on GLASSIA sales to Takeda, into a diversified fully integrated commercial company and a global leader in the plasma-derived specialty market; 4) statements regarding recently acquired portfolio continuing to gain traction in the U.S. and international markets; 5) expectation that ongoing promotional activities in the U.S. market will bear fruit commencing in the second half of the year; 6) expectations that approximately half of the sales under the recently signed \$11.4 million agreement to supply VARIZIG will be generated in the second half of 2022; 7) expectations for significant revenue growth in the second half of 2022 due to multiple key factors including expectation for continued growth of the new IgG portfolio including sales driven by the new VARIZIG supply agreement, anticipated growth of our KEDRAB® sales to Kedrion, GLASSIA royalty income will include two full quarters in second half 2022; 8) expectation for enhanced profitability in the second half of the year driven by the new IgG products and KEDRAB sales, and the GLASSIA royalty; 9) expectation that the now concluded labor strike will have a substantially lower impact on the second half of the year profitability as compared to the first half; 10) continued projected growth at a double-digit rate in the foreseeable years beyond 2022 driven by our proprietary products catalysts, our plasma collection operations, Glassia's royalties and the planned launch of 11 biosimilar products in Israel; 11) continue the advancement of our inhaled AAT pivotal phase 3 trial with the opening of additional clinical sites and recruitment of patients to the study. 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 involvement of the COVID-19 pandemic, its scope, effect and duration, availability of sufficient raw materials 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, financial conditions of the Company's customer, suppliers and services providers, Kamada's ability to integrate the new product portfolio into its current product portfolio, Kamada's ability to grow the revenues of its new product portfolio, and leverage and expand its international distribution network, ability to reap the benefits of the recent acquisition of the plasma collection center, including the ability to open additional U.S. plasma centers, and acquisition of the FDA-approved plasma-derived hyperimmune commercial products, the ability to continue enrollment of the pivotal Phase 3 InnovAATe clinical trial in new locations, unexpected results of clinical studies, 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, and other risks detailed in Kamada's filings with the U.S. Securities and Exchange Commission (the "SEC") including those discussed in its most recent Annual Report on Form 20-F and in any subsequent reports on Form 6-K, each of which is on file or furnished with the SEC and available at the SEC's website at www.sec.gov. 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 STATEMENTS OF FINANCIAL POSITION

	As of June 30,		As of
	2022	2021	December 31,
	Unaudited		2021
	Audited		
	U.S Dollars in thousands		
<u>Assets</u>			
<u>Current Assets</u>			
Cash and cash equivalents	\$ 29,933	\$ 68,416	\$ 18,587
Short-term investments	-	36,137	
Trade receivables, net	17,738	27,743	35,162
Other accounts receivables	6,410	2,450	8,872
Inventories	64,520	44,601	67,423
Total Current Assets	118,601	179,347	130,044
<u>Non-Current Assets</u>			
Property, plant and equipment, net	25,914	25,665	26,307
Right-of-use assets	2,810	3,453	3,092
Intangible assets, Goodwill and other long-term assets	150,449	3,413	153,663
Contract assets	6,361	4,472	5,561
Total Non-Current Assets	185,534	37,003	188,623
Total Assets	\$ 304,135	\$ 216,350	\$ 318,667
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Current maturities of bank loans	\$ 4,449	\$ 61	\$ 2,631
Current maturities of lease liabilities	1,010	1,149	1,154
Current maturities of other long term liabilities	20,117	-	17,986
Trade payables	17,954	17,948	25,104
Other accounts payables	6,110	6,989	7,142
Deferred revenues	40	-	40
Total Current Liabilities	49,680	26,147	54,057
<u>Non-Current Liabilities</u>			
Bank loans	15,185	5	17,407
Lease liabilities	2,492	3,401	3,160
Contingent consideration	23,121	-	21,995
Other long-term liabilities	41,304	-	43,929
Deferred revenues	15	3,025	15
Employee benefit liabilities, net	764	1,429	1,280
Total Non-Current Liabilities	82,881	7,860	87,786
<u>Shareholder's Equity</u>			
Ordinary shares	11,731	11,716	11,725
Additional paid in capital net	210,319	209,942	210,204
Capital reserve due to translation to presentation currency	(3,490)	(3,490)	(3,490)
Capital reserve from hedges	(442)	58	54
Capital reserve from share-based payments	5,097	4,746	4,643
Capital reserve from employee benefits	271	(320)	(149)
Accumulated deficit	(51,912)	(40,309)	(46,163)
Total Shareholder's Equity	171,574	182,343	176,824
Total Liabilities and Shareholder's Equity	\$ 304,135	\$ 216,350	\$ 318,667

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months period ended June 30,		Three months period ended June 30,		Year ended December 31,
	2022	2021	2022	2021	2021
	Unaudited		Unaudited		Audited
	U.S Dollars In thousands				
Revenues from proprietary products	\$ 41,618	\$ 40,193	\$ 18,607	\$ 19,323	\$ 75,521
Revenues from distribution	10,065	8,946	4,983	4,916	28,121
Total revenues	51,683	49,139	23,590	24,239	103,642
Cost of revenues from proprietary products	24,705	23,527	12,256	11,059	48,194
Cost of revenues from distribution	8,436	7,609	4,094	4,108	25,120
Total cost of revenues	33,141	31,136	16,350	15,167	73,314
Gross profit	18,542	18,003	7,240	9,072	30,328
Research and development expenses	7,063	5,364	2,643	2,736	11,357
Selling and marketing expenses	6,592	2,547	3,271	1,424	6,278
General and administrative expenses	6,316	6,112	3,311	3,303	12,636
Other expenses	619	570	309	563	753
Operating income (loss)	(2,048)	3,410	(2,294)	1,046	(696)
Financial income	3	209	1	99	295
Income (expense) in respect of securities measured at fair value, net	-	-	-	-	-
Income (expenses) in respect of currency exchange differences and derivatives instruments, net	593	121	424	(145)	(207)
Financial Income (expense) in respect of contingent consideration and other long- term liabilities.	(3,875)	-	(1,865)	-	(947)
Financial expenses	(372)	(116)	(178)	(63)	(330)
Income before tax on income	(5,699)	3,624	(3,912)	937	(1,885)
Taxes on income	50	-	9	-	345
Net Income (loss)	\$ (5,749)	\$ 3,624	\$ (3,921)	\$ 937	\$ (2,230)
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	-	-	-	-	-
Gain (loss) on cash flow hedges	(784)	(43)	(676)	30	185
Net amounts transferred to the statement of profit or loss for cash flow hedges	288	(256)	222	(2)	(488)
Items that will not be reclassified to profit or loss in subsequent periods:					
Remeasurement gain (loss) from defined benefit plan	420	-	420	-	171
Tax effect	-	-	-	-	-
Total comprehensive income (loss)	\$ (5,825)	\$ 3,325	\$ (3,955)	\$ 965	\$ (2,362)
Earnings per share attributable to equity holders of the Company:					
Basic net earnings per share	\$ (0.13)	\$ 0.08	\$ (0.09)	\$ 0.02	\$ (0.05)
Diluted net earnings per share	\$ (0.13)	\$ 0.08	\$ (0.09)	\$ 0.02	\$ (0.05)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months period Ended June, 30		Three months period Ended June, 30		Year Ended December 31,
	2022	2021	2022	2021	2021
	Unaudited				Audited
	U.S Dollars In thousands				
<u>Cash Flows from Operating Activities</u>					
Net income (loss)	\$ (5,749)	\$ 3,624	\$ (3,921)	\$ 937	\$ (2,230)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Adjustments to the profit or loss items:					
Depreciation and impairment	6,088	2,372	3,061	1,225	5,609
Financial expenses (income), net	3,651	(214)	1,618	109	1,189
Cost of share-based payment	569	370	376	155	529
Taxes on income	50	-	9	-	345
Loss (gain) from sale of property and equipment	-	-	-	-	-
Change in employee benefit liabilities, net	(96)	23	(84)	60	45
	<u>10,262</u>	<u>2,551</u>	<u>4,980</u>	<u>1,549</u>	<u>7,717</u>
Changes in asset and liability items:					
Decrease (increase) in trade receivables, net	17,102	(5,646)	3,610	(7,231)	(12,861)
Decrease (increase) in other accounts receivables	2,073	1,629	1,484	1,643	(1,634)
Decrease (increase) in inventories	2,903	(2,401)	241	(3,446)	(2,373)
Decrease (increase) in deferred expenses	(484)	(2,362)	(374)	(1,209)	(6,883)
Increase (decrease) in trade payables	(7,843)	1,139	5,806	2,623	7,917
Increase (decrease) in other accounts payables	(1,517)	(799)	(745)	1,346	(392)
Decrease in deferred revenues	-	1,000	-	500	1,815
	<u>12,234</u>	<u>(7,440)</u>	<u>10,022</u>	<u>(5,774)</u>	<u>(14,411)</u>
Cash received (paid) during the period for:					
Interest paid	(380)	(107)	(186)	(59)	(228)
Interest received	3	217	1	76	375
Taxes paid	(18)	(23)	(9)	(9)	(42)
	<u>(395)</u>	<u>87</u>	<u>(194)</u>	<u>8</u>	<u>105</u>
<u>Net cash provided by (used in) operating activities</u>	<u>\$ 16,352</u>	<u>\$ (1,178)</u>	<u>\$ 10,887</u>	<u>\$ (3,280)</u>	<u>\$ (8,819)</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months period Ended June, 30		Three months period Ended June, 30		Year Ended December 31,
	2022	2021	2022	2021	2021
	Unaudited				Audited
	U.S Dollars In thousands				
<u>Cash Flows from Investing Activities</u>					
Investment in short term investments, net	\$ -	\$ 2,967	\$ -	\$ 11,967	\$ 39,083
Purchase of property and equipment and intangible assets	(1,191)	(1,463)	(678)	(1,332)	(3,730)
Proceeds from sale of property and equipment	-	-	-	-	-
Business combination	-	(1,404)	-	-	(96,403)
Net cash provided by (used in) investing activities	(1,191)	100	(678)	10,635	(61,050)
<u>Cash Flows from Financing Activities</u>					
Proceeds from exercise of share base payments	6	10	3	3	19
Receipt of long-term loans	-	-	-	-	20,000
Repayment of lease liabilities	(573)	(595)	(278)	(306)	(1,221)
Repayment of long-term loans	(401)	(206)	(385)	(85)	(205)
Repayment of other long-term liabilities	(3,243)	-	(1,743)	-	-
Net cash provided by (used in) financing activities	(4,211)	(791)	(2,403)	(388)	18,593
Exchange differences on balances of cash and cash equivalent	396	88	160	13	(334)
Increase (decrease) in cash and cash equivalents	11,346	(1,781)	7,966	6,980	(51,610)
Cash and cash equivalents at the beginning of the period	18,587	70,197	21,967	61,436	70,197
Cash and cash equivalents at the end of the period	\$ 29,933	\$ 68,416	\$ 29,933	\$ 68,416	\$ 18,587
<u>Significant non-cash transactions</u>					
Right-of-use asset recognized with corresponding lease liability	\$ 296	\$ 588	\$ 121	\$ 287	\$ 845
Purchase of property and equipment and Intangible assets	\$ 775	\$ 748	\$ 775	\$ 722	\$ 1,001

NON-IFRS MEASURES – ADJUSTED EBITDA

	Six months period ended June 30,		Three months period ended June 30,		Year ended December 31,
	2022	2021	2022	2021	2021
	In thousands				
Net income	\$ (5,749)	\$ 3,624	\$ (3,921)	\$ 937	\$ (2,230)
Taxes on income	50	-	9	-	345
Financial expense (income), net	3,651	(214)	1,618	109	345
Depreciation and amortization expense	6,088	2,372	3,202	1,225	1,189
Non-cash share-based compensation expenses	569	370	414	155	529
Adjusted EBITDA	\$ 4,639	\$ 6,152	\$ 1,322	\$ 2,426	\$ 5,442
	Six months period ended June 30,		Three months period ended June 30,		Year ended December 31,
	2022	2021	2022	2021	2021
	In thousands				
Adjusted EBITDA	\$ 4,639	\$ 6,152	\$ 1,322	\$ 2,426	\$ 5,442
Labor Strike Related Loss	3,342	-	3,342	-	-
Adjusted EBITDA excluding Labor Strike Related Loss	\$ 7,981	\$ 6,152	\$ 4,664	\$ 2,426	\$ 5,442

KAMADA LTD.**CONSOLIDATED FINANCIAL STATEMENTS****AS OF JUNE 30, 2022****TABLE OF CONTENTS**

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As of June 30,		As of
	2022	2021	December 31,
	Unaudited		2021
			Audited
	U.S Dollars in thousands		
<u>Assets</u>			
<u>Current Assets</u>			
Cash and cash equivalents	\$ 29,933	\$ 68,416	\$ 18,587
Short-term investments	-	36,137	-
Trade receivables, net	17,738	27,743	35,162
Other accounts receivables	6,410	2,450	8,872
Inventories	64,520	44,601	67,423
Total Current Assets	118,601	179,347	130,044
<u>Non-Current Assets</u>			
Property, plant and equipment, net	25,914	25,665	26,307
Right-of-use assets	2,810	3,453	3,092
Intangible assets, Goodwill and other long-term assets	150,449	3,413	153,663
Contract assets	6,361	4,472	5,561
Total Non-Current Assets	185,534	37,003	188,623
Total Assets	\$ 304,135	\$ 216,350	\$ 318,667
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Current maturities of bank loans	\$ 4,449	\$ 61	\$ 2,631
Current maturities of lease liabilities	1,010	1,149	1,154
Current maturities of other long term liabilities	20,117	-	17,986
Trade payables	17,954	17,948	25,104
Other accounts payables	6,110	6,989	7,142
Deferred revenues	40	-	40
Total Current Liabilities	49,680	26,147	54,057
<u>Non-Current Liabilities</u>			
Bank loans	15,185	5	17,407
Lease liabilities	2,492	3,401	3,160
Contingent consideration	23,121	-	21,995
Other long-term liabilities	41,304	-	43,929
Deferred revenues	15	3,025	15
Employee benefit liabilities, net	764	1,429	1,280
Total Non-Current Liabilities	82,881	7,860	87,786
<u>Shareholder's Equity</u>			
Ordinary shares	11,731	11,716	11,725
Additional paid in capital net	210,319	209,942	210,204
Capital reserve due to translation to presentation currency	(3,490)	(3,490)	(3,490)
Capital reserve from hedges	(442)	58	54
Capital reserve from share-based payments	5,097	4,746	4,643
Capital reserve from employee benefits	271	(320)	(149)
Accumulated deficit	(51,912)	(40,309)	(46,163)
Total Shareholder's Equity	171,574	182,343	176,824
Total Liabilities and Shareholder's Equity	\$ 304,135	\$ 216,350	\$ 318,667

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months period ended June 30,		Three months period ended June 30,		Year ended December 31,
	2022	2021	2022	2021	2021
	Unaudited		Unaudited		Audited
	U.S Dollars In thousands				
Revenues from proprietary products	\$ 41,618	\$ 40,193	\$ 18,607	\$ 19,323	\$ 75,521
Revenues from distribution	10,065	8,946	4,983	4,916	28,121
Total revenues	51,683	49,139	23,590	24,239	103,642
Cost of revenues from proprietary products	24,705	23,527	12,256	11,059	48,194
Cost of revenues from distribution	8,436	7,609	4,094	4,108	25,120
Total cost of revenues	33,141	31,136	16,350	15,167	73,314
Gross profit	18,542	18,003	7,240	9,072	30,328
Research and development expenses	7,063	5,364	2,643	2,736	11,357
Selling and marketing expenses	6,592	2,547	3,271	1,424	6,278
General and administrative expenses	6,316	6,112	3,311	3,303	12,636
Other expenses	619	570	309	563	753
Operating income (loss)	(2,048)	3,410	(2,294)	1,046	(696)
Financial income	3	209	1	99	295
Income (expense) in respect of securities measured at fair value, net	-	-	-	-	-
Income (expenses) in respect of currency exchange differences and derivatives instruments, net	593	121	424	(145)	(207)
Financial Income (expense) in respect of contingent consideration and other long- term liabilities.	(3,875)	-	(1,865)	-	(947)
Financial expenses	(372)	(116)	(178)	(63)	(330)
Income before tax on income	(5,699)	3,624	(3,912)	937	(1,885)
Taxes on income	50	-	9	-	345
Net Income (loss)	\$ (5,749)	\$ 3,624	\$ (3,921)	\$ 937	\$ (2,230)
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	-	-	-	-	-
Gain (loss) on cash flow hedges	(784)	(43)	(676)	30	185
Net amounts transferred to the statement of profit or loss for cash flow hedges	288	(256)	222	(2)	(488)
Items that will not be reclassified to profit or loss in subsequent periods:					
Remeasurement gain (loss) from defined benefit plan	420	-	420	-	171
Tax effect	-	-	-	-	-
Total comprehensive income (loss)	\$ (5,825)	\$ 3,325	\$ (3,955)	\$ 965	\$ (2,362)
Earnings per share attributable to equity holders of the Company:					
Basic net earnings per share	\$ (0.13)	\$ 0.08	\$ (0.09)	\$ 0.02	\$ (0.05)
Diluted net earnings per share	\$ (0.13)	\$ 0.08	\$ (0.09)	\$ 0.02	\$ (0.05)

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 sharebased payments	Capital reserve from employee benefits	Accumulated deficit	Total equity
	Unaudited								
	In thousands								
Balance as of January 1, 2022 (audited)	\$ 11,725	\$ 210,204	\$ -	\$ (3,490)	\$ 54	\$ 4,643	\$ (149)	\$ (46,163)	\$ 176,824
Net income	-	-	-	-	-	-	-	(5,749)	(5,749)
Other comprehensive income (loss)	-	-	-	-	(496)	-	420	-	(76)
Tax effect	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	-	(496)	-	420	(5,749)	(5,825)
Exercise and forfeiture of share-based payment into shares	6	115	-	-	-	(115)	-	-	6
Cost of share-based payment	-	-	-	-	-	569	-	-	569
Balance as of June 30, 2022	<u>\$ 11,731</u>	<u>\$ 210,319</u>	<u>\$ -</u>	<u>\$ (3,490)</u>	<u>\$ (442)</u>	<u>\$ 5,097</u>	<u>\$ 271</u>	<u>\$ (51,912)</u>	<u>\$ 171,574</u>

	Share capital	Additional paid in capital	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
Balance as of January 1, 2021 (audited)	\$ 11,706	\$ 209,760	\$ (3,490)	\$ 357	\$ 4,558	\$ (320)	\$ (43,933)	\$ 178,638
Net income	-	-	-	-	-	-	3,624	3,624
Other comprehensive income (loss)	-	-	-	(299)	-	-	-	(299)
Tax effect	-	-	-	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	(299)	-	-	3,624	3,325
Exercise and forfeiture of share-based payment into shares	10	188	-	-	(182)	-	-	10
Cost of share-based payment	-	-	-	-	370	-	-	370
Balance as of June 30, 2021	<u>\$ 11,716</u>	<u>\$ 209,942</u>	<u>\$ (3,490)</u>	<u>\$ 58</u>	<u>\$ 4,746</u>	<u>\$ (320)</u>	<u>\$ (40,309)</u>	<u>\$ 182,343</u>

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 sharebased payments	Capital reserve from employee benefits	Accumulated deficit	Total equity
	Unaudited								
	In thousands								
Balance as of April 1, 2022 (audited)	\$ 11,728	\$ 210,269	\$ -	\$ (3,490)	\$ 12	\$ 4,771	\$ (149)	\$ (47,991)	\$ 175,150
Net income	-	-	-	-	-	-	-	(3,921)	(3,921)
Other comprehensive income (loss)	-	-	-	-	(454)	-	420	-	(34)
Tax effect	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	-	(454)	-	420	(3,921)	(3,955)
Exercise and forfeiture of share-based payment into shares	3	50	-	-	-	(50)	-	-	3
Cost of share-based payment	-	-	-	-	-	376	-	-	376
Balance as of June 30, 2022	<u>\$ 11,731</u>	<u>\$ 210,319</u>	<u>\$ -</u>	<u>\$ (3,490)</u>	<u>\$ (442)</u>	<u>\$ 5,097</u>	<u>\$ 271</u>	<u>\$ (51,912)</u>	<u>\$ 171,574</u>

	Share capital	Additional paid in capital	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
Balance as of April 1, 2021 (audited)	\$ 11,713	\$ 209,859	\$ (3,490)	\$ 30	\$ 4,674	\$ (320)	\$ (41,246)	\$ 181,220
Net income	-	-	-	-	-	-	937	937
Other comprehensive income (loss)	-	-	-	28	-	-	-	28
Taxes effect	-	-	-	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	28	-	-	937	965
Exercise and forfeiture of share-based payment into shares	3	83	-	-	(83)	-	-	3
Cost of share-based payment	-	-	-	-	155	-	-	155
Balance as of June 30, 2021	<u>\$ 11,716</u>	<u>\$ 209,942</u>	<u>\$ (3,490)</u>	<u>\$ 58</u>	<u>\$ 4,746</u>	<u>\$ (320)</u>	<u>\$ (40,309)</u>	<u>\$ 182,343</u>

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 sharebased payments	Capital reserve from employee benefits	Accumulated deficit	Total equity
	Unaudited								
	In thousands								
Balance as of January 1, 2021 (audited)	\$ 11,706	\$ 209,760	\$ -	\$ (3,490)	\$ 357	\$ 4,558	\$ (320)	\$ (43,933)	\$ 178,638
Net income	-	-	-	-	-	-	-	(2,230)	(2,230)
Other comprehensive income (loss)	-	-	-	-	(303)	-	171	-	(132)
Tax effect	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	-	(303)	-	171	(2,230)	(2,362)
Exercise and forfeiture of share-based payment into shares	19	444	-	-	-	(444)	-	-	19
Cost of share-based payment	-	-	-	-	-	529	-	-	529
Balance as of December 31, 2021	<u>\$ 11,725</u>	<u>\$ 210,204</u>	<u>\$ -</u>	<u>\$ (3,490)</u>	<u>\$ 54</u>	<u>\$ 4,643</u>	<u>\$ (149)</u>	<u>\$ (46,163)</u>	<u>\$ 176,824</u>

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months period Ended June, 30		Three months period Ended June, 30		Year Ended December 31,
	2022	2021	2022	2021	2021
	Unaudited				Audited
	U.S Dollars In thousands				
<u>Cash Flows from Operating Activities</u>					
Net income (loss)	\$ (5,749)	\$ 3,624	\$ (3,921)	\$ 937	\$ (2,230)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Adjustments to the profit or loss items:					
Depreciation and impairment	6,088	2,372	3,061	1,225	5,609
Financial expenses (income), net	3,651	(214)	1,618	109	1,189
Cost of share-based payment	569	370	376	155	529
Taxes on income	50	-	9	-	345
Loss (gain) from sale of property and equipment	-	-	-	-	-
Change in employee benefit liabilities, net	(96)	23	(84)	60	45
	<u>10,262</u>	<u>2,551</u>	<u>4,980</u>	<u>1,549</u>	<u>7,717</u>
Changes in asset and liability items:					
Decrease (increase) in trade receivables, net	17,102	(5,646)	3,610	(7,231)	(12,861)
Decrease (increase) in other accounts receivables	2,073	1,629	1,484	1,643	(1,634)
Decrease (increase) in inventories	2,903	(2,401)	241	(3,446)	(2,373)
Decrease (increase) in deferred expenses	(484)	(2,362)	(374)	(1,209)	(6,883)
Increase (decrease) in trade payables	(7,843)	1,139	5,806	2,623	7,917
Increase (decrease) in other accounts payables	(1,517)	(799)	(745)	1,346	(392)
Decrease in deferred revenues	-	1,000	-	500	1,815
	<u>12,234</u>	<u>(7,440)</u>	<u>10,022</u>	<u>(5,774)</u>	<u>(14,411)</u>
Cash received (paid) during the period for:					
Interest paid	(380)	(107)	(186)	(59)	(228)
Interest received	3	217	1	76	375
Taxes paid	(18)	(23)	(9)	(9)	(42)
	<u>(395)</u>	<u>87</u>	<u>(194)</u>	<u>8</u>	<u>105</u>
<u>Net cash provided by (used in) operating activities</u>	<u>\$ 16,352</u>	<u>\$ (1,178)</u>	<u>\$ 10,887</u>	<u>\$ (3,280)</u>	<u>\$ (8,819)</u>

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months period Ended June, 30		Three months period Ended June, 30		Year Ended December 31,
	2022	2021	2022	2021	2021
	Unaudited				Audited
	U.S Dollars In thousands				
<u>Cash Flows from Investing Activities</u>					
Investment in short term investments, net	\$ -	\$ 2,967	\$ -	\$ 11,967	\$ 39,083
Purchase of property and equipment and intangible assets	(1,191)	(1,463)	(678)	(1,332)	(3,730)
Proceeds from sale of property and equipment	-	-	-	-	-
Business combination	-	(1,404)	-	-	(96,403)
Net cash provided by (used in) investing activities	(1,191)	100	(678)	10,635	(61,050)
<u>Cash Flows from Financing Activities</u>					
Proceeds from exercise of share base payments	6	10	3	3	19
Receipt of long-term loans	-	-	-	-	20,000
Repayment of lease liabilities	(573)	(595)	(278)	(306)	(1,221)
Repayment of long-term loans	(401)	(206)	(385)	(85)	(205)
Repayment of other long-term liabilities	(3,243)	-	(1,743)	-	-
Net cash provided by (used in) financing activities	(4,211)	(791)	(2,403)	(388)	18,593
Exchange differences on balances of cash and cash equivalent	396	88	160	13	(334)
Increase (decrease) in cash and cash equivalents	11,346	(1,781)	7,966	6,980	(51,610)
<u>Cash and cash equivalents at the beginning of the period</u>	<u>18,587</u>	<u>70,197</u>	<u>21,967</u>	<u>61,436</u>	<u>70,197</u>
<u>Cash and cash equivalents at the end of the period</u>	<u>\$ 29,933</u>	<u>\$ 68,416</u>	<u>\$ 29,933</u>	<u>\$ 68,416</u>	<u>\$ 18,587</u>
<u>Significant non-cash transactions</u>					
Right-of-use asset recognized with corresponding lease liability	\$ 296	\$ 588	\$ 121	\$ 287	\$ 845
Purchase of property and equipment and Intangible assets	\$ 775	\$ 748	\$ 775	\$ 722	\$ 1,001

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1:- GeneralGeneral description of the Company and its activity

Kamada Ltd. (the “Company”) is a vertically integrated global biopharmaceutical company, focused on specialty plasma-derived therapeutics, with a diverse portfolio of marketed products, a robust development pipeline and industry-leading manufacturing capabilities. The Company’s strategy is focused on driving profitable growth from our current commercial activities as well as our manufacturing and development expertise in the plasma-derived biopharmaceutical market. The Company’s commercial products portfolio includes its developed and FDA approved products GLASSIA® and KEDRRAB® as well as its recently acquired FDA approved plasma-derived hyperimmune products CYTOGAM®, HEPAGAM B®, VARIZIG® and WINRHO®SDF. The Company has additional four plasma-derived products which are registered in markets outside the U.S. The Company distributes its commercial products portfolio directly, and through strategic partners or third party distributors in more than 30 countries, including the U.S., Canada, Israel, Russia, Brazil, Argentina, India and other countries in Latin America and Asia. The Company has a diverse portfolio of development pipeline products including an inhaled AAT for the treatment of AAT deficiency for which the Company is currently conducting the InnovAATe clinical trial, a randomized, double-blind, placebo-controlled, pivotal Phase 3 trial. The Company leverages its expertise and presence in the Israeli pharmaceutical market to distribute in Israel more than 20 products that are manufactured by third parties and have recently added eleven biosimilar products to its Israeli distribution portfolio, which, subject to EMA and the Israeli MOH approvals, are expected to be launched in Israel between the years 2022 and 2028.

In November 2021, the Company acquired a portfolio of four FDA approved plasma-derived hyperimmune commercial products from Saol Therapeutics (“Saol”). The acquisition of this portfolio furthers the Company’s core objective to become a fully integrated specialty plasma company with strong commercial capabilities in the U.S. market, as well as to expand to new markets, mainly in the Middle East/North Africa region, and to broaden the Company’s portfolio offering in existing markets. The Company’s wholly owned U.S. subsidiary, Kamada Inc., will be responsible for the commercialization of the four products in the U.S. market, including direct sales to wholesalers and local distributors. Refer to Note 5 of the Company’s annual financial statements as of December 31, 2021.

The Company markets GLASSIA in the U.S. through a strategic partnership with Takeda Pharmaceuticals Company Limited (“Takeda”). Pursuant to an agreement with Takeda, the Company terminated the production and sale of GLASSIA to Takeda during 2021 resulting in a significant reduction in revenues. Takeda initiated its own production of GLASSIA for the U.S. market. Commencing 2022, Takeda pays royalties to the Company at a rate of 12% on GLASSIA’s net sales through August 2025, and at a rate of 6% thereafter until 2040, with a minimum of \$5 million annually. Refer to Note 19 of the Company’s annual financial statements as of December 31, 2021.

NOTES TO 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:

- i. Amendment to IAS 1, *Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current*

In January 2020, the IASB issued an amendment to IAS 1, "Presentation of Financial Statements" ("the Amendment") regarding the criteria for determining the classification of liabilities as current or non-current. The Amendment replaces certain requirements for classifying liabilities as current or non-current. Thus for example, according to the Amendment, a liability will be classified as non-current when the entity has the right to defer settlement for at least 12 months after the reporting

period, and it "has substance" and is in existence at the end of the reporting period, this instead of the requirement that there be an "unconditional" right. According to the Amendment, a right is in existence at the reporting date only if the entity complies with conditions for deferring settlement at that date. Furthermore, the Amendment clarifies that the conversion option of a liability will affect its classification as current or non-current, other than when the conversion option is recognized as equity.

The Amendment is effective for reporting periods beginning on or after January 1, 2023 with earlier application being permitted. The Amendment is applicable retrospectively, including an amendment to comparative data.

The Company believes that the adoption of the Amendment will not have an effect on its financial statements.

- ii. Amendment to IAS 12, *Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The Amendment narrows the scope of the exemption from recognizing deferred taxes as a result of temporary differences created at the initial recognition of assets and/or liabilities, so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

As a result, companies will need to recognize a deferred tax asset or a deferred tax liability for these temporary differences at the initial recognition of transactions that give rise to equal and offsetting temporary differences, such as lease transactions and provisions for decommissioning and restoration.

The Amendment is effective for annual periods beginning on or after January 1, 2023, by amending the opening balance of the retained earnings or adjusting a different component of equity in the period the Amendment was first adopted. Earlier application is permitted.

The Company has not yet commenced examining the effects of applying the Amendment on the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 3:- Significant events in the reporting period

- i Grant of options to the purchase ordinary shares of the Company to employees, executive officers, CEO and Board of Directors members

On February 28, 2022, the Company's Board of Directors approved the grant of options to purchase up to 1,345,600, 400,000 and 270,000 ordinary shares of the Company to employees and executive officers, CEO and Board of Directors members, respectively.

As of June 30, 2022, the Company granted, out the above mentioned, to employees and executive officers total of:

- 1,130,100 options to purchase the ordinary shares of the Company, under the Israeli Share Option Plan, at an exercise price of NIS 19.36-18.92 (USD 5.80-6.05) per share. The fair value of the options calculated on the date of grant using the binomial option valuation model was estimated at \$2,272 thousands.
- 101,200 options to purchase the ordinary shares of the Company, under the US Share Option Plan, at an exercise price of USD 5.88-6.10 per share. The fair value of the options calculated on the date of grant using the binomial option valuation model was estimated at \$226 thousands.

36,200 options to purchase the ordinary shares of the Company, under the US Share Option Plan, at an exercise price of USD 5.65-5.82 per share. The fair value of the options calculated on the date of grant using the binomial option valuation model was estimated at \$80 thousands.

The grant of options to the CEO and the Board of Directors members are subject to the approval of the General Meeting of Shareholders that is expected to take place during 2022.

- ii Labor strike at the Company's manufacturing plant at Beit Kama, Israel

- On April 26, 2022, during the course of the Company's negotiations with the Histadrut - General Federation of Labor in Israel (the "Histadrut") and the Employees' Committee of Kamada's Beit Kama production facility in Israel (the "Employee's Committee"), on the extension of a collective bargaining agreement, the Employee's Committee elected to declare a labor strike in the Beit Kama plant.

On July 15, 2022, the Company, the Employees's Committee, and the Histadrut, signed a new collective agreement detailing the understandings reached between the parties. The agreement will be effective through the end of 2029, while certain economic terms may be renegotiated by the parties following the lapse of the first four years of the term of the agreement. As a result of execution of the agreement the labor strike ended, and the unionized employees returned to work at the Beit Kama production facility.

As a result of the labor strike, the Company recorded, during the second quarter of 2022, a loss of \$3,342 thousand recorded in the cost of revenues from proprietary products and was comprised of \$3,082 thousands of overhead cost charges due to lower than standard production level in the second quarter and \$260 thousands due to loss of in-process materials.

- iii Increase in the yield of high-quality corporate bonds

As of June 30, 2022, there was an increase, compared to December 31, 2021, in the yield of high-quality corporate bonds which effect the discount rate of defined benefit obligations.

The effect of the changes in the aforementioned discount rate resulted in a reduction in the employee benefit liability, net as of June 30, 2022, in relation to December 31, 2021, in the amount of \$420 thousand dollar which were recognized against other comprehensive income in the six-month period that ended on June 30, 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4:- Operating Segments

a. General:

The company has two operating segments, as follows:

Proprietary Products - Development, manufacturing, sales and distribution of plasma-derived protein therapeutics.

Distribution - Distribute imported drug products in Israel, which are manufactured by third parties.

b. Reporting on operating segments:

	Proprietary Products	Distribution	Total
	U.S Dollars in thousands		
	Unaudited		
Six months period ended June 30, 2022			
Revenues	\$ 41,618	\$ 10,065	\$ 51,683
Gross profit	\$ 16,913	\$ 1,629	\$ 18,542
Unallocated corporate expenses			(20,590)
Finance expenses, net			(3,651)
Income before taxes on income			\$ (5,699)

	Proprietary Products	Distribution	Total
	U.S Dollars in thousands		
	Unaudited		
Six months period ended June 30, 2021			
Revenues	\$ 40,193	\$ 8,946	\$ 49,139
Gross profit	\$ 16,666	\$ 1,337	\$ 18,003
Unallocated corporate expenses			(14,593)
Finance expenses, net			214
Income before taxes on income			\$ 3,624

	Proprietary Products	Distribution	Total
	U.S Dollars in thousands		
	Unaudited		
Three months period ended June 30, 2022			
Revenues	\$ 18,607	\$ 4,983	\$ 23,590
Gross profit	\$ 6,351	\$ 899	\$ 7,240
Unallocated corporate expenses			(9,534)
Finance expenses, net			(1,618)
Income before taxes on income			\$ (3,912)

	Proprietary Products	Distribution	Total
	U.S Dollars in thousands		
	Unaudited		
Three months period ended June 30, 2021			
Revenues	\$ 19,323	\$ 4,916	\$ 24,239
Gross profit	\$ 8,264	\$ 808	\$ 9,072
Unallocated corporate expenses			(8,026)
Finance expenses, net			(109)
Income before taxes on income			\$ 937

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4:- Operating Segments (cont.)

b. Reporting on operating segments:

	Proprietary Products	Distribution	Total
	U.S Dollars in thousands		
	Audited		
Year Ended December 31, 2021			
Revenues	\$ 75,521	\$ 28,121	\$ 103,642
Gross profit	\$ 27,327	\$ 3,001	\$ 30,328
Unallocated corporate expenses			(31,024)
Finance expenses, net			(1,189)
Income before taxes on income			\$ (1,885)

c. Reporting on operating segments by geographic region:

	Six months period ended June 30, 2022		
	Proprietary Products	Distribution	Total
	U.S Dollars in thousands		
	Unaudited		
<u>Geographical markets</u>			
U.S.A and North America	\$ 28,562	\$ -	\$ 28,562
Israel	2,254	10,065	12,319
Europe	5,149	-	5,149
Latin America	3,526	-	3,526
Asia	1,760	-	1,760
Others	367	-	367
	\$ 41,618	\$ 10,065	\$ 51,683

	Six months period ended June 30, 2021		
	Proprietary Products	Distribution	Total
	U.S Dollars in thousands		
	Unaudited		
<u>Geographical markets</u>			
U.S.A and North America	\$ 26,556	\$ -	\$ 26,576
Israel	5,588	8,946	14,534
Europe	3,394	-	3,394
Latin America	3,603	-	3,603
Asia	1,019	-	1,019
Others	33	-	33
	\$ 40,193	\$ 8,946	\$ 49,139

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 4:- Operating Segments (cont.)

c. Reporting on operating segments by geographic region:

	Three months period ended June 30, 2022		
	Proprietary Products	Distribution	Total
	U.S Dollars in thousands		
	Unaudited		
Geographical markets			
U.S.A and North America.	\$ 11,611	\$ -	\$ 11,611
Israel	627	4,983	5,610
Europe	4,097	-	4,097
Latin America	1,496	-	1,496
Asia	776	-	776
Others	-	-	-
	<u>\$ 18,607</u>	<u>\$ 4,983</u>	<u>\$ 23,590</u>

	Three months period ended June 30, 2021		
	Proprietary Products	Distribution	Total
	U.S Dollars in thousands		
	Unaudited		
Geographical markets			
U.S.A and North America.	\$ 12,672	-	\$ 12,672
Israel	3,602	4,916	8,518
Europe	967	-	967
Latin America	1,428	-	1,428
Asia	640	-	640
Others	14	-	14
	<u>\$ 19,323</u>	<u>\$ 4,916</u>	<u>\$ 24,239</u>

	Year ended December 31, 2021		
	Proprietary Products	Distribution	Total
	U.S Dollars in thousands		
	Audited		
Geographical markets			
U.S.A and North America	\$ 49,763	\$ -	\$ 49,763
Israel	7,653	28,121	35,774
Europe	5,677	-	5,677
Latin America	9,127	-	9,127
Asia	3,167	-	3,167
Others	134	-	134
	<u>\$ 75,521</u>	<u>\$ 28,121</u>	<u>\$ 103,642</u>

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

	Level 1	Level 2	Level 3
	U.S Dollars in thousands		
<u>June 30, 2022</u>			
Derivatives instruments	\$ -	\$ (437)	-
Contingent consideration	-	-	\$ (23,121)
<u>June 30, 2021</u>			
Derivatives instruments	\$ -	\$ 23	\$ -
<u>December 31, 2021</u>			
Derivatives instruments	\$ -	\$ 73	\$ -
Contingent consideration	\$ -	\$ -	\$ (21,995)

During the Six months ended on June 30, 2022 there were no transfers due to the fair value measurement of any financial instrument from Level 1 to Level 2, and furthermore, there were no transfers to or from Level 3 due to the fair value measurement of any financial instrument.

Note 6:- Subsequent events

- a. Regarding the end of the labor strike in the Company's manufacturing plant at Beit Kama, Israel please refer to Note 3ii.
- b. During May 2022, the Company terminated a distribution agreement with a third-party engaged to distribute the Company's proprietary products in Russia and Ukraine (the "Distributor"), and a power of attorney granted, in connection with such distribution agreement, to an affiliate of the Distributor (the "Affiliate). On July 18, 2022, the Affiliate notified the Company of the filing of a request for a conciliation hearing with the Court in Geneva relying on the terminated power of attorney and seeking damages for the alleged inability to sell the remaining product inventory previously acquired from the Company and compensation for the lost customer base. The purpose of a conciliation hearing is to explore the possibility of an out-of-court settlement and not to address the merits of the claims. The outcome of such hearing is not binding. Nonetheless, the conciliation request has not yet been formally served upon the Company, which is a procedural request to proceed with the hearing. At this stage, it is not possible to assess the prospects and scope of any claims against the Company and any potential liabilities as such conciliation request is an initial procedure and the claims are not fully substantiated. The Company intends to vigorously defend itself against any claims if and when they arise from these matters.