

Kamada Reports Financial Results for First Quarter of 2019

CONSOLIDATED BALANCE SHEETS

	<u>As of March 31,</u>		<u>As of December 31,</u>
	<u>2019</u>	<u>2018</u>	<u>2018</u>
	<u>Unaudited</u>		<u>Audited</u>
<u>U.S Dollars in thousands</u>			
<u>Current Assets</u>			
Cash and cash equivalents	\$ 22,037	\$ 17,497	\$ 18,093
Short-term investments	33,800	30,451	32,499
Trade receivables, net	23,210	17,083	27,674
Other accounts receivables	3,442	2,027	3,308
Inventories	31,708	28,175	29,316
	<u>114,197</u>	<u>95,233</u>	<u>110,890</u>
Property, plant and equipment, net	28,829	25,125	25,004
Other long term assets	174	173	174
Deferred taxes	1,895	-	2,048
	<u>30,898</u>	<u>25,298</u>	<u>27,226</u>
	<u>\$ 145,095</u>	<u>\$ 120,531</u>	<u>\$ 138,116</u>
<u>Current Liabilities</u>			
Current maturities of bank loans and leases	1,431	609	562
Trade payables	15,255	16,951	17,285
Other accounts payables	4,424	4,912	5,261
Deferred revenues	461	4,977	461
	<u>21,571</u>	<u>27,449</u>	<u>23,569</u>
<u>Non-Current Liabilities</u>			
Bank loans and leases	4,627	1,201	716
Deferred revenues	605	645	668
Employee benefit liabilities, net	823	1,130	787
	<u>6,055</u>	<u>2,976</u>	<u>2,171</u>
<u>Shareholder's Equity</u>			
Ordinary shares	10,412	10,401	10,409
Additional paid in capital	179,352	178,458	179,147
Capital reserve due to translation to presentation currency	(3,490)	(3,490)	(3,490)
Capital reserve from hedges	11	(12)	(57)
Capital reserve from securities measured at fair value through other comprehensive income	118	(33)	34
Capital reserve from share-based payments	9,463	9,183	9,353
Capital reserve from employee benefits	4	(337)	4
Accumulated deficit	(78,401)	(104,064)	(83,024)
	<u>117,469</u>	<u>90,106</u>	<u>112,376</u>
	<u>\$ 145,095</u>	<u>\$ 120,531</u>	<u>\$ 138,116</u>

Consolidated Statements of Profit or Loss and Other Comprehensive Income (Loss)

	Three months period ended March 31,		Year ended December 31,
	2019	2018	2018
	Unaudited		Audited
	U.S Dollars in thousands		
Revenues from proprietary products	\$ 20,381	\$ 12,214	\$ 90,784
Revenues from distribution	6,416	5,227	23,685
Total revenues	<u>26,797</u>	<u>17,441</u>	<u>114,469</u>
Cost of revenues from proprietary products	10,490	6,179	52,796
Cost of revenues from distribution	5,123	4,246	20,201
Total cost of revenues	<u>15,613</u>	<u>10,425</u>	<u>72,997</u>
Gross profit	<u>11,184</u>	<u>7,016</u>	<u>41,472</u>
Research and development expenses	2,766	2,754	9,747
Selling and marketing expenses	1,092	970	3,630
General and administrative expenses	2,094	2,064	8,525
Other expense	23	-	311
Operating income	<u>5,209</u>	<u>1,228</u>	<u>19,259</u>
Financial income	280	229	820
Financial expenses	(123)	(157)	(340)
Income (expense) in respect of currency exchange differences and derivatives instruments, net	<u>(313)</u>	<u>(44)</u>	<u>602</u>
Income before taxes	5,053	1,256	20,341
Taxes on income	130	-	(1,955)
Net Income	<u>4,923</u>	<u>1,256</u>	<u>22,296</u>
Other Comprehensive Income (loss) :			
Items that may be reclassified to profit or loss in subsequent periods:			
Gain (loss) from securities measured at fair value through other comprehensive income	108	(29)	51
Gain (loss) on cash flow hedges	74	(37)	(176)
Net amounts transferred to the statement of profit or loss for cash flow hedges	(2)	(21)	70
Items that will not be reclassified to profit or loss in subsequent periods:			

Actuarial gain (loss) from defined benefit plans	-	-	340
Deferred taxes	(28)	-	(9)
Total comprehensive income	<u>\$ 5,075</u>	<u>\$ 1,169</u>	<u>\$ 22,752</u>
<u>Income (loss) per share attributable to equity holders of the Company:</u>			
Basic income per share	<u>\$ 0.12</u>	<u>\$ 0.03</u>	<u>\$ 0.55</u>
Diluted income per share	<u>\$ 0.12</u>	<u>\$ 0.03</u>	<u>\$ 0.55</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months period Ended		Year Ended
	March 31,		December 31,
	2019	2018	2018
	Unaudited		Audited
	U.S Dollars in thousands		U.S Dollars in thousands
Net income	\$ 4,923	\$ 1,256	\$ 22,296
Adjustments to reconcile net income to net cash provided by operating activities:			
Adjustments to the profit or loss items:			
Depreciation and impairment	1,127	954	3,703
Financial expenses (income), net	156	(28)	(1,082)
Cost of share-based payment	315	201	948
Taxes on income	130	-	(1,955)
Loss (gain) from sale of property and equipment	(6)	66	55
Change in employee benefit liabilities, net	36	(14)	(16)
	<u>1,758</u>	<u>1,179</u>	<u>1,653</u>
Changes in asset and liability items:			
Decrease in trade receivables, net	4,727	13,491	2,311
Decrease (increase) in other accounts receivables	131	82	(1,336)
Increase in inventories	(2,392)	(7,105)	(8,246)
Decrease (increase) in deferred expenses	(246)	22	235
Decrease in trade payables	(2,368)	(1,941)	(1,116)
Decrease in other accounts payables	(510)	(888)	(658)
Decrease in deferred revenues	(63)	(772)	(5,256)
	<u>(721)</u>	<u>2,889</u>	<u>(14,066)</u>
Cash received (paid) during the year for:			
Interest paid	(63)	(16)	(54)
Interest received	172	138	739
Taxes paid	(8)	(5)	(22)
	<u>101</u>	<u>117</u>	<u>663</u>
<u>Net cash provided by operating activities</u>	<u>\$ 6,061</u>	<u>\$ 5,441</u>	<u>\$ 10,546</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months period Ended		Year Ended
	March 31,		December 31,
	2019	2018	2018
	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	\$ (1,058)	\$ (150)	\$ (2,322)
Purchase of property and equipment and intangible assets	(304)	(259)	(2,884)
Proceeds from sale of property and equipment	6	11	30
Net cash used in investing activities	<u>(1,356)</u>	<u>(398)</u>	<u>(5,176)</u>
<u>Cash Flows from Financing Activities</u>			
Proceeds from exercise of share base payments	3	1	9
Repayment of long-term loans	<u>(378)</u>	<u>(152)</u>	<u>(596)</u>
Net cash used in financing activities	<u>(375)</u>	<u>(151)</u>	<u>(587)</u>
Exchange differences on balances of cash and cash equivalent	<u>(386)</u>	<u>(76)</u>	<u>629</u>
Increase in cash and cash equivalents	3,944	4,816	5,412
<u>Cash and cash equivalents at the beginning of the year</u>	<u>18,093</u>	<u>12,681</u>	<u>12,681</u>
<u>Cash and cash equivalents at the end of the year</u>	<u>\$ 22,037</u>	<u>\$ 17,497</u>	<u>\$ 18,093</u>
<u>Significant non-cash transactions</u>			
Purchase of property and equipment through leases	<u>\$ 4,431</u>	<u>-</u>	<u>-</u>
Purchase of property and equipment	<u>\$ 235</u>	<u>\$ 842</u>	<u>\$ 720</u>

Adjusted EBITDA

	Three months period Ended		Year ended
	March 31,		December 31,
	2019	2018	2018
	In thousands		In thousands
Net income (loss)	\$ 4,923	\$ 1,256	\$ 22,296
Taxes on income	130	-	(1,955)
Financial expense (income), net	156	(72)	(1,082)
Depreciation and amortization expense	1,127	954	3,703
Share-based compensation charges	315	201	948
Expense (Income) in respect of translation differences and derivatives instruments, net	313	44	(602)
	<u>\$ 6,964</u>	<u>\$ 2,383</u>	<u>\$ 23,308</u>

Adjusted net income

	Three months period Ended		Year ended
	March 31,		December 31,
	2019	2018	2018
	In thousands		In thousands
Net income	\$ 4,923	\$ 1,256	\$ 22,296
Share-based compensation charges	315	201	948
Adjusted net income	<u>\$ 5,238</u>	<u>\$ 1,457</u>	<u>\$ 23,244</u>