



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

**FORM 20-F**

**(Mark One)**

**REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**OR**

**SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report: Not applicable

For the transition period from \_\_\_\_ to \_\_\_\_

Commission file number 001-35948

**Kamada Ltd.**

(Exact name of registrant as specified in its charter)

**N/A**

(Translation of Registrant's name into English)

**State of Israel**

(Jurisdiction of incorporation or organization)

**2 Holzman St.  
Science Park  
P.O. Box 4081  
Rehovot 7670402  
Israel**

(Address of principal executive offices)

**Amir London, Chief Executive Officer  
2 Holzman St., Science Park  
Rehovot 7670402, Israel  
+972 8 9406472**

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

| <b>Title of Each Class</b>               | <b>Trading Symbol</b> | <b>Name of Each Exchange on which Registered</b> |
|--|-----------------------|--|
| Ordinary Shares, par value NIS 1.00 each | KMDA                  | The Nasdaq Stock Market LLC                      |

Securities registered or to be registered pursuant to Section 12(g) of the Act. **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. **None**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

**As of December 31, 2025, the Registrant had 57,686,056 Ordinary Shares outstanding.**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer", "accelerated filer", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards<sup>†</sup> provided pursuant to Section 13(a) of the Exchange Act.

<sup>†</sup> The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP  International Financial Reporting Standards as issued by the International Accounting Standards Board  Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

---

---

## TABLE OF CONTENTS

|                 |  |     |
|-----------------|--|-----|
| <u>PART I</u>   |  |     |
| Item 1.         | <a href="#">Identity of Directors, Senior Management and Advisers</a>                        | 1   |
| Item 2.         | <a href="#">Offer Statistics and Expected Timetable</a>                                      | 1   |
| Item 3.         | <a href="#">Key Information</a>  | 1   |
| Item 4.         | <a href="#">Information on the Company</a>   | 53  |
| Item 4A.        | <a href="#">Unresolved Staff Comments</a>  | 88  |
| Item 5.         | <a href="#">Operating and Financial Review and Prospects</a>                                 | 88  |
| Item 6.         | <a href="#">Directors, Senior Management and Employees</a>                                   | 108 |
| Item 7.         | <a href="#">Major Shareholders and Related Party Transactions</a>                            | 131 |
| Item 8.         | <a href="#">Financial Information</a>  | 133 |
| Item 9.         | <a href="#">The Offer and Listing</a>  | 134 |
| Item 10.        | <a href="#">Additional Information</a>   | 135 |
| Item 11.        | <a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>                   | 147 |
| Item 12.        | <a href="#">Description of Securities Other Than Equity Securities</a>                       | 148 |
| <u>PART II</u>  |  |     |
| Item 13.        | <a href="#">Defaults, Dividend Arrearages and Delinquencies</a>                              | 149 |
| Item 14.        | <a href="#">Material Modifications to the Rights of Security Holders and Use of Proceeds</a> | 149 |
| Item 15.        | <a href="#">Controls and Procedures</a>  | 149 |
| Item 16.        | <a href="#">[Reserved]</a>   | 149 |
| Item 16A.       | <a href="#">Audit Committee Financial Expert</a>   | 149 |
| Item 16B.       | <a href="#">Code of Ethics</a>   | 149 |
| Item 16C.       | <a href="#">Principal Accountant Fees and Services</a>                                       | 150 |
| Item 16D.       | <a href="#">Exemptions from the Listing Standards for Audit Committees</a>                   | 150 |
| Item 16E.       | <a href="#">Purchase of Equity Securities by the Issuer and Affiliated Purchasers</a>        | 150 |
| Item 16F.       | <a href="#">Change in Registrant's Certifying Accountant</a>                                 | 150 |
| Item 16G.       | <a href="#">Corporate Governance</a>   | 151 |
| Item 16H.       | <a href="#">Mine Safety Disclosure</a>   | 151 |
| Item 16I.       | <a href="#">Disclosure Regarding Foreign Jurisdictions That Prevent Inspections</a>          | 151 |
| Item 16J.       | <a href="#">Insider trading policies</a>   | 152 |
| Item 16K.       | <a href="#">Cybersecurity</a>  | 152 |
| <u>PART III</u> |  |     |
| Item 17.        | <a href="#">Financial Statements</a>   | 154 |
| Item 18.        | <a href="#">Financial Statements</a>   | 154 |
| Item 19.        | <a href="#">Exhibits</a>   | 155 |

## Forward-Looking Statements

*In this Annual Report on Form 20-F (this “Annual Report”), unless the context indicates otherwise, references to “NIS” are to the legal currency of Israel, “U.S. dollars,” “\$” or “dollars” are to United States dollars, and the terms “we”, “us”, the “Company”, “our company”, “our”, and “Kamada” refer to Kamada Ltd., along with its consolidated subsidiaries.*

*This Annual Report contains forward-looking statements that relate to future events or our future financial performance, which express the current beliefs and expectations of our management in light of the information currently available to it. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, such statements involve a number of known and unknown risks, uncertainties and other factors that could cause our actual future results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements include all statements that are not historical facts and can be identified by words such as, but without limitation, “believe”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “target”, “likely”, “may”, “will”, “would”, or “could”, or other words, expressions or phrases of similar substance or the negative thereof. We have based these forward-looking statements largely on our management’s current expectations and future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. Forward-looking statements include, but are not limited to, statements about:*

- *Our expectation that our strategy will drive profitable growth through four primary growth pillars; organic growth of our commercial portfolio; distribution of third-party pharmaceutical products in Israel and the Middle East and North Africa (MENA) region, including the launch of several biosimilar products in Israel; our plasma collection operations; and through merger and acquisition, business development, in-licensing and/or collaboration opportunities;*
- *our current expectation to generate total revenues for the fiscal year 2026 in the range of \$200 million to \$205 million and adjusted EBITDA in the range of \$50 million to \$53 million. The midpoint of the projected 2026 revenue and adjusted EBITDA forecast represents a year-over-year increase of 13% in revenues and 23% in adjusted EBITDA (for details regarding the use of non-IFRS measures, see “Item 5. Operating and Financial Review and Prospects—Non-IFRS Financial Measures”);*
- *our plan to maintain a dividend policy, and to pay a cash dividend in accordance with the policy on April 6, 2026, based on our announcement on March 11, 2026, of a cash dividend of \$0.25 per share (approximately \$14.4 million in the aggregate), with a record date (ex-dividend date) of March 23, 2026;*
- *our belief that a significant portion of our revenues has been, and will continue to be, derived from sales of our Proprietary Products and that KEDRAB, GLASSIA and CYTOGAM will continue to be our three leading products in our existing Proprietary Products portfolio for the foreseeable future;*
- *our expectation that based on current GLASSIA sales by Takeda and forecasted future growth, we will receive royalties from Takeda in the range of \$10 million to \$20 million per year for 2026 to 2040;*
- *our expectation to continue manufacturing HEPAGAM B, VARIZIG and WINRHO SDF at Emergent BioSolutions Inc. (“Emergent”) in the foreseeable future, and our plan to transition the manufacturing of these products to our manufacturing facility in Beit Kama, Israel, which would require certain changes to manufacturing processes, potential amendments to the contract manufacturing agreement with Emergent, and the receipt of required regulatory approvals, and our anticipation that such transition will be completed within four to five years;*

- *our intention to expand our Proprietary Products business, by leveraging our existing strong international distribution network to grow our commercial revenue in the existing markets in which we sell our products, as well as to expand to geographic markets in which these products are not currently sold;*
- *our expectation to launch in Israel two biosimilar products in 2026 and to launch the remaining biosimilar products in Israel over the coming years, at a rate of 1-3 products per year, subject to the European Medicines Agency (“EMA”) and subsequently the Israeli Ministry of Health (“IMOH”) approvals, while continuing to explore opportunities to in-license additional biosimilar products and expand the portfolio and that sales generated by the launch of the biosimilar products portfolio will serve as a major growth and profitability catalyst for our Distribution segment, and our estimate that revenues from sales of our existing biosimilar products portfolio in Israel will increase to between approximately \$15 million and \$20 million within the next four to five years and will continue to grow thereafter, subject to the continued launch of the entire portfolio as scheduled;*
- *our ability to procure adequate quantities of plasma and fraction IV from our suppliers, which are acceptable for use in our manufacturing processes;*
- *our intention to invest in ramping up our U.S. plasma collection operations; our expectation that our plasma collection centers in Houston and San Antonio, Texas will become two of the largest hyper-immune plasma collection sites in the United States and will also collect normal source plasma for sale to third parties; our expectation that our plasma collection site in San Antonio, Texas will receive FDA approval during the first half of 2026; and our expectation that the ramping up of our plasma collection operations will allow us to better support our hyper-immune plasma needs and reduce our dependency on third-party suppliers, as well as generate revenues through sales of collected normal source plasma to other plasma-derived manufacturers;*
- *our expectation that each of the Houston and San Antonio plasma collection centers, once fully operational, will contribute annual revenues of approximately \$8 million to \$10 million in sales of normal source plasma;*
- *our intention to apply for EMA approval of both the Houston and San Antonio plasma collection centers to enable future sales of normal source plasma to potential European customers;*
- *our expectations regarding the potential market opportunities for our products and product candidates;*
- *our expectation that Kedrion Biopharma Inc. (“Kedrion”) will purchase from us annual minimum quantities of KEDRAB during fiscal years 2026 and 2027 pursuant to the fifth amendment to the supply and distribution agreement between the parties, through which, Kedrion committed to purchase minimum quantities of KEDRAB with an aggregate revenues to us of approximately \$180.0 million during the first four-year period of the amendment (i.e., 2024 through 2027), of which at least \$90.0 million are expected during the remaining two years of such four-year period (i.e., 2026 through 2027);*
- *our belief that anti-rabies IgG products based on equine serum are inferior to products made from human plasma;*
- *our belief that the administration of CYTOGAM together with available antivirals may provide additional protection in preventing cytomegalovirus (“CMV”) disease for certain high-risk transplant populations, such as lung transplant patients, that there is an under-utilization of CYTOGAM as CMV prophylaxis in high-risk patient profiles across all organs, that data generated from our clinical program, including investigator-initiated studies, and our belief that we may achieve increased utilization through collaborations with leading U.S.-based solid organ transplantation experts to generate and present new real-world data on the benefits of CYTOGAM, will support the ongoing use of CYTOGAM and identify potential innovative applications;*

- *our belief that we will be able to register our Proprietary Products, including CYTOGAM, HEPAGAM B, VARIZIG and WINRHO SDF, in additional ex-U.S. countries where they are not currently registered, and our belief that this would lead to additional sales worldwide;*
- *our expectations regarding the potential actions or inactions of existing and potential competitors of our products, including our belief that there will be no new supplier of plasma-derived AAT products in the U.S. or European markets in the near future;*
- *our expectations regarding the timing, progress, design, regulatory interactions, and potential outcomes of ongoing or planned clinical trials and other research activities;*
- *our expectation that key U.S. physicians will publish new clinical data related to some of our products, and our belief that the educational symposiums that they conduct will have a positive impact on the understanding of our portfolio, thereby contributing to continued growth in demand;*
- *our projection that changes in the product sales mix and geographic sales mix may have an effect on our sales and profitability;*
- *our ability to identify growth opportunities for existing products and our ability to identify and develop new plasma-derived product candidates;*
- *our belief that the market opportunity for AAT products for the treatment of Alpha-1 Antitrypsin Deficiency (“AATD”) will continue to grow;*
- *our expectation that the AATD’s diagnosis and the number of patients treated for AATD will continue to increase going forward as awareness of AATD increases;*
- *our plan to test our anti-tuberculosis IgG product in-vivo during 2026;*
- *our ability to maintain compliance with government regulations and licenses;*
- *our plan to advance our other early-stage development programs until completion of proof-of-concept, at which point we plan to evaluate continued internal development, partnering or out-licensing;*
- *our intention to defend ourselves against the lawsuit filed against us by a third-party distributor with the tribunal of first instance in Geneva, as a result of the termination of the distribution agreement for distribution of our Proprietary Products in Russia and Ukraine, and our expectations concerning the timing and progress of such proceeding;*
- *our belief that our current cash and cash equivalents and expected future cash to be generated by our operational activities will be sufficient to satisfy our liquidity requirements for at least the next 12 months;*
- *our expectation that our capital expenditures will increase in the coming years mainly in connection with the establishment of the new filling line and to facilitate the transition of manufacturing of HEPAGAM B, VARIZIG and WINRHO SDF to our manufacturing facility in Beit Kama, Israel;*
- *our expectations to pay, during the next 12 months, approximately \$9.9 million on account of contingent consideration and assumed liabilities, under the asset purchase agreement entered into with Saol in November 2021;*
- *our ability to obtain and maintain protection for the intellectual property, trade secrets and know-how relating to or incorporated into our technology and products;*
- *our expectations regarding our ability to utilize Israeli tax incentives against future income; and*
- *our expectations regarding taxation, including that we will not be classified as a passive foreign investment company for the taxable year ended December 31, 2025.*

*All forward-looking statements involve risks, assumptions and uncertainties. You should not rely upon forward-looking statements as predictors of future events. The occurrence of the events described, and the achievement of the expected results, depend on many events and factors, some or all of which may not be predictable or within our control. Actual results may differ materially from expected results. See the sections “Item 3. Key Information — D. Risk Factors” and “Item 5. Operating and Financial Review and Prospects,” as well as elsewhere in this Annual Report, for a more complete discussion of these risks, assumptions and uncertainties and for other risks, assumptions and uncertainties. These risks, assumptions and uncertainties are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results.*

*All of the forward-looking statements we have included in this Annual Report are based on information available to us as of the date of this Annual Report and speak only as of the date hereof. We undertake no obligation, and specifically decline any obligation, to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Annual Report might not occur.*

*The audited consolidated financial statements for the years ended December 31, 2025, 2024 and 2023 included in this Annual Report have been prepared in accordance with the international financial reporting standards (“IFRS”) as issued by the international accounting standards board (“IASB”).*

*Unless otherwise noted, NIS amounts presented in this Annual Report are translated at the rate of \$1.00 = NIS 3.19, the exchange rate published by the Bank of Israel as of December 31, 2025.*

*We have proprietary rights to trademarks used in this Annual Report that are important to our business, many of which are registered under applicable intellectual property laws. Solely for convenience, trademarks and trade names referred to in this Annual Report may appear without the “®” or “™” symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies’ trademarks, trade names or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies. Each trademark, trade name or service mark of any other company appearing in this Annual Report is the property of its respective holder.*

## PART I

### Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

### Item 2. Offer Statistics and Expected Timetable

Not applicable.

### Item 3. Key Information

#### A. [Reserved]

#### B. Capitalization and Indebtedness

Not applicable.

#### C. Reasons for the Offer and Use of Proceeds

Not applicable.

#### D. Risk Factors

*Our business, liquidity, financial condition, and results of operations could be adversely affected, and even materially so, if any of the risks described below occur. As a result, the trading price of our securities could decline, and investors could lose all or part of their investment. This Annual Report including the consolidated financial statements contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially and adversely from those anticipated, as a result of certain factors, including the risks facing the Company as described below and elsewhere in the Annual Report. You should carefully consider the risks and uncertainties included herewith. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business. Material risks that may affect our business, operating results and financial condition include, but are not necessarily limited to, those relating to:*

- *Our ability to maintain and expand sales of our commercial products portfolio in the United States and ex-U.S. markets is critical to our growth, profitability and financial stability.*
- *Our business is currently highly concentrated on our three leading products, KEDRAB, GLASSIA and CYTOGAM. Additionally, a significant portion of our sales and financial results for the years ended December 31, 2025, 2024 and 2023 was driven by royalty income generated from sales of GLASSIA by Takeda. Any adverse market event affecting such products or revenue derived from such products could have a material adverse effect on our business and financial condition.*
- *A significant portion of our net revenue has been and will continue to be driven from sales of our Proprietary Products, and in our largest geographic region, the United States. Any adverse market event with respect to some of our Proprietary Products or the United States would have a material adverse effect on our business.*
- *Our long-term continued growth is dependent, in part, on our ability to continue to effectively utilize and continue to increase our manufacturing plant capacity and introduce new and more efficient production technologies.*

- *Our long-term continued growth is dependent on our ability to engage in additional strategic transactions to acquire products or businesses, or engage in in-licensing transactions. Our inability to secure such transactions on cost-effective terms or our inability to realize the anticipated benefits from these transactions, may negatively affect our projected growth and operating results, dilute our shareholders' ownership or cause us to incur debt or significant expense.*
- *We have invested, and intend to continue to invest, in ramping up our U.S. plasma collection operations in order to reduce our dependency on third-party suppliers in terms of hyper-immune specialty plasma supply required for manufacturing of our Proprietary Products needs, as well as to generate sales from commercialization of collected normal source plasma, and our ability to successfully enhance this operation is important to support our future growth and profitability.*
- *In our Proprietary Products segment, we rely on Kedrion for the sales of our KEDRAB product in the United States, and any disruption to our relationships with Kedrion would have an adverse effect on our future results of operations and profitability.*
- *Sales of CYTOGAM, WINRHO SDF, HEPAGAM B and VARIZIG in the U.S. market are important in order to support future growth, future results of operations and profitability.*
- *Continued availability of CYTOGAM, WINRHO SDF, VARIZIG and HEPAGAM B worldwide is dependent on our ability to maintain continuous plasma supply and maintain our relationship with third-party contract manufacturers and suppliers, and any disruption to such relationship could have an adverse effect on the availability of these products, as well as our future results of operations and profitability.*
- *We rely in large part on third parties for the sale, distribution and delivery of our Proprietary Products, and any disruption to our relationships with these third-party distributors would have an adverse effect on our future results of operations and profitability.*
- *Our Proprietary Products segment operates in a highly competitive market and could be negatively impacted by new competitors or the adoption of new methods of administration.*
- *Manufacturing of new plasma-derived products in our manufacturing facility, or the manufacture of Proprietary Products by third parties, requires a lengthy and challenging development project and/or technology transfer project as well as regulatory approvals, all of which may not materialize.*
- *We could become supply-constrained, and our financial performance could suffer, if we were unable to obtain adequate quantities of specialty plasma, plasma derivatives or specialty ancillary products that meet the regulatory requirements of the FDA, the EMA, Health Canada or the regulatory authorities in Israel, or if our suppliers were to fail to modify their operations to meet regulatory requirements or if prices of source plasma or plasma derivatives were to rise significantly.*
- *Our Distribution segment is dependent on key suppliers, and any disruption to our relationship with these suppliers, or their inability to supply us with the products we sell, in a timely manner, in adequate quantities and/or at a reasonable cost, would have a material adverse effect on our business, financial condition and results of operations.*
- *In recent years we entered into agreements for future distribution in Israel of several biosimilar product candidates, and the successful future distribution of these products, which is important for the continued growth of the Distribution segment as a whole, is dependent upon several factors some of which are beyond our control.*
- *Laws and regulations governing the conduct of international operations may negatively impact our development, manufacture, and sale of products outside of the United States and require us to develop and implement costly and time-consuming compliance programs.*

- *If our manufacturing facility in Beit Kama, Israel were to suffer a serious accident, contamination, force majeure event (including, but not limited to, a war, terrorist attack, earthquake, major fire or explosion, etc.) materially affecting our ability to operate and produce saleable plasma-derived therapeutics, all of our manufacturing capacity could be shut down for an extended period.*
- *While we have been profitable in recent years, we have incurred significant losses since our inception and we may incur losses in the future.*
- *Our manufacturing operations require significant ongoing capital investments, upgrades and large scale projects, which may require us to incur debt or issue additional equity and may not deliver expected returns.*
- *Our business could be adversely affected by political, economic and military instability in Israel and its region.*
- *Our business and operations would suffer in the event of computer system failures, cyber-attacks on our systems or deficiency in our cyber security measures.*

## **Risks Related to Our Business**

***Our ability to maintain and expand sales of our commercial products portfolio in the United States and ex-U.S. markets is critical to our growth, profitability and financial stability.***

Our portfolio of products in our Proprietary Products segment (which we refer to as our Proprietary Products), comprising of KEDRAB, GLASSIA, CYTOGAM, WINRHO SDF, VARIZIG and HEPAGAM B, are currently distributed in the U.S. market, where we market and distribute some of these products directly based on our sales and marketing personnel, and in approximately 30 additional ex-U.S. international markets. Our future growth, profitability and financial stability depend on our ability to successfully maintain and expand our U.S.-based commercial and distribution infrastructure, as well as our ex-U.S. commercialization efforts. While we continuously seek to leverage our existing strong international distribution network to increase our commercial revenue in the existing markets in which we sell our products and to expand to geographic markets in which these products are not currently sold, we may not be successful in growing our sales in existing markets or developing additional markets for these products. Given continued market dynamics and competition in the markets we operate, as well as other operational, technical, regulatory, financial and compliance challenges, we may not be able to maintain or continue to expand our existing commercial operations, which may materially adversely affect our business and financial condition.

***Our business is currently highly concentrated on the sales of our three leading products, KEDRAB, GLASSIA and CYTOGAM. Additionally, a significant portion of our sales and financial results for the years ended December 31, 2025, 2024, and 2023 was driven by royalty income generated from GLASSIA sales by Takeda. Any adverse market event affecting such products or revenue derived from such products could have a material adverse effect on our business and financial condition.***

Our business currently relies on the sales of KEDRAB, our Human Rabies Immune Globulin (HRIG), GLASSIA, our intravenous AAT product, CYTOGAM, our Cytomegalovirus Immune Globulin Intravenous (Human) (“CMV-IGIV”), and royalty income from sales of GLASSIA by Takeda. Revenue generated by these products comprised approximately 30%, 11%, 9% and 9%, respectively (59% in total), of our total revenues for the year ended December 31, 2025. In the event that any of these products were to lose significant sales or were to be substantially or completely displaced in the market, we would lose a significant and material source of our total revenues. Similarly, if these products were to become the subject of litigation and/or an adverse governmental action or ruling causing us to cease the manufacturing, export or sales of these products, our business and financial condition would be adversely affected.

We are entitled to royalty payments from Takeda on GLASSIA sales in the United States and Canada (as well as in Australia and New Zealand, to the extent GLASSIA will be approved and sales will be generated in these other markets) 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. For the years ended December 31, 2025, 2024, and 2023, we accounted for \$15.8, \$16.9, and \$16.1 million, respectively, of sales-based royalty income from Takeda, and based on forecasted future growth, we project receiving royalties from Takeda in the range of \$10 million to \$20 million per year during 2026 to 2040. Any reduction in sales of GLASSIA by Takeda or reduction in the manufacturing and marketing of GLASSIA by Takeda for any reason (including due to the inability to adequately or sufficiently manufacture GLASSIA, regulatory limitations, difficulties in marketing, reduction in market size, or changes in corporate focus), would adversely impact our future expected royalty income from Takeda's sales of GLASSIA, which would have an adverse effect on our revenues and profitability.

***A significant portion of our net revenue has been and will continue to be driven from sales of our Proprietary Products, and in our largest geographic region, the United States. Any adverse market event with respect to our Proprietary Products or the United States would have a material adverse effect on our business.***

A significant portion of our revenue has been, and will continue to be, derived from sales of our Proprietary Products, including those of KEDRAB, GLASSIA, CYTOGAM, WINRHO SDF, HEPAGAM B and VARIZIG, as well as royalty income from GLASSIA sales by Takeda. Revenue from our Proprietary Products comprised approximately 87%, 88% and 81% of our total revenues for the years ended December 31, 2025, 2024 and 2023, respectively. If any of our Proprietary Products were to lose significant sales or were to be substantially or completely displaced in the market, we would lose a significant and material source of our total revenues. Similarly, if any of these Proprietary Products were to become the subject of litigation and/or an adverse governmental action or ruling causing us or third parties to cease the manufacturing, export or sales of these products, our business and financial condition would be adversely affected.

A significant portion of our sales and income are generated in the United States, comprising approximately 55%, 62% and 52% of our total revenues for the years ended December 31, 2025, 2024 and 2023, respectively. If our sales or income generated in the United States were significantly impacted by material changes to government or private payor reimbursement, other regulatory developments, competition or other factors, then our business and financial condition would be adversely affected.

***Our long-term continued growth is dependent, in part, on our ability to continue to effectively utilize and continue to increase our manufacturing plant capacity.***

Our manufacturing facility is currently utilized to manufacture several of our Proprietary Products, including KEDRAB/KAMRAB, GLASSIA and CYTOGAM, as well as our anti-snake venom products. In the future, we may expand the utilization of our manufacturing facility to include the manufacturing of WINRHO SDF, VARIZIG and HEPAGAM B, which would require certain changes to manufacturing processes, potential amendments to the contract manufacturing agreement with Emergent, and the receipt of required regulatory approvals. In addition, we may also consider utilizing our plant in the future for the manufacturing of products for other companies as a contract manufacturing organization (CMO). While we have the know-how and expertise to support the manufacturing of additional products at our facility, we may not be able to complete the required development process and/or technology transfers or obtain the required regulatory approvals in the expected timeline, or at all. Further, we may not be able to increase the manufacturing capacity at our facility, even if there is increased market demand for these products at a profitable market price in the markets in which we distribute our products or other markets. Our inability to effectively utilize and continue to increase our manufacturing plant capacity may limit our ability to continue to grow our business and result in a loss of commercial opportunities. Failure to adequately or timely adapt our manufacturing volume, or that of our CMOs, as needed, may lead to an inability to supply products, could cause substantial harm to our business reputation, result in breach of our sales agreements or the loss of future customers and orders, which may have an adverse effect on our business. In addition, the risk of not adequately managing plant utilization could result in inefficiencies, reduced profitability and operating losses. See also “—*Manufacturing of new plasma-derived products in our manufacturing facility requires a lengthy and challenging development project and/or technology transfer project as well as regulatory approvals, all of which may not materialize.*”

***Our long-term continued growth is dependent on our ability to engage in additional strategic transactions for the acquisition of products or businesses, or engage in in-licensing transactions. Our inability to secure such transactions on cost-effective terms or our inability to realize the anticipated benefits from these transactions, may negatively affect our projected growth and operating results, dilute our shareholders' ownership or cause us to incur debt or significant expense.***

As part of our business development and growth strategy, we have in the past, and are actively, exploring potential strategic transactions to acquire products or businesses, or engage in in-licensing transactions, or enter into other strategic alliances or collaborations for both our Proprietary Products and Distribution segments. These opportunities may involve the acquisition or in-licensing of new products for commercialization (with or without manufacturing), as well as in-licensing agreements to manufacture plasma-derived or other products for other companies, which can provide additional revenue streams and leverage our biopharmaceuticals and plasma-derived manufacturing expertise. We may not identify additional suitable transactions, or complete such transactions in a timely manner, on a cost-effective basis, or at all. Moreover, we may devote resources to potential opportunities that are never completed, or we may incorrectly judge the value or worth of such opportunities. Even if we successfully execute a strategic transaction, we may not be able to realize the anticipated benefits of such transaction, may dilute our shareholders' ownership, incur debt or assume unknown or contingent liabilities in connection therewith, and may experience losses related to our investments or dispositions. Integration of an acquired company or assets into our existing business or a transition of an asset to an acquirer or partner may not be successful and may disrupt ongoing operations, require the hiring of additional personnel and the implementation of additional internal systems and infrastructure, and require management resources that would otherwise focus on developing our existing business. Even if we are able to achieve the long-term benefits of a strategic transaction, our expenses and short-term costs may increase materially and adversely affect our liquidity. Any of the foregoing could have a material effect on our business, results of operations and financial condition.

***We have invested, and intend to continue to invest, in ramping up our U.S. plasma collection operations in order to reduce our dependency on third-party suppliers in terms of plasma supply needs as well as to generate sales from commercialization of collected normal source plasma, and our ability to successfully enhance this operation is important to support our future growth and profitability.***

We currently have three plasma collection centers in the United States. We acquired our first FDA-licensed plasma collection center in Beaumont, Texas in March 2021, which specializes in the collection of hyper-immune plasma to be used in the manufacture of WINRHO SDF, KAMRAB and KEDRAB. In 2024, we opened our second plasma collection center in Houston, Texas, which received FDA approval in 2025. In addition, in 2025, after completing construction and obtaining the required site registration, we commenced operations at our third plasma collection site in San Antonio, Texas, for which an FDA site audit was completed in February 2026 and we expect to receive FDA approval during the first half of 2026. We intend to seek a subsequent inspection and approval by the EMA of both our Houston and San Antonio sites. Both centers are expected to become two of the largest hyper-immune plasma collection sites in the United States and will also collect normal source plasma for sale to third parties. We may, in the future, leverage our experience with plasma collection to establish additional plasma collection centers in the United States; however, the success of these operations depends on factors beyond our control, including but not limited to the availability and eligibility of donors, regulatory requirements, macroeconomic conditions and competitive dynamics in the plasma collection industry.

We believe that the ramping up of our plasma collection operations will allow us to better support our hyperimmune plasma needs and reduce our dependency on third-party suppliers, as well as generate revenues through sales of collected normal source plasma. However, given our limited prior experience in managing plasma collection operations and the complexities in negotiating third-party agreements, as well as the overall conditions of the plasma collection industry, we may not be able to fully realize our investment or maximize the anticipated benefits of such activities.

Our ability to collect sufficient quantities of plasma may be adversely affected by reductions in the donor pool resulting from public health developments, changes in donor eligibility criteria, regulatory actions, immigration policies or enforcement, or shifts in macroeconomic conditions that reduce the financial incentive for individuals to donate plasma or impair our ability to staff plasma collection centers. Further, even if we are able to collect sufficient quantities of plasma, the cost of plasma may increase significantly due to increased competition for donors, industry consolidation or vertical integration among plasma-derived product manufacturers, changes in regulatory requirements, or supply disruptions. In addition, we may not be able to adequately collect sufficient quantities of specialty plasma through our plasma collection operations to support our specialty plasma sourcing needs, including due to a lack of appropriate or sufficient donors, which would result in continued dependency on third-party suppliers and expose us to supply constraints or unfavorable pricing. Even if we are successful in the collection of sufficient quantities of such plasma, there can be no assurance that we will be able to reduce the cost of plasma through our collection operations, as compared to costs associated with procuring plasma from third parties. In addition, there can be no assurance that we will be able to collect adequate quantities of normal source plasma, successfully commercialize such plasma, secure supply agreements with customers at adequate prices, or that there will be sufficient or sustained demand for normal source plasma. Any failure to achieve the anticipated operational, cost or revenue benefits from our plasma collection strategy could materially adversely affect our business, financial condition and results of operations. See also “—*We could become supply-constrained, and our financial performance could suffer, if we were unable to obtain adequate quantities of source plasma, plasma derivatives or specialty ancillary products that meet the regulatory requirements of the FDA, the EMA, Health Canada or the regulatory authorities in Israel, or if our suppliers were to fail to modify their operations to meet regulatory requirements or if prices of source plasma or plasma derivatives were to rise significantly*”; and “—*Our long-term continued growth is dependent on our ability to engage in additional strategic transactions to acquire assets, businesses, products or technologies or engage in in-license or out-license transactions of products or technologies or form collaborations. Our inability to secure such transactions on cost-effective terms or our inability to realize the anticipated benefits from these transactions, may negatively affect our projected growth and operating results, dilute our shareholders’ ownership or cause us to incur debt or significant expense.*”

### **Risks Related to Our Proprietary Products Segment**

***In our Proprietary Products segment, we rely on Kedrion for the sales of our KEDRAB product in the United States, and any disruption to our relationships with Kedrion would have an adverse effect on our future results of operations and profitability.***

Pursuant to the strategic distribution and supply agreement with Kedrion for the marketing of KEDRAB in the United States, Kedrion is the sole distributor of KEDRAB in the United States. Sales to Kedrion accounted for approximately 30%, 31% and 23% of our total revenues in the years ended December 31, 2025, 2024 and 2023, respectively. We are dependent on Kedrion for its marketing and sales of KEDRAB in the United States. Under the strategic distribution and supply agreement, as amended in January 2025, which superseded and memorialized the terms of a binding memorandum of understanding with Kedrion for the amendment and extension of the distribution agreement between the parties, entered into in December 2023, Kedrion committed to purchasing minimum quantities of KEDRAB during the first four years (i.e., 2024 through 2027) of the eight-year term, that began in January 2024, generating projected minimum aggregate revenues for us of approximately \$180.0 million over such four-year period, of which a minimum of approximately \$90.0 million is to be acquired during the remaining two years of such four-year period (i.e., 2026 through 2027). According to the distribution agreement, Kedrion shall have the right to extend the agreement by written notice no later than December 31, 2030, for an additional two years, until December 31, 2033.

We currently also purchase from a subsidiary of Kedrion, KedPlasma LLC (“Kedplasma”), a large portion of the hyper-immune plasma, which is used for the production of KEDRAB/KAMRAB. See “—*We could become supply-constrained, and our financial performance could suffer, if we were unable to obtain adequate quantities of source plasma, plasma derivatives or specialty ancillary products that meet the regulatory requirements of the FDA, the EMA, Health Canada or the regulatory authorities in Israel, or if our suppliers were to fail to modify their operations to meet regulatory requirements or if prices of source plasma or plasma derivatives were to rise significantly.*”

If we do not maintain the distribution relationship with Kedrion, we would be required to assume the sales and marketing activities of KEDRAB, or we would need to engage a replacement distributor for the product in the United States. Further, if we fail to maintain the plasma supply agreement with Kedplasma we would need to meet such plasma supply quantities from our own plasma centers and/or find a replacement supplier of the hyper-immune plasma, which is used to manufacture KEDRAB/KAMRAB. Establishing a relationship with a new distributor or supplier or fully internalizing those activities could lead to a decrease in KEDRAB/KAMRAB sales and a deterioration in our market share. Any of the foregoing developments could have an adverse effect on our sales, margins and profitability.

***Sales of CYTOGAM, WINRHO SDF, HEPAGAM B and VARIZIG in the U.S. market are important in order to support future growth, future results of operations and profitability.***

Sales of CYTOGAM, VARIZIG, HEPAGAM B and WINRHO SDF in the U.S. market represented approximately 19%, 24% and 21% of our Proprietary Product segment sales for the years ended December 31, 2025, 2024 and 2023, respectively. To facilitate the sale and distribution of these products in the U.S. market, the Company established commercial operations in the United States at the beginning of 2022, which included contracting with a third-party logistics (3PL) provider, contracting with pharmaceutical wholesalers and regional distributors, hiring sales, medical, trade and market access professionals, establishing relationships with key opinion leaders (“KOLs”), supporting health care professionals in conducting investigator-initiated trials and publishing new data in support of the Company’s portfolio of products, mainly CYTOGAM. Given the continued challenges in directly managing U.S. commercial and medical operations and the operational, technical, regulatory and compliance challenges in maintaining such activity, as well as the significant costs involved in such operations, we may not be able to continue to realize the anticipated benefits of such activities, and may not be able to adequately maintain or expand market demand and continued product sales, which may result in a significant reduction in sales, increased operating costs and reduced profitability and may adversely impact our future growth. See “— *Our ability to maintain and expand sales of our commercial products portfolio in the U.S. and ex-U.S. markets is critical to our profitability and financial stability.*” See also – “Item 4B. Information on the Company — Business Overview — *Proprietary Products Segment.*”

***Continued availability of CYTOGAM, WINRHO SDF, VARIZIG and HEPAGAM B worldwide is dependent on our ability to maintain continuous plasma supply and maintain our relationship with third-party contract manufacturers and suppliers, and any disruption to such relationship could have an adverse effect on the availability of these products, as well as our future results of operations and profitability.***

CYTOGAM is manufactured at our facility in Beit Kama, Israel since 2023. To manufacture CYTOGAM, we engaged Prothya Biosolutions Belgium (“Prothya”) as a third-party contract manufacturer to perform certain manufacturing activities required for the manufacturing of the product. In addition, CMV hyper-immune plasma for the manufacturing of CYTOGAM is supplied by CSL Behring Ltd. (“CSL Behring”) through a dedicated plasma supply agreement. We have limited control and supervision over the operational processes of these organizations, which could affect our ability to maintain quality standards and could lead to business or legal disputes with these organizations. If we fail to maintain our relationship with these entities, or if these entities fail to operate in compliance with regulatory and compliance requirements, we could face supply shortages, which could adversely impact our ability to manufacture and supply CYTOGAM and could incur increased costs in finding replacement vendors. Delays in establishing a relationship with new vendors could lead to a decrease in CYTOGAM sales and a deterioration in our market position. Any of the foregoing developments could have an adverse effect upon our sales, margins and profitability.

WINRHO SDF, VARIZIG and HEPAGAM B are currently manufactured by Emergent under a contract manufacturing agreement, which was assigned to us by Saol upon the consummation of the acquisition. We are currently partially dependent on Emergent to secure the supply of adequate quantities of plasma needed to timely manufacture these products and we rely on their manufacturing, quality and regulatory systems to ensure that the manufacturing process complies with current Good Manufacturing Practice (“cGMP”) standards and any other regulatory requirements, and that each product manufactured meets its specifications and is appropriately released for human consumption.

If we are unable to maintain our relationship with Emergent, if Emergent fails to operate in compliance with cGMP and other regulatory requirements, or if we do not extend our agreement with Emergent beyond its current expiration in September 2027 and lack sufficient product inventory to bridge the gap until manufacturing begins at our facility or at a replacement manufacturer's facility, we could face supply shortages and may not be able to supply these products. In addition, such failure may result in increased costs and delays in transferring the manufacturing of the products to our plant in Beit Kama, Israel, or in finding a replacement manufacturer for these products and we might be required to identify a replacement supplier of the plasma which is used to produce these products. Delays in internalizing the production or establishing a relationship with a new manufacturer could lead to a decrease in these products' sales and a deterioration in our market share. Any of the foregoing developments could have an adverse effect upon our sales, margins and profitability. See also "*Manufacturing of new plasma-derived products in our manufacturing facility requires a lengthy and challenging development project and/or technology transfer project as well as regulatory approvals, all of which may not materialize.*"

***Certain of our sales in our Proprietary Products segment rely on our ability to win tender bids based on the price and availability of our products in public tender processes.***

Certain of our sales in our Proprietary Products segment rely on our ability to win tender bids in certain markets, including those of the World Health Organization ("WHO") and other similar health organizations. Our ability to win bids may be materially adversely affected by competitive conditions in such bid processes. Our existing and new competitors may have significantly greater financial resources, broader product availability, and a more diverse commercial infrastructure, which may better position them to win more tenders and adversely affect our ability to win tenders, and which in turn would reduce our total revenues or decrease our profit margins.

***We rely in large part on third parties for the sale, distribution and delivery of our Proprietary Products, and any disruption to our relationships with these third-party distributors would have an adverse effect on our future results of operations and profitability.***

We engage third party distributors to distribute and sell our Proprietary Products in ex-U.S. markets (other than the Israeli market). Sales through such distributors accounted for approximately 28%, 22% and 26% of our total revenues in the years ended December 31, 2025, 2024 and 2023, respectively, and we expect such sales to increase in 2026 and beyond. We are dependent on these third parties for successful marketing, distribution and sales of our Proprietary Products in these markets. If such third parties were to breach, terminate or otherwise fail to perform under our agreements with them, our ability to effectively distribute our Proprietary Products would be impaired and our business could be adversely affected. Moreover, circumstances outside of our control, such as a general economic decline, market saturation or increased competition, may influence the successful renegotiation of our contracts or the securing of favorable terms.

In addition to distribution and sales, these third-party distributors are, in some cases, responsible for the regulatory registration of our products in the local markets in which they operate, as well as responsible for participation in tenders for sale of our products. Failure of these third-party distributors to obtain and maintain such regulatory approvals and/or win tenders or provide competitive prices to our products may adversely affect our ability to sell our Proprietary Products in these markets, which in turn will negatively affect our revenues and profitability. In addition, our inability to sell our Proprietary Products in these markets may reduce our manufacturing plant utilization and effectiveness and may lead to additional reduction of profitability.

In the U.S. market we utilize a 3PL provider in connection with the distribution of CYTOGAM, VARIZIG, HEPAGAM B and WINRHO SDF, which provides complete order to cash services. If such 3PL provider were to breach, terminate or otherwise fail to adequately perform under our agreement with it, including inadequate inventory management, transportation delays and incorrect temperature control during storage and handling, fails to issue invoices correctly or on a timely basis and/or fails to collect payments due to us from our U.S. customers, our ability to effectively distribute such products would be impaired, which could negatively impact our business operations and financial performance.

Disputes with distributors have arisen in the past and disputes may arise in the future, which could cause the delay or termination of the manufacturing, supply or commercialization of our product, or could result in costly litigation or arbitration that diverts management's attention and resources. For example, in May 2022, we terminated a distribution agreement with a third-party engaged to distribute our 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 June 13, 2023, the Affiliate filed its Statement of Claim with the tribunal of first instance in Geneva, seeking alleged damages in the total amount of \$6.7 million. We filed a motion with the tribunal of first instance in Geneva challenging its jurisdiction over the Affiliate's claims, submitting that such claims should have been brought before an arbitral tribunal, as contractually agreed between the parties. On April 22, 2025, the tribunal of first instance in Geneva dismissed the Distributor's action and declared it inadmissible due to a lack of jurisdiction in Switzerland. On May 27, 2025, the Distributor challenged the decision rendered by the tribunal of first instance, claiming that the tribunal of first instance wrongly declined jurisdiction. The allegations raised by the Distributor in the appeal are largely reiterations of what it argued in front of the tribunal of first instance. The Company submitted its response to the appeal in September 2025. In October and November 2025, two further briefs (one from each party) were exchanged. The Court of Appeals will now decide on the appeal; a ruling on the appeal is expected later in 2026. At this time, it is not possible to assess the prospects of the claim against us and any potential liabilities and impact on our business. See "Item 4B. Information on the Company — Business Overview — Legal Proceedings."

***Our Proprietary Products segment operates in a highly competitive market and could be negatively impacted by new competitors or the adoption of new methods of administration.***

Our Proprietary Products compete with products distributed by well-established biopharmaceutical companies, including several large competitors in the plasma industry. These large competitors include CSL Behring, Takeda, and Grifols S.A. ("Grifols"), which acquired a previous competitor, Talecris Biotherapeutics, Inc. ("Talecris") in 2011, Octapharma, Kedrion (other than for KEDRAB), Biotest AG and ADMA Biologics Inc. ("ADMA"). We compete against these companies for, among other things, licenses, expertise, and third-party strategic partners. We also compete with these companies for market share for certain products in the Proprietary Products segment. Our large competitors have advantages in the market because of their size, financial resources, markets and the duration of their activities and experience in the relevant market, especially in the United States and countries of the European Union. These competitors may also be able to sustain longer periods of substantial reduction in the price of their products or services. These competitors also have an additional advantage regarding the availability of raw materials, as they own or control large networks of plasma collection centers and/or plasma fractionation facilities.

In addition, our plasma-derived protein therapeutics face, or may face in the future, competition from existing or newly developed non-plasma products and other courses of treatments. New treatments, such as antivirals, gene therapies, small molecules, correctors, monoclonal or recombinant products, may also be developed for indications for which our products are now used, as well as courses of treatment such as subcutaneous treatment.

Our hyper-immune IgG products in the Proprietary Products segment face competition from several competing plasma derived products and non-plasma derived pharmaceuticals, mainly anti-viral. See "Item 4B "Information on the Company — Business Overview— Competition — Proprietary Products Segment."

In the AAT market, our two main competitors are Grifols and CSL Behring. For details regarding their competing products, see "Item 4B "Information on the Company — Business Overview— Competition — Proprietary Products Segment." In addition, each of Grifols and CSL Behring owns more than 300 operating plasma collection centers located across the United States.

Furthermore, several of our competitors are conducting preclinical and clinical trials for the development of gene therapies, recombinant AAT, small molecule treatments or correctors for AATD, which, if successfully developed and launched, could adversely affect our revenue and the growth of GLASSIA sales or GLASSIA-related royalties. For example, in January 2024, Inhibrx and Sanofi announced that they had entered into a definitive agreement under which Aventis Inc., a subsidiary of Sanofi, would acquire all assets and liabilities associated with INBRX-101, which was in a registrational trial for the treatment of patients with AATD. On May 30, 2024, Sanofi completed the acquisition, and INBRX-101 was subsequently added to Sanofi's rare disease pipeline under the program identifier SAR447537 (also referred to by Sanofi as efdoralprin alfa). In October 2025, Sanofi announced positive Phase 2 results from the ElevAATe study in AATD emphysema, reporting that efdoralprin alfa met all primary and key secondary endpoints and demonstrated superiority to a standard plasma-derived augmentation therapy in a head-to-head comparison, with three- to four-week dosing regimens. Sanofi also initiated an open-label extension for long-term follow-up. These developments may intensify competition in AATD. If Sanofi successfully completes late-stage development, secures regulatory approvals, and launches efdoralprin alfa, such a recombinant therapy could reduce demand for plasma-derived AAT products, shift prescriber and payor preferences, and increase pricing pressure on GLASSIA. The impact could be material, depending on the product's ultimate efficacy, safety, dosing convenience, pricing, reimbursement, as well as the timing of any regulatory clearances in the geographies where we market plasma-derived AAT.

Similarly, if a new AAT formulation or a new route of administration with significantly improved characteristics is adopted (including, for example, self-administering by way of subcutaneous route of administration), the market share of our current AAT product, GLASSIA, could be negatively impacted.

Our products generally do not benefit from patent protection and compete against similar products produced by other providers. Additionally, the development by a competitor of a similar or superior product or increased pricing competition may result in a reduction in our net sales or a decrease in our profit margins.

***Our products involve biological intermediates that are susceptible to contamination and the handling of such intermediates and our final products throughout the supply chain and manufacturing process requires cold-chain handling, all of which could adversely affect our operating results.***

Plasma and its derivatives are raw materials that are susceptible to damage and contamination and may contain microorganisms that cause diseases in humans, commonly known as human pathogens, any of which would render such materials unsuitable as raw material for further manufacturing. Almost immediately after collection from a donor, plasma and plasma derivatives must be stored and transported at temperatures that are at least -20 degrees Celsius (-4 degrees Fahrenheit). Improper storage or transportation of plasma or plasma derivatives by us or third-party suppliers may require us to destroy some of our raw material. In addition, plasma and plasma derivatives are also suitable for use only for certain periods of time once removed from storage. If unsuitable plasma or plasma derivatives are not identified and discarded prior to release to our manufacturing processes, it may be necessary to discard intermediate or finished products made from such plasma or plasma derivatives, or to recall any finished product released to the market, resulting in a charge to cost of goods sold and harm to our brand and reputation. Furthermore, if we distribute plasma-derived protein therapeutics that are produced from unsuitable plasma because we have not detected contaminants or impurities, we could be subject to product liability claims and our reputation would be adversely affected.

Despite overlapping safeguards, including the screening of donors and other steps to remove or inactivate viruses and other infectious disease-causing agents, the risk of transmissible disease through plasma-derived protein therapeutics cannot be entirely eliminated. If a new infectious disease was to emerge in the human population, the regulatory and public health authorities could impose precautions to limit the transmission of the disease that would impair our ability to manufacture our products. Such precautionary measures could be taken before there is conclusive medical or scientific evidence that a disease poses a risk for plasma-derived protein therapeutics. In recent years, new testing and viral inactivation methods have been developed that more effectively detect and inactivate infectious viruses in collected plasma. There can be no assurance, however, that such new testing and inactivation methods will adequately screen for, and inactivate, infectious agents in the plasma or plasma derivatives used in the production of our plasma-derived protein therapeutics. Additionally, this could trigger the need for changes in our existing inactivation and production methods, including the administration of new detection tests, which could result in delays in production until the new methods are in place, as well as increased costs that may not be readily passed on to our customers.

Plasma and plasma derivatives can also become contaminated through the manufacturing process itself, such as through our failure to identify and purify contaminants through our manufacturing process or failure to maintain a high level of sterility within our manufacturing facilities.

Once we have manufactured our plasma-derived therapeutics, they must be handled carefully and kept at appropriate temperatures. Our failure, or the failure of third parties that supply, ship, store or distribute our products, to properly care for our plasma-derived products, may result in the requirement that such products be destroyed.

While we expect work-in-process inventories scraps in the ordinary course of business because of the complex nature of plasma and plasma derivatives, our processes and our plasma-derived therapeutics, unanticipated events may lead to write-offs and other costs in amounts materially higher than our expectations. We have, in the past, experienced situations that have caused us to write-off the value of inventories. Such write-offs and other costs could materially adversely affect our operating results. Furthermore, contamination of our plasma-derived protein therapeutics could cause consumers or other third parties with whom we conduct business, to lose confidence in the reliability of our manufacturing procedures, which could materially adversely affect our sales and operating results.

***Our ability to continue manufacturing and distributing our plasma-derived therapeutics depends on continued adherence by us and contract manufacturers to current Good Manufacturing Practice regulations.***

The manufacturing processes for our products are governed by detailed written procedures and regulations that are set forth in cGMP requirements for blood products, including plasma and plasma derivative products. Failure to adhere to established procedures or regulations, or to meet a specification set forth in cGMP requirements, could require that a product or material be rejected and destroyed. There are relatively few opportunities for us or contract manufacturers to rework, reprocess or salvage nonconforming materials or products. Any failure in cGMP inspection will affect marketing in other territories, including the United States and Israel.

The adherence by us and our contract manufacturers to cGMP regulations and the effectiveness of applicable quality control systems are periodically assessed through inspections of the manufacturing facility, including our manufacturing facility in Beit Kama, Israel, by the FDA, the IMOH and regulatory authorities of other countries. Such inspections could result in deficiency citations, which would require us or our contract manufacturers to take action to correct those deficiencies to the satisfaction of the applicable regulatory authorities. If serious deficiencies are noted or if we or our contract manufacturers are unable to prevent recurrences, we may have to recall products or suspend operations until appropriate measures can be implemented. The FDA could also stop the import of products into the United States if there are potential deficiencies. Such deficiencies may also affect our ability to obtain government contracts in the future. We are required to report certain deviations from procedures to the FDA. Even if we determine that the deviations were not material, the FDA could require us or our contract manufacturers to take certain measures to address the deviations. Since cGMP reflects ever-evolving standards, we regularly need to update our manufacturing processes and procedures to comply with cGMP. These changes may cause us to incur additional costs and may adversely impact our profitability. For example, more sensitive testing assays (if and when they become available) may be required or existing procedures or processes may require revalidation, all of which may be costly and time-consuming and could delay or prevent the manufacturing of a product or launch of a new product.

***We may face manufacturing stoppages and other challenges associated with audits or inspections by regulatory agencies.***

The regulatory authorities may, at any time and from time to time, audit the facilities in which our products are manufactured. If any such inspection or audit of such facilities identifies a failure to comply with applicable regulations, or if a violation of our product specifications or applicable regulations occurs independently of such an inspection or audit, the relevant regulatory authority may require remedial measures that may be costly or time consuming for us to implement and that may include the temporary or permanent suspension of commercial sales or the temporary or permanent closure of a facility. Any such remedial measures imposed upon us or with whom we contract, could materially harm our business.

***Manufacturing of new plasma-derived products in our manufacturing facility, or the manufacture of Proprietary Products by third parties, requires a lengthy and challenging development project and/or technology transfer project as well as regulatory approvals, all of which may not materialize.***

The manufacturing of newly marketed or investigational plasma-derived products in our plant, or the manufacture of Proprietary Products by third parties, requires a lengthy and challenging development project and/or technology transfer project, which involves the transfer of the know-how and capabilities to manufacture the new product. Such projects are usually complex and involve investment of significant time (approximately four to five years) and resources. There is no assurance that such development and/or technology transfer projects will be successful and will allow us to manufacture the new product according to its required specifications.

Such development and/or technology transfer projects require regulatory approval by the FDA and/or EMA and/or Health Canada or other relevant regulatory agencies. Obtaining such regulatory approval may require activities such as the manufacturing of comparable batches and/or performing comparability non-clinical and/or clinical studies between the product manufactured by its existing manufacturer and the product manufactured at our manufacturing facility. There is no assurance that we will be able to provide supporting comparability results that meet all regulatory requirements needed to obtain the regulatory approval required to be able to commence commercial manufacturing of new plasma-derived products in our manufacturing plant. For example, the transfer of the manufacture of WINRHO SDF, VARIZIG or HEPAGAM B to our manufacturing facility, would require certain changes to manufacturing processes, potential amendments to the contract manufacturing agreement with Emergent, and the receipt of required regulatory approvals.

Additionally, development and technology transfer projects may be adversely affected by a lack of cooperation from third-party manufacturers, potentially leading to delays, budget overruns, or gaps in knowledge transfer. Such lack of cooperation could hinder our ability to effectively transfer necessary know-how and capabilities, complicating the development and technology transfer process.

If we are unable to adequately complete the required development and/or technology transfer projects or subsequently obtain the required regulatory approvals, we will not be able to meet commercial demand, incur additional costs and may suffer reduced profitability or operating losses.

***We could become supply-constrained, and our financial performance could suffer, if we were unable to obtain adequate quantities of specialty plasma, plasma derivatives or specialty ancillary products that meet the regulatory requirements of the FDA, the EMA, Health Canada or the regulatory authorities in Israel, or if our suppliers were to fail to modify their operations to meet regulatory requirements or if prices of source plasma or plasma derivatives were to rise significantly.***

While we own and operate our own plasma collection centers in the United States, our Proprietary Products continue to depend, to a large degree, on our access to U.S., hyper-immune plasma or plasma derivatives, such as fraction IV. Despite expanding and further establishing our U.S. plasma collection operations in order to reduce our dependency on third-party suppliers in terms of plasma supply needs, we currently purchase plasma from third-party licensed suppliers, some of which are also responsible for the plasma fractionation process, pursuant to multiple purchase agreements. We have entered into (and in connection with our acquired four FDA approved products, we assumed) a number of plasma supply agreements with various third parties in the United States. These agreements contain various termination provisions, including upon a material breach of either party, force majeure and, with respect to supply agreements with strategic partners, the failure or delay on the part of either party to obtain the applicable regulatory approvals or the termination of the principal strategic relationship. If we are unable to obtain required quantities of source plasma or fraction IV plasma that meet the regulatory requirements of the FDA, the EMA, Health Canada or the regulatory authorities in Israel from these providers, we may be unable to find an alternative cost-effective source.

In order for plasma and fraction IV plasma to be used in the manufacturing of our plasma-derived protein therapeutics, the individual centers at which the plasma is collected must be registered with and meet the regulatory requirements of the relevant regulatory authorities, such as the FDA, the EMA, Health Canada or the regulatory authorities in Israel. When a new plasma collection center is opened, and on an ongoing basis after its registration, it must be inspected by the applicable regulatory authority for compliance with cGMP and other regulatory requirements. An unsatisfactory inspection could prevent a new center from being established or lead to the suspension or revocation of an existing registration. If relevant regulatory authorities determine that a plasma collection center did not comply with cGMP in collecting plasma, we may be unable to use and may ultimately destroy plasma collected from that center, which may impact our ability to timely meet our manufacturing and supply obligations. Additionally, if noncompliance in the plasma collection process is identified after the impacted plasma has been pooled with compliant plasma from other sources, entire plasma pools, in-process intermediate materials and final products could be impacted, such as through product destruction or rework. Consequently, we could experience significant inventory impairment provisions and write-offs, which could adversely affect our business and financial results.

In addition, the plasma supplier's fractionation process must also meet standards of the FDA, the EMA, Health Canada or the regulatory authorities in Israel. If a plasma supplier is unable to meet such standards, we will not be able to use the plasma derivatives provided by such supplier, which may impact our ability to timely meet our manufacturing and supply obligations.

The plasma collection process is dependent on donors arriving in plasma collection centers and agreeing to donate plasma. Factors such as changes in reimbursement rates, competition for donors, and declining donor loyalty may lead to a decrease in the number of donors, which may negatively impact our ability to obtain adequate quantities of plasma. During major healthcare events (such as during the COVID-19 pandemic) the number of donors attending plasma collection centers decreases, which may adversely affect the availability of plasma and its derivatives. A significant shortage in plasma supply may adversely affect our ability to continue manufacturing our products, may result in shortages in our products in the market, and may result in reduced sales and profitability.

To the extent that we were unable to obtain required quantities of specialty plasma or plasma derivatives that meet the regulatory standards of the FDA, the EMA, Health Canada or the regulatory authorities in Israel, we could be limited in our ability to maintain or increase current manufacturing levels of our plasma derived commercial products and product candidates. As a result, we could experience a substantial decrease in total revenues or profit margins, a potential breach of distribution agreements, a loss of customers, a negative effect on our reputation as a reliable supplier of plasma derivative products or a substantial delay in our production and strategic growth plans.

The ability to increase plasma collections may be limited, our supply of plasma and plasma derivatives could be disrupted or the cost of plasma and plasma derivatives could increase substantially, as a result of numerous factors, including a reduction in the donor pool, increased regulatory requirements, decreased number of plasma supply sources due to consolidation and new indications for plasma-derived protein therapeutics, which could increase demand for plasma and plasma derivatives and lead to shortages.

We also continue to be dependent on a number of suppliers who supply specialty ancillary products used in the production process, such as specific gels and filters. Each of these specialty ancillary products is provided by a single, exclusive supplier. If these suppliers were unable to provide us with these specialty ancillary products, if our relationships with these suppliers deteriorate, if these suppliers fail to meet our vendors qualification processes, or if these suppliers' operations are negatively affected by regulatory enforcement due to noncompliance, the manufacture and distribution of our products would be materially adversely affected, which would adversely affect our sales and results of operations. See *"—If we experience equipment difficulties or if the suppliers of our equipment or disposable goods fail to deliver key product components or supplies in a timely manner, our manufacturing ability would be impaired, and our product sales could suffer."*

Some of our required specialty ancillary products and other materials used in the manufacturing process are commonly used in the healthcare industry worldwide. If the global demand for these products increases due to healthcare issues, epidemics or pandemics, our ability to secure adequate supply at reasonable cost of such products may be negatively affected, which would materially adversely affect our ability to manufacture and distribute our products, which would adversely affect our sales and results of operations.

In addition, regulatory requirements, including cGMP regulations, continually evolve. Failure of our plasma suppliers to adjust their operations to conform to new standards as established and interpreted by applicable regulatory authorities would create a compliance risk that could impair our ability to sustain normal operations.

In addition, if the purchase prices of the source plasma or plasma derivatives that we use to manufacture our Proprietary Products were to rise significantly, we may not be able to pass along these increased plasma and plasma-derivative prices to our customers. Prices in many of our principal markets are subject to local regulation and certain pharmaceutical products, such as plasma-derived protein therapeutics, are subject to price controls. Any inability to pass costs on to our customers due to these factors or others would reduce our profit margins. In addition, most of our competitors have the ability to collect their own source plasma or produce their own plasma derivatives, and therefore their products' prices would not be impacted by such a price rise, and as a result any pricing changes by us in order to pass higher costs on to our customers could render our products noncompetitive in certain territories.

***Disruption of the operations of our current or any future plasma collection center due to regulatory impediments or otherwise would cause us to become supply constrained and our financial performance would suffer.***

We currently have three plasma collection centers in the United States. In March 2021, we acquired our first FDA-licensed plasma collection center in Beaumont, Texas, which specializes in the collection of hyper-immune plasma to be used in the manufacture of WINRHO SDF, KAMRAB and KEDRAB. In 2024, we opened our second plasma collection center in Houston, Texas, which received FDA approval in August 2025. In March 2025, we opened our third plasma collection site in San Antonio, Texas, for which an FDA site audit was completed in February 2026 and we expect to receive FDA approval during the first half of 2026. We intend to seek a subsequent inspection and approval by the EMA of both our Houston and San Antonio sites. In the future we may leverage our experience with plasma collection to establish additional plasma collection centers in the United States, with the intention of collecting normal source plasma to be sold for manufacturing by third parties, as well as hyper-immune specialty plasma required for manufacturing of our Proprietary Products.

In order for plasma to be used in the manufacturing of our products, the individual centers at which plasma is collected must be registered with and meet the regulatory requirements of the regulatory authorities, such as the FDA and the EMA, of those countries in which we sell our products. When a new plasma collection center is opened, it must be inspected on an ongoing basis after its approval by the FDA and the EMA for compliance with cGMP and other regulatory requirements, and these regulatory requirements are subject to change. An unsatisfactory inspection could prevent a new center from being established or risk the suspension or revocation of an existing registration. In order for a plasma collection center to maintain its governmental registration, its operations must continue to conform to cGMP and other regulatory requirements or recommendations which may be applicable from time to time.

If it would be determined that any of our plasma collection centers did not comply with cGMP, or other regulatory requirements in collecting plasma, we may be unable to use and may ultimately be required to destroy plasma collected from that center, which would be recorded as a charge to cost of goods. Additionally, if noncompliance in the plasma collection process is identified after the impacted plasma has been pooled with compliant plasma from other sources, entire plasma pools, in-process intermediate materials and final products could be impacted. Consequently, we could experience significant inventory impairment provisions and write-offs.

We plan to increase our supplies of plasma for use in our manufacturing processes through collections at our plasma collection centers. This strategy is dependent upon our ability to successfully establish and register any new center, to maintain compliance with all FDA and other regulatory requirements in all centers and to attract donors to our centers.

Our ability to increase and improve the efficiency of plasma collection at any current or future plasma collection center may be affected by: (i) changes in the economic environment and population in selected regions where we operate plasma collection centers; (ii) the entry of competitive centers into regions where we operate; (iii) our misjudging the demographic potential of individual regions where we expect to increase production and attract new donors; (iv) unexpected facility related challenges; (v) unexpected management challenges at select plasma collection centers; or (vi) changes to regulatory requirements.

***Our strategy to expand the sale of normal source plasma to third-party manufacturers of plasma-derived medicinal products exposes us to risks related to customer concentration, pricing volatility, and significant regulatory and product liability.***

As part of our growth strategy, we are expanding our plasma collection operations in the United States to support the sale of normal source plasma to third-party plasma-derived medicinal products manufacturers. This activity is subject to various risks that could materially and adversely affect our ability to implement this strategy and our business, financial condition, and results of operations:

The global plasma-derived medicinal products industry is highly consolidated and dominated by a few large companies, such as CSL Behring, Grifols, and Takeda. We may become dependent on a small number of these companies for a significant portion of our third-party plasma sales. The loss of one of these customers, a significant reduction in their purchase volumes, or their decision to increase their own internal collection capacity (vertical integration) could result in a substantial decrease in our revenues. Additionally, normal source plasma is often traded as a commodity, and its market price is subject to significant fluctuations based on global supply and demand, changes in clinical trial results for alternative recombinant or gene therapies and shifts in the standard of care for immunology and hematology. If market prices for plasma fall below our collection and overhead costs, our margins will be compressed.

If we are unable to successfully manage these risks, our strategy to expand the sale of normal source plasma to third-party manufacturers may not yield the anticipated financial returns and could affect our overall profitability.

***The biological properties of plasma and plasma derivatives are variable, which may impact our ability to consistently manufacture our products in accordance with approved specifications.***

While our manufacturing processes were developed to meet certain product specifications, variations in the biological properties of plasma or plasma derivatives, as well as inherent complexities in the manufacturing processes, may result in out-of-specification results during the manufacturing of our products. While we expect certain work-in-process inventory scrap in the ordinary course of business due to the complex nature of plasma and plasma derivatives, our processes, and our plasma-derived protein therapeutics, unanticipated events may lead to write-offs and other costs in amounts that are materially higher than our expectations. Additionally, we may not be able to fulfill orders on a timely basis, the total capacity of product that we are able to market could decline, and our cost of goods sold could increase, thus reducing our profitability. We have, in the past, experienced situations that have caused us to write off the value of our products. Such write-offs and other costs could materially adversely affect our operating results.

***The biological properties of plasma and plasma derivatives are variable, which may adversely impact our levels of product yield from our plasma or plasma derivative supply.***

Due to the nature of plasma, there will be variations in the biological properties of the plasma or plasma derivatives we purchase that may result in fluctuations in the obtainable yield of desired fractions, even if cGMP is followed. Lower yields may limit production of our plasma-derived protein therapeutics because of capacity constraints. If these batches of plasma with lower yields impact production for extended periods, we may not be able to fulfill orders on a timely basis and the total capacity of product that we are able to market could decline and our cost of goods sold could increase, thus reducing our profitability.

***Usage of our products may lead to serious and unexpected side effects, which could materially adversely affect our business and may, among other factors, lead to our products being recalled and our reputation being harmed, resulting in an adverse effect on our operating results.***

The use of our plasma-derived protein therapeutics may produce undesirable side effects or adverse reactions or events. For the most part, these side effects are known, are expected to occur at some frequency and are described in the products' labeling. Known side effects of several plasma-derived therapeutics include headache, nausea and additional common protein infusion related events, such as flu-like symptoms, dizziness and hypertension. The occurrence of known side effects on a large scale could adversely affect our reputation and public image, and hence also our operating results.

In addition, the use of our plasma-derived protein therapeutics may be associated with serious and unexpected side effects, or with less serious reactions at a greater than expected frequency. This may be especially true when our products are used in critically ill patient populations. When these unexpected events are reported to us, we typically make a thorough investigation to determine causality and implications for product safety. These events must also be specifically reported to the applicable regulatory authorities, and in some cases, also to the public by media channels. If our evaluation concludes, or regulatory authorities perceive, that there is an unreasonable risk associated with one of our products, we would be obligated to withdraw the impacted lot or lots of that product or, in certain cases, to withdraw the product entirely. Furthermore, it is possible that an unexpected side effect caused by a product could be recognized only after extensive use of the product, which could expose us to product liability risks, enforcement action by regulatory authorities and damage to our reputation.

***We are subject to several existing laws and regulations in multiple jurisdictions, non-compliance with which could adversely affect our business, financial condition and results of operations, and we are susceptible to a changing regulatory environment, which could increase our compliance costs or reduce profit margins.***

Any new product must undergo lengthy and rigorous testing and other extensive, costly, and time-consuming procedures mandated by the FDA and similar authorities in other jurisdictions, including the EMA and the regulatory authorities in Israel. Our facilities and those of our contract manufacturers must be approved and licensed prior to production and remain subject to inspection from time to time thereafter. Failure to comply with the requirements of the FDA or similar authorities in other jurisdictions, including a failed inspection or a failure in our reporting system for adverse effects of our products experienced by the users of our products, or any other non-compliance, could result in warning letters, product recalls or seizures, monetary sanctions, injunctions to halt the manufacture and distribution of products, civil or criminal sanctions, import or export restrictions, refusal or delay of a regulatory authority to grant approvals or licenses, restrictions on operations or withdrawal of existing approvals and licenses. Furthermore, we may experience delays or additional costs in obtaining new approvals or licenses, or extensions of existing approvals and licenses, from a regulatory authority due to reasons that are beyond our control, such as changes in regulations or a shutdown of the U.S. federal government, including the FDA, or similar governing bodies or authorities in other jurisdictions.

In addition, while we have established three plasma collection centers in the United States, we continue to rely on Kedrion, CSL Behring, Emergent, Takeda and additional plasma suppliers, for plasma collection or sourcing required for the manufacturing of KEDRAB, CYTOGAM, GLASSIA, WINRHO SDF, VARIZIG and HEPAGAM B, and in the case of Kedrion and Takeda, for the distribution of these products in the United States (and in the case of Takeda, commencing in 2024, also in Canada and potentially in Australia and New Zealand). In performing such services for us, these plasma suppliers are required to comply with certain regulatory requirements. Any failure by these plasma suppliers to properly advise us regarding, or properly perform tasks related to, regulatory compliance requirements, could adversely affect us. Any of these actions could cause direct liabilities, a loss in our ability to market each of KEDRAB, GLASSIA, CYTOGAM, WINRHO SDF, VARIZIG and HEPAGAM B, and/or other Proprietary Products, or a loss of customer confidence in us or in our Proprietary Products, which could materially adversely affect our sales, future revenues, reputation, and results of operations.

Similarly, we rely on other third-party vendors and sub-distributors, for example, in the testing, handling, and distribution of our products. Our contractual audit and oversight rights may be limited or difficult to enforce in practice. If such third-party vendors or sub-distributors engage in non-compliant activities, fail to meet quality or cold chain standards, do not timely fulfill adverse event or complaint reporting obligations, or otherwise incur enforcement action from regulatory authorities due to noncompliance, this could negatively affect product sales, our reputation, and results of operations.

In addition, we rely on other distributors of our other Proprietary Products, or our sub-distributors distributing other manufacturers' products in the MENA region, for purposes of our distribution-related regulatory compliance for the products they distribute in the territories in which they operate. Any failure by such distributors or sub-distributors to properly advise us regarding, or properly perform tasks related to, regulatory compliance requirements could adversely affect our sales, future revenues, compliance with agreements with Distribution products' manufacturers, our reputation, and results of operations.

Changes in our production processes for our products may require supplemental submissions or prior approval by the FDA and/or similar authorities in other jurisdictions. Failure to comply with any requirements as to production process changes dictated by the FDA or similar authorities in other jurisdictions could also result in warning letters, product recalls or seizures, monetary sanctions, injunctions to halt the manufacture and distribution of products, civil or criminal sanctions, refusal or delay of a regulatory authority to grant approvals or licenses, restrictions on operations or withdrawal of existing approvals and licenses.

In addition, we rely on Takeda, as the U.S. BLA holder, to share with us any relevant information with respect to changes in the manufacturing of GLASSIA or its usage which may be applicable in order to update the products registration file in certain ex-U.S. markets in which it is currently registered and/or distributed or may be registered and/or distributed in the future.

Furthermore, changes in the regulation of our activities, such as increased regulation affecting quality or safety requirements or new regulations such as limitations on the prices charged to customers in the United States, Israel or other jurisdictions in which we operate, could materially adversely affect our business. In addition, the requirements of different jurisdictions in which we operate may become less uniform, creating a greater administrative burden and generating additional compliance costs, which would have a material adverse effect on our profit margins. See also – “*Regulatory approval for our products is limited by the FDA, EMA, the IMOH and similar authorities in other jurisdictions to those specific indications and conditions for which clinical safety and efficacy have been demonstrated, and the prescription or promotion of off-label uses could adversely affect our business.*”; and “—*Laws and regulations governing the conduct of international operations may negatively impact our development, manufacture, and sale of products outside of the United States and require us to develop and implement costly compliance programs.*” and “—*Uncertainty surrounding and future changes to healthcare law in the United States and other United States Government related mandates may adversely affect our business.*”

***If we experience equipment difficulties or if the suppliers of our equipment or disposable goods fail to deliver key product components or supplies in a timely manner, our manufacturing ability would be impaired, and our product sales could suffer.***

For certain equipment and supplies, we depend on a limited number of companies that supply and maintain our equipment and provide supplies such as chromatography resins, filter media, glass bottles and stoppers used in the manufacture of our plasma-derived protein therapeutics. If our equipment were to malfunction, or if our suppliers stop manufacturing or supplying such machinery, equipment or any key component parts, the repair or replacement of the machinery may require substantial time and cost and could disrupt our production and other operations. Alternative sources for key component parts or disposable goods may not be immediately available. In addition, any new equipment or change in supplied materials may require revalidation by us or review and approval by the FDA, the EMA, the IMOH or other regulatory authorities, which may be time-consuming and require additional capital and other resources. We may not be able to find an adequate alternative supplier in a reasonable time period, or on commercially acceptable terms, if at all. As a result, shipments of affected products may be limited or delayed. Our inability to obtain our key source supplies for the manufacture of products may require us to delay shipments of products, harm customer relationships and force us to curtail operations.

***The nature of producing and developing plasma-derived protein therapeutics may prevent us from responding in a timely manner to market forces and effectively managing our production capacity.***

The production of plasma-derived protein therapeutics is a lengthy and complex process. Our ability to match our production of plasma-derived protein therapeutics to market demand is imprecise and may result in a failure to meet the market demand for our plasma-derived protein therapeutics or potentially in an oversupply of inventory. Failure to meet market demand for our plasma-derived protein therapeutics may result in customers transitioning to available competitive products, resulting in a loss of segment share or distributor or customer confidence. In the event of an oversupply in the market, we may be forced to lower the prices we charge for some of our plasma-derived protein therapeutics, record asset impairment charges or take other action which may adversely affect our business, financial condition and results of operations.

***We have been required to conduct post-approval clinical trials of GLASSIA and KEDRAB as a commitment to continuing marketing such products in the United States, and we may be required to conduct post-approval clinical trials as a condition to licensing or distributing other products.***

When a new product is approved, the FDA or other regulatory authorities may require post-approval clinical trials, sometimes called Phase 4 clinical trials. For example, the FDA has required that we conduct Phase 4 clinical trials of GLASSIA and for KEDRAB. Such Phase 4 clinical trials are aimed at collecting additional safety data, such as the immune response in the body of a human or animal, commonly referred to as immunogenicity, viral transmission, levels of the protein in the lung, or epithelial lining fluid, and certain efficacy endpoints requested by the FDA. If the results of such trials are unfavorable and demonstrate a previously undetected risk or provide new information that puts patients at risk, or if we fail to complete such trials as instructed by the FDA, this could result in receiving a warning letter from the FDA and the loss of the approval to market the product in the United States and other countries, or the imposition of restrictions, such as additional labeling, with a resulting loss of sales. Furthermore, there can be no assurance that the FDA will accept the results of any post-marketing commitment study, such as the results of the KEDRAB study, and under certain circumstances the FDA may require a subsequent study. Other products we develop may face similar requirements, which would require additional resources and which may not be successful. We may also receive approval that is conditioned on successful additional data or clinical development, and failure in such further development may require similar changes to our product label or result in revocation of our marketing authorization.

## Risks Related to Our Distribution Segment

***Our Distribution segment is dependent on a few suppliers, and any disruption to our relationship with these suppliers, or their inability to supply us with the products we sell, in a timely manner, in adequate quantities and/or at a reasonable cost, would have a material adverse effect on our business, financial condition and results of operations.***

Sales of products supplied by Biotest AG, Kedrion, Chiesi Farmaceutici S.p.A, Bio Products Laboratories (“BPL”) Valneva SE and Mabxience, which are sold in our Distribution segment, together represented approximately 9%, 8%, and 18% of our total revenues for the years ended December 31, 2025, 2024 and 2023, respectively. While we have distribution agreements with each of our suppliers, these agreements do not obligate these suppliers to provide us with minimum amounts of our Distribution segment products. Purchases of our Distribution segment products from our suppliers are typically on a purchase order basis. We work closely with our suppliers to develop annual forecasts, but these forecasts are not obligations or commitments. However, if we fail to submit purchase orders that meet our annual forecasts or if we fail to meet our minimum purchase obligations, we could lose exclusivity or, in certain cases, the distribution agreement could be terminated.

These suppliers may experience capacity constraints that result in their being unable to supply us with products in a timely manner, in adequate quantities and/or at a reasonable cost. Contributing factors to supplier capacity constraints may include, among other things, industry or customer demands in excess of machine capacity, labor shortages, changes in raw material flows or shortages in raw materials, which may result from different market conditions including, but not limited to, shortages resulting from increased global demand for these raw materials due to global healthcare issues, epidemics and pandemics. These suppliers may also choose not to supply us with products at their discretion or raise prices to a level that would render our products noncompetitive. Any significant interruption in the supply of these products could result in us being unable to meet the demands of our customers, which would have a material adverse effect on our business, financial condition and results of operations as a result of being required to pay fines or penalties, be subject to claims of breach of contract, loss of reputation or even termination of agreement.

If our relationship with these suppliers were to deteriorate, our distribution sales could be adversely affected.

Additionally, our future growth in the Distribution segment is dependent on our ability to successfully engage other manufacturers for distribution in Israel of other products. Failure to engage new suppliers may have an adverse effect on our revenue growth and profitability.

***Certain of our sales in our Distribution segment rely on our ability to win tender bids based on the price and availability of our products in annual public tender processes.***

Certain of our sales in our Distribution segment rely on our ability to win tender bids during the annual tender process in Israel, as well as on sales to Health Maintenance Organizations (HMOs), hospitals and to the IMOH. The prices we can offer, as well as the availability of products, are key factors in the tender process. If our suppliers in the Distribution segment cannot sell us products at a competitive price or cannot guarantee sufficient quantities of products, we may lose the tenders. In addition, our ability to win bids may be materially adversely affected by competitive conditions in a bid process. Existing and new competitors may also have significantly greater financial resources than us, which they could use to promote their products and business. Greater financial resources would also enable our competitors to substantially reduce the price of their products or services. If our competitors are able to offer prices lower than us, our ability to win tender bids during the annual tender process will be materially affected and could reduce our total revenues or decrease our profit margins.

The challenges we face in winning tender bids in the Distribution segment are compounded by historical price fluctuations of certain of our products in the segment as a result of changes in the production capacity available in the industry, the availability and pricing of plasma, development of competing products and the availability of alternative therapies. Higher prices for plasma-derived protein therapeutics have traditionally spurred increases in plasma production and collection capacity, resulting over time in increased product supply and lower prices. As demand continues to grow, if plasma supply and manufacturing capacity do not commensurately expand, prices tend to increase. Additionally, consolidation in plasma companies has led to a decrease in the number of plasma suppliers in the world, as either manufacturers of plasma-based pharmaceuticals purchase plasma suppliers or plasma suppliers are shut down in response to the number of manufacturers of plasma-based pharmaceuticals decreasing, which may lead to increased prices. We may not be able to pass along these increased plasma and plasma-derivative prices to our customers, which would reduce our profit margins.

***Our Distribution segment is dependent on a few customers, and any disruption to our relationship with these customers, or our inability to supply, in a timely manner, in adequate quantities and/or at a reasonable cost, would have a material adverse effect on our business, financial condition and results of operations.***

The Israeli market for drug products includes a relatively small number of HMOs and several hospitals. Sales to Clalit Health Services, Israel's largest HMO, accounted for approximately 50%, 48% and 34% of our Distribution segment revenues in the years ended December 31, 2025, 2024 and 2023, respectively.

If our relationship with any of our Israeli customers deteriorated, our distribution sales could be adversely affected. Failure to maintain our existing relationships with these customers could lead to a decrease in our revenues and profitability.

***Before we may sell products in the Distribution segment, we must register the products with the IMOH or any other local health ministry and there can be no assurance that such registration will be obtained.***

Before we may sell products in the Distribution segment in Israel or other territories, mainly in the MENA region, we must register the products, at our own expense, with the IMOH. We cannot predict how long the IMOH registration process may take or whether any such registration will ultimately be obtained. The IMOH has substantial discretion in the registration process, and we can provide no assurance of successful registration. In the MENA region, such process may be conducted by our sub-distributor in the relevant country. Our business, financial condition, or results of operations could be materially adversely affected if we, or our sub-distributor, fail to receive registration for the products in the Distribution segment from the applicable regulatory authority.

***Our Distribution segment has historically been, and may continue to be, a low-margin business, and our profit margins may be sensitive to various factors, some of which are outside our control.***

Our Distribution segment has been, and may continue to be, characterized by high volume sales with relatively low profit margins. Volatility in our pricing may have a direct impact on our profitability. Prolonged periods of product cost inflation may have a negative impact on our profit margins and results of operations to the extent we are unable to pass on all or a portion of such product cost increases to our customers. In addition, if our product mix changes, we may face increased risks of compression of our margins, as we may be unable to achieve the same level of profit margins as we are able to capture on our existing products. Our inability to effectively price our products or to reduce our expenses due to volatility in pricing could have a material adverse impact on our business, financial condition or results of operations.

***We may be subject to milestone payments in connection with our Distribution segment products irrespective of whether the commercialization is successful.***

Certain of our agreements in the Distribution segment, including agreements for distribution of biosimilar product candidates, require us to make milestone payments in advance of product launch. In some cases, we may not be able to obtain reimbursement for such payments. To the extent that we are not ultimately able to recoup these payments, our business, financial position and results of operations may be adversely affected.

***We face significant competition in our Distribution segment from companies with greater financial resources.***

In the Distribution segment, we face competition for our distribution products that are marketed in Israel and compete for market share. We believe that there are several companies active in the Israeli market distributing the products of several manufacturers whose comparable products compete with the products we distribute as part of our Distribution segment. In the plasma area, these manufacturers include Grifols, Takeda and CSL Behring. In other specialties and biosimilar products, we compete with products produced by some of the largest pharmaceutical manufacturers in the world, such as Novartis AG, AstraZeneca AB, Sanofi and GlaxoSmithKline. Each of these competitors sells its products through a local subsidiary or a local representative in Israel. Our existing and new competitors may have significantly greater financial resources than us, which they could use to promote their products and business or reduce the price of their products or services. If we are unable to maintain or increase our market share, we may need to reduce prices and may suffer reduced profitability or operating losses, which could have a material adverse impact on our business, financial condition or results of operations.

***In recent years we entered into agreements for future distribution in Israel of several biosimilar product candidates, and the successful future distribution of these products, which is important for the continued growth of the Distribution segment as a whole, is dependent upon several factors some of which are beyond our control.***

Over the past several years we entered into agreements with respect to planned distribution in Israel of certain biosimilar product candidates. Biosimilar products are highly similar to biological products already licensed for distribution by the FDA, EMA or any other relevant regulatory agency, notwithstanding minor differences in clinically inactive components, and that they have no clinically meaningful differences, as compared to the marketed biological products in terms of the safety, purity and potency of the products. The similar nature of a biosimilar and a reference product is demonstrated by comprehensive comparability studies covering quality, biological activity, safety and efficacy.

In order to launch biosimilar products in Israel, we need to obtain marketing authorization from the IMOH, which is subject to prior authorization obtained by the manufacturer of the biosimilar product from the FDA or the EMA. Even if FDA or EMA authorization is provided, there can be no assurance that the IMOH will accept such authorization as a reference and will grant us the authorization to distribute such biosimilar products in the Israeli market. In the event we are unable to obtain the necessary marketing authorization to launch the products, we may not generate the expected sales and profitability from these products, which could have a material adverse impact on our business, financial condition or results of operations. Delays in the commercialization of such biosimilar products, including due to patent expirations of the reference biological products or delays in completion of the manufacturer's development process or obtaining marketing authorization, may expose us to increased competition due to the entry of new competitors into the market, and may also reduce our ability to capture expected market opportunities upon launch due to intensified price competition and/or reduced demand, which may adversely impact our potential sales and profitability from these products.

Innovative pharmaceutical products are generally protected for a defined period by various patents (including those covering drug substance, drug product, approved indications, methods of administration, methods of manufacturing, formulations and dosages) and/or regulatory exclusivity, which are intended to provide their holders with exclusive rights to market the products for the life of the patent or duration of the regulatory data protection period. Biosimilar products are intended to replace such innovative pharmaceutical products upon the expiration or termination of their exclusivity period or in such markets whereby such exclusivity does not exist. The launch of a biosimilar product may potentially result in the infringement of certain IP rights and exclusivity and be subject to potential legal proceedings and restraining orders affecting its potential launch. Such intellectual property threats may preclude the commercialization of such biosimilar product candidates, limit the indications for which they can be marketed, and may result in incurring significant legal expenses and liabilities. Consequently, we may not generate the expected sale and profitability from these products, which could have a material adverse impact on our business, financial condition or results of operations.

In addition, the commercialization of biosimilars includes the potential for steeper than anticipated price erosion due to increased competitive intensity, and lower uptake for biosimilars due to various factors that may vary for different biosimilars (e.g., anti-competitive practices, physician reluctance to prescribe biosimilars for existing patients taking the originator product, or misaligned financial incentives), all of which may affect our potential sales and profitability from these products which could have a material adverse impact on our business, financial condition or results of operations.

## **Risks Related to Development, Regulatory Approval and Commercialization of Product Candidates**

### ***Drug product development, including preclinical and clinical trials, is a lengthy and expensive process and may not result in receipt of regulatory approval.***

Before obtaining regulatory approval for the sale of our product candidates, or for the marketing of existing products for new indications, we must conduct, at our own expense, extensive preclinical tests to demonstrate the safety of our product candidates in animals and clinical trials to demonstrate the safety and efficacy of our product candidates in humans. We cannot predict how long the approval processes of the FDA, the EMA, the regulatory authorities in Israel or any other applicable regulatory authority or agency for any of our product candidates will take or whether any such approvals ultimately will be granted. The FDA, the EMA, the regulatory authorities in Israel and other regulatory agencies have substantial discretion in the relevant drug approval process over which they have authority, and positive results in preclinical testing or early phases of clinical studies offer no assurance of success in later phases of the approval process. The approval process varies from country to country and the requirements governing the conduct of clinical trials, product manufacturing, product licensing, pricing and reimbursement vary greatly from country to country.

Preclinical and clinical testing is expensive, is difficult to design and implement, can take many years to complete and is uncertain as to its outcome. A failure of one or more of our clinical trials can occur at any stage of testing. For example, in December 2025, the independent Data and Safety Monitoring Board (DSMB) advised the Company that, based on a prespecified interim futility analysis, the Phase 3 InnovAATe trial of Inhaled AAT for the treatment of AATD is unlikely to demonstrate a statistically significant benefit in its primary endpoint - lung function measured by FEV1 and consequently, we reported on our decision to discontinue the trial. The decision to discontinue was based solely on the low probability of achieving the efficacy endpoint and was not related to any identified safety concerns.

### ***We rely, from time to time, on third parties to conduct our preclinical and clinical trials. Any failure by these parties to properly perform their obligations could adversely affect the development of our product candidates.***

From time to time, we engage third-party contractors, including study sites, university researchers, preclinical service providers, physicians and contract research organizations (“CROs”), to support our development programs. Following our December 2025 decision to discontinue the clinical trial of our inhaled AAT product candidate, the scope of such outsourced activities has been significantly reduced; however, we continue to rely on third parties for certain remaining development, regulatory and preclinical activities, as well as for any future clinical studies.

Although we oversee these activities, we do not control all aspects of the performance of such contractors. We and our CROs must comply with applicable regulatory requirements, including current Good Clinical Practices (“GCP”). Regulatory authorities may determine that studies conducted on our behalf do not comply with GCP, which could require us to repeat studies, delay development or impact potential regulatory submissions.

Because these contractors are not our employees, we cannot guarantee that they will devote adequate resources to our programs or perform in accordance with our expectations or applicable requirements. If any third-party contractor fails to fulfill its obligations, does not meet expected timelines, or produces data that are inaccurate or unreliable, our development efforts could be delayed or otherwise adversely affected. Despite the reduced scope of outsourced clinical activities, continued reliance on such third parties presents risks that could negatively impact our business, financial condition and results of operations.

### ***From time to time, we participate in Investigator-Initiated Clinical Trials, which are conducted and managed independently by external investigators or academic institutions. Any failure by investigators or institutions to properly conduct these trials could restrict our ability to fully leverage clinical insights gained from such studies and impede our product commercialization efforts***

In addition to company-sponsored studies, we from time to time participate in Investigator-Initiated Clinical Trials (“IITs”), which are conducted and managed independently by external investigators or academic institutions. In IITs, we may provide study drug, limited funding, scientific input, or other non-operational support; however, we do not control the design, conduct, data collection, analysis or reporting of such studies. Because these studies are not sponsored by us, we have limited ability to ensure that they adhere to applicable regulatory requirements, including GCP, data integrity standards or appropriate oversight and monitoring procedures. Any failure by investigators or institutions to properly conduct these trials could result in unreliable data, negative clinical observations, publication of unfavorable results, or safety findings that could adversely impact our ability to use the results of such IITs for the purpose of generating additional data assisting us in our product commercialization efforts.

Furthermore, under typical IIT arrangements, all intellectual property generated in the course of the study, including discoveries, know-how, data, and inventions, remains with the principal investigator or the institution conducting the research. As a result, we may not obtain rights to potentially valuable IP arising from the use or evaluation of our products in these studies. Our inability to secure access to IP developed in IITs may therefore restrict our ability to fully leverage clinical insights gained from such studies and impede our product commercialization efforts.

***We may encounter unforeseen events that delay or prevent us from receiving regulatory approval for our product candidates.***

We have previously experienced unforeseen events that delayed our ability to obtain regulatory approval for certain of our product candidates and may encounter similar challenges in the future. These may include delays in the supply of clinical materials, slower-than-expected patient enrollment, inconclusive or negative clinical results, or the need for additional studies requested by regulators. In some cases, we or our partners may determine to suspend or discontinue clinical trials due to lack of efficacy, safety concerns, or other operational or strategic considerations. For example, in December 2025, the independent DSMB advised the Company that, based on a prespecified interim futility analysis, the Phase 3 InnovAAte trial of Inhaled AAT for the treatment of AATD is unlikely to demonstrate a statistically significant benefit in its primary endpoint - lung function measured by FEV1 and consequently, we reported on our decision to discontinue the trial. The decision to discontinue was based solely on the low probability of achieving the efficacy endpoint and was not related to any identified safety concerns.

Regulatory authorities may also require modifications to our clinical trial designs, impose additional requirements, or delay authorization to initiate or continue trials. Moreover, audits or inspections by regulatory agencies could identify compliance issues that may require corrective action or additional testing. If we experience delays or setbacks in our clinical development programs, we may be unable to obtain regulatory approval on our anticipated timelines, or at all. Such delays could increase development costs, shorten the period of market exclusivity, or allow competitors to advance their products more rapidly, which could adversely affect our ability to commercialize our product candidates and our overall business prospects.

***We may not be able to commercialize our product candidates in development for numerous reasons.***

Even if preclinical and clinical trials are successful, we still may be unable to commercialize a product because of difficulties in obtaining regulatory approval for its production process or problems in scaling that process to commercial production. In addition, the regulatory requirements for product approval may not be explicit, may evolve over time and may diverge among jurisdictions and our third-party contractors, such as CROs, may fail to comply with regulatory requirements or meet their contractual obligations to us.

Even if we are successful in our development and regulatory strategies, we cannot provide assurance that any product candidate we may seek to develop or are currently developing, will ever be successfully commercialized. We may not be able to successfully address patient needs, persuade physicians and payors of the benefit of our product, and lead to usage and reimbursement. If such products are not eventually commercialized, the significant expense and lack of associated revenue could materially adversely affect our business.

We may not be able to successfully build and implement a commercial organization or commercialization program, with or without collaborating partners. The scale-up from research and development to commercialization requires significant time, resources, and expertise, which will rely, to a large extent, on third parties for assistance to help us in our efforts. Such assistance includes, but is not limited to, persuading physicians and payors of the benefit of our product to lead to utilization and reimbursement, developing a healthcare compliance program, and complying with post-marketing regulatory requirements.

*The commercial success of the products that we may develop, if any, will depend upon the degree of market acceptance by physicians, patients, healthcare payors, opinion leaders, patients' organizations, and others in the medical community that any such product obtains.*

Following our December 2025 decision to discontinue the clinical trial of our inhaled AAT product candidate, our potential investigational products are at early stages of development. Any product candidates that we may successfully develop, seek regulatory approval for, and bring to market may not achieve meaningful market acceptance. Lack of market acceptance could prevent us from generating significant product revenues, impair our ability to recover our research and development investments, and adversely affect our long-term growth strategy. The degree of market acceptance of any future product candidates, if approved, will depend on numerous factors, many of which are outside our control, including:

- the prevalence and severity of any side effects;
- the efficacy, safety, and timing of introduction of alternative treatments;
- our ability to offer competitive pricing;
- the relative convenience and ease of administration of our products;
- the willingness of physicians to prescribe, and of patients to use, our products;
- the strength of our marketing, medical, and distribution support; and
- the availability of third-party coverage and reimbursement.

In addition, recommendations or guidelines issued by governmental agencies, medical societies, patient advocacy groups, or other industry bodies that restrict or discourage the use of a particular therapy could reduce the market potential of any future products, whether or not such recommendations are widely adopted. Failure to achieve adequate market acceptance for any newly introduced products could materially and adversely impact our business, financial condition and results of operations.

#### **Risks Related to Our Operations and Industry**

*Regulatory approval for our products is limited by the FDA, EMA, the IMOH and similar authorities in other jurisdictions to those specific indications and conditions for which clinical safety and efficacy have been demonstrated, and the prescription or promotion of off-label uses could adversely affect our business.*

Regulatory approval of our Proprietary Products and Distribution products is limited to those specific diseases and indications for which our products have been deemed safe and effective by the FDA, EMA, the IMOH or similar authorities in other jurisdictions. In addition to the regulatory approval required for new formulations, any new indication for an approved product also requires regulatory approval. Once we produce a plasma-derived therapeutic, we rely on physicians to prescribe and administer it as the product label directs and for the indications described on the labeling. Although physicians may prescribe our product for off-label uses (i.e., uses and indications not described in the product's labeling as approved by the applicable regulatory authority) in their independent medical judgment, such off-label uses may result in different safety and efficacy outcomes. If off-label use of our products is associated with adverse effects, safety concerns, lack of efficacy, negative publicity, or other undesirable outcomes, the reputation of our products and our business may be harmed, demand for our products may decline, and we may face increased regulatory scrutiny. Under certain circumstances, off-label use of our products may increase the risk of product liability claims, which are expensive to defend and could divert our management's attention, result in substantial damage awards against us, and harm our reputation.

Furthermore, while physicians may choose to prescribe drugs for uses that are not described in the product's labeling and for uses that differ from those approved by regulatory authorities, our ability to promote the products is limited to those indications that are specifically approved by the FDA, EMA, the IMOH or other regulators. Although regulatory authorities generally do not regulate the behavior of physicians, they do restrict communications by manufacturers on the subject of off-label use. If our promotional activities fail to comply with these regulations or guidelines, we may be subject to warnings from, or enforcement action by, these authorities. In addition, failure to follow FDA, OIG, EMA, the IMOH or similar authorities in other jurisdictions rules and guidelines relating to promotion and advertising can lead to other negative consequences, such as the suspension or withdrawal of an approved product from the market, enforcement letters, restrictions on marketing or manufacturing, injunctions, and corrective actions. Other regulatory authorities may separately impose penalties including, but not limited to, fines, disgorgement of money, suspension of ongoing clinical trials, refusal to approve pending applications or supplements to approved applications submitted by us; restrictions on our or our contract manufacturers' operations; product seizure or detention, refusal to permit the import or export of products or criminal prosecution.

***Regulatory inspections or audits conducted by regulatory bodies and our partners may lead to monetary losses and inability to adequately manufacture or sell our products.***

The regulatory authorities, including the FDA, EMA, and IMOH, as well as our partners, may, at any time and from time to time, audit or inspect our facilities and operations. Such audits or inspections may lead to disruption of work, and if we fail to pass such audits or inspections, the relevant regulatory authority or partner may issue inspectional observations or findings that require us to implement corrective actions or other remedial measures that may be costly or time-consuming. If we fail to maintain compliance or adequately remediate any findings, we could be subject to regulatory or contractual actions that could limit, delay or prevent the manufacture, sale, and distribution of our products, as well as cause damage to our reputation in the industry.

***Laws and regulations governing the conduct of international operations may negatively impact our development, manufacture, and sale of products outside of the United States and require us to develop and implement costly compliance programs.***

We must comply with numerous laws and regulations in Israel and in each of the other jurisdictions in which we operate or plan to operate. The creation and implementation of any required compliance programs is costly, and the programs are often difficult to enforce, particularly where we must rely on third parties.

For example, the U.S. Foreign Corrupt Practices Act (“FCPA”) prohibits any U.S. individual or business from paying, offering, authorizing payment or offering anything of value, directly or indirectly, to any foreign official, political party or candidate for the purpose of influencing any act or decision of the foreign entity in order to assist the individual or business in obtaining or retaining business. The FCPA also requires companies whose securities are listed in the United States to comply with certain accounting provisions. For example, such companies must maintain books and records that accurately and fairly reflect all transactions of the company, including international subsidiaries, and devise and maintain an adequate system of internal accounting controls for international operations. The anti-bribery provisions of the FCPA are enforced primarily by the U.S. Department of Justice, and the U.S. Securities and Exchange Commission (the “SEC”) is involved with enforcement of the books and records provisions of the FCPA.

Compliance with the FCPA and similar laws is expensive and difficult, particularly in countries in which corruption is a recognized problem. In addition, the FCPA presents particular challenges in the pharmaceutical industry, because, in many countries, hospitals are operated by the government, and doctors and other hospital employees are considered as foreign officials. Additionally, pharmaceutical products are usually marketed by the local distributors through government tenders, and the majority of pharmaceutical companies’ clients are HMOs which are foreign government officials under the FCPA. Certain payments to hospitals in connection with clinical trials and other work, and certain payments to HMOs have been deemed to be improper payments to government officials and have led to FCPA enforcement actions.

The failure to comply with laws governing international business practices may result in substantial penalties, including suspension or debarment from government contracts. Violation of the FCPA can result in significant civil and criminal penalties. Indictment alone under the FCPA can lead to suspension of the right to do business with the U.S. government until the pending claims are resolved. Conviction of a violation of the FCPA can result in long-term disqualification as a government contractor. The termination of a government contract or relationship as a result of our failure to satisfy any of our obligations under laws governing international business practices would have a negative impact on our operations and harm our reputation and ability to procure government contracts. Additionally, the SEC also may suspend or bar issuers from trading securities on U.S. exchanges for violations of the FCPA’s accounting provisions.

***If our manufacturing facility in Beit Kama, Israel were to suffer a serious accident, contamination, force majeure event (including, but not limited to, a war, terrorist attack, earthquake, major fire or explosion, etc.) materially affecting our ability to operate and produce saleable plasma-derived protein therapeutics, all of our manufacturing capacity could be shut down for an extended period.***

We rely on a single manufacturing facility in Beit Kama, which is located in southern Israel, approximately 20 miles east of the Gaza Strip. A significant part of our revenues in our Proprietary Products segment were derived and are expected to continue to be derived from products manufactured at this facility and some of the products that are imported by us under our Distribution segment are packed and stored in this manufacturing facility. Furthermore, our plans to expand the use of this facility to include the future production of WINRHO SDF, HEPAGAM B, and VARIZIG, which are currently manufactured by Emergent, would, if implemented, further increase the criticality of this facility to our operations. If this facility were to suffer an accident or a force majeure event, such as war, terrorist attack, earthquake, major fire or explosion, major equipment failure or power failure lasting beyond the capabilities of our backup generators or similar event, or contamination, our revenues would be materially adversely affected. For more information regarding the current security situation in Israel, see – Risks Relating to Our Incorporation and Location in Israel – “*Our business could be adversely affected by political, economic and military instability in Israel and its region.*” In such a situation, our manufacturing capacity could be shut down for an extended period, we could experience a loss of raw materials, work in process or finished goods and imported products inventory and our ability to operate our business would be harmed. In addition, in any such event, the reconstruction of our manufacturing facility and storage facilities, and the regulatory approval of the new facilities could be time-consuming. During this period, we would be unable to manufacture our plasma-derived protein therapeutics.

Our insurance against property damage and business interruption insurance may be insufficient to mitigate the losses from any such accident or force majeure event. We may also be unable to recover the value of the lost plasma or work-in-process inventories, as well as the associated sales opportunities for products we are unable to produce or distribute, and we could experience the loss of customers during such period.

***If our shipping or distribution channels were to become inaccessible due to an accident, war, act of terrorism, strike, epidemic or pandemic or any other force majeure event, our supply, production and distribution processes could be disrupted.***

Most of our Proprietary Products and Distribution products as well as most of the raw materials we utilize, including plasma and plasma derivatives, must be transported under controlled temperature conditions, including temperature of -20 degrees Celsius (-4 degrees Fahrenheit), to ensure the preservation of their proteins. Not all shipping or distribution channels are equipped to transport products or materials at these temperatures. If any of our shipping or distribution channels become inaccessible because of a serious accident, war, act of terrorism, strike, epidemic or pandemic or any other force majeure event, we may experience disruptions in continued availability of plasma and other raw materials, delays in our production process or a reduction in our ability to distribute our Proprietary Products and Distribution products to our customers in the markets in which we operate.

***Failure to maintain the security of protected health information or compliance with security requirements could damage our reputation with customers, cause us to incur substantial additional costs and become subject to litigation.***

Pursuant to applicable privacy laws, we must comply with comprehensive privacy and security standards with respect to the use and disclosure of protected health information and other personal information. If we do not comply with existing or new laws and regulations related to protecting privacy and security of personal or health information, we could be subject to litigation costs and damages, monetary fines, civil penalties, or criminal sanctions. We may be required to comply with the data privacy and security laws of other countries in which we operate or from which we receive data transfers.

For example, the General Data Protection Regulation (“GDPR”) has broad application and enhanced penalties for noncompliance. The GDPR, which is wide-ranging in scope, governs the collection and use of personal data in the European Union and imposes operational requirements for companies that receive or process personal data of residents of the European Union. The GDPR may apply to certain aspects of our operations, including our clinical development related activities, which are currently limited following our decision to discontinue the Phase 3 InnovAATe trial of Inhaled AAT for the treatment of AATD, as well as to other activities in which we hold or process personal data of residents of the European Union.

In addition, the Israeli Privacy Protection Regulations (Information Security), 2017 as well as the recent and comprehensive Amendment No. 13 to the Privacy Protection Law, which entered into effect in August 2025, now impose enhanced data protection, governance and security obligations on organizations operating in Israel. Following the effective date of the amendment, the Israeli Privacy Protection Authority has expanded enforcement powers, including the ability to issue administrative orders and monetary sanctions for noncompliance. As a result, our operations that involve the processing of personal data in Israel are now subject to a stricter regulatory regime and increased exposure to enforcement actions.

Furthermore, U.S. federal and state regulators continue to adopt new, or modify existing laws and regulations addressing data privacy and the collection, processing, storage, transfer and use of data, including the U.S. Health Insurance Portability and Accountability Act of 1996, as amended, and implementing regulations (“HIPAA”) and other sector specific requirements. These evolving privacy, security and data protection laws and regulations may impose increased business operational costs, require changes to our business, require notification to customers or workers of a security breach, or restrict our use or storage of personal information. Our efforts to implement and maintain programs and controls that comply with applicable data protection requirements are likely to impose additional costs on us, and we cannot predict whether the interpretations of the requirements, or changes in our practices in response to new requirements or interpretations of the requirements, could have a material adverse effect on our business.

We rely upon our CROs, third party contractors and distributors to process personal information on our behalf, and we control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that their activities are conducted in accordance with privacy regulations and our reliance on such CROs, third-party contractors and distributors does not relieve us of our regulatory responsibilities. While we take reasonable and prudent steps to protect personal and health information and use such information in accordance with applicable privacy laws, a compromise in our security systems that results in personal information being obtained by unauthorized persons or our failure to comply with security requirements for financial transactions, could adversely affect our reputation with our clients and result in litigation against us or the imposition of penalties, all of which may adversely impact our results of operations, financial condition and liquidity. In addition, given that the privacy laws and regulations in the jurisdictions in which we operate are new and subject to further judicial review and interpretation, it may be determined at a future time that although we take prudent measures to comply with such laws and regulations, such measures will not be sufficient to meet future elaborations or interpretations of such laws and regulations.

***If we are unable to successfully introduce new products and indications or fail to keep pace with advances in technology, our business, financial condition and results of operations may be adversely affected.***

Our continued growth depends, to a certain extent, on our ability to develop and obtain regulatory approvals of new products, new enhancements and/or new indications for our products and product candidates. Obtaining regulatory approval in any jurisdiction, including from the FDA, EMA or any other relevant regulatory agencies, involves significant uncertainty and may be time consuming and require significant expenditures.

The development of innovative products and technologies that improve efficacy, safety, patients’ and clinicians’ ease of use and cost-effectiveness, involve significant technical and business risks. The success of new product offerings will depend on many factors, including our ability to properly anticipate and satisfy customer needs, adapt to new technologies, obtain regulatory approvals on a timely basis, demonstrate satisfactory clinical results, manufacture products in an economic and timely manner, engage qualified distributors for different territories and establish our sales force to sell our products, and differentiate our products from those of our competitors. If we cannot successfully introduce new products, adapt to changing technologies or anticipate changes in our current and potential customers’ requirements, our products may become obsolete, and our business could suffer.

***Product liability claims or product recalls involving our products, normal source plasma we sell to third parties, or products manufactured by third parties that we distribute could have a material adverse effect on our business.***

Our business exposes us to the risk of product liability claims that are inherent in the manufacturing, distribution and sale of our Proprietary Products, normal source plasma, Distribution products and other drug products. We face an inherent risk of product liability exposure related to the testing of our product candidates in human clinical trials and an even greater risk when we commercially sell any products, including those manufactured by others that we distribute in Israel and in other territories. If we cannot successfully defend ourselves against claims that our product candidates or commercial stage products, including our Proprietary Products, normal source plasma and Distribution products, caused injuries, or if the indemnities we have negotiated do not adequately cover losses, we could incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for our Proprietary and Distribution products and any product candidates that we may develop;
- injury to our reputation;
- difficulties in recruiting new participants to our future clinical trials and withdrawal of current clinical trial participants;
- costs to defend the related litigation;
- substantial monetary awards to trial participants or patients;
- difficulties in finding distributors for our products;
- difficulties in entering into strategic partnerships with third parties;
- diversion of management’s attention;
- loss of revenue;
- the inability to commercialize any products that we may develop;
- higher insurance premiums;
- suspension or termination of purchases by significant plasma customers;
- costs and losses associated with “lookback”/“traceback” investigations and potential withdrawals or destruction of intermediates or finished plasma-derived medicinal products manufactured from our plasma; and
- adverse findings in quality or regulatory audits by customers or regulators leading to sales holds or contract termination.

Plasma is biological matter that is capable of transmitting viruses, infections and pathogens, whether known or unknown. Therefore, plasma derivative products, if not properly tested, inactivated, processed, manufactured, stored and transported, could cause serious disease and possibly death to the patient. Further, even when such steps are properly performed, viral and other infections may escape detection using current testing methods and may not be susceptible to inactivation methods. Any transmission of disease using one of our products (including plasma supplied by us as raw material) or third-party products sold by us could result in claims against us by or on behalf of persons allegedly infected by such products.

In addition, we sell and distribute third-party products in Israel, and the laws of Israel could also expose us to product liability claims for those products. Furthermore, the presence of a defect (or a suspicion of a defect) in a product could require us to carry out a recall of such product. A product liability claim, or a product recall could result in substantial financial losses, negative reputational repercussions, loss of business and an inability to retain customers. Although we maintain insurance for certain types of losses, claims made against our insurance policies could exceed our limits of coverage or be outside our scope of coverage. Additionally, as product liability insurance is expensive and can be difficult to obtain, a product liability claim could increase our required premiums or otherwise decrease our access to product liability insurance on acceptable terms. In turn, we may not be able to maintain insurance coverage at a reasonable cost and may not be able to obtain insurance coverage that will be adequate to satisfy liabilities that may arise.

In addition, our contracts with other product manufacturers and with our sub-distributors distributing their products in the MENA region or other countries may not be fully back-to-back with respect to warranties, quality obligations, recall responsibilities, pharmacovigilance, intellectual property indemnities, or liability caps. In addition, our insurance or that of our partners may exclude or limit recovery for certain losses. As a result, product liability claims, recall costs, regulatory penalties, or third-party claims may not be reimbursed or may exceed available coverage, which could materially adversely affect our business, financial condition, and results of operations.

Moreover, contractual indemnities owed to or claimed by third party plasma-derived medicinal products manufacturers in connection with plasma we supply may not be fully covered by our insurance, and recall or withdrawal costs initiated by such manufacturers could materially increase our uninsured exposure.

***Uncertainty surrounding and future changes to healthcare law in the United States and other United States Government related mandates may adversely affect our business.***

In the U.S. and in some foreign jurisdictions there has been, and continues to be, significant legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of product candidates, restrict or regulate post-approval activities, and affect the profitable sale of product candidates. This legislation and regulatory activity, as well as the proposed changes, have created uncertainty as to whether the industry will continue to experience fundamental change as a result of regulatory reform or legislative reform. There is significant interest among legislators and regulators in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and/or expanding access. In the United States, for example, the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected and continues to face major uncertainty due to the status of legislative initiatives surrounding healthcare reform. The Patient Protection and Affordable Care Act of 2010, as amended by the Healthcare and Education Reconciliation Act of 2010, substantially changed the way healthcare is financed by both governmental and private insurers, and significantly affected the pharmaceutical and healthcare industries. On August 16, 2022, the Inflation Reduction Act of 2022 (“IRA”) was signed into law. The IRA includes several provisions to lower prescription drug costs for people with Medicare and reduce drug spending by the federal government. Implementation of novel and seminal provisions in the IRA related to prescription drug pricing and spending will continue over the next several years and could impact our operations and could have an adverse impact on our ability to generate revenues in the United States. Although these provisions of the IRA have been challenged in court, largely on constitutional grounds, by multiple pharmaceutical manufacturers, to date, the majority of these challenges have been unsuccessful. However, these suits will likely continue and the ultimate effects of such legal challenges are unclear.

In the coming years, additional changes could be made to U.S. governmental healthcare programs and U.S. healthcare laws that could significantly impact the success of our products. There has been heightened governmental scrutiny in recent years over the manner in which manufacturers set prices for their marketed products and the cost of prescription drugs to consumers and government healthcare programs, which have resulted in several recent Congressional inquiries and proposed and enacted bills designed to, among other things, reduce the cost of prescription drugs, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for products. In addition, the federal government has shown significant interest in implementing cost containment programs, including price-controls, restrictions on reimbursement and requirements for substitution of generic products for branded prescription drugs to limit the growth of government paid health care costs.

In addition, individual states have enacted drug price transparency laws that may impact our decision-making about price increases, including the rate and frequency of such increases. The requirements under these laws vary state-by-state and include obligating manufacturers to provide advance notice of planned price increases, increase amounts and factors considered for those amounts, wholesale acquisition costs, as well as additional information for new drugs. Many states may impose penalties for noncompliance with these requirements, including for failure to report or submission of inaccurate or late reports.

We cannot predict what other legislation relating to our business or to the health care industry may be enacted, or what effect such legislation or other regulatory actions may have on our business, prospects, operating results and financial condition.

Recent public health emergencies and national security concerns shined a spotlight on the supply chain for essential medical products, medical countermeasures, and critical inputs to those products and raised legislative and regulatory interest in creating more resiliency in the supply chain, including more domestic manufacturing of essential medical products, medical countermeasures, and critical inputs. There has been significant congressional interest in oversight of pharmaceutical supply chain resiliency as well as several legislative proposals to create incentives for domestic manufacturing. There has also been significant executive branch activity to encourage American manufacturing, which may impact FDA-related products. In November 2023, President Biden announced a new White House Council on Supply Chain Resilience to advance a government-wide strategy to build supply chain resilience in critical industries such as essential medical products and countermeasures. This Council was later formalized by Executive Order 14123 titled “White House Council on Supply Chain Resilience” on June 14, 2024. As part of that effort, on December 27, 2023, President Biden issued a Presidential Determination under the Defense Production Act (DPA) to enable the Department of Health and Human Services to increase investment in domestic manufacturing of essential medicines, medical countermeasures, and critical inputs deemed as essential to the national defense. Also, in May 2025, Executive order 14293 titled “Regulatory Relief to Promote Domestic Production of Critical Medicines,” directs federal agencies to identify and reduce regulatory barriers to expanding U.S. manufacturing capacity for critical medicines. In addition, we expect there will continue to be legislative and regulatory efforts to increase domestic manufacturing, including potentially efforts to expedite drug approvals for products that could be competitors to ours. We cannot predict what effect such legislation or regulatory actions, or implementation of the supply chain resiliency measures and DPA authorities, may have on our business, prospects, operating results and financial condition.

***Our products and any future approved products remain subject to extensive ongoing regulatory obligations and oversight, including post-approval requirements, that could result in penalties and significant additional expenses and could negatively impact our and our collaborators’ ability to commercialize our current and any future approved products.***

Any product that has received regulatory approval remains subject to extensive ongoing obligations and continued review from applicable regulatory agencies. These obligations include, among other things, drug safety reporting and surveillance, submission of other post-marketing information and reports, compliance with promotional requirements, manufacturing processes and practices, product labeling, confirmatory or post-approval clinical research, import and export requirements, record keeping and reporting. Compliance with these obligations may result in significant expense and limit our ability to commercialize our current and any future approved products. Any violation, by us or our partners, of ongoing regulatory obligations could result in restrictions on the applicable product, including the suspension or withdrawal of the applicable product from the market.

If FDA approval is granted via the accelerated approval pathway or a product receives conditional marketing authorization from another comparable regulatory agency, we may be required to conduct a post-marketing confirmatory trial in support of full approval and to comply with other additional requirements. An unsuccessful post-marketing study or failure to complete such a study with due diligence could result in the withdrawal of marketing approval. Post-marketing studies may also suggest unfavorable safety information that could require us to update the product’s prescribing information or limit or prevent the product’s widespread use. Under the Food and Drug Omnibus Reform Act of 2022 (“FDORA”), FDA is permitted to require accountability and enforce the post-marketing requirements and commitments associated with accelerated approval. FDA has also continued to update its accelerated approval policies, including expectations for clinical trial endpoints. Furthermore, under FDORA, FDA can issue fines against companies that fail to conduct due diligence on any post-approval confirmatory trial or do not submit timely reports to the agency on their progress. There can be no assurance that FDA would allow any of our product candidates to proceed on an accelerated approval pathway, and even if FDA did allow such pathway, there can be no assurance that any expedited development, review, or approval will be granted on a timely basis, or at all.

We and the manufacturers of our current and any future approved products are also required, or will be required, to comply with cGMP, regulations, which include requirements relating to quality control and quality assurance as well as the corresponding maintenance of records and documentation. Further, regulatory agencies must approve these manufacturing facilities before they can be used to manufacture our products and product candidates, and these facilities are subject to ongoing regulatory inspections. In addition, any approved product, its manufacturer and the manufacturer's facilities are subject to continual regulatory review and inspections, including periodic unannounced inspections. Failure by us or our partners to comply with applicable FDA and other regulatory requirements may subject us to administrative or judicially imposed sanctions and other consequences, including:

- issuance of Form FDA 483 notices or Warning Letters by the FDA or other regulatory agencies;
- imposition of fines, civil penalties, or other monetary sanctions;
- criminal investigations or prosecutions;
- injunctions, suspensions, or revocations of regulatory approvals or marketing authorizations;
- suspension or termination of any ongoing clinical trials;
- total or partial suspension of manufacturing;
- delays in regulatory approvals and commercialization;
- refusal by the FDA to approve pending applications or supplements to approved applications submitted by us;
- refusals to permit drugs to be imported into or exported from the United States and certain jurisdictions;
- restrictions on operations, including costly new manufacturing requirements;
- product holds, recalls, seizures, detention, or withdrawal of the affected product from the market; and
- reputational harm.

The policies of the FDA and other regulatory agencies may change, and additional laws and regulations may be enacted that could prevent or delay regulatory approval of our product candidates or of our products in any additional indications or territories, or further restrict or regulate post-approval activities. Any problems with a product or any violation of ongoing regulatory obligations could result in restrictions on the applicable product, including the withdrawal of the applicable product from the market. If we or our partners are not able to maintain regulatory compliance, we might not be permitted to continue commercializing our current products or to successfully commercialize any future approved products and our business, financial condition, and operations could be adversely affected.

***Laws pertaining to health care fraud and abuse could materially adversely affect our business, financial condition and results of operations.***

The laws governing our conduct in the United States are enforceable by criminal, civil, and administrative penalties. Violations of laws such as the Federal False Claims Act (the "FCA"), the Physician Payments Sunshine Act or a provision of the U.S. Social Security Act known as the "federal Anti-Kickback Statute," or any regulations promulgated under their authority may result in jail sentences, fines or exclusion from federal and state health care programs, as may be determined by the Department of Health and Human Services, the Department of Defense, other federal and state regulatory authorities and the federal and state courts. There can be no assurance that our activities will not come under the scrutiny of regulators and other government authorities or that our practices will not be found to violate applicable laws, rules and regulations or prompt lawsuits by private citizen "relators" under federal or state false claims laws.

For example, under the federal Anti-Kickback Statute, and similar state laws and regulations, even common business arrangements, such as discounted terms and volume incentives for customers in a position to recommend or choose drugs and devices for patients, such as physicians and hospitals, can result in substantial legal penalties, including, among others, exclusion from Medicare and Medicaid programs, if those business arrangements are not appropriately structured to be compliant with the applicable legal requirements. Also, certain business practices, such as payment of consulting fees to healthcare providers, sponsorship of educational or research grants, charitable donations, interactions with healthcare providers that prescribe products for uses not approved by the FDA and financial support for continuing medical education programs, must be conducted within narrowly prescribed and controlled limits to avoid the possibility of wrongfully influencing healthcare providers to prescribe or purchase particular products or as a reward for past prescribing. Under the federal Anti-Kickback Statute, a person or company need not have actual knowledge or specific intent to violate the Statute in order to have committed a violation. Therefore, our arrangements with potential referral sources must be structured with care to comply with applicable requirements. Manufacturers like us can be held liable under the False Claims Act if they are determined to have caused the submission of false or fraudulent claims to the government for reimbursement. This can result from prohibited activities such as off-label marketing, providing inaccurate billing or coding information to healthcare providers and other customers, or violations of the federal Anti-Kickback Statute. Significant enforcement activity has been the result of actions brought by relators, who file complaints in the name of the United States (and if applicable, particular states) under federal and state False Claims Act statutes and can be entitled to receive a significant portion (often as great as 30%) of total recoveries. Also, violations of the False Claims Act can result in treble damages, and each false claim submitted can be subject to a penalty of up to \$28,619 per claim. Transfers of value to certain healthcare practitioners and institutions must be tracked and reported in accordance with the Physician Payments Sunshine Act and various state laws. The Physician Payments Sunshine Act imposes reporting and disclosure requirements for pharmaceutical and medical device manufacturers with regard to a broad range of payments, ownership interests, and other transfers of value made to certain physicians, physician assistants, nurse practitioners, clinical nurse specialists, certified registered nurse anesthetists, certified nurse-midwives and certain teaching hospitals. A number of states have similar laws in place and often require reporting for other categories of healthcare professionals, such as nurses. Additional and stricter prohibitions could be implemented by federal and state authorities. Where practices have been found to involve improper incentives to use products, government investigations and assessments of penalties against manufacturers have resulted in substantial damages and fines. Many manufacturers have been required to enter into consent decrees, corporate integrity agreements, or orders that prescribe allowable corporate conduct. Failure to satisfy requirements under the FDCA can also result in penalties, as well as requirements to enter into consent decrees or orders that prescribe allowable corporate conduct. On November 16, 2020, the U.S. Health and Human Services (HHS) Office of Inspector General (OIG) issued a Special Fraud Alert discussing the fraud and abuse risks associated with payments to physicians related to speaker programs sponsored by pharmaceutical and medical device companies. OIG expressed skepticism regarding the educational value of these industry-sponsored speaker programs and warned of the inherent fraud and abuse risks of these programs. Efforts to ensure that our business arrangements with third parties, including payments to healthcare providers and entities, comply with applicable healthcare laws and regulations involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business.

To market and sell our products outside the United States, we must obtain and maintain regulatory approvals and comply with regulatory requirements in such jurisdictions. The approval procedures vary among countries in complexity and timing. We may not obtain approvals from regulatory authorities outside the United States on a timely basis, if at all, and in such case, we would be precluded from commercializing products in those markets. In addition, some countries, particularly the countries of the European Union, regulate the pricing of prescription pharmaceuticals. In these countries, pricing discussions with governmental authorities can take considerable time after the receipt of marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidate to other available therapies. Such trials may be time-consuming and expensive and may not show an advantage in cost-efficacy for our products. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, in either the United States or the European Union, we could be adversely affected. Also, under the FCPA, the United States has regulated conduct by U.S. businesses occurring outside of the United States, generally prohibiting remuneration to foreign officials for the purpose of obtaining or retaining business. Additionally, similar to the Physician Payments Sunshine Act, there are legal and regulatory obligations outside the United States that include reporting requirements detailing interactions with and payments to healthcare practitioners. See — General Risks — “*We are subject to risks associated with doing business globally*”.

To enhance compliance with applicable health care laws, and mitigate potential liability in the event of noncompliance, regulatory authorities, such as the HHS OIG, have recommended the adoption and implementation of a comprehensive health care compliance program that generally contains the elements of an effective compliance and ethics program described in Section 8B2.1 of the U.S. Sentencing Commission Guidelines Manual. Increasing numbers of U.S.-based pharmaceutical companies have such programs. We have adopted U.S. healthcare compliance and ethics programs that incorporate the HHS OIG's recommendations; however, there can be no assurance that following the adoption of such programs we will avoid any compliance issues.

In addition to the federal fraud, waste, and abuse laws noted, there are analogous U.S. state laws and regulations, such as state anti-kickback and false claims laws, and other state laws addressing the medical product and healthcare industries, which may apply to items or services reimbursed by any third-party payor, including commercial insurers, and in some cases may apply regardless of payor (i.e., even if reimbursement is not available). Some state laws are constructed in accordance with certain industry voluntary compliance guidelines (e.g., the PhRMA or AdvaMed Codes of Ethics), or the relevant compliance program guidance promulgated by the federal government (HHS-OIG) in addition to other requirements, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Compliance efforts related to such laws are costly, and failure to comply could subject us to enforcement action. The shifting compliance environment and the need to build and maintain a robust and expandable systems to comply with multiple jurisdictions with different compliance and/or reporting requirements increases the possibility that we may run afoul of one or more of the requirements.

Finally, regulations in both the U.S. and other countries are subject to constant change. There can be no assurance that we can meet the requirements of future regulations or that compliance with current regulations assures future capability to distribute and sell our products.

***We could be adversely affected if other government or private third-party payors decrease or otherwise limit the amount, price, scope or other eligibility requirements for reimbursement for the purchasers of our products.***

Prices in many of our principal markets are subject to local regulation and certain pharmaceutical products, such as our Proprietary and Distribution products, are subject to price controls. In the United States, where reimbursement levels for our products are substantially established by third-party payors, a reduction in the payors' amount of reimbursement for a product may cause groups or individuals dispensing the product to discontinue administration of the product, to administer lower doses, to substitute lower cost products or to seek additional price-related concessions. These actions could have a negative effect on our financial results, particularly in cases where our products command a premium price in the marketplace or where changes in reimbursement rates induce a shift in the site of treatment. In the United States, third-party payors are increasingly challenging prices charged for drug products. In addition, payors are also increasingly refusing to provide coverage for products. No uniform policy for coverage and reimbursement for products exists among third-party payors in the United States. Coverage and reimbursement for products can differ significantly among payors, and one third-party payor's determination to provide coverage for a product candidate does not assure that other payors will also provide coverage for the product candidate. As a result, the coverage determination process can be a time consuming and costly process. Further, a payor's decision to provide coverage for a product does not imply that an adequate reimbursement rate will be available. Additionally, coverage policies and third-party reimbursement rates may change at any time. The existence of these certain direct and indirect price controls and pressures over our products has affected, and may continue to materially adversely affect, our ability to maintain or increase gross margins.

Also, the intended use of a drug product by a physician can affect pricing. Physicians frequently prescribe legally available therapies for uses that are not described in the product's labeling and that differ from those tested in clinical studies and approved by the FDA or similar regulatory authorities in other countries. These off-label uses are common across medical specialties, and physicians may believe such off-label uses constitute the preferred treatment or treatment of last resort for many patients in varied circumstances. Reimbursement for such off-label uses may not be allowed by government payors. If reimbursement for off-label uses of products is not allowed by Medicare or other third-party payors, including those in the United States or the European Union, we could be adversely affected. For example, Centers for Medicare and Medicaid ("CMS") could initiate an administrative procedure known as a National Coverage Determination ("NCD"), by which the agency determines which uses of a therapeutic product would be reimbursable under Medicare and which uses would not. This determination process can be lengthy, thereby creating a long period during which the future reimbursement for a particular product may be uncertain.

***If we fail to comply with our obligations under U.S. governmental pricing programs, we could be required to reimburse government programs for underpayments and could pay penalties, sanctions, and fines.***

In the United States, pricing and reimbursement for our products depend in part on government regulation. Any significant efforts at the federal or state levels to reform the healthcare system by changing the way healthcare is provided or funded or more directly impose controls on drug pricing, government reimbursement, and access to medicines on public and private insurance plans could have a material impact on us. In addition, in order to have our products covered by Medicaid, we must offer discounts or rebates on purchases of pharmaceutical products under various federal and state laws and programs. We also must report specific prices to government agencies. The calculations necessary to determine the prices reported are complex and the failure to do so accurately may expose us to enforcement measures that could negatively affect our results, our business operations, and our continued participation in government healthcare programs, like Medicaid.

Changes to the Medicaid program or the federal 340B drug pricing program, which imposes ceilings on prices that drug manufacturers can charge for medications sold to certain health care facilities, could have a material impact on our business. Additional changes to the 340B program are undergoing review and their status is unclear. The HHS has sent letters to numerous manufacturers that have implemented contract pharmacy integrity initiatives expressing the view that their programs are in violation of the 340B statute and referring those programs for potential enforcement action. Several manufacturers have challenged HHS's enforcement letters in federal court and litigation is ongoing in those cases. We believe that our program is consistent with the statute. However, the end-result of HHS's efforts and the result of the legal challenges to such efforts are unclear. Additional legal or legislative developments at the federal or state level with respect to the 340B program may have an adverse impact on our integrity initiative, and we may face enforcement action or penalties that could negatively impact our results, depending upon such developments.

***We are subject to extensive environmental, health and safety, and other laws and regulations.***

Our business involves the controlled use of hazardous materials, various biological compounds and chemicals. The risk of accidental contamination or injury from these materials cannot be eliminated. If an accident, spill or release of any regulated chemicals or substances occurs, we could be held liable for resulting damages, including for investigation, remediation and monitoring of the contamination, including natural resource damages, the costs of which could be substantial. In addition, some of the licenses and permits granted to us may be suspended or revoked, resulting in our inability to conduct our regular business activity, manufacture and/or distribute our products for an extended period of time or until we take remedial actions. We are also subject to numerous environmental, health and workplace safety laws and regulations, including those governing laboratory procedures, exposure to blood-borne pathogens and the handling of biohazardous materials and chemicals. Although we maintain workers' compensation insurance to cover the costs and expenses that may be incurred because of injuries to our employees resulting from the use of these materials, this insurance may not provide adequate coverage against potential liabilities. Additional or more stringent federal, state, local or foreign laws and regulations affecting our operations may be adopted in the future. We may incur substantial capital costs and operating expenses and may be required to obtain consents to comply with any of these or certain other laws or regulations and the terms and conditions of any permits required pursuant to such laws and regulations, including costs to install new or updated pollution control equipment, modify our operations or perform other corrective actions at our respective facilities. In addition, fines and penalties may be imposed for noncompliance with environmental, health and safety and other laws and regulations or for the failure to have, or comply with the terms and conditions of, required environmental or other permits or consents. We are subject to future audits by the Environmental Health Department of the Regional Health Bureau of the IMOH and the Ministry of Environmental Protection of Israel and may be required to perform certain actions from time to time in order to comply with these guidelines and their requirements. We do not expect the costs of complying with these guidelines to be material to our business. See "Item 4. Information on the Company — Business Overview — *Environmental.*"

Under the Israeli Economic Competition Law, 5758-1988, as amended (the “Competition Law”), a company that supplies or acquires more than 50% of any product or service in Israel in a relevant market may be deemed to be a monopoly. In addition, any company that has “significant market power” (within the meaning of the Competition Law), even if it does not hold market share that is greater than 50%, shall be deemed to be a monopolist under the Competition Law. A monopolist is prohibited from participating in certain business practices, including unreasonably refusing to sell products or provide services over which a monopoly exists, charging unfair prices for such products or services, and abusing its position in the market in a manner that might reduce business competition or harm the public. In addition, the General Director of the Israeli Competition Authority may determine that a company is a monopoly and has the right to order such company to change its conduct in matters that may adversely affect business competition or the public, including by imposing restrictions on its conduct. Depending on the analysis and the definition of the different products we distribute in the markets in which we operate, we may be deemed to be a “monopoly” under the Competition Law with respect to certain of our products. Furthermore, following an amendment to the Competition Law that became effective in August 2015, which repealed the statutory exemption that existed under the Competition Law for restrictive arrangements that were mutually exclusive arrangements, we may face difficulties in certain cases negotiating distribution agreements with foreign pharmaceutical manufacturers.

***We have entered into a collective bargaining agreement with the employees’ committee and the Histadrut (General Federation of Labor in Israel), and we have incurred and could in the future incur labor costs or experience work stoppages or labor strikes as a result of any disputes in connection with such agreement.***

In December 2013, we signed a collective bargaining agreement with the employees’ committee established by our employees at our Beit Kama production facility in Israel and the Histadrut (General Federation of Labor in Israel) (“Histadrut”), which expired in December 2017. In November 2018, we signed a further collective bargaining agreement with the employees’ committee and the Histadrut, which expired in December 2021. In July 2022, we signed a new collective agreement with the Histadrut; while the agreement will be effective through the end of 2029, certain economic terms may be renegotiated by the parties following the lapse of the four-year anniversary of the agreement by January 1, 2026. In September 2025, we entered into a negotiation process with the employees’ committee and the Histadrut related to the economic terms under the collective bargaining agreement, and such process is still ongoing. We have experienced labor disputes and work stoppages in the past at our Beit Kama facility. For example, in March 2022, during our negotiations with the Histadrut and the employees’ committee on the renewal of the collective bargaining agreement, the employee’s committee declared a labor dispute, and in April 2022, a strike was initiated by the employee’s committee, which continued until the new agreement was signed in July 2022. As a result of the labor strike, in the year ended December 31, 2022, our gross profit was impacted by a \$4.3 million loss associated with the effect of the work-stoppage at the Israeli plant. In addition, in December 2020, during the course of our negotiations with the Histadrut and the employees’ committee on severance remuneration for employees who may be laid-off as part of the workforce down-sizing as a result of the transfer of GLASSIA manufacturing to Takeda that we implemented during 2021, the employee’s committee declared a labor dispute, which was subsequently concluded during February 2021 following the execution of a special collective bargaining agreement governing such severance terms. In March 2023, we entered into an additional special collective bargaining agreement with the employees’ committee and the Histadrut governing severance remuneration terms for employees who may be laid off in connection with the potential staff reductions, when needed, in order to adjust to lower plant utilization. Any future disputes with the employees’ committee and the Histadrut over the implementation or the interpretation or the renewal of the collective bargaining agreement may lead to additional labor costs and/or work stoppages, which could adversely affect our business operations, including through a loss of revenue and strained relationships with customers.

***Following the establishment of our U.S. commercial operations through our subsidiaries Kamada Inc. and Kamada Plasma LLC, we have entered into intercompany agreements for the transfer of products, which require us to meet transfer pricing requirements under both Israeli and U.S. tax legislation.***

Following the establishment of our U.S. commercial operations through our subsidiaries Kamada Inc. and Kamada Plasma LLC, we have entered into intercompany agreements for the transfer of products. Our intercompany agreements for the sale of products or provision of services are required to be made on an arms-length basis and must comply with transfer pricing provisions of tax laws in Israel and the U.S. In order to determine the adequate transfer pricing arrangement, we are required to perform a transfer pricing study to compare the contemplated intercompany transaction with similar transactions entered into amongst non-related parties. There can be no assurance that the Israeli and/or tax authorities would accept such transfer pricing study when determining our, or any of our subsidiary’s income, profitability and tax assessment. Failure to comply with transfer pricing rules may result in increased tax expenses, penalties and legal actions against us, our subsidiaries or our executive officers.

***We may be exposed to tax reporting requirements and tax expense in multiple jurisdictions in which our products are being distributed.***

We are incorporated under the laws of the State of Israel and some of our subsidiaries are organized under the laws of Delaware and Ireland and as a result, we are subject to local tax requirements and potential tax expenses in these territories. We store, distribute and sell our Proprietary products in multiple other countries in which we do not have any subsidiaries or physical presence; nevertheless, in some of these countries, pursuant to local legislation, we may be considered as “conducting business activities” which may expose us to certain reporting requirements and potential direct or indirect tax payments. Failure to comply with such local legislation may result in increased tax expenses, penalties and legal action against us, our subsidiaries or our executive officers.

***Increasing use of artificial intelligence and new technologies could give rise to liability, breaches of data security, or reputational damage.***

We and our employees increasingly utilize artificial intelligence (“AI”) tools to support various business functions. While these tools offer efficiencies, they may also result in potential inaccuracies and miscommunications leading to misunderstandings with stakeholders, such as customers and regulatory entities.

Furthermore, the use of AI solutions by our employees or third parties on which we rely, may lead to the public disclosure of confidential information (including personal data and proprietary information) in contravention of our internal policies, data protection laws, or contractual requirements.

In the future, we may consider the use of additional AI tools for various aspects of our business. While these advancements could provide significant benefits, they also present new risks. The integration of new AI technologies could lead to unforeseen technical challenges, increased reliance on AI systems, and potential disruptions in our operations. Additionally, the rapidly evolving nature of AI may necessitate continuous updates to our risk management strategies and compliance frameworks to address emerging ethical and regulatory concerns. As we expand our use of AI, we are committed to mitigating these risks through robust data protection measures, regular monitoring, and ongoing employee training; however, there can be no assurance that these measures will fully mitigate the associated risks.

#### **Risks Related to Intellectual Property**

***Our success depends in part on our ability to obtain and maintain protection in the United States and other countries for the intellectual property relating to or incorporated into our technology and products, including the patents protecting our manufacturing process.***

Our success depends in large part on our ability to obtain and maintain protection in the United States and other countries for the intellectual property covering or incorporated into our technology and products, especially intellectual property related to our manufacturing processes.

However, the patent landscape in the biotechnology and pharmaceutical fields is highly complicated and uncertain and involves complex legal, factual and scientific questions. Changes in either patent laws or in the interpretation of patent laws in the United States and other countries may diminish the value and strength of our intellectual property or narrow the scope of our patent protection. In addition, we may fail to apply for or be unable to obtain patents necessary to protect our technology or products or enforce our patents due to lack of information about the exact use of our processes by third parties. Even if patents are issued to us or to our licensors, they may be challenged, narrowed, invalidated, held to be unenforceable or circumvented, which could limit our ability to prevent competitors from using similar technology or marketing similar products, or limit the length of time our technologies and products have patent protection. Additionally, many of our patents relate to the processes we use to produce our products, not to the products themselves. In many cases, the plasma-derived products we produce or intend to develop in the future will not, in and of themselves, be patentable. Since many of our patents relate to processes or uses of the products obtained therefrom, if a competitor is able to utilize a process that does not rely on our protected intellectual property, that competitor could sell a plasma-derived product similar to one we have developed or sell it without infringing these patents.

Patent rights are territorial; thus, any patent protections we have will only be enforceable in those countries in which we have issued patents. In addition, the laws of certain countries do not protect our intellectual property rights to the same extent as do the laws of the U.S. and the European Union. Competitors may successfully challenge our patents, produce similar drugs or products that do not infringe our patents, or produce drugs in countries where we have not applied for patent protection or that do not recognize or provide enforcement mechanisms for our patents. Furthermore, it is not possible to know the scope of claims that will be allowed in pending applications or which claims of granted patents, if any, will be deemed enforceable in a court of law.

Due to the extensive time needed to develop, test and obtain regulatory approval for our therapeutic candidates or any product we may sell or market, any patents that protect our therapeutic candidates or any product we may sell, or market may expire early during commercialization. This may reduce or eliminate any market advantages that such patents may give us. Following patent expiration, we may face increased competition through the entry of recombinant or generic products into the market and a subsequent decline in market share and profits.

In some cases, we may rely on our licensors or partners to conduct patent prosecution, patent maintenance or patent defense on our behalf. Therefore, our ability to ensure that these patents are properly prosecuted, maintained, or defended may be limited, which may adversely affect our rights in our therapeutic candidates and potential approved for marketing products. Any failure by our licensors or development or commercialization partners to properly conduct patent prosecution, maintenance, enforcement, or defense could materially harm our ability to obtain suitable patent protection covering our therapeutic candidates or products or ensure freedom to commercialize the products in view of third-party patent rights, thereby materially reducing our potential profits.

Our patents also may not afford us protection against competitors or other third parties with similar technology. Because patent applications worldwide are typically not published until 18 months after their filing, and because publications of discoveries in scientific literature often lag behind actual discoveries, neither we nor our licensors can be certain that we or they were the first to file for protection of the inventions set forth in such patent applications. As a result, the patents we own and license may be invalidated in the future, and the patent applications we own and license may not be granted. Moreover, in the US, during 2012, the Leahy-Smith America Invents Act (“AIA”) created a new legal proceeding, the *inter partes review* petition, that allows third parties to challenge the validity of patents before the Patent Trials and Appeals Board.

The costs of these proceedings could be substantial and our efforts in them could be unsuccessful, resulting in a loss of our anticipated patent position. In addition, if a third party prevails in such a proceeding and obtains an issued patent, we may be prevented from practicing technology or marketing products covered by that patent. Additionally, patents and patent applications owned by third parties may prevent us from pursuing certain opportunities such as entering into specific markets or developing or commercializing certain products or reducing the cost effectiveness of the relevant business as a result of needing to make royalty payments or other business conciliations. Finally, we may choose to enter into markets where certain competitors have patents or patent protection over technology that may impede our ability to compete effectively.

Our patents are due to expire at various dates between 2027 and 2044. However, because of the extensive time required for development, testing and regulatory review of a potential product, it is possible that, before any of our products can be commercialized, any related patent may expire or remain in force for only a short period following commercialization, thereby limiting advantages of the patent. Our pending and future patent applications may not lead to the issuance of patents or, if issued, the patents may not be issued in a form that will provide us with any competitive advantage. We also cannot guarantee that: any of our present or future patents or patent claims or other intellectual property rights will not lapse or be invalidated, circumvented, challenged or abandoned; our intellectual property rights will provide competitive advantages or prevent competitors from making or selling competing products; our ability to assert our intellectual property rights against potential competitors or to settle current or future disputes will not be limited by our agreements with third parties; any of our pending or future patent applications will be issued or have the coverage originally sought; our intellectual property rights will be enforced in jurisdictions where competition may be intense or where legal protection may be weak; or we will not lose the ability to assert our intellectual property rights against, or to license our technology to, others and collect royalties or other payments. In addition, our competitors or others may design around our patents or protected technologies. Effective protection of our intellectual property rights may also be unavailable, limited or not applied in some countries, and even if available, we may fail to pursue or obtain necessary intellectual property protection in such countries. In addition, the legal systems of certain countries do not favor the aggressive enforcement of patents and other intellectual property rights, and the laws of foreign countries may not protect our rights to the same extent as the laws of the United States. As a result, our intellectual property may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. In order to preserve and enforce our patent and other intellectual property rights, we may need to make claims, apply certain patent or other regulatory procedures or file lawsuits against third parties. Such proceedings could entail significant costs to us and divert our management's attention from developing and commercializing our products. Lawsuits may ultimately be unsuccessful and may also subject us to counterclaims and cause our intellectual property rights to be challenged, narrowed, invalidated or held to be unenforceable.

Additionally, unauthorized use of our intellectual property may have occurred or may occur in the future, including, for example, in the production of counterfeit versions of our products. Counterfeit products may use different and possibly contaminated sources of plasma and other raw materials, and the purification process involved in the manufacture of counterfeit products may raise additional safety concerns, over which we have no control. Although we have taken steps to minimize the risk of unauthorized uses of our intellectual property, including for the production of counterfeit products, any failure to identify unauthorized use of, and otherwise adequately protect, our intellectual property could adversely affect our business, including reducing the demand for our products. Additionally, any reported adverse events involving counterfeit products that purported to be our products could harm our reputation and the sale of our products in particular and consumer willingness to use plasma-derived therapeutics in general. Moreover, if we are required to commence litigation related to unauthorized use, whether as a plaintiff or defendant, such litigation would be time-consuming, force us to incur significant costs and divert our attention and the efforts of our management and other employees, which could, in turn, result in lower revenue and higher expenses.

***In addition to patented technology, we rely on our unpatented proprietary technology, trade secrets, processes and know-how.***

We rely on proprietary information (such as trade secrets, know-how and confidential information) to protect intellectual property that may not be patentable, or that we believe is best protected by means that do not require public disclosure. We generally seek to protect this proprietary information by entering into confidentiality agreements, or consulting, services, material transfer agreements or employment agreements that contain non-disclosure and non-use provisions, as well as ownership provisions, with our employees, consultants, service providers, contractors, scientific advisors and third parties. However, we may fail to enter into the necessary agreements, and even if entered into, these agreements may be breached or otherwise fail to prevent disclosure, third-party infringement or misappropriation of our proprietary information, may be limited as to their term and may not provide an adequate remedy in the event of unauthorized disclosure or use of proprietary information. We have limited control over the protection of trade secrets used by our third-party manufacturers, suppliers, other third parties which are granted with license to use our know-how and former employees and could lose future trade secret protection if any unauthorized disclosure of such information occurs. In addition, our proprietary information may otherwise become known or be independently developed by our competitors or other third parties. To the extent that our employees, consultants, service providers, contractors, scientific advisors and other third parties use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain protection for our proprietary information could adversely affect our competitive business position. Furthermore, laws regarding trade secret rights in certain markets where we operate may afford little or no protection to our trade secrets.

We also rely on physical and electronic security measures to protect our proprietary information, but we cannot provide assurance that these security measures will not be breached or provide adequate protection for our property. There is a risk that third parties may obtain and improperly utilize our proprietary information to our competitive disadvantage. We may not be able to detect or prevent the unauthorized use of such information or take appropriate and timely steps to enforce our intellectual property rights. See “—*Our business and operations would suffer in the event of computer system failures, cyber-attacks on our systems or deficiency in our cyber security measures.*”

***Changes in either U.S. or foreign patent law or in the interpretation of such laws could diminish the value of patents in general, thereby impairing our ability to protect our products.***

Our success, like the success of many other biotechnology companies, is heavily dependent on intellectual property and on patents in particular. The procurement and enforcement of patents in the biotechnology industry is complex from a technological and legal standpoint, and the process is therefore costly, time-consuming and inherently uncertain. In addition, on September 16, 2011, the AIA was signed into law, introducing significant changes to U.S. patent law, including provisions that affect the way patent applications are prosecuted. An important change introduced by the AIA is that, as of March 16, 2013, the United States transitioned to a “first-to-file” system for deciding which party should be granted a patent when two or more patent applications are filed by different parties claiming the same invention. A third party that files a patent application with the United States Patent and Trademark Office (“USPTO”) after that date but before us could therefore be awarded a patent covering an invention of ours even if we had made the invention before it was made by the third party. As a result of this change of law, if we do not promptly file a patent application at the time of a new product’s invention, and if a third party subsequently invented and patented such product, we would lose our right to patent such invention.

The AIA also introduced new limitations on where a patentee may file a patent infringement suit and new opportunities for third parties to challenge any issued patent in the USPTO. Such changes apply to all of our U.S. patents, even those issued before March 16, 2013. Because of a lower evidentiary standard necessary to invalidate a patent claim in USPTO proceedings compared to the evidentiary standard in U.S. federal court, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action.

Depending on decisions by the U.S. Congress, federal courts, the USPTO, or similar authorities in foreign jurisdictions, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents and enforce our existing and future patents.

***We may be subject to claims that we infringe, misappropriate or otherwise violate the intellectual property rights of third parties.***

The conduct of our business, our Proprietary Products and/or Distribution products or product candidates may infringe or be accused of infringing one or more claims of an issued patent or may fall within the scope of one or more claims in a published patent application that may be subsequently issued and to which we do not hold a license or other rights. For example, certain of our competitors and other third parties own patents and patent applications in the realm of our biosimilars distribution products, or in areas relating to critical aspects of our business and technology, including the separation and purification of plasma proteins, the composition of AAT, the use of AAT for different indications, and the distribution or use of recombinant or biosimilar pharmaceutical products, and these competitors may in the future allege that we are infringing on their patent rights. We may face claims alleging that we are infringing, misappropriating, or otherwise violating the intellectual property rights of third parties, including trademarks, copyrights, or trade secrets. If such claims are brought against us, our strategic partners, or our manufacturing suppliers for Distribution products, we could incur significant legal expenses and, if unsuccessful in our defense, be required to pay substantial damages. Additionally, such claims could result in injunctions or other remedies that may force us or our partners to cease or delay the manufacturing, exportation, or sale of the affected products or product candidates, which could materially impact our business and operations. See also “*In recent years we entered into agreements for future distribution in Israel of several biosimilar product candidates, and the successful future distribution of these products is dependent upon several factors some of which are beyond our control.*”

In addition, we are a party to certain license agreements that may impose various obligations upon us as a licensee, including the obligation to bear the cost of maintaining the patents subject to the license and to make milestone and royalty payments. If we fail to comply with these obligations, the licensor may terminate the license, in which event we might not be able to market any product that is covered by the licensed intellectual property.

If we are found to be infringing, misappropriating or otherwise violating the patent or other intellectual property rights of a third party, or in order to avoid or settle claims, we or our strategic partners may choose or be required to seek a license, execute cross-licenses or enter into a covenant not to sue agreement from a third party and be required to pay license fees or royalties or both, which could be substantial. These licenses may not be available on acceptable terms, or at all. Even if we or our strategic partners were able to obtain a license, the rights may be nonexclusive, which could result in our competitors gaining access to the same intellectual property. Ultimately, we could be prevented from commercializing a product, or be forced to cease some aspect of our business operations, if, as a result of actual or threatened claims, we or our strategic partners are unable to enter into licenses on acceptable terms.

There have been substantial litigation and other proceedings regarding patent and other intellectual property rights in the pharmaceutical and biotechnology industries. In addition, to the extent that we gain greater visibility and market exposure as a public company in the United States, we face a greater risk of being involved in such litigation. In addition to infringement claims against us, we may become a party to other patent litigation and other proceedings, including interference, opposition, cancellation, re-examination and similar proceedings before the USPTO and its foreign counterparts and other regulatory authorities, regarding intellectual property rights with respect to our products. The cost to us of any patent litigation or other proceeding, even if resolved in our favor, could be substantial. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their substantially greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace or to conduct our business in accordance with our plans and budget, and patent litigation and other proceedings may also absorb significant management time.

Some of our employees, consultants and service providers, were previously employed or hired at universities, medical institutes, or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. While we take steps to prevent them from using the proprietary information or know-how of others in their work for us, we may be subject to claims that we or they have inadvertently or otherwise used or disclosed intellectual property, trade secrets or other proprietary information of any such employee's former employer or former ordering service or that they have breached certain non-compete obligations to their former employers. Litigation may be necessary to defend against these claims and, even if we are successful in defending ourselves, could result in substantial costs to us or be distracting to our management. If we fail to defend any such claims successfully, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel.

***If we are unable to protect our trademarks from infringement, our business prospects may be harmed.***

We own trademarks that identify certain of our products, our business name and our logo, and have registered these trademarks in certain key markets. Although we take steps to monitor the possible infringement or misuse of our trademarks, it is possible that third parties may infringe, dilute or otherwise violate our trademark rights. Any unauthorized use of our trademarks could harm our reputation or commercial interests. In addition, our enforcement against third-party infringers or violators may be unduly expensive and time-consuming, and the outcome may be an inadequate remedy. Even if trademarks are issued to us or to our licensors, they may be challenged, narrowed, cancelled, or held to be unenforceable or circumvented.

Additionally, in some jurisdictions, our sub-distributors may register trademarks, trade names, or product labeling in their own name or control local regulatory filings and artworks. Disputes regarding ownership, assignment or use of such rights can complicate transitions to alternative partners and may require costly negotiations or proceedings to regain control. Any inability to secure, enforce, or transition these rights on acceptable terms could materially adversely affect our business, financial condition and results of operations.

## Risks Related to Our Financial Position and Capital Resources

*While we have been profitable in recent years, we have incurred significant losses since our inception and may incur losses in the future.*

While we were profitable in the years ended December 31, 2025, 2024 and 2023, we have incurred significant losses since inception and as of December 31, 2025, we had an accumulated deficit of \$17.1 million.

The acquisition of the portfolio of four FDA-approved products in November 2021 resulted in the recognition of significant balances of intangible assets, as well as contingent consideration and other long-term liabilities. The recognized value of the intangible assets is amortized over their expected useful lives, resulting in significant amortization expenses included in costs of goods sold and sales and marketing expenses. For each of the years ended December 31, 2025, 2024 and 2023, such amortization expenses totaled \$7.1 million. The contingent consideration and other long-term liabilities are remeasured at the end of each reporting period, which may result in significant revaluation gains or losses recognized in financial income (expenses). For the years ended December 31, 2025, 2024 and 2023, we recognized financial expenses of \$2.7 million, \$8.1 million and \$1.0 million with respect to such revaluation, respectively. We expect to continue to incur these significant amortization expenses for the foreseeable future, and our financial income (expenses) may continue to be affected by future remeasurement of contingent consideration and other long-term liabilities.

While the acquisition of our portfolio of four FDA-approved plasma-derived hyperimmune commercial products represented an important growth driver and revenue source, there can be no assurance that we will be able to continue to reap the benefits of such acquisition and any other future acquisitions, and we may not be able to generate or sustain profitability in future years.

*Our financial position and operations may be affected as a result of the indebtedness we may incur and the liabilities we assumed in connection with the acquisition of the portfolio of four FDA-approved products.*

We have a NIS 35 million on-call credit facility with Bank Hapoalim, with each loan thereunder bearing interest at a rate of 6.3% per annum. In connection with this facility, we have undertaken not to create a floating charge over all or substantially all of our assets. Borrowings under the on-call credit facility may have adverse consequences on our business, including:

- expose us to the risk of increased interest rates;
- prevent us from pledging our assets as collateral, which could limit our ability to obtain additional debt financing;
- place us at a competitive disadvantage compared to our competitors that have less debt, better debt servicing options or stronger debt servicing capacity; and
- increase our cost of borrowing.

In addition, as part of the acquisition of the portfolio of four FDA-approved products, we agreed to pay and assumed the following liabilities:

- Up to \$50 million of contingent consideration subject to the achievement of sales thresholds through December 31, 2034. As of December 31, 2025, the Company had paid the first three sales milestone payments on account of the contingent consideration and the fourth sales threshold is expected to be achievable and the related payment milestone payment is expected to be paid during 2026.
- A total amount of \$14.2 million on account of acquired inventory to be paid in ten equal quarterly instalments of \$1.5M each (or the remaining balance at the final instalment). As of December 31, 2025, we had paid all such instalments.
- Future payment of royalties (some of which are perpetual) and milestone payments to third parties subject to the achievement of corresponding CYTOGAM related net sales thresholds and milestones.

The future payments of such obligations may have a significant effect on our cash availability in future periods and may potentially require us to assume more debt. For additional information, see Note 13 in our consolidated financial statements included in this Annual Report.

***Our manufacturing operations require significant ongoing capital investments, upgrades and large-scale projects, which may require us to incur debt or issue additional equity and may not deliver expected returns.***

Our manufacturing facility requires continued investment and upgrades. For example, we are currently establishing a new filling line and a filling suite at our Beit Kama, Israel facility. Moreover, any enhancements to our manufacturing facilities necessary to obtain FDA or EMA approval for product candidates or new indications for existing products could require large capital projects. We may also undertake such capital projects in order to maintain compliance with cGMP or expand capacity. Capital projects of this magnitude involve technology and project management risks. Technologies that have worked well in a laboratory or in a pilot plant may cost more or not perform as well, or at all, in full scale operations. Projects may run over budget or be delayed. We cannot be certain that any such project will be completed in a timely manner or that we will maintain our compliance with cGMP, and we may need to spend additional amounts to achieve compliance. Additionally, by the time multi-year projects are completed, market conditions may differ significantly from our initial assumptions regarding competitors, customer demand, alternative therapies, reimbursement and public policy, and as a result capital returns may not be realized. In addition, to fund large capital projects, we may similarly need to incur debt or issue additional dilutive equity. A failure to fund these activities may harm our growth strategy, competitive position, quality compliance and financial condition.

***Our current working capital may not be sufficient to support our growth strategy, including any future M&A or similar transactions.***

As of December 31, 2025, we had cash and cash equivalents of \$75.5 million. We intend to fund our future operations through continued sales and distribution of our Proprietary Products and Distribution products and, as required, by raising additional capital through the sale of equity and/or debt securities. These amounts may not be sufficient to support our growth strategy, including potential future mergers, acquisitions or similar transactions, and there can be no assurance of the financial success of our commercialization activities or our ability to access equity or debt capital markets on terms acceptable to us, or at all.

***We are subject to foreign currency exchange risk.***

We receive payment for our sales and make payments for resources in a number of different currencies. While our sales and expenses are primarily denominated in U.S. dollars, our financial results may be adversely affected by fluctuations in currency exchange rates as a portion of our sales and expenses are denominated in other currencies, including the NIS and the Euro. Market volatility and currency fluctuations may limit our ability to cost-effectively hedge against our foreign currency exposure and, in addition, our ability to hedge our exposure to currency fluctuations in certain emerging markets may be limited. Hedging strategies may not eliminate our exposure to foreign exchange rate fluctuations and may involve costs and risks of their own, such as devotion of management time, external costs to implement the strategies and potential accounting implications. Foreign currency fluctuations, independent of the performance of our underlying business, could lead to materially adverse results or could lead to positive results that are not repeated in future periods.

***Events in global credit markets may impact our ability to obtain financing or increase the cost of future financing, including interest rate fluctuations based on macroeconomic conditions that are beyond our control.***

During periods of volatility and disruption in the U.S., European, Israeli or global credit markets, obtaining additional or replacement financing may be more difficult, and the cost of debt could be high. The high cost of debt may limit our ability to have cash on hand for working capital, capital expenditures and acquisitions on terms that are acceptable to us.

***To service any future indebtedness and other obligations, we may require a significant amount of cash and our ability to generate cash depends on many factors beyond our control.***

The capability to pay and refinance any future indebtedness and to fund working capital requirements and planned capital expenditures will depend on our ability to generate cash in the future. A significant reduction in our operating cash flows resulting from changes in economic conditions, increased competition or other events beyond our control could increase the need for additional or alternative sources of liquidity and could have a material adverse effect on our business, financial condition, results of operations, prospects and our ability to service any future debt and other obligations. If we are unable to service any future indebtedness through sufficient cash flows from operations, we will be forced to shift to alternative strategies, which may include the reducing of capital expenditures, the sale of assets, the restructuring or refinancing of debt (if any) or the seeking of additional equity. We cannot assure that these alternative strategies, if any, could be implemented on satisfactory and commercially reasonable terms, that they would provide sufficient funds to make the required payments on our debt or to fund our other liquidity needs.

#### **Risks Related to Our Ordinary Shares**

***The requirements of being a public company in the United States, as well as in Israel, may strain our resources and distract our management, which could make it difficult to manage our business and could have a negative effect on our results of operations and financial condition.***

As a public company whose shares are traded on the Nasdaq Global Select Market (“Nasdaq”) and the Tel Aviv Stock Exchange (the “TASE”), we are required to comply with various regulatory and reporting requirements, including those required by the SEC. Complying with these reporting and regulatory requirements is time consuming, and may result in increased costs to us and could have a negative effect on our business, results of operations and financial condition. As a public company in the United States, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and the requirements of the Sarbanes-Oxley Act of 2002 (“SOX”). These requirements may place a strain on our systems and resources. The Exchange Act requires that we file annual and current reports, and file or make public certain additional information, with respect to our business and financial condition. SOX requires that we maintain effective disclosure controls and procedures and internal controls over financial reporting. To maintain and improve the effectiveness of our disclosure controls and procedures, we may need to commit significant resources, hire additional staff and provide additional management oversight. These activities may divert management’s attention from other business concerns, which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, as our business changes and if we expand either through acquisitions or by means of organic growth, our internal controls may become more complex and we will require significantly more resources to ensure our internal controls remain effective. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could impact our financial information and adversely affect our operating results or cause us to fail to meet our reporting obligations. If we identify material weaknesses, the disclosure of that fact, even if quickly remediated, could require significant resources to remediate, expose us to legal or regulatory proceedings, and reduce the market’s confidence in our financial statements and negatively affect our share price.

#### ***Our share price may be volatile.***

The market price of our ordinary shares is highly volatile and could be subject to wide fluctuations in price as a result of various factors, some of which are beyond our control. These factors include:

- actual or anticipated fluctuations in our financial condition and operating results;
- overall conditions in the specialty pharmaceuticals market;
- loss of significant customers or changes to agreements with our strategic partners;
- changes in laws or regulations applicable to our products;
- actual or anticipated changes in our growth rate relative to our competitors;

- announcements of clinical trial results, technological innovations, significant acquisitions, strategic alliances, joint ventures or capital commitments by us or our competitors;
- changes in key personnel;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- the issuance of new or updated research reports by securities analysts;
- disputes or other developments related to proprietary rights, including patents, litigation matters and our ability to obtain intellectual property protection for our technologies;
- announcement of, or expectation of, additional financing efforts;
- sales of our ordinary shares by us or our shareholders;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- the outcomes of litigation proceedings involving us;
- share price analyses or other information disseminated by analysts, influencers, and bloggers on social media platforms;
- recalls and/or adverse events associated with our products; and
- general political, economic and market conditions.

Furthermore, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market price of equity securities of many companies. Broad market and industry fluctuations, as well as general economic, political and market conditions, may negatively impact the market price of our ordinary shares.

In the past, companies that have experienced volatility in the market price of their shares have been subject to securities class action litigation or derivative actions. We, as well as our directors and officers, may also be the target of these types of litigation and actions in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

***If securities or industry analysts do not publish or cease publishing research or reports about us, our business, or our market, or if they adversely change their recommendations or publish negative reports regarding our business or our shares, our share price and trading volume could be negatively impacted.***

The trading market for our ordinary shares may be influenced by research and reports that industry or securities analysts may publish about us, our business, our market, or our competitors. We do not have any control over these analysts, and we cannot provide any assurance that analysts will cover us or, if they do, provide favorable coverage. If any of the analysts who may cover us adversely change their recommendation regarding our shares, or provide more favorable relative recommendations about our competitors, our share price would likely decline. If any analyst who may cover us were to cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could negatively impact our share price or trading volume.

***Information published by influencers and bloggers on various social media platforms can cause significant volatility in our share price and trading volume, impacting investor perception and market stability.***

The increased use of social media platforms and the influence of online content creators, such as influencers and bloggers as tools for analyzing and recommending investments in the securities market, present risks to the stability and valuation of our share price. Social media content can rapidly disseminate information, opinions, and rumors about our company and our securities, which may not always be accurate or based on verified facts and may be misleading. This can lead to several potential risks, including: (i) social-media-driven trends and sentiments can cause significant fluctuations in our share price, as evidenced by recent coverage of us by a social media influencer that resulted in an increase in our share price and trading volume; (ii) negative or misleading information spread through social media can harm our reputation or lead to a loss of investor confidence, thereby adversely affecting our share price and market capitalization; (iii) attracting regulatory attention which could lead to investigations or actions by regulatory authorities, potentially resulting in fines, sanctions, or other legal consequences; (iv) sudden surges in buying or selling activity driven by social media trends can lead to short-term price spikes or drops, which may not reflect our long-term value or strategic direction; and (v) the need to monitor and respond to social media content can divert management's attention and resources from core business operations, resulting in significant costs and negatively impacting operational efficiency.

***Our shareholders may experience significant dilution as a result of any additional financing using our equity securities or may experience a decrease in the share price due to sales of our equity securities.***

To the extent that we raise additional funds to fund our activities through the sale of equity or securities that are convertible into or exchangeable for, or that represent the right to receive, ordinary shares or substantially similar securities, your ownership interest will be diluted. Any additional capital raised through the sale of equity securities will likely dilute the ownership percentage of our shareholders. For example, in September 2023, we consummated a \$60.0 million private placement of approximately 12.6 million ordinary shares to FIMI Opportunity Funds.

***Future sales of ordinary shares by affiliates could cause our share price to fall.***

The FIMI Opportunity Funds collectively own 22,084,287 of our outstanding ordinary shares (representing an ownership percentage of 38.28% of the outstanding shares and 37.25% on a fully diluted basis as March 1, 2026). Pursuant to a registration rights agreement entered into with FIMI Opportunity Funds on January 20, 2020, as amended on May 23, 2023, they have "demand" and "piggyback" registration rights covering the ordinary shares of our company held by them. All shares of FIMI Opportunity Funds sold pursuant to an offering covered by a registration statement would be freely transferable. Sales of a substantial number of shares of our ordinary shares, or the perception that the FIMI Opportunity Funds may exercise their registration rights, could put downward pressure on the market price of our ordinary shares and could impair our future ability to raise capital through an offering of our equity securities.

***The significant share ownership positions and board representation of the FIMI Opportunity Funds and Leon Recanati may limit our shareholders' ability to influence corporate matters.***

The FIMI Opportunity Funds (three of whose partners are members of our board of directors, one of which serves as our chairman) and Leon Recanati, a member of our board of directors, beneficially owned, directly and indirectly, approximately 38.28% and 6.03% of our outstanding ordinary shares, respectively, as of March, 1 2026. For additional information, see "Item 6. Directors, Senior Management and Employees — *Share Ownership*" and "Item 7. Major Shareholders and Related Party Transactions — *Major Shareholders.*" Accordingly, the FIMI Opportunity Funds and Leon Recanati, through their equity ownership and board representation, individually and collectively, have significant influence over the outcome of matters required to be submitted to our shareholders for approval, including decisions relating to the election of directors (other than our external directors, for whose election the approval of the majority of shares held by non-controlling shareholders and non-interested shareholders is required under Israeli law) and the outcome of any proposed acquisition, merger or consolidation of our company. Their interests may not be consistent with those of our other shareholders. In addition, these parties' significant interest in us may discourage third parties from seeking to acquire control of us, which may adversely affect the market price of our shares. This concentration of ownership may also cause a decrease in the volume of trading or otherwise adversely affect our share price.

***Our ordinary shares are traded on more than one market and this may result in price variations.***

Our ordinary shares have been traded on the TASE since August 2005, and on Nasdaq since May 2013. Trading in our ordinary shares on these markets takes place in different currencies (U.S. dollars on Nasdaq and NIS on the TASE), and at different times (as a result of different time zones, trading days and public holidays in the United States and Israel). The trading prices of our ordinary shares on these two markets may differ due to these and other factors. Any decrease in the price of our ordinary shares on the TASE could cause a decrease in the trading price of our ordinary shares on Nasdaq, and a decrease in the price of our ordinary shares on Nasdaq could likewise cause a decrease in the trading price of our ordinary shares on the TASE.

***Our U.S. shareholders may suffer adverse tax consequences if we are characterized as a passive foreign investment company.***

Generally, if, for any taxable year, (i) at least 75% of our gross income is passive income or (ii) at least 50% of the value of our assets is attributable to assets that produce passive income or are held to produce passive income, we would be characterized as a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes. If we are characterized as a PFIC, our U.S. shareholders may suffer adverse tax consequences, including having gains realized on the sale of our ordinary shares treated as ordinary income, rather than capital gain, the loss of the preferential rate applicable to dividends received on our ordinary shares, and having interest charges apply to distributions by us and the proceeds of share sales. See “Item 10. Additional Information — E. Taxation — United States Federal Income Taxation.”

Based upon the value of our assets and the nature and composition of our income and assets, we do not believe that we were a PFIC for the taxable year ended December 31, 2025, however, no assurances can be made in that regard. The determination of whether we are a PFIC is a fact-intensive determination made on an annual basis applying principles and methodologies that in some circumstances are unclear and subject to varying interpretation.

***We are a “foreign private issuer” and have disclosure obligations that are different from those of U.S. domestic reporting companies. As a result, we may not provide you the same information as U.S. domestic reporting companies or we may provide information at different times, which may make it more difficult for you to evaluate our performance and prospects.***

We are a foreign private issuer and, as a result, are not subject to the same requirements as U.S. domestic issuers. Under the Exchange Act, we are subject to reporting obligations that, in certain respects, are less detailed and/or less frequent than those of U.S. domestic reporting companies. For example, we are not required to issue quarterly reports or proxy statements that comply with the requirements applicable to U.S. domestic reporting companies, our principal shareholders are not required to report beneficial holdings under Section 16(a) of the Exchange Act and our directors, officers and principal shareholders are exempt from the short-swing profit rules under Section 16(b) of the Exchange Act, and we are not required to disclose individual executive compensation information that is as detailed as that required of U.S. domestic reporting companies. We also have four months after the end of each fiscal year to file our annual reports with the SEC and are not required to file current reports as frequently or promptly as U.S. domestic reporting companies.

As a foreign private issuer, we are also exempt from the requirements of Regulation FD (Fair Disclosure) which, generally, are meant to ensure that select groups of investors are not privy to specific information about an issuer before other investors. However, we are still subject to the anti-fraud and anti-manipulation rules of the SEC, such as Rule 10b-5 under the Exchange Act. Since many of the disclosure obligations imposed on us as a foreign private issuer differ from those imposed on U.S. domestic reporting companies, you should not expect to receive the same information about us and at the same time as the information provided by U.S. domestic reporting companies.

***As we are a “foreign private issuer” and follow certain home country corporate governance practices instead of otherwise applicable Nasdaq corporate governance requirements, our shareholders may not have the same protections afforded to shareholders of domestic U.S. issuers that are subject to all Nasdaq corporate governance requirements.***

As a foreign private issuer, we have the option to, and we do, follow Israeli corporate governance practices rather than certain corporate governance requirements of Nasdaq, except to the extent that such laws would be contrary to U.S. securities laws, and provided that we disclose the requirements we are not following and describe the home country practices we follow instead. We have relied on this “foreign private issuer exemption” with respect to all the items listed under the heading “Item 16G. Corporate Governance,” including with respect to shareholder approval requirements in respect of equity issuances and equity-based compensation plans, the requirement to have independent oversight on our director nominations process and to adopt a formal written charter or board resolution addressing the nominations process, the quorum requirement for meetings of our shareholders and the Nasdaq requirement to have a formal charter for the compensation committee. We may in the future elect to follow home country practices in Israel with regard to other matters. As a result, our shareholders may not have the same protections afforded to shareholders of companies that are subject to all Nasdaq corporate governance requirements. See “Item 16G. Corporate Governance.”

***We may not pay dividends in the future.***

While we have historically retained our earnings to finance operations and expand our business, on March 5, 2025, we announced a special cash dividend of \$0.20 per share (approximately \$11.5 million in the aggregate), with a record date (ex-dividend date) of March 17, 2025, which was paid on April 7, 2025. On March 10, 2026, our board of directors adopted, by resolution, a dividend policy pursuant to which we currently intend to distribute to our shareholders an annual cash dividend at a rate of at least 50% of our annual net income, subject to the Board of Directors' discretion at the time of any such distribution and satisfaction of the applicable dividend distribution tests under the Israeli Companies Law at the time of distribution. Accordingly, pursuant to such annual cash dividend policy, on March 11, 2026, we announced a cash dividend of \$0.25 per share (approximately \$14.4 million in the aggregate), with a record date (ex-dividend date) of March 23, 2026, and a payment date of April 6, 2026.

Any dividends must be declared by our Board of Directors, which will take into account various factors, including our financial condition, operating results, capital requirements and other factors that the Board of Directors considers relevant. Accordingly, the actual payout may fluctuate depending on our cash flow needs and such other factors. There can be no assurance that dividends will be declared in accordance with our annual cash dividend policy or at all, and our Board of Directors may decide, in its discretion, at any time and for any reason, not to pay dividends, to reduce the amount of dividends paid, to pay dividends on an ad-hoc basis or to take other actions, which could include share buybacks, instead of or in addition to the declaration of dividends. Accordingly, we expect that the amount of any cash dividends we distribute will vary significantly as a result of such factors. Our ability to pay dividends is limited by Israeli law, which permits the distribution of dividends only out of distributable profits (subject to limited exceptions) and only if there is no reasonable concern that such distribution will prevent us from meeting our existing and future obligations when they become due. See "Item 8.A - Consolidated statements and other financial information - Dividends and dividend policy."

**Risks Relating to Our Incorporation and Location in Israel**

***Our business could be adversely affected by political, economic and military instability in Israel and its region.***

We are incorporated under Israeli law, and our principal offices and internal manufacturing facilities are located in Israel. In addition, most of our officers and directors are residents of Israel. Accordingly, political, economic, and military conditions in Israel and the surrounding region may directly affect our business.

Since the establishment of the State of Israel in 1948, and in recent years, armed conflicts have occurred between Israel and its neighboring countries and terrorist organizations active in the region. These conflicts have involved missile strikes, hostile infiltrations, terrorism against civilian targets in various parts of Israel, and the abduction of soldiers and citizens.

On October 7, 2023, Hamas terrorists infiltrated Israel's border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Hamas also launched extensive rocket attacks on Israeli population and industrial centers. These attacks resulted in extensive deaths, injuries, and the kidnapping of civilians and soldiers. Following the attacks, Israel's security cabinet declared war against Hamas and as a result, the Israeli military began to call-up reservists for active duty. See also "*Our operations may be disrupted by the obligations of personnel to perform military service.*" Israel has subsequently been involved in military conflicts with Hamas, Hezbollah (a terrorist organization based in Lebanon), and Iran, both directly and through Iranian proxies such as the Houthi movement in Yemen and armed groups in Iraq and other terrorist organizations. Additionally, following the fall of the Assad regime in Syria, Israel conducted limited military operations targeting the Assad-led Syrian army, Iranian military assets, and infrastructure linked to Hezbollah and other Iran-supported groups. In November 2024, a ceasefire agreement was reached with Hezbollah in Lebanon.

In June 2025, in light of continued nuclear threats and intelligence assessments, Israel launched a military operation directly targeting military and nuclear infrastructure inside Iran, aimed at disrupting Iran's capacity to coordinate or launch further hostilities against Israel and to degrade its nuclear program. In response, Iran launched multiple waves of drones and ballistic missiles at Israeli cities. While most of these attacks were intercepted, several caused civilian deaths and casualties, as well as some damage to infrastructure and property. A ceasefire was declared between Israel and Iran in June 2025 after 12 days of hostilities; however, the situation remains volatile.

In October 2025, a ceasefire in the conflict with Hamas came into effect; however, the situation remains fragile, with isolated incidents of fighting.

On February 28, 2026, Israel and the United States commenced coordinated military strikes against targets in Iran, including military and strategic infrastructure in response to ongoing regional tensions and recent escalations involving Iran's nuclear and military activities. In response, Iran launched a series of retaliatory attacks against Israel, targeting major cities and strategic sites, which are ongoing. While most of these attacks have been intercepted to date, some resulted in civilian casualties and damage to property. Subsequently, Hezbollah launched attacks against Israel in retaliation for the killing of Ali Hosseini Khamenei, the former Supreme Leader of Iran, and in response, Israel launched attacks against Lebanon and Israeli ground forces have entered into Southern Lebanon, and hostilities between Israel and Hezbollah are ongoing. Iran subsequently began launching retaliatory strikes against U.S. and other targets in the Gulf region. The Israeli government has raised its alert level nationwide, and the situation remains highly unstable, with ongoing exchanges of fire and heightened risk of further escalation. Regional and international responses are ongoing, and the risk of broader conflict in the Middle East has increased.

While we have not been materially impacted during these conflicts to date, and we successfully managed our business and operational continuity throughout the entire period since October 7, 2023, hostilities continue to exist, and the situation in Israel and the region remains volatile with the potential for further escalation or deterioration of regional conditions. We cannot predict if and how such conflicts will ultimately affect our business and operations (including our manufacturing facility in Beit Kama, which is located in southern Israel, approximately 20 miles east of the Gaza Strip, and our supply chains) or Israel's economy in general. These events could lead to increased costs, risks to employee safety, and potential challenges to business continuity, potentially resulting in financial losses.

Our commercial insurance does not cover losses that may occur as a result of events associated with war. Losses resulting from acts of terrorism may be partially covered under certain circumstances. Although the Israeli government is currently committed to covering a certain portion of direct damages caused by terrorist attacks or acts of war, we cannot assure you that this government coverage will be maintained or that it will sufficiently cover our potential damages. Any losses or damages incurred by us could have a material adverse effect on our business.

In addition, the war led to a deterioration of certain indicators of Israel's economic standing, for instance, a downgrade in Israel's credit rating by rating agencies such as by Moody's, S&P Global, and Fitch.

The global perception of Israel and Israeli companies may lead to sanctions or other measures against Israel and Israeli companies, including boycotts of Israeli goods and services or restrictions on doing business with Israel and Israeli companies. These restrictions may materially limit our ability to obtain raw materials from these countries or sell our products to companies in these countries.

Any hostilities involving Israel, the interruption or curtailment of trade between Israel and its present trading partners, or a significant downturn in the economic or financial condition of Israel, could adversely affect our operations, cause our sales to decrease, and adversely affect the share price of publicly traded companies having operations in Israel, such as ours.

Furthermore, political conditions within Israel may affect our operations. Israel held five general elections between 2019 and 2022, with the next general election scheduled for October 27, 2026. Prior to October 2023, the Israeli government pursued extensive changes to Israel's judicial system and has recently renewed its efforts to effect such changes. In response to these developments, certain individuals, organizations, and institutions, both within and outside of Israel, voiced concerns that such proposed changes, if adopted, may negatively impact the business environment in Israel. Such proposed changes may also lead to political instability or civil unrest. Actual or perceived political instability in Israel or any negative changes in the political environment may, individually or in the aggregate, adversely affect the Israeli economy and, in turn, our business, financial condition, results of operations, and growth prospects, as well as the market price of our shares and our ability to raise additional capital, if deemed necessary by our management and board of directors.

***Our operations may be disrupted by the obligations of personnel to perform military service.***

As of December 31, 2025, we had 393 employees based in Israel. Certain of our Israeli employees may be called upon to perform up to 36 days (and in some cases more) of annual military reserve duty until they reach the age of 40 (and in some cases, up to 45 or older) and, in emergency circumstances, could be called to active duty. In connection with the Israeli security cabinet's declaration of war against Hamas in October 2023 and subsequent hostilities with other organizations and jurisdictions, several hundred thousand Israeli military reservists were drafted to perform immediate military service. While we have not been impacted to date by any absences of our personnel, our operations could be disrupted by the absence of a significant number of our employees related to their, or their spouse's, military service or the absence for extended periods of one or more of our key employees for military service. Such disruption could materially adversely affect our business and results of operations. Additionally, the absence of a significant number of the employees of our Israeli suppliers and contractors related to military service or the absence for extended periods of one or more of their key employees for military service may disrupt their operations, in which event our ability to deliver products to customers may be materially adversely affected.

***The tax benefits under Israel tax legislation that are or may be available to us require us to continue to meet various conditions and may be terminated or reduced in the future, which could increase our costs and taxes.***

On June 9, 2025, we obtained a tax ruling from the Israel Tax Authority ("ITA"), according to which, among other things, our activity is qualified as an "industrial activity," as defined in the Israeli Law for the Encouragement of Capital Investments, 1959 (the "Investment Law"), and our income from sales of our Proprietary Products (including royalty-based income) is deemed "Preferred Income", or "Preferred Technology Income" (in each case, within the meaning of the Investment Law), to the extent we meet the requirements of being a Preferred Technology Enterprise. The tax ruling is valid for the years 2024 through 2028 (inclusive). There can be no assurance that we will comply with the conditions required to remain eligible for benefits under the Investment Law in the future, including under the tax ruling, or that we will be entitled to any additional benefits thereunder. If we do not fulfill these conditions in whole or in part, the benefits may be canceled and we may be required to refund the amount of the benefits, linked to the Israeli consumer price index, with interest.

In order to remain eligible for the tax benefits under the Investment Law, we must continue to meet certain conditions stipulated in the Investment Law and its regulations, as amended, and must also comply with the conditions set forth in the tax ruling (if obtained). These conditions may include, among other things, that the production, directly or through subcontractors, of all our products should be performed within certain regions of Israel. If we do not meet these requirements, the tax benefits would be reduced or canceled and we could be required to refund any tax benefits that we received in the past, in whole or in part, linked to the Israeli consumer price index, together with interest. Further, these tax benefits may be reduced or discontinued in the future. If these tax benefits are canceled, our Israeli taxable income would be subject to regular Israeli corporate tax rates. The standard corporate tax rate for Israeli companies is 23% since 2018.

Additionally, in the event of a distribution of a dividend from the abovementioned tax exempt income, in addition to withholding tax at a rate of 20% (or a reduced rate under an applicable double tax treaty), we will be subject to tax on the otherwise exempt income (grossed-up to reflect the pre-tax income that we would have had to earn in order to distribute the dividend) at the applicable corporate tax rate, which would have been applied had we not benefited from the exemption. Similarly, in the event of our liquidation or a share buyback, we will be subject to tax on the grossed-up amount distributed or paid at the corporate tax rate which would have been applied had we not benefited from the exemption. For more information about applicable Israeli tax regulations, see "Item 10. Additional Information — E. Taxation — Israeli Tax Considerations and Government Programs."

***Tax matters, including changes in tax laws, adverse determinations by taxing authorities and imposition of new taxes, could adversely affect our results of operations and financial condition. Furthermore, we may not be able to fully utilize our net operating loss carryforwards.***

We are subject to the tax laws and regulations of the State of Israel and numerous other jurisdictions in which we do business. Many judgments are required in determining our provision for income taxes and other tax liabilities, and the applicable tax authorities may not agree with our tax positions. In addition, our tax liabilities are subject to other significant risks and uncertainties, including those arising from potential changes in laws and/or regulations in the State of Israel and the other countries in which we do business, the possibility of adverse determinations with respect to the application of existing laws, changes in our business or structure and changes in the valuation of our deferred tax assets and liabilities. As of December 31, 2025, we had net operating loss carryforwards (“NOLs”) for Israeli tax purposes of approximately \$12.1 million. If we are unable to fully utilize our NOLs to offset taxable income generated in the future, our future cash taxes could be materially and negatively impacted. For further details regarding our NOLs, see Note 21 in our consolidated financial statements included in this Annual Report.

***It may be difficult to enforce a U.S. judgment against us and our officers and directors in Israel or the United States, or to assert U.S. securities laws claims in Israel or serve process on our officers and directors.***

We are incorporated in Israel. All of our directors and most of our executive officers and the Israeli experts named in this Annual Report reside outside the United States. The majority of our assets and the assets of these persons are located outside the United States. Therefore, it may be difficult for an investor, or any other person or entity, to enforce a U.S. court judgment based upon the civil liability provisions of the U.S. federal securities laws against us or any of these persons in a U.S. or Israeli court, or to effect service of process upon these persons in the United States. Additionally, it may be difficult for an investor, or any other person or entity, to assert U.S. securities law claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on an alleged violation of U.S. securities laws on the grounds that Israel is not the most appropriate forum in which to bring such a claim. Even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact by expert witnesses, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel addressing the matters described above.

Moreover, an Israeli court will not enforce a non-Israeli judgment if it was given in a state whose laws do not provide for the enforcement of judgments of Israeli courts (subject to exceptional cases), if its enforcement is likely to prejudice the sovereignty or security of the State of Israel, if it was obtained by fraud or in the absence of due process, if it is at variance with another valid judgment that was given in the same matter between the same parties, or if a suit in the same matter between the same parties was pending before a court or tribunal in Israel at the time the foreign action was brought.

***Your rights and responsibilities as our shareholder are governed by Israeli law, which may differ in some respects from the rights and responsibilities of shareholders of U.S. corporations.***

Since we are incorporated under Israeli law, the rights and responsibilities of our shareholders are governed by our articles of association and Israeli law. These rights and responsibilities differ in some respects from the rights and responsibilities of shareholders of U.S.-based corporations. In particular, a shareholder of an Israeli company has a duty to act in good faith and in a customary manner in exercising its rights and performing its obligations towards the company and other shareholders and to refrain from abusing its power in the company, including, among other things, in voting at the general meeting of shareholders on certain matters, such as an amendment to the company’s articles of association, an increase of the company’s authorized share capital, a merger of the company and approval of related party transactions that require shareholder approval. A shareholder also has a general duty to refrain from discriminating against other shareholders. In addition, a controlling shareholder or a shareholder who knows that it possesses the power to determine the outcome of a shareholder vote, or who has the power to appoint or prevent the appointment of an office holder in the company or has other powers towards the company, has a duty to act in fairness towards the company. However, Israeli law does not define the substance of this duty of fairness. See “Item 6. Directors, Senior Management and Employees — *Fiduciary Duties and Approval of Specified Related Party Transactions under Israeli Law — Duties of Shareholders.*” There is limited case law available to assist us in understanding the nature of this duty or the implications of these provisions. These provisions may be interpreted to impose additional obligations and liabilities on our shareholders that are not typically imposed on shareholders of U.S. corporations.

***Provisions of Israeli law and our articles of association may delay, prevent or make undesirable an acquisition of all or a significant portion of our shares or assets.***

Certain provisions of Israeli law and our articles of association could have the effect of delaying or preventing a change in control and may make it more difficult for a third party to acquire us or for our shareholders to elect different individuals to our board of directors, even if doing so would be beneficial to our shareholders, and may limit the price that investors may be willing to pay in the future for our ordinary shares. For example, Israeli corporate law regulates mergers and requires that a tender offer be effected when more than a specified percentage of shares in a public company are purchased. Under our articles of association, a merger shall require the approval of two-thirds of the voting rights represented at a meeting of our shareholders and voting on the matter, in person or by proxy, and any amendment to such provision shall require the approval of 60% of the voting rights represented at a meeting of our shareholders and voting on the matter, in person or by proxy. Further, Israeli tax considerations may make potential transactions undesirable to us or to some of our shareholders, including such shareholders whose country of residence does not have a tax treaty with Israel granting tax relief to such shareholders from Israeli tax. For example, Israeli tax law does not recognize tax-free share exchanges to the same extent as U.S. tax law. Further, with respect to certain mergers, while Israeli tax law permits tax deferral, the deferral is contingent on certain restrictions on future transactions, including with respect to dispositions of shares received as consideration, for a period of two years from the date of the merger. Moreover, with respect to a certain share swap transaction, the tax deferral is limited in time, and when such time expires, the tax becomes payable even if no disposition of the shares has occurred. See Exhibit 2.1, "Description of Securities—Acquisitions Under Israeli Law," incorporated herein by reference.

## **General Risks**

***The loss of one or more of our key employees could harm our business.***

We depend on the continued service and performance of our key employees, including Amir London, our Chief Executive Officer, and our other senior management staff. We have entered into employment agreements with all of our senior management, including Mr. London, and other key employees. Either party, however, can terminate these agreements for any reason. The loss of key members of our executive management team could disrupt our operations, commercial and business development activities, or product development and have an adverse effect on our ability to meet our targets and grow our business.

***Our ability to attract, recruit, retain and develop qualified employees is critical to our success and growth.***

We compete in a market that involves rapidly changing technological and regulatory developments that require a wide-ranging set of expertise and intellectual capital. In order for us to successfully compete and grow, we must attract, recruit, retain and develop the necessary personnel who can provide the expertise needed across the entire spectrum of our intellectual capital needs. While a number of our key personnel have substantial experience with our operations, we must also develop and exercise our personnel to provide succession plans capable of maintaining continuity in the midst of the inevitable unpredictability of human capital. However, the market for qualified personnel is competitive, and we may not succeed in recruiting additional experienced or professional personnel, retaining current personnel or effectively replacing current personnel who depart with qualified or effective successors. Many of the companies with which we compete for experienced personnel have greater resources than us.

Our effort to retain and develop personnel may also result in significant additional expenses, which could adversely affect our profitability. There can be no assurance that qualified employees will continue to be employed or that we will be able to attract and retain qualified personnel in the future. Failure to retain or attract qualified personnel could have a material adverse effect on our business, financial condition and results of operations.

***We are subject to risks associated with doing business globally.***

Our operations are subject to risks inherent in conducting business globally, including increased complexity and cost of compliance with various laws, regulations and customs of multiple jurisdictions. Key risks include currency exchange fluctuations, changes in exchange controls, loss of business in government and public tenders, governmental actions such as nationalization or expropriation, energy price volatility, raw material availability changes in taxation regimes, import and export restrictions, and evolving trade policy. We also face risks related to anti-bribery and anti-corruption laws, such as the FCPA and the U.K. Bribery Act of 2010, which impose significant compliance obligations and penalties for non-compliance. Additional challenges include pricing restrictions, economic and political instability, cultural differences, intellectual property protection issues, and operational disruptions due to war, terrorism, public health emergencies or social unrest.

Recent changes and ongoing uncertainty in U.S. and international trade policies, export controls, sanctions, tariffs, and industrial policy measures could further impact our operations. Since early 2025, the U.S. government has continued to expand and modify trade restrictions affecting range of countries, industries and products, including measures targeting supply chains, critical materials and cross-border manufacturing. Our products WINRHO SDF, HEPAGAM B and VARIZIG, are manufactured in Canada and imported to the United States; therefore, the imposition, expansion or reimposition of tariffs, duties, export controls or other trade restrictions applicable to Canada or any of our manufacturing or sourcing jurisdictions could cause the costs of these products to increase materially. Additionally, retaliatory tariffs imposed by other countries, restrictions on cross-border payments or logistics, changes in trade agreements, or additional trade restrictions could further impact our sales, supply chain reliability and profitability. We may not be able to pass these increased costs onto our customers or otherwise mitigate these risks effectively, which could result in reduced profit margins and negatively affect our financial performance. These trade policy changes could also disrupt our supply chain, delay regulatory approvals or product availability, require changes to sourcing or manufacturing arrangements, and necessitate strategic adjustments to maintain operational efficiency and stability. See “— *Developments in the global economic climate may adversely impact our business.*”

We must also comply with trade restrictions and economic sanctions, including restrictions on sales to parties that are listed on (or are owned or controlled by one or more parties listed on) denied party watch lists or that are subject to comprehensive or sector-specific sanctions, as well as restrictions on sales in certain regions. Sanctions laws pose potential, business interruption, liabilities, penalties and reputational risks. The dynamic nature of sanctions and geopolitical developments may necessitate suspending, modifying, withdrawing from or limiting exposure to certain markets. Despite having compliance policies in place, we may face liabilities due to actions by employees or third parties, such as sub distributors, agents, and other intermediaries over whom we do not have complete control. Insurance companies' risk assessments regarding sanctions and geopolitical risk may limit our ability to obtain insurance in certain markets in which we operate. For example, while our operations have not been materially impacted by Russia's actions in Ukraine to date, we may face challenges in supplying products to our Russian distributor or receiving payments or may be required to cease such activities entirely due to Russian government actions or changes in applicable sanctions regimes. Non-compliance or changes in applicable laws or their interpretation or enforcement could have an adverse effect on our business, financial condition or results of operations.

***As a result of our increased global presence, we face increasing challenges that could adversely impact our results of operations, reputation and business.***

In light of our global presence, especially following our entry into new international markets and particularly in the MENA region, we face a number of challenges in certain jurisdictions that provide reduced legal protection, including poor protection of intellectual property, inadequate protection against crime (including bribery, corruption and fraud) and breaches of local laws or regulations, unstable governments and economies, governmental actions that may inhibit the flow of goods and currency, challenges relating to competition from companies that already have a local presence in such markets and difficulties in recruiting sufficient personnel with appropriate skills and experience.

Local business practices in jurisdictions in which we operate, and particularly in the MENA region, may be inconsistent with international regulatory requirements, such as anti-corruption and anti-bribery laws and regulations (including the FCPA and the U.K. Bribery Act of 2010) to which we are subject. Although we implement policies and procedures designed to ensure compliance with these laws, we cannot guarantee that none of our employees, contractors, service providers, partners, distributors and agents, will violate our policies or applicable laws. Any such violation could have an adverse effect on our business and reputation and may expose us to criminal or civil enforcement actions, including penalties and fines.

In addition, local legal systems in countries in which we operate may present challenges in enforcing contractual rights, audit provisions, ownership of intellectual property, and post-termination restrictive covenants. Courts may be slow or unpredictable, and local registration of agency/distributorship arrangements may supersede or complicate contractual terms. Even where disputes are subject to arbitration, enforcement of awards locally may be time-consuming or uncertain. Such factors could increase legal costs, prolong disputes, and adversely affect our business, financial condition, and results of operations.

***Developments in the global economic and geopolitical climate may adversely impact our business.***

Our operating and financial performance may be adversely affected by volatile and uncertain global economic conditions and geopolitical developments, including developments in the United States, Europe, the Middle East (including Israel), Russia, Latin America, Asia, and other territories. Adverse macroeconomic factors, such as global or local economic slowdowns, persistent inflation, instability in financial markets, periodic stress in the banking and financial services sectors, and concerns regarding sovereign debt or fiscal policy, may negatively impact our performance. Many of our key markets, including the United States, Latin America, and member states of the Commonwealth of Independent States, have in the past experienced, and may again experience, significant economic downturns characterized by declines in housing markets, high levels of unemployment and underemployment, reduced consumer spending, and lower corporate earnings or losses across multiple industries, leading to reduced investment in growth. In particular, global economic and financial conditions may be adversely affected by increased trade protectionism and economic fragmentation, including U.S. tariff policies, export controls, and potential retaliatory measures by other countries. Such developments could heighten the risk of a global trade war, disrupt international supply chains, contribute to higher inflation, and negatively affect global economic growth, potentially resulting in recessionary conditions. The extent, duration, and ultimate impact of tariffs and related trade measures on macroeconomic conditions and on our business remain uncertain and depend on various factors, including the pace and outcome of ongoing negotiations between the United States and affected countries, retaliatory actions by other governments, changes in trade agreements, and the scope of tariff exemptions.

A recessionary or inflationary economic environment may adversely affect demand for our plasma-derived protein therapeutics. As a result of job losses or rising living costs, patients in the U.S. and other markets may lose medical insurance and be unable to purchase needed medical products or may be unable to pay their share of deductibles or co-payments. Hospitals may steer patients adversely affected by the economy to less costly therapies, resulting in a reduction in demand, or demand may shift to public health hospitals, which purchase our products at a lower government price. A recessionary economic environment may also lead to increased pricing scrutiny and pressure for reimbursement of new drugs, which may adversely affect the demand for our current and future plasma-derived protein therapeutics.

***A breakdown in our information technology (IT) systems could result in a significant disruption to our business.***

Our operations are highly dependent on our information technology (IT) systems. If we were to suffer a breakdown in our systems, storage, distribution or tracing, we could experience significant disruptions affecting all our areas of activity, including our manufacturing, research, accounting and billing processes and potentially cause disruptions to our manufacturing process for products currently in production. We may also suffer from partial loss of information and data due to such disruption.

***Our business and operations would suffer in the event of computer system failures, cyber-attacks on our systems or deficiency in our cyber security measures.***

Despite the implementation of security measures, our internal computer systems, and those of third parties on which we rely, are vulnerable to damage from computer viruses, unauthorized access, malware, natural disasters, fire, terrorism, war and telecommunication, electrical failures, cyber-attacks or cyber-intrusions over the Internet, attachments to emails, persons inside our organization, or persons with access to systems inside our organization. The risk of a security breach or disruption, particularly through cyber-attacks or cyber intrusion, including by computer hackers, foreign governments, and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. To the extent that any disruption or security breach results in a loss of or damage to our data or applications, or inappropriate disclosure of confidential or proprietary information and personal information, we could incur liability due to lost revenues resulting from the unauthorized use or theft of sensitive business information, remediation costs, and litigation risks including potential regulatory action by governmental authorities. In addition, any such disruption, security breach or other incident could delay the further development of our future product candidates due to theft or corruption of our proprietary data or other loss of information. Our business and operations could also be harmed by any reputational damage with customers, investors or third parties with whom we work, and our competitive position could be adversely impacted.

***Tax legislation in the United States may impact our business.***

Changes to tax legislation in the United States, as well as the issuance of administrative rulings or court decisions, could impact our business. Tax legislation enacted in recent years made significant and wide-ranging changes to the U.S. Internal Revenue Code of 1986, as amended (the “Code”). Many aspects of such legislation that could affect our business remain subject to considerable uncertainty. Further, it is impossible to predict the occurrence or timing of any additional tax legislation or other changes in tax law that materially affect our business or investors.

H.R. 1., also known as the One Big Beautiful Bill Act (the “OBBBA”), was enacted on July 4, 2025. The legislation includes several provisions that may impact the timing and magnitude of certain tax deductions with respect to U.S. research and development costs, business interest expense, in addition to other tax changes with effective dates beginning in 2025. We are currently evaluating the provisions of the OBBBA to assess their potential impact on our financial position, results of operations and cash flows.

***Current and future accounting pronouncements and other financial reporting standards, especially but not only concerning revenue recognition, might negatively impact our financial results.***

We regularly monitor our compliance with applicable financial reporting standards and review new pronouncements and drafts thereof that are relevant to us. As a result of new standards, changes to existing standards, including but not limited to IFRS 18, which is expected to be effective for annual reporting periods beginning on or after 1 January 2027, as well as changes in these standards interpretation, we might be required to change our accounting policies, particularly concerning revenue recognition. In addition, we may be required to alter our operational policies to reflect new or amended financial reporting standards, or to restate our published financial statements. Such changes might have an adverse effect on our reputation, business, financial position, and profit, or cause an adverse deviation from our revenue and operating profit targets.

***Sustainability and environmental, social, and governance (“ESG”) initiatives could increase our costs or otherwise adversely impact our business.***

In recent years, public companies have faced scrutiny related to ESG practices and disclosures from certain investors, capital providers, shareholder advocacy groups, other market participants, and other stakeholder groups. Such scrutiny may result in increased costs, enhanced compliance or disclosure obligations, or other adverse impacts on our business, financial condition, or results of operations. In 2025, we issued our first ESG report. Although the costs we incurred in the process were not material, future initiatives in connection with ESG practices and disclosures may be costly and may not achieve the desired effect. If our ESG practices and reporting do not meet investor or other stakeholder expectations, we may be subject to investor or regulator engagement regarding such matters. Our failure to comply with any applicable ESG rules or regulations could lead to penalties and adversely impact our reputation, access to capital, and employee retention. Such ESG matters may also impact our third-party contract manufacturers and other third parties on which we rely, which may augment or cause additional impacts on our business, financial condition, or results of operations.

**Item 4. Information on the Company**

**A. History and Development of the Company**

**Corporate Information**

We were incorporated under the laws of the State of Israel on December 13, 1990, under the name Kamada Ltd. In August 2005, we successfully completed an initial public offering on the TASE. In June 2013, we successfully completed an initial public offering in the United States on the Nasdaq. The address of our principal executive office is 2 Holzman St., Science Park, P.O. Box 4081, Rehovot 7670402, Israel, and our telephone number is +972 8 9406472. Our website address is <https://www.kamada.com/>. The reference to our website is intended to be an inactive textual reference and the information on, or accessible through, our website is not intended to be part of this Annual Report. The SEC maintains a website at <https://www.sec.gov/search-filings> that contains reports, proxy and information statements and other information regarding registrants like us that file electronically with the SEC. You can also inspect the Annual Report on that website.

We have irrevocably appointed Puglisi & Associates as our agent to receive service of process in any action against us in any United States federal or state court. The address of Puglisi & Associates is 850 Library Avenue, Suite 204, P.O. Box 885, Newark, Delaware 19715.

## **Capital Expenditures**

For a discussion of our principal capital expenditures for the three years ended December 31, 2025, and for those currently in progress, see “Item 5. Operating and Financial Review and Prospects—*Liquidity and Capital Resources*.”

## **B. Business Overview**

We are a global biopharmaceutical company with a portfolio of marketed products indicated for rare and serious conditions and a leader in the specialty plasma-derived therapies field. Our strategy is focused on driving profitable growth through four primary growth pillars:

First, organic growth of our commercial portfolio, including continued investment in the commercialization and life cycle management of our Proprietary Products. Our Proprietary Products consist of six FDA-approved specialty plasma-derived products: KEDRAB®, GLASSIA®, CYTOGAM®, WINRHO SDF®, VARIZIG® and HEPAGAM B®, as well as KAMRAB®, and two types of equine-based anti-snake venom (“ASV”) products.

Second, distribution of third-party pharmaceutical products in Israel through in-licensing partnerships, including the launch of several biosimilar products in Israel, as well as expansion, during 2026, of such distribution activities to the MENA region.

Third, we are ramping up our plasma collection operations to support revenue growth through the sale of normal source plasma (“NSP”) to other plasma-derived manufacturers and to support our increasing demand for hyper-immune specialty plasma. We currently own three operating plasma collection centers in the United States, located in Beaumont, Texas; in Houston, Texas, which obtained FDA approval in August 2025; and in San Antonio, Texas, which commenced operations in March 2025 for which an FDA site audit was completed in February 2026 and we expect to receive FDA approval during the first half of 2026. We are in active discussions with potential customers to secure long-term sales agreements for NSP, and anticipate initiating sales of NSP during the second half of 2026.

Fourth, we aim to secure new merger and acquisition (“M&A”), business development, in-licensing and/or collaboration opportunities during 2026. These anticipated transactions aim to leverage our financial strength, enhance our marketed products portfolio, and generate synergies with our existing commercial operations to drive long-term profitable growth. We are targeting the acquisition or in-licensing of commercial products. These products may be plasma-derived, allowing us to utilize manufacturing synergies, or non-plasma-derived, leveraging our commercial, marketing, and distribution capabilities to diversify our offerings and address a broader range of specialty, rare, and serious conditions. We may also explore manufacturing services agreements to manufacture plasma-derived products for other companies, which can provide additional revenue streams and leverage our expertise in plasma-derived biopharmaceuticals.

## **Our Commercial Activities**

Our commercial activities operate in two segments: the Proprietary Products segment, which encompasses our portfolio of specialty plasma therapies and NSP, and the Distribution segment, which encompasses the commercialization of in-licensed third-party biopharmaceutical products.

### ***Proprietary Products Segment***

The Proprietary Products segment includes our specialty plasma therapies product portfolio, which is comprised of six FDA-approved plasma-derived biopharmaceutical products: KEDRAB, GLASSIA, CYTOGAM, WINRHO SDF, VARIZIG and HEPAGAM B, as well as KAMRAB, KAMRHO (D) and two types of equine-based ASV products. We distribute these products directly and through strategic partners or third-party distributors in over 30 countries. We manufacture our Proprietary Products at our cGMP production facility in Beit Kama, Israel, which is registered with the FDA, using our proprietary platform technology and know-how for the extraction and purification of proteins and immunoglobulins (“IgGs”) from human plasma, as well as at third party contract manufacturing facilities. In addition, our Proprietary Products segment includes our plasma collection operations, where we collect Anti-Rabies and Anti-D hyper-immune plasma for the manufacture of some of our Proprietary Products (WINRHO SDF, KAMRAB and KEDRAB) as well as NSP for sale to third parties.

Our Proprietary Products segment sales totaled \$156.2 million, \$141.4 million and \$115.5 million for the years ended December 31, 2025, 2024, and 2023, respectively. Most revenues from the Proprietary Products segment are generated from sales in the United States 55%, 71% and 64% for the years ended December 31, 2025, 2024 and 2023, respectively). For more information regarding the geographical sales breakdown see “Item 5. Operating and Financial Review and Prospects.”

We expect that KEDRAB, GLASSIA and CYTOGAM, which combined accounted for approximately 50% of our revenues and approximately 70% of our gross profitability in the year ended December 31, 2025, will continue to be our leading products in our existing Proprietary Products portfolio for the foreseeable future.

Our revenues from sales of KEDRAB to Kedrion during 2025 totaled \$53.6 million, compared to \$50.0 million and \$32.8 million during 2024 and 2023, respectively. The increase in 2025 sales compared to 2024 is related to increased demand for KEDRAB in the U.S. market as well as Kedrion’s inventory management and timing of product supply, while the increase between 2024 and 2023 reflects increased demand for KEDRAB in the U.S. market as well as improved financial terms under the fifth amendment to the supply and distribution agreement entered into in January 2025. KEDRAB’s in-market sales in the United States grew by approximately 14% between 2024 and 2025.

Our total revenues from the sales of KAMRAB (our HRIG product, sold outside the U.S. market) during 2025 totaled \$17.2 million, compared to \$11.7 million and \$12.5 million during 2024 and 2023, respectively. The increase in 2025 sales is associated with increased demand for the product in the various markets in which it is being distributed, as well as continued increase in average sale price in these markets.

During 2025, total revenues derived from GLASSIA sales outside the U.S and Canadian markets, mainly Argentina, Russia, Israel and Switzerland (in some of these markets under a different brand name), increased to \$19.4 million, compared to \$15.2 million and \$7.4 million during 2024 and 2023, respectively. The increase in GLASSIA revenue in these other markets in 2025, compared to 2024 and 2023, is mainly attributable to newly diagnosed AATD patients receiving GLASSIA treatment. During 2025, our revenues included approximately \$1.2 million in income on account of an achieved sales milestone pursuant to our distribution agreement with our distributor in Russia.

In 2025, we recognized \$15.8 million in sales-based royalty income from GLASSIA sales in the United States and Canada by Takeda, compared to \$16.9 million and \$16.1 million in 2024 and 2023, respectively. While, based on information provided by Takeda, sales of GLASSIA in these markets increased between 2024 and 2025, our royalty income decreased during 2025 due to the reduction in the royalty rate from 12% to 6% of net consolidated sales (in both territories), commencing in August 2025. Based on current GLASSIA sales by Takeda, projected future growth, and the new royalty rate, we expect annual royalties on sales of GLASSIA by Takeda during 2026 to be approximately \$10 million and in the range of \$10 million to \$20 million per year for 2027 to 2040. Pursuant to our licensing agreement with Takeda, we are entitled to a guaranteed minimum of \$5 million in annual royalty income through 2040.

Total revenues from sales of CYTOGAM for the years ended December 31, 2025, 2024 and 2023, were \$17.1 million, \$22.5 million and \$17.2 million, respectively. We believe that the decline in CYTOGAM sales in 2025 compared to 2024 was primarily due to increased usage of antivirals such as letermovir and maribavir resulting from improvements in their market access coverage. CYTOGAM and the antivirals are used to prevent CMV infection, a common post-transplant infectious complication that remains a significant medical need despite recent advances in antiviral drug therapies.

Our promotional efforts for CYTOGAM are focused on enhancing awareness among the medical community of the benefits of using CYTOGAM in conjunction with the antivirals due to the complementary mechanisms of action of both treatments, as well as identifying specific solid organ transplant patient profiles that are at higher risk for CMV post-transplant and may benefit from additional CMV protection with CYTOGAM.

We believe that our current promotional activities, supported by new clinical data, are expected to lead to increased demand for the product in the coming years. In 2025, we launched a post marketing research program in collaboration with leading KOLs, aimed at generating key data in support of the benefits of CYTOGAM. We believe that the program, which is directed at advancing CMV disease management through novel strategies focused on late-onset CMV prevention and mitigation of active CMV disease, exploring alternative dosing strategies, and investigating potential new applications of CYTOGAM, will provide updated clinical data that would support increasing physicians' awareness of the product's unique properties.

As part of the research program, in November 2025 we initiated a post-marketing clinical trial of CYTOGAM to prevent late CMV infection titled "Strategic Help with Immunoglobulin to Enhance protection Against Late Disease (CMV)," or SHIELD. The SHIELD study is a prospective, randomized, controlled multicenter investigator-initiated study in CMV high-risk kidney transplant recipients, conducted together with leading experts and KOLs in CMV and organ transplantation: Camille Kotton, M.D., Infectious Disease Specialist and Clinical Director, Transplant and Immunocompromised Host Infectious Diseases at Massachusetts General Hospital, and David Wojciechowski, D.O., Medical Director of the Kidney Transplantation Program at the University of Texas Southwestern Medical Center. Both investigators are recognized experts in transplant-related infections. The SHIELD study will investigate the benefits of CYTOGAM administered at the conclusion of antiviral prophylaxis to reduce the risk of clinically significant late CMV in kidney transplant recipients who are CMV seronegative and have a CMV seropositive donor. These patients are at the highest risk of developing late-onset CMV infection, which is associated with worse transplant recipient health and outcomes.

Total revenues from WINRHO SDF, VARIZIG and HEPAGAM B for the years ended December 31, 2025, 2024 and 2023, was \$31.4 million, \$22.3 million and \$26.7 million, respectively. The increase in sales between 2025 and 2024 is associated with increased sales of all three products which was achieved through multiple actions, including increased awareness of the benefits of VARIZIG and HEPAGAM B in the U.S. market and the securing of supply tenders for WINRHO SDF in the MENA region and VARIZIG in Latin America.

Our total revenues from the sales of our other Proprietary Products, including KAMRHO (D) IM (for prophylaxis of hemolytic disease of newborns), ASVs sold to the IMOH, as well as collected plasma were \$1.7 million in 2025, compared to \$2.8 million and \$2.8 million during 2024 and 2023, respectively.

Over the past several years, we have invested in the expansion of our plasma collection capabilities and believe these efforts will better support our hyper-immune plasma needs, potentially lower our raw material costs, and generate additional revenue through sales of collected NSP to third parties. During 2024 and 2025, we opened two new plasma collection centers in Houston, Texas (approved by the FDA in August 2025 for the collection of NSP) and in San Antonio, Texas (which was inspected by the FDA in February 2026). Each of the Houston and San Antonio collection centers, once fully operational, is expected to contribute annual revenues of approximately \$8 million to \$10 million in sales of normal source plasma. Additionally, we own a plasma collection center in Beaumont, Texas, acquired in March 2021, which is registered with the FDA and specializes in the collection of hyper-immune plasma for the manufacture of WINRHO SDF, KEDRAB and KAMRAB.

### ***Distribution Segment***

In the Distribution segment, we leverage our expertise and presence in the Israeli biopharmaceutical and healthcare market to distribute in Israel more than 25 pharmaceutical products that we have exclusively licensed from international manufacturers. Sales generated by our Distribution segment during 2025 totaled \$24.3 million, as compared to \$19.5 million and \$27.1 million during 2024 and 2023, respectively. The increase in revenues during 2025 compared to the prior year is primarily the result of the launch of two biosimilar products as well as increased demand for certain other products in our portfolio.

As part of our Distribution segment, we have licensed a portfolio of biosimilar products from multiple international companies for distribution in Israel. Through the end of 2025, we launched two products from this portfolio in Israel and generated \$2.4 million in sales during 2025 associated with the sales of these products. Two additional biosimilar products are expected to be launched during 2026, and the remaining biosimilar products are expected to be launched in Israel over the coming years, at a rate of approximately 1-3 products per year, subject to the EMA and subsequently the IMOH approvals, while continuing to explore opportunities to in-license additional biosimilar products and expand the portfolio. We believe that sales generated by the launch of biosimilar products will serve as a major growth and profitability catalyst for our Distribution segment. We estimate that revenues from the sales of our existing biosimilar products portfolio in Israel will increase to between approximately \$15 million and \$20 million within the next four to five years and will continue to grow thereafter, subject to the continued launch of the entire portfolio as scheduled.

We are currently expanding the distribution of our in-licensed products into the MENA region by engaging third-party pharmaceutical companies to register and distribute these products in the region.

### ***2026 Financial Guidance***

We currently expect to generate total revenues for the fiscal year 2026 in the range of \$200 million to \$205 million and adjusted EBITDA in the range of \$50 million to \$53 million. The midpoint of the projected 2026 revenue and adjusted EBITDA forecast represents a year-over-year increase of 13% in revenues and 23% in adjusted EBITDA. For details regarding the use of non-IFRS measures, see “Item 5. Operating and Financial Review and Prospects—Non-IFRS Financial Measures.”

### ***Proprietary Products***

The following tables list our Proprietary Products:

| <b>Product</b>  | <b>Indication</b>   | <b>Active Ingredient</b>                           |
|---|---|--|
| KAMRAB/ KEDRAB  | Prophylaxis of rabies disease   | Anti-rabies immunoglobulin (Human)                 |
| GLASSIA (or VENTIA/RESPIKAM in certain countries)       | Intravenous AATD  | Alpha-1 Antitrypsin (Human)                        |
| CYTOGAM   | Prophylaxis of Cytomegalovirus (CMV) disease in kidney, lung, liver, pancreas, heart and heart/lung transplants | Cytomegalovirus Immunoglobulin Intravenous (Human) |
| WINRHO SDF  | Immune thrombocytopenic purpura (ITP) and suppression of rhesus isoimmunization (RH)                            | Rho(D) immunoglobulin (Human)                      |
| VARIZIG   | Post-exposure prophylaxis of Varicella in high-risk individuals   | Varicella Zoster Immunoglobulin (Human)            |
| HEPAGAM B   | Prevention of Hepatitis B recurrence liver transplants and post-exposure prophylaxis                            | Hepatitis B immunoglobulin (Human)                 |
| KAMRHO (D) IM   | Prophylaxis of hemolytic disease of newborns  | Rho(D) immunoglobulin (Human)                      |
| Echis coloratus Antiserum, Vipera palaestinae Antiserum | Treatment of snake bites by the Vipera palaestinae and the Echis coloratus                                      | Anti-snake venom                                   |

## **KAMRAB/KEDRAB**

KAMRAB is a hyper-immune Human plasma-derived Rabies Immune Globulin (HRIG) therapeutic for prophylactic treatment against rabies infection that is administered to patients after exposure to an animal suspected of being infected with rabies. KAMRAB is manufactured at our manufacturing facility in Beit Kama, Israel from plasma that contains high levels of antibodies from donors that were previously vaccinated by an active rabies vaccine. KAMRAB is administered by a one-time injection, and the precise dosage is a function of the patient's weight (20 IU/kg).

According to WHO, rabies is estimated to cause 59,000 human deaths annually in over 150 countries and each year more than 29 million people worldwide receive a post-bite rabies vaccination, which is estimated to prevent hundreds of thousands of rabies deaths annually. According to the U.S. Centers for Disease Control and Prevention (CDC), each year 1.4 million Americans receive healthcare for a possible rabies exposure, 100,000 receive post-exposure prophylaxis, and fewer than 10 die from rabies, thanks to effective prevention efforts. The CDC recommends that post-exposure prophylaxis ("PEP") treatment for people who have never been vaccinated against rabies previously should always include administration of both HRIG and rabies vaccine. According to the CDC, the combination of HRIG and vaccination is recommended for both bite and non-bite exposures, regardless of the interval between exposure and initiation of treatment.

We market KEDRAB in the United States through a strategic distribution and supply agreement with Kedrion that we entered into in July 2011 for the clinical development and marketing in the United States of KAMRAB. See "*— Strategic Partnerships — Kedrion (KEDRAB and Other Products Distributed in Israel).*" Based on the results of a phase 2/3 clinical study, in August 2017, we received FDA approval for the marketing of KAMRAB in the United States for PEP against rabies infection, and in April 2018 we, together with Kedrion, launched the product in the United States under the trademark KEDRAB.

In June 2021, the FDA approved a label update for KEDRAB, establishing the product's safety and effectiveness in children aged 0 to 17 years. The updates to the KEDRAB label were based on data from the KEDRAB U.S. post-marketing pediatric study. The 84-day study included 30 pediatric patients (ages 0-17 years old), each of whom received KEDRAB as part of PEP treatment following exposure or suspected exposure to an animal suspected or confirmed to be rabid. No serious adverse events were observed during the study. No incidence of rabies disease or deaths were recorded throughout the study period.

In December 2023, we entered into a binding memorandum of understanding with Kedrion for the amendment and extension of the distribution agreement between the parties, which represents the largest commercial agreement secured by us to date. Subsequently, in January 2025, we entered into the fifth amendment to the supply and distribution agreement, which memorializes the agreements and undertakings set forth in the binding memorandum of understanding, along with additional terms and conditions. Under these agreements, Kedrion committed to purchasing minimum quantities of KEDRAB during the first four years (i.e., 2024 through 2027) of the eight-year term that began in January 2024, generating projected minimum aggregate revenues for us of approximately \$180.0 million over such four-year period, of which a minimum of approximately \$90.0 million is to be acquired during the remaining two years of such four-year period (i.e., 2026 through 2027). The distribution and supply agreement, as amended, includes the potential expansion of KEDRAB distribution by Kedrion to other territories beyond the United States.

In December 2024, we secured an agreement to supply KAMRAB to an international organization, which also serves as Regional Office for the WHO, for further distribution in Latin America during the years 2025-2027.

## GLASSIA

GLASSIA is a plasma derived intravenous AAT product, that is indicated by the FDA for chronic augmentation and maintenance therapy in adults with emphysema due to congenital AATD. AAT is a naturally occurring protein found in a derivative of plasma known as fraction IV. AAT regulates the activity of certain white blood cells known as neutrophils and reduces cell inflammation. Patients with genetic AATD suffer from a chronic inflammatory state, lung tissue damage and a decrease in lung function. While GLASSIA does not cure AATD, it supplements the patient's insufficient physiological levels of AAT and is administered as a chronic treatment. As such, the patient must take GLASSIA indefinitely over the course of his or her life, to maintain the benefits provided by it. GLASSIA is administered through a single weekly intravenous infusion.

In the United States and Europe, we believe that AATD is currently significantly under-diagnosed and under-treated. Based on information published by the Alpha-1 Foundation, there are approximately 100,000 people with AATD in the United States and about the same number in Europe, and we estimate, based on medical literature, that less than 10% of all potential cases of AATD are treated. We believe that the primary reasons for this significant gap in the United States and Europe are under diagnosis of patients suffering from AATD, the absence of insurance reimbursement in various European countries, lengthy and complicated regulatory and reimbursement processes required to commence sales of AAT products in new markets. Similar reasons limit the diagnosis and usage of AATD treatment in other territories outside of the United States and Europe. We expect the number of patients treated for AATD to continue to increase going forward as awareness of AATD increases and given that several European countries have recently approved reimbursement for treatment of AATD, we believe that additional European countries will approve such reimbursement during the coming years. Based on a market analysis report published in 2023 by Cantor Fitzgerald, the global AATD augmentation therapy market is expected to grow at a compound annual growth rate of 7.2% at least through 2032.

The estimated annual cost of treatment in the United States is between \$80,000 and \$120,000 per each AATD patient, depending on the patient's body weight. In the United States, Canada, in some of the European countries and in Israel, Argentina and Russia we believe that most of the cost of treatment is covered by medical insurance programs.

GLASSIA was the first FDA-approved liquid AAT, which is ready for infusion and does not require reconstitution and mixing before infusion, as is required from most other competing products. Additionally, in June 2016, the FDA approved an expanded label of GLASSIA for self-infusion at home after appropriate training. GLASSIA has a number of advantages over other lyophilized intravenous AAT products, including the reduction of the risk of contamination during the preparation and infection during the infusion, reduced potential for allergic reactions due to the absence of stabilizing agents, simple and easy use by the patient or nurse, and the possible reduction of the nurse's time during home visits, in the clinic or in the hospital and the ability of some of the patients to self-infuse at home.

GLASSIA obtained FDA approval in July 2010, and sales commenced in October 2010. As part of the approval, the FDA requested that we conduct post-approval Phase 4 clinical trials, as is common in the pharmaceutical industry, aimed at collecting additional safety and efficacy data for GLASSIA. According to our agreement with Takeda (See "— Strategic Partnerships — Takeda (Glassia)"), the Phase 4 clinical trials are financed and managed by Takeda, provided that if the cost of such Phase 4 clinical trials exceeds a pre-defined amount, we will participate in financing such trial up to a certain amount by offsetting such amounts from future royalties due from Takeda. The first Phase 4 safety study completed enrollment of a total of 30 subjects in the United States and Canada during 2020 and its clinical study report was completed and was submitted to the FDA in 2022. The second Phase 4 efficacy study was initiated during 2016 and was terminated two years after initiation based on the DSMB's recommendation due to very low recruitment rates. In 2019, Takeda submitted a revised Phase 4 protocol to the FDA. Following several interactions with the FDA with respect to the Phase 4 efficacy study requirements, Takeda decided not to continue to pursue the study, however this matter remains unresolved pending the FDA's approach to IV AAT cluster products.

The majority of GLASSIA sales are in the United States (by Takeda) and, commencing in 2024, GLASSIA is also being sold by Takeda in Canada, through our companies' strategic partnership. Since March 2022, we have been receiving royalties on GLASSIA sales manufactured by Takeda in the United States, and, commencing in 2024, in Canada. We will be entitled to royalty income on sales of GLASSIA by Takeda in Australia and New Zealand, to the extent that GLASSIA will be approved, and sales will be generated in these markets by Takeda in the future. The royalty income was at a rate of 12% on net consolidated sales (in all applicable territories) through August 2025, and at a rate of 6% thereafter, until 2040, with a guaranteed minimum of \$5 million annually from 2022 to 2040. Through 2021, we generated revenues from sales of GLASSIA, manufactured by us, to Takeda for further distribution in the United States. During 2021, Takeda completed the technology transfer of GLASSIA manufacturing to its facility in Belgium, received the required FDA approval, and began its own production of GLASSIA for the U.S. market. In addition, Takeda obtained marketing authorization approval for GLASSIA from Health Canada in 2021. In December 2023, Takeda announced that it entered into a two-year contract with the Canadian Blood Services ("CBS") for the supply of GLASSIA, which commenced in early 2024.

We also market GLASSIA in other countries, mainly Argentina, Russia, Israel and Switzerland (in some of these markets under a different brand name), through local distributors. In May 2023, Swissmedic, the national authorization and supervisory authority for drugs and medical products in Switzerland, granted marketing authorization for GLASSIA for AATD in Switzerland. We have partnered with the IDEOGEN Group, a company focused on the commercialization of specialty medicines for rare diseases across Europe, for the commercialization of GLASSIA in Switzerland, and GLASSIA was commercially launched in Switzerland in December 2023, upon obtaining the required reimbursement coverage.

### **CYTOGAM**

CYTOGAM (CMV-IGIV), which we acquired from Saol in November 2021, is indicated for the prophylaxis of CMV disease associated with the transplantation of the kidney, lung, liver, pancreas and heart. Approved by the FDA in 1998, CYTOGAM is the sole FDA-approved plasma-derived IgG product for this indication.

CYTOGAM is administered within 72 hours after transplantation and then in weeks 2, 4, 6, 8, 12 and 16 after transplantation. The precise dosage is adjusted according to the patient's weight. CMV seroprevalence in the United States is estimated to be 75% among adults. CMV is typically passed through direct personal contact. A seropositive status indicates exposure to the virus and development of antibodies against CMV. After initial infection, CMV establishes lifelong latency in the host. Immunocompetent individuals possess adequate immunity to protect them from infection and clinical symptoms, whereas immunocompromised patients, such as solid organ transplant patients, are vulnerable to both de novo primary and reactivation CMV infections. In the case of a solid organ transplant, CMV seronegative recipients (recipient negative (R-)) receiving CMV seropositive organs (donor positive (D+)) have the highest risk of CMV infection and disease. The weighted average incidence of CMV disease from clinical trials with current preventative strategies in CMV D+/R- patients has been reported as 25% in kidney 13% in liver, 15% in lung, and 10% in heart transplant recipients. Investigational studies have shown that administration of CMV-IGIV is associated with neutralization of free CMV particles and immunomodulation that may attenuate and reduce the incidence of CMV disease post-transplant as part of a prophylactic regimen that includes concomitant anti-viral therapy.

Based on the Organ Procurement and Transplantation Network, 49,064 solid organ transplant procedures were performed in the United States in 2025. Transplantation numbers have grown as a result of increasing and more effective usage of organs from less traditional donors, including older individuals and people who have died of cardiorespiratory failure. Several available antivirals (ganciclovir and valganciclovir) are being used and are considered standards of care for the prevention of CMV infection in high-risk patients. As CMV infection in immunocompromised solid organ transplant patients can be severe and life-threatening, we believe that administration of CYTOGAM together with available antivirals may provide additional protection in preventing CMV disease for certain high-risk transplant populations, such as lung transplant patients, due to its complementary mechanism of action to antiviral drug therapy. We believe there is under-utilization of CYTOGAM as CMV prophylaxis in specific CMV high-risk patient profiles across all organs (short-telomere syndrome in lung transplant patients or kidney transplant patients with delayed graft function and belatacept-based immunosuppression). We are currently advancing a comprehensive clinical program, which includes prospective investigator-initiated studies, aimed at generating data to support the ongoing use of CYTOGAM and identifying potential innovative applications. Through our continuous efforts to communicate new and existing clinical data for CYTOGAM, we aim to achieve increased utilization.

Over the past four years we have engaged KOLs in the United States to study and present their ongoing clinical experiences with CYTOGAM for scientific knowledge exchange and to support further research of CYTOGAM. At the American Transplant Congress in 2024, Jennifer Chow, MD, Transplant Infectious Diseases specialist at Tufts Medical Center, presented the results of an investigator-initiated study (“IIS”) analyzing the stored samples of a previously conducted placebo-controlled randomized controlled interventional study of CYTOGAM prophylaxis that demonstrates the potential anti-viral and disease attenuation effect of CYTOGAM in moderate to low CMV risk liver transplant patients. In April 2025, we presented the results of internal research comparing the functional properties of CYTOGAM and regular intravenous immune globulin (IVIG) against CMV and other common viruses at the International Society for Heart & Lung Transplantation 2025 Annual Meeting. The study demonstrates that CYTOGAM has 4-fold higher anti-CMV antibodies than regular IVIGs, while also highlighting the polyvalent characteristics of both hyperimmune globulins, such as CYTOGAM, and regular IVIGs, which are not well described in the literature. In July 2025, the results of an investigator-initiated, single-center, long-term follow-up (8 years) retrospective study were published in *Clinical Transplantation*. The study was conducted by Fernando Torres, M.D., Clinical Chief, Division of Pulmonary and Critical Care at University of Texas Southwestern Medical Center, and consisted of 324 lung-transplant patients, evaluating the real-world use of CYTOGAM in combination with anti-viral agents for the prevention of CMV disease in high-risk CMV mismatch lung transplant recipients (CMV seronegative patients receiving a lung from a seropositive donor). The authors concluded that the use of a proactive multimodality CMV prophylaxis consisting of antivirals and immune augmentation with CMV immunoglobulin attenuated the negative impact of CMV D+/R by enabling high-risk patients to achieve long-term survival and CLAD (Chronic Lung Allograft Dysfunction) outcomes similar to non-high-risk patient recipients.

In May 2025, we launched a new post-marketing research program aimed at generating key data on the benefits of CYTOGAM in the management of CMV in solid organ transplantation. The program includes a total of ten studies that are being conducted in collaboration with leading U.S. physicians, primarily as investigator-initiated studies. Results from these studies are expected to be published and/or presented in peer-reviewed scientific journals and at major medical meetings over the coming years. The clinical program includes three prospective clinical studies that are actively screening patients for enrollment. In July 2025, the first patient was enrolled in a prospective, single-center clinical study regarding the prophylactic use of CYTOGAM for CMV infection or disease in solid organ transplant recipients. In November 2025, the first patient was enrolled in the SHIELD study, a prospective, randomized, controlled, multicenter, investigator-initiated clinical trial evaluating the role of CYTOGAM in reducing the risk of late CMV disease following completion of standard antiviral prophylaxis in high-risk kidney transplant recipients.

In December 2025, the third annual Kamada Scientific Advisory Board meeting, consisting of six U.S.-based renowned thought leaders in neonatology, pediatric infectious disease, and CMV, was held. During the meeting, innovative investigator-initiated research regarding postnatal CMV in very preterm infants and potential opportunities for CYTOGAM was discussed. Additionally, the participants provided feedback regarding unmet needs related to congenital and postnatal CMV, including future potential research and development possibilities.

CYTOGAM is registered and sold in the United States and Canada.

CYTOGAM is manufactured at our facility in Beit Kama, Israel, and has been available for commercial sale in the United States since October 2023, following FDA approval in May 2023 for the technology transfer to manufacture CYTOGAM at our facility. The FDA approval marks the successful completion of the technology transfer process of CYTOGAM from the previous manufacturer, CSL Behring. In the fourth quarter of 2023, CYTOGAM manufactured at our facility in Beit Kama was shipped to Canada for the first time, following Health Canada’s approval in July 2023 to manufacture CYTOGAM at our facility.

We believe that our ongoing clinical and medical affairs activities, which include collaborations with leading U.S.-based solid organ transplantation experts to generate and present new real-world data on the benefits of CYTOGAM, as well as planned prospective investigator-initiated studies evaluating the benefits and potential innovative uses of CYTOGAM, will continue to raise awareness of CYTOGAM. These efforts aim to explore new approaches to current clinical practices in CMV prevention in solid organ transplantation as well as innovative new applications for CYTOGAM, which are expected to support sustained sales growth.

### **WINRHO SDF**

WINRHO SDF is a Rho(D) Immune Globulin Intravenous (Human) product indicated for use in clinical situations requiring an increase in platelet count to prevent excessive hemorrhage in the treatment of non-splenectomies, for Rho(D)-positive children with chronic or acute immune thrombocytopenic purpura (“ITP”), adults with chronic ITP, and children and adults with ITP secondary to HIV infection. WINRHO SDF is also used for suppression of Rhesus (Rh) Isoimmunization during pregnancy and other obstetric conditions in non-sensitized, Rho(D)-negative women. WINRHO SDF, approved by the FDA in 1995, which we acquired from Saol in November 2021.

ITP is a blood disorder characterized by a decrease in the number of platelets – the cells that help blood clot. Findings published during 2019 suggest that nearly 20,000 children and adults are newly diagnosed with ITP each year in the United States. Rho(D) immunoglobulin is an effective option for rapidly increasing platelet counts in patients with symptomatic ITP.

Hemolytic Disease of the Newborn (“HDN”) is a blood disorder in a fetus or newborn infant. In some infants, it can be fatal. During pregnancy, Red Blood Cells (“RBCs”) from the unborn baby can cross into the mother’s blood through the placenta. HDN occurs when the immune system of the mother identifies the baby’s RBCs as foreign. Antibodies then develop against the baby’s RBCs. These antibodies attack the RBCs in the baby’s blood and cause them to break down too early. Rho(D) immunoglobulin is administered to Rh-negative pregnant women as prophylactic therapy, to prevent the disease.

In the U.S. market, WINRHO SDF is primarily used for the treatment of ITP. Following an FDA black box warning for Intravascular Hemolysis (IVH) issued in 2011, as well as the introduction of new ITP therapies, its sales in the U.S. market declined significantly between 2011 to 2017 and have since remained relatively flat. Currently, WINRHO SDF competes in the U.S. market with other ITP treatments, including TPO-RA agents (e.g., Eltrombopag), corticosteroids, IVIG and splenectomy. In 2024, WINRHO SDF was extensively used in the United States to treat HDN due to a shortage of competing products. This shortage was resolved by the fourth quarter of 2024, leading to a return of its primary use for ITP treatment.

We obtained FDA acknowledgment for the transfer of the ownership of the BLA for WINRHO SDF in September 2022. The ownership transfer of the drug identification number (“DIN”) for WINRHO was approved by Health Canada in June 2022. We have obtained approval for the transfer of registration ownership of the product in all other applicable territories, other than Hong Kong, where the process is ongoing.

WINRHO SDF is currently manufactured by Emergent under a contract manufacturing agreement assigned to us by Saol upon the consummation of the acquisition. We expect to continue manufacturing the product with Emergent in the foreseeable future and are planning to initiate a transition of the manufacturing of WINRHO SDF to our facility in Beit Kama, Israel. Such transition would require certain changes to manufacturing processes, potential amendments to the contract manufacturing agreement with Emergent, and the receipt of required regulatory approvals. We anticipate that such transition will be completed within four to five years.

Our KAMRHO (D) is a comparable product to WINRHO SDF and is approved for HDN in various international markets. The two products are registered and distributed in different markets.

### **VARIZIG**

VARIZIG (Varicella Zoster Immune Globulin (Human)) is a product that contains antibodies specific for Varicella-zoster virus (“VZV”), and it is indicated for post-exposure prophylaxis of varicella (chickenpox) in high-risk patient groups, including immunocompromised children, newborns, and pregnant women. VARIZIG is intended to reduce the severity of chickenpox infections in these patients. The CDC recommends Varicella zoster immune globulin (human) (such as VARIZIG) for post-exposure prophylaxis of varicella for persons at high-risk for severe disease who lack evidence of immunity to varicella. VARIZIG, approved by the FDA in 2012, is the sole FDA-approved IgG product for this indication, which we acquired from Saol in November 2021.

VZV causes varicella (chickenpox), a common childhood illness, and herpes zoster (shingles), which is caused by the reactivation of VZV. The incidence of herpes zoster increases with age or immunosuppression. Individuals at highest risk of developing severe or complicated varicella include immunocompromised individuals, preterm infants, and pregnant women. It has been demonstrated that administering VARIZIG post-exposure to VZV is associated with low rates of varicella in high-risk patients and reduces severity of varicella in immunocompromised children and adults.

We received FDA acknowledgment for the transfer of the ownership transfer of the BLA for VARIZIG in September 2022. Health Canada approved the DIN ownership transfer in June 2022.

In December 2024, we were awarded a tender to supply VARIZIG to an international organization, which also serves as the Regional Office for the WHO, for further distribution across Latin America for the years 2025-2027.

VARIZIG is currently manufactured by Emergent under a contract manufacturing agreement assigned by Saol upon the consummation of the acquisition. We expect to continue manufacturing the product with Emergent in the foreseeable future and are planning to initiate a transition of the manufacturing of VARIZIG to our facility in Beit Kama, Israel. Such transition would require certain changes to manufacturing processes, potential amendments to the contract manufacturing agreement with Emergent, and the receipt of required regulatory approvals. We anticipate that such transition will be completed within four to five years.

In October 2022, we were awarded an extension of a then-existing tender from CBS, which manages the supply of blood and plasma products across all Canadian provinces and territories, excluding Quebec, for the supply of the four IgG products: CYTOGAM, HEPAGAM, VARIZIG and WINRHO SDF, for three years, commencing on April 1, 2023, for an approximate total value of \$22.0 million, securing the continued sales of these products in the Canadian market. In December 2025, the tender was extended, securing ongoing sales of approximately \$5.0–\$7.0 per year for the period from the second quarter of 2026 through the first quarter of 2028. In Quebec, we supply CYTOGAM, HEPAGAM, VARIZIG and WINRHO SDF under an agreement with Hema-Quebec, initially assigned to us from Saol. In March 2024, we entered into a renewed agreement with Hema-Quebec for CYTOGAM, HEPAGAM, and VARIZIG, for a period of three years, commencing April 2024, and have an option to extend the agreement for up to two additional years. The parties are currently discussing the extension of the agreement. Our revenues from sales of these products in Canada, under both the CBS and Hema-Quebec agreements, totaled \$7.8 million for the year ended December 31, 2025, as compared to \$7.5 million and \$9.1 million during 2024 and 2023, respectively.

### **HEPAGAM B**

HEPAGAM B is a hepatitis B Immune Globulin (Human) (HBIG) product indicated to both prevent hepatitis B virus (HBV) recurrence following liver transplantation in hepatitis B surface antigen positive (HBsAg- positive) patients and to provide PEP treatment. HEPAGAM B, which was approved by the FDA in 2006 for PEP and in 2007 as a prevention therapy, was acquired by us from Saol in November 2021.

Liver transplantation is the treatment of choice for patients with end-stage liver disease secondary to chronic hepatitis B. However, liver transplantation is complicated by the risk of recurrent HBV infection, which significantly impairs graft and patient survival. Prevention of HBV reinfection includes use of antiviral therapy, with the addition of HBIG. HBIG treatment is based upon the rationale that administered antibody will bind to and neutralize circulating virions, thereby preventing graft infection.

In the U.S. market, HEPAGAM B is primarily used for post-transplant prophylaxis, where it competes with Nabi-HB, a product of ADMA. We believe that our ongoing registration and marketing activities in additional countries, will support the continued usage of HEPAGAM B in ex-U.S. markets.

We received FDA acknowledgment for the transfer of the ownership of the BLA for HEPAGAM B in September 2022. Health Canada approved the DIN ownership transfer in October 2022. We have obtained approval for the transfer of registration ownership of the product in all other applicable territories.

HEPAGAM B is currently manufactured by Emergent under a contract manufacturing agreement assigned by Saol upon the consummation of the acquisition. We expect to continue manufacturing the product with Emergent in the foreseeable future and are planning to initiate a transition of the manufacturing of HEPAGAM B to our facility in Beit Kama, Israel. Such transition would require certain changes to manufacturing processes, potential amendments to the contract manufacturing agreement with Emergent, and the receipt of required regulatory approvals. We anticipate that such transition will be completed within four to five years.

### **KAMRHO (D)**

KAMRHO (D), similar to WINRHO SDF, is indicated for the prevention of HDN. In some infants, it can be fatal. During pregnancy, RBCs from the fetus can cross into the mother's blood through the placenta. HDN occurs when the immune system of the mother sees a fetus' RBCs as foreign. Antibodies then develop against the fetus' RBCs. These antibodies attack the RBCs in the fetus' or newborn's blood and cause them to break down too early. Rho(D) immunoglobulin is administered to Rh-negative pregnant women as prophylactic therapy, to prevent the disease. KAMRHO (D) is produced from hyper-immune plasma and is administered through intra-muscular injection (KAMRHO (D) IM). We manufactured and distributed the product through the end of 2024.

### **Snake Bite Antiserum**

Our snake bite antiserum products are used for the treatment of people who have been bitten by the most common Israeli Viper (*Vipera palaestinae*) and by the Israeli Echis (*Echis coloratus*). The venom of these snakes is poisonous and causes, among other symptoms, severe immediate pain with rapid swelling. These snake bites can lead to death if left untreated. Our snake bite antiserum products are produced from hyper-immune serum that has been derived from horses that were immunized against Israeli Viper and Israeli Echis venom. These products are the only treatment in the Israeli market for *Vipera palaestinae* and *Echis coloratus* snake bites.

We manufacture snake bite antisera pursuant to an agreement with the IMOH, initially entered into in March 2009 following a tender that we won. The agreement has been extended and amended several times since then, under exemption from a tender. The parties have finalized the extension of the agreement until mid-November 2026. Production of our snake bite antisera began in August 2011, and sales to the IMOH commenced in 2012. Under the agreement, and subject to its terms, the IMOH has undertaken to purchase from us, and we have undertaken to supply to the IMOH, a minimum quantity of snake bite antisera each year during the term of the agreement.

Over the years we have successfully passed multiple IMOH inspections. Additionally, in 2025, we were audited by the WHO, which inspected the manufacturing of our snake bite antiserum products. This audit was conducted by the WHO to facilitate potential future distribution of these products through the WHO. To date, we have not entered into a supply agreement with the WHO covering these products.

### **Plasma Collection**

As part of our strategy of evolving into a fully integrated specialty plasma company, we established Kamada Plasma LLC, a wholly owned subsidiary, which operates our plasma collection operations in the United States. We currently have three plasma collection centers in the United States.

In March 2021, we acquired our first plasma collection center in Beaumont, Texas. The center is registered with the FDA and specializes in the collection of hyper-immune plasma for the manufacture of WINRHO SDF, KAMRAB and KEDRAB. The Beaumont plasma collection center successfully passed FDA inspections in January 2024 with no critical observations.

In March 2023, we entered into a lease agreement for a facility in Houston, Texas, and in September 2024, after completing construction and obtaining the required site registration, we commenced plasma collection operations at the Houston center. In August 2025, we received FDA supplemental approval for NSP collection operations at the Houston center.

In May 2024, we entered into a lease agreement for a facility in San Antonio, Texas, and in March 2025, after completing construction and obtaining the required site registration, we commenced plasma collection operations at the San Antonio center. We submitted a prior approval supplement to the FDA for the site in June 2025, the FDA site audit was completed during February 2026. We expect that our plasma collection site in San Antonio, Texas, will receive FDA approval during the first half of 2026.

The Houston and San Antonio plasma collection centers are expected to become two of the largest specialty plasma collection centers in the United States, while collecting NSP for sale to third parties.

We also intend to apply for EMA approval of both the Houston and San Antonio plasma collection centers to enable future sales of NSP to potential European customers.

We are ramping up plasma collection at our three collection centers and are in active discussions with potential customers to secure long-term supply agreements for NSP. Once at full collection capacity, each of the Houston and San Antonio collection centers is expected to contribute annual revenues of \$8 million to \$10 million in sales of NSP.

While we remain dependent on third-party supplies of hyper-immune plasma for the manufacturing of our Proprietary Products, we believe that the expansion of our plasma collection capabilities will enable us to better support our hyper-immune plasma needs and lower manufacturing costs, as well as generate additional revenues through sales of collected NSP to third parties.

### **Distribution Segment**

The Distribution segment encompasses the commercialization and distribution of third-party biopharmaceutical products. We leverage our expertise and presence in the Israeli biopharmaceutical market to distribute more than 25 pharmaceutical products in Israel, exclusively licensed for distribution in Israel from leading international pharmaceutical manufacturers. We engage third-party pharmaceutical companies, register their products with the IMOH, import the products to Israel, and market, sell and distribute them to local HMOs, hospitals and pharmacies. We are currently expanding the distribution operation of in-licensed products to the MENA region by engaging third-party pharmaceutical companies to register and distribute their products in the region.

The primary products that we distribute in Israel include pharmaceuticals for critical care delivered by injection, infusion or inhalation. Sales generated by our Distribution segment during 2025 totaled \$24.3 million, compared to \$19.5 million and \$27.1 million during 2024 and 2023, respectively. Such reported sales are only associated with distribution of products in the Israeli market, as distribution in the MENA region has not yet commenced. The increase in revenues during 2025 is due to the launch of biosimilar products, as well as continued growth in the distribution of our existing product portfolio.

Over the past several years, we have continued to expand our Distribution segment product portfolio to non-plasma derived products, such as licensing a portfolio of biosimilar products from multiple international companies for distribution in Israel. In the first quarter of 2024, we successfully launched our first biosimilar product in Israel, BEVACIZUMAB KAMADA, a biosimilar to Avastin, which is indicated for the treatment of certain types of cancer, including colon cancer, non-small cell lung cancer, and metastatic breast cancer. Sales from the product totaled \$2.4 million during 2025 and \$1.5 million during 2024. In the fourth quarter of 2025, we successfully completed the launch, in Israel, of our second biosimilar product, PEGFILGRASTIM, a biosimilar to Neulasta, which is indicated for the treatment of neutropenia in patients treated with cytotoxic chemotherapy. Two additional biosimilar products are expected to be launched in Israel during 2026, and the remaining biosimilar products are expected to be launched in Israel over the coming years, at a rate of 1-3 products per year, subject to EMA and subsequently IMOH approvals, while continuing to explore opportunities to in-license additional biosimilar products and expand the portfolio. We believe that sales generated by the launch of the biosimilar products will serve as a major growth and profitability catalyst for our Distribution segment. We estimate that revenues from the sales of our existing biosimilar product portfolio in Israel will increase to between approximately \$15 million to \$20 million within the next four to five years and will continue to grow thereafter, subject to the continued launch of the entire portfolio as scheduled.

The following table sets forth the products in our Distribution segment that are currently distributed by us in the Israeli market.

| <b>Product</b>                | <b>Indication</b>   | <b>Active Ingredient</b>  |
|-------------------------------|---|---|
| <b><i>Respiratory</i></b>     |   |   |
| BRAMITOB                      | Management of chronic pulmonary infection due to pseudomonas aeruginosa in patients six years and older with cystic fibrosis  | Tobramycin  |
| FOSTER                        | Regular treatment of asthma where use of a combination product (inhaled corticosteroid and long-acting beta2-agonist) is appropriate  | Beclomethasone dipropionate, Formoterol fumarate                            |
| TRIMBOW                       | Maintenance treatment in adult patients with moderate to severe chronic obstructive pulmonary disease (COPD) with Asthma Maintenance treatment of asthma  | Beclomethasone dipropionate, Formoterol fumarate, Glycopyrronium as bromide |
| PROVOCHOLINE                  | Diagnosis of bronchial airway hyperactivity in subjects who do not have clinically apparent asthma  | Methacholine Chloride   |
| AEROBIKA                      | OPEP device   | None  |
| RUPAFIN                       | Symptomatic treatment of Allergic rhinitis and Urticaria  | Rupatadine  |
| RUPAFIN ORAL SOLUTION         | Symptomatic treatment of allergic rhinitis in children aged 2 to 11 years and urticaria in children aged 2 to 11 years  | Rupatadine  |
| SINTREDIUS                    | Rheumatoid arthritis, systemic lupus erythematosus, mild-moderate juvenile dermatomyositis. Severe or debilitating allergic conditions, not treatable in a conventional manner such as: bronchial asthma in children, bronchial asthma in adults. Sarcoidosis in children and for maintenance therapy in adults. Acquired haemolytic anaemia. | Prednisolone as Sodium Phosphate  |
| <b><i>Immunoglobulins</i></b> |   |   |
| IVIG                          | Treatment of various immunodeficiency-related conditions  | Gamma globulins (IgG) (human)   |
| VARITECT                      | Preventive treatment after exposure to the virus that causes chicken pox and zoster herpes  | Varicella zoster immunoglobulin (human)                                     |
| ZUTECTRA                      | Prevention of HBV re-infection in HBV-DNA negative patients 6 months after liver transplantation for hepatitis B induced liver failure  | Hepatitis B immunoglobulin (human)  |
| HEPATECT CP                   | Prevent contraction of Hepatitis B by adults and children older than two years  | Hepatitis B immunoglobulin (human)  |
| MEGALOTECT CP                 | Contains antibodies that neutralize CMV viruses and prevent their spread in immunologically impaired patients   | CMV immunoglobulin (human)  |
| <b><i>Critical Care</i></b>   |   |   |
| HEPARIN SODIUM INJECTION      | Treatment of thrombo-embolic disorders such as deep vein thrombosis, acute arterial embolism or thrombosis, thrombophlebitis, pulmonary embolism, fat embolism. Prophylaxis of deep vein thrombosis and thromboembolic events   | Heparin sodium  |

|                            |   |   |
|----------------------------|---|---|
| ALBUMIN and ALBUMIN        | Maintains a proper level in the patient's blood plasma  | Human serum Albumin   |
| <b>Coagulation Factors</b> |   |   |
| Factor VIII                | Treatment of Hemophilia Type A diseases   | Coagulation Factor VIII (human)   |
| Factor IX                  | Treatment of Hemophilia Type B disease  | Coagulation Factor IX (human)   |
| COAGADEX                   | Treatment specifically for hereditary factor X deficiency   | Coagulation factor X  |
| <b>Vaccinations</b>        |   |   |
| IXIARO                     | Active immunization against Japanese encephalitis in adults, adolescents, children and infants aged 2 months and older  | Japanese encephalitis purified inactivated vaccine                                      |
| VIVOTIF                    | Immunization against disease caused by Salmonella Typhi   | Typhoid vaccine live oral   |
| RABIPUR – Rabies Vaccine   | Active immunization against rabies for pre-exposure and post-exposure prophylaxis in all age groups   | Inactivated rabies virus (Flury LEP strain) grown in purified chick embryo cells (PCEC) |
| <b>Metabolic Disease</b>   |   |   |
| PROCYSBI                   | Nephropathic cystinosis in adults and children 1 year of age and older  | Cysteamine Bitartrate   |
| LAMZEDE                    | Treatment of alpha-mannosidosis   | Velmanase alfa  |
| RYPLAZIM                   | Treatment of patients with plasminogen deficiency type 1 (hypoplasminogenemia)  | Plasminogen, human-tvmh)  |
| <b>Oncology</b>            |   |   |
| ELIGARD                    | Management of advanced prostate cancer  | Leuprolide acetate  |
| <b>BIOSIMILARS</b>         |   |   |
| BEVACIZUMAB KAMADA         | A monoclonal antibody medication used to treat a number of types of cancers and a specific eye disease for cancer. It is given by slow injection into a vein (intravenous) and used for colon cancer, lung cancer, ovarian cancer, glioblastoma, and renal-cell carcinoma | Bevacizumab   |
| PEGFILGASTRIM KAMADA       | Reduction in the duration of neutropenia and the incidence of febrile neutropenia in patients undergoing cytotoxic chemotherapy administered at intervals of 14 days or longer for malignancies, excluding chronic myeloid leukemia and myelodysplastic syndromes.        | PEGFILGRASTIM   |

## **Our Development Product Pipeline**

In addition to our commercial operation, we invest in research and development of new product candidates, targeting significant unmet medical needs. Our research and development activities include conducting pre-clinical and clinical trials for new product candidates, as well as other development activities for our Proprietary Products pipeline, including improving existing products and processes, conducting development work at the request of regulatory authorities and strategic partners, and communicating with regulatory authorities regarding our commercial products and clinical and development programs. We incurred approximately \$13.0 million, \$15.2 million and \$13.9 million in research and development expenses in the years ended December 31, 2025, 2024 and 2023, respectively.

We are currently in various stages of pre-clinical and clinical development of new product candidates within our Proprietary Products segment, and are in the process of performing mandatory close-out activities for the Inhaled AAT study following our decision to discontinue the program.

### **Inhaled Formulation of AAT for AATD**

We pursued the development of an inhaled AAT therapy as a potential alternative to the current standard of care for AATD patients of weekly intravenous (IV) infusions, with the objective of enhancing patient convenience and achieving targeted pulmonary delivery. Leveraging our proprietary expertise from the development and commercialization of GLASSIA, we formulated and advanced a high-purity inhaled formulation of GLASSIA through multiple clinical phases, including a European Phase 2/3 trial and U.S. Phase 2 studies. These studies established the safety profile and pharmacokinetic advantages of the formulation; however, the results from these studies were not sufficient to obtain regulatory approval for the product, as the European Phase 2/3 study failed to meet its predefined efficacy endpoints.

In 2019, we commenced a global, randomized, double-blind, placebo-controlled Phase 3 InnovAATe pivotal study under the guidance of the FDA and the EMA. In December 2025, we announced that the independent Data and Safety Monitoring Board (DSMB) advised us that, based on a prespecified interim futility analysis, the Phase 3 InnovAATe trial is unlikely to demonstrate a statistically significant benefit in its primary endpoint—lung function measured by FEV1. Based on the futility analysis outcome, we announced our decision to discontinue the trial. The discontinuation was solely due to the low likelihood of achieving the efficacy outcome and was not reflective of any safety concerns.

Following our announcement, we took appropriate steps to inform all participating sites and other stakeholders of our decision to discontinue the study, and we are currently carrying out the discontinuation process in an organized and efficient manner. In connection with the discontinuation of the InnovAATe clinical trial, we will also terminate our agreements with PARI.

Prior to conducting the futility analysis, we entered into an exclusivity letter with an international biopharmaceutical company in connection with the potential out-licensing of the distribution rights of the Inhaled AAT product. In consideration for the terms of the exclusivity letter, we received a non-refundable payment of \$3.0 million. Following the decision to discontinue the InnovAATe clinical trial, such exclusivity letter was terminated and the payment received was recorded as an offset to our 2025 research and development expenses associated with the clinical trial.

For detailed information regarding the Inhaled AAT development project, see “Item 4B. Information on the Company — Business Overview — Our Development Product Pipeline — *Inhaled Formulations of AAT for AATD*” of our Annual Report on Form 20-F for the year ended December 31, 2024, filed with the SEC on March 5, 2025.

### ***Recombinant AAT***

During 2020, we initiated the development of a recombinant human Alpha 1 Antitrypsin (“rhAAT”) product, focusing on therapeutic indications which would potentially leverage the immune-modulatory mechanism of action of the protein. As part of this project, we developed analytical tools that support the selection of the appropriate cell lines and characterization of the product. We engaged Cellca, a CDMO located in Germany, part of Sartorius Stedim BioTech Group, to pursue the cell line development of the rhAAT in Chinese Hamster Ovary cells with the goal of developing a product of high productivity and robust quality. During the period of 2022 to 2024, we tested the clones previously selected using in-vitro and two ischemic reperfusion injury (“IRI”) in-vivo models. The results of these studies indicated significant tissue-protective effect of the rhAAT, as well as enhanced animal survival.

We continue to seek a strategic partner to collaborate in the further development of this product, and we do not plan to continue its development independently.

### ***Early-stage development programs***

During 2025, we continued to advance two early-stage development programs of plasma derived product candidates. These programs include: (i) human plasma-based eye drops for potential treatment of several ocular conditions, which is currently under pre-clinical evaluation, and (ii) a hyper-immune anti-tuberculosis IgG as a potential complementary treatment to the existing standard of care. The program is developed in collaboration with the Clinical Microbiology and Immunology department of the Medicine-Sackler Faculty of Tel Aviv University and is partially funded by the Israel Innovation Authority. In 2023 and 2024, the anti-tuberculosis IgG was developed and produced on a small scale for research and development purposes and assessed *in-vitro*, and we plan to complete *in-vivo* testing of the product during 2026.

We plan to advance these programs until completion of proof-of-concept, at which point we plan to evaluate continued internal development, partnering or out-licensing.

### ***Investigators initiated studies***

We are actively supporting IIS related to our commercial products. These studies are clinical trials that are conceived, developed, and conducted by independent researchers or institutions, rather than by pharmaceutical companies. Unlike regular industry-sponsored studies, in IIS, the investigator acts as both the sponsor and the principal investigator, taking full responsibility for the study’s design, implementation, and management. These studies offer both clinical and commercial value. Clinically, IIS generate real-world data on drug effectiveness and safety, addressing questions that arise in day-to-day medical practice. Commercially, they provide us with a cost-effective source of clinical data while maintaining a hands-off approach. IIS can explore new therapeutic indications for existing drugs, compare different treatment options, or evaluate cost-effectiveness, often focusing on areas that may not be commercially viable for pharmaceutical companies to pursue directly. By supporting IIS, we can gain valuable insights into our product’s performance across diverse clinical settings without incurring the full responsibilities and costs associated with sponsoring the research.

In connection with our support of IIS, in May 2025, we announced the launch of a new post-marketing research program aimed at generating key data in support of the benefits of CYTOGAM. The research program, developed in collaboration with leading KOLs, is directed at advancing CMV disease management through novel strategies focused on late-onset CMV prevention and mitigation of active CMV disease, exploring alternative dosing strategies, and investigating potential new applications of CYTOGAM. The program also includes research aimed at enhancing the understanding of CYTOGAM’s mechanism of action and its functional properties against CMV and other viruses. Health economic studies to analyze the cost burden of CMV in solid organ transplantation are also planned, along with a clinical practice study to better understand the nuances of current CMV management in lung transplantation.

### **Strategic Partnerships**

We currently have strategic partnerships with several companies to support the distribution and/or development of our products portfolio. Certain strategic partnerships relating to our Proprietary Products segment are discussed below.

***Kedron (KEDRAB for the U.S and Other Products Distributed by Kamada in Israel)***

On July 18, 2011, we entered into a supply and distribution agreement with Kedron, a biopharmaceutical company that collects and fractionates blood plasma to produce and distribute worldwide plasma-derived therapies for use in treating and preventing rare and debilitating conditions, such as coagulation and neurological disorders and primary and secondary immunodeficiencies. The agreement provided for exclusive cooperation for the completion of clinical development, marketing and distribution of our anti-rabies immunoglobulin, KAMRAB, in the United States under the brand name KEDRAB. According to the agreement, Kedron bore all the costs of the Phase 2/3 clinical trials for our product in the United States. In addition, costs related to any Phase 4 clinical trials and the FDA Prescription Drug User fee required for all new approved drugs were shared equally between us and Kedron. In October 2016, we entered into an addendum to the agreement to conduct a safety clinical trial for the treatment of pediatric patients in the United States, pursuant to which we and Kedron agreed to equally share the cost of such trial. The agreement was further supplemented in October 2018 and June 2019, regarding the determination of purchase price and payment terms under the agreement.

The agreement grants Kedron exclusive rights to market and sell KEDRAB in the United States. We retain intellectual property rights to KEDRAB. Kedron is obligated to purchase a minimum amount of KEDRAB units per year during the term of the agreement.

In April 2018, following the receipt of the FDA marketing authorization, KEDRAB was launched in the United States. For more information about the product, see above “Item 4B. Information on the Company —Business Overview — *Proprietary Products Segment* — Our Commercial Product Portfolio — *Proprietary Products — KAMRAB/KEDRAB*”.

The original agreement had a term of six years, commencing on the date by which KEDRAB U.S. launch was feasible (i.e., until March 2024), and Kedron had an option to extend the term by two additional years, which it exercised in July 2023.

In December 2023, we entered into a binding memorandum of understanding with Kedron for the amendment and extension of the distribution agreement between the parties, which represents the largest commercial agreement secured by us to date. Subsequently, in January 2025, we entered into an amendment to the distribution agreement, which supersedes and memorializes the agreements and undertakings set forth in the binding memorandum of understanding, along with additional terms and conditions. Under these agreements, the distribution agreement was extended until December 31, 2031, and Kedron has the right to extend the agreement for an additional two years, until December 31, 2033, by providing written notice no later than December 31, 2030. Under the terms of the amended distribution agreement, Kedron committed to purchasing minimum quantities of KEDRAB during the first four years (i.e., 2024 through 2027) of the eight-year term that began in January 2024, generating projected minimum aggregate revenues for us of approximately \$180.0 million over such four-year period, of which a minimum of approximately \$90.0 million is to be acquired during the remaining two years of such four-year period (i.e., 2026 through 2027). In addition, the parties agreed on a mechanism to be used in determining the minimum purchase commitments for 2028 through the end of the term of the agreement. KEDRAB’s in-market sales in the United States grew significantly in 2023 and continued to grow at lower double-digit rates during 2024 and 2025, reflecting increased demand for KEDRAB in the U.S. market. In addition, the parties agreed to explore the potential expansion of KEDRAB distribution by Kedron to other territories beyond the United States.

In addition to customary termination provisions (including the right of either party to terminate the agreement if the other party fails to perform or violates any provision of the agreement in any material respect and the failure continues unremedied for a defined period), Kedron has the right to terminate the agreement, upon prior written notice, (i) for any reason after receipt of FDA approval, (ii) in the event that the FDA BLA is suspended or revoked and cannot be reinstated within a certain period of time, or (iii) a major regulatory change occurs that materially and adversely increases the clinical trial costs. We have the right to terminate the agreement in the event that (i) a major regulatory change occurs that materially and adversely increases the manufacturing costs of KEDRAB, (ii) a major regulatory change occurs that poses considerable difficulties on submission of an application for FDA approval, or (iii) clinical trials are not initiated within a certain time after either receipt by Kedron of enough product or FDA approval to begin clinical trials. Upon termination or expiration of the agreement, Kedron’s exclusive rights to market and sell KEDRAB in the U.S. market will be canceled, at which point we may elect to market and sell the product in the U.S. market on our own or otherwise engage a different distributor.

For information related to a plasma purchase agreement with Kedplasma, a subsidiary of Kedrion, for the supply of anti-rabies hyper-immune plasma required for the manufacturing of KAMRAB/KEDRAB see “*Raw Materials*” section below.

### ***Takeda (GLASSIA)***

We have a strategic arrangement with Takeda comprised of three main agreements: (1) an exclusive manufacturing, supply and distribution agreement, pursuant to which through 2021, we manufactured GLASSIA for sale to Takeda for further distribution in the United States, Canada, Australia and New Zealand (through the end of 2023, GLASSIA was distributed by Takeda only in the United States and, commencing in 2024, also in Canada); (2) a technology license agreement, which grants Takeda licenses to use our knowledge and patents to produce, develop and sell GLASSIA; and (3) a fraction IV-I paste supply agreement, pursuant to which Takeda supplies us with fraction IV plasma, a plasma derivative, produced by Takeda, as further discussed under “— Manufacturing and Supply — Raw Materials — *Plasma derived Fraction IV paste for GLASSIA manufacturing.*” Other than with respect to plasma-derived AAT administered by IV, we retain all rights, including distribution rights of GLASSIA, in all territories, other than the ones mentioned above, as well as distribution rights to any other form of AAT administration.

The agreements were originally executed with Baxter Healthcare Corporation (“Baxter”) in August 2010. During 2015, Baxter assigned all its rights under the agreements to Baxalta US Inc. (“Baxalta”), an independent public company which spun-off from Baxter. In 2016, Shire plc. (“Shire”) completed the acquisition of Baxalta, and as a result, all of Baxalta’s rights under the agreements were assigned to Shire. In January 2019, Takeda completed its acquisition of Shire, and all rights under the agreements transferred to Takeda.

#### *Exclusive Manufacturing, Supply and Distribution Agreement*

Pursuant to the exclusive manufacturing, supply and distribution agreement, as amended from time to time, Takeda was obligated to purchase a minimum amount of GLASSIA per year until the end of 2021. We undertook to reimburse Takeda for its GLASSIA marketing efforts up to a limited amount during the years 2017-2020. Under the agreement, Takeda is also obligated to fund required Phase 4 clinical trials related to GLASSIA up to a specified amount, and if the costs of such clinical trials are in excess of this amount, we agreed to fund a portion of the additional costs.

In November 2021, pursuant to the technology license agreement described below, Takeda completed the technology transfer of GLASSIA manufacturing and initiated its own production of GLASSIA for the U.S. market. Accordingly, we completed the supply of GLASSIA to Takeda, and through the end of 2023, we remained an approved supplier of the product. We do not anticipate resuming the manufacturing and supply of GLASSIA to Takeda under the exclusive manufacturing, supply and distribution agreement.

#### *Technology License Agreement*

The technology license agreement provides an exclusive license to Takeda, with the right to sub-license to certain manufacturing parties, of our intellectual property and know-how regarding the manufacture and additional development of GLASSIA for use in Takeda’s production and sale of GLASSIA in the United States, Canada, Australia and New Zealand.

Pursuant to the technology license agreement, following the initiation of sales of GLASSIA manufactured by Takeda, Takeda is required to pay us royalties 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. During the first quarter of 2022, Takeda began to pay us royalties on sales of GLASSIA manufactured by it in the United States. During 2021, Takeda received an approval from Health Canada for the marketing and distribution of GLASSIA in Canada, and it commenced sales of GLASSIA in Canada in 2024. For the years ended December 31, 2025, 2024 and 2023, we accounted for \$15.8 million, \$16.9 million and \$16.1 million, respectively, of sales-based royalty income from Takeda.

Pursuant to the technology license agreement, the intellectual property rights for any improvements on the manufacturing process or formulations belong to the party that develops the improvements, with each party agreeing to cross-license the developed improvements to the other party. We retain an option to license any intellectual property developed by Takeda under the agreement that is not considered an improvement on the licensed technology. Additionally, Takeda owns any intellectual property it develops using the licensed technology for new indications for the intravenous AAT product, for which we retain an option to license at rates to be negotiated. Any technology related to new indications for the intravenous AAT product developed by us during the royalty payments period will be part of the licensed technology covered by the technology license agreement.

The technology license agreement expires in 2040. Either party may terminate the agreement, in whole or solely with respect to one or more countries covered by the distribution agreement, pursuant to customary termination provisions. Takeda also has the right to terminate the agreement, upon prior written notice, in the event that: (i) our manufacturing process technology for GLASSIA is determined to materially infringe upon a third party's intellectual property rights, and we have not obtained a license to such third party's intellectual property or provided an alternative non-infringing manufacturing process; (ii) there are certain decreases in GLASSIA sales in the United States unless such decreases are due to transfers to Inhaled AAT for AATD; or (iii) the regulatory approval process in the United States has been withdrawn or rejected as a result of our inaction or lack of diligent effort, provided such withdrawal or rejection was not primarily caused by a breach by Takeda of its obligations. We have the right to terminate the agreement, upon prior written notice: (i) if Takeda contests or infringes upon our intellectual property; (ii) if regulatory approval in one or more countries covered by the technology license agreement is withdrawn or rejected and not reversed, provided it was not primarily caused by the breach by us of our obligations; or (iii) in the event that GLASSIA produced by Takeda, other than as a result of our manufacturing process technology, is determined to materially infringe upon a third party's intellectual property rights, provided that the termination right is limited only to the country in which such judgment is binding. Following any termination, other than expiration of the agreement, all licensed rights will revert to us.

Upon expiration of the agreement, Takeda will be entitled to a non-exclusive, perpetual, royalty free license.

Pursuant to the exclusive manufacturing, supply and distribution agreement and the technology license agreement, we were entitled to receive an upfront payment and certain payments for the achievement of certain development-based milestones related to the transfer of technology to Takeda and sales-based milestones. To date, we received all such payments under these agreements in the total aggregate amount of \$45 million.

#### ***PARI***

In connection with the clinical development of our Inhaled AAT product, we entered into several agreements with PARI for the supply its "eFlow" nebulizer during the clinical phase of the program and, if commercialized, for potential commercialization. Following our decision to discontinue the InnovAATe clinical trial, we are in the process of terminating our agreements with PARI.

#### **Manufacturing and Supply**

We have a production plant located in Beit Kama, Israel. We currently manufacture five of our proprietary plasma-derived commercial products, including three FDA approved products, in this facility: KEDRAB/KAMRAB, GLASSIA, CYTOGAM and two types of snake bite antiserum product.

In December 2022, we submitted an application to the FDA, and in May 2023, we received FDA's approval to manufacture CYTOGAM at our facility in Beit Kama, Israel. Following FDA's approval, CYTOGAM manufactured at our Israeli facility has been available for commercial sale in the United States since October 2023. The FDA approval represented the successful conclusion of the technology transfer process of CYTOGAM from the previous manufacturer, CSL Behring. In July 2023, we also received the approval of Health Canada to manufacture CYTOGAM at our facility, following a technology transfer application that we submitted in January 2023. As part of the CYTOGAM technology transfer process, we engaged Prothya as a third-party contract manufacturer to perform certain manufacturing activities required for the manufacturing of CYTOGAM.

We operate our Beit Kama production facility on a campaign basis so that at any time the facility is assigned to produce only one product. The utilization of the facility's production capacity among the various products is determined based on orders received, sales forecasts and development needs. During each year we conduct routine maintenance shutdowns of our plant, which may last up to a few weeks. In addition, we periodically invest in upgrading infrastructure and adjusting capacity needs.

Our production plant has consistently passed inspections by various health authorities with no critical observations, including by the FDA, IMOH, Health Canada and the health agencies of Croatia, Kazakhstan and Russia. Most recently, our production plant passed inspections with no critical observations by the FDA (in March 2023), Health Canada (in May 2023), the Ministry of Health of the Russian Federation (in November 2024) and IMOH (in December 2024). In 2025, we were audited by the WHO, which inspected the manufacturing of our snake bite antiserum products. This audit was conducted by the WHO to facilitate potential future distribution of these products through the WHO. To date, we have not entered into a supply agreement with the WHO covering these products.

Most changes in our production processes related to our Proprietary Products segment must be approved by the FDA and/or similar authorities in other jurisdictions. From time to time, we make certain required modifications to our manufacturing process and are required to make certain filings to report such changes to the FDA and/or other similar authorities.

During 2025, we commenced a project to acquire and install a new state-of-the-art filling line and construct a new filling suite in our Beit Kama Facility. In parallel, we initiated a project to implement a new IgG purification process utilizing caprylic acid. Both projects aim to increase overall manufacturing capacity and efficiency by enhancing yield per batch, reducing manufacturing costs, and supporting our long-term competitiveness and business continuity. These projects are intended to be advanced in parallel and are expected to be completed and approved by the relevant regulatory authorities, including the FDA, by 2030. This initiative demonstrates our ongoing commitment to improving operational efficiency and gross profit while enabling scalable, cost-effective production of our plasma-derived products.

WINRHO SDF, VARIZIG and HEPAGAM B, which we acquired in November 2021, are currently manufactured by Emergent under a manufacturing services agreement that we assumed as part of the acquisition of the portfolio from Saol. Under the agreement, Emergent serves as our exclusive manufacturer for these three products. The manufacturing services are performed at Emergent's facilities in Winnipeg, Canada. The current agreement is in effect until September 27, 2027. We expect to continue manufacturing these products with Emergent while planning to transition their production to our facility in Beit Kama, Israel, utilizing the new caprylic acid purification process. Such transition would require certain changes to manufacturing processes, potential amendments to the contract manufacturing agreement with Emergent, and the receipt of required regulatory approvals. We anticipate that such transition would be completed within four to five years.

### ***Raw Materials***

The main raw materials in our Proprietary Products segment are hyper-immune plasma and fraction IV derived from NSP. We also use other raw materials, including both natural and synthetic materials. We purchase raw materials from suppliers who are regulated by the FDA, EMA and other regulatory authorities. Our suppliers are approved in their countries of origin and by the IMOH. The raw materials must comply with strict regulatory requirements. We require our raw materials suppliers to comply with the cGMP regulations, and we audit our suppliers from time to time. We are dependent on the regular supply and availability of raw materials in our Proprietary Products segment.

We maintain relationships with several suppliers to ensure availability and reduce reliance on specific suppliers. We are dependent, however, on several suppliers who supply specialty ancillary products prepared for the production process, such as specific gels and filters. See "Item 3. Key Information — D. Risk Factors — *We could become supply-constrained, and our financial performance could suffer, if we were unable to obtain adequate quantities of source plasma, plasma derivatives or specialty ancillary products that meet the regulatory requirements of the FDA, the EMA, Health Canada or the regulatory authorities in Israel, or if our suppliers were to fail to modify their operations to meet regulatory requirements or if prices of source plasma or plasma derivatives were to rise significantly.*"

In the years ended December 31, 2025, 2024 and 2023, we incurred \$23.6 million, \$22.2 million and \$23.7 million of expenses, respectively, for the purchase of raw materials for the manufacturing of our Proprietary Products. The changes in the costs associated with the purchase of raw materials are driven by our inventory management and manufacturing plan.

#### *Hyper-immune Plasma*

Hyper-immune plasma is used for the manufacturing of KEDRAB/KAMRAB, CYTOGAM, WINRHO SDF, VARIZIG and HEPAGAM B. We have several suppliers in the United States for hyper-immune plasma with whom we have long-term supply agreements. Under such long-term supply agreements, we work to secure availability of hyper-immune plasma on an annual basis by providing forecasts to our suppliers based on our customers' actual and forecasted demand.

In January 2012, we entered into a plasma purchase agreement with Kedplasma, a subsidiary of Kedrion, for the supply of the anti-rabies hyper-immune plasma required for the manufacturing of KAMRAB (including for manufacturing of KEDRAB for sale to Kedrion for further distribution in the U.S. market). The agreement includes a commitment to supply certain minimum annual quantities at predetermined prices. The agreement is renewed every three years, and the parties agree on quantity and pricing terms for each renewal period. We have an additional U.S.-based supplier of anti-rabies hyper-immune plasma.

CMV hyper-immune plasma for the manufacturing of CYTOGAM is supplied to us by CSL Behring, initially under a three-year supply agreement that we assumed from Saol, and in December 2023, we entered into a new plasma supply agreement directly with CSL Behring, which supersedes the assumed supply agreement. The new agreement provides for the continued supply of required plasma for the manufacturing of the product for each of the years 2024-2026. We are currently negotiating an extension to such supply agreement for an additional four year period of 2027-2030.

Emergent is currently responsible for securing the hyper-immune plasma from different plasma suppliers for the manufacturing of WINRHO SDF, HEPAGAM B and VARIZIG, pursuant to our manufacturing services agreement with Emergent (see above— "Manufacturing and Supply"). In 2024, we began supplying to Emergent hyper-immune plasma collected through our internal plasma collection operations for the manufacturing of WINRHO SDF.

While we continue to pursue new long-term supply agreements for hyper-immune plasma with additional plasma-collection companies, we aim to reduce our dependencies on third-party suppliers by increasing our own supply of hyper-immune plasma, specifically for the manufacturing of KEDRAB/KAMRAB and WINRHO SDF, through our plasma collection operations at our centers in Beaumont, Houston and San Antonio. For information related to our internal plasma collection capabilities, see above "*Plasma Collection*."

#### *Plasma derived Fraction IV paste for GLASSIA manufacturing*

On August 23, 2010, in conjunction with the partnership arrangement with Baxter (now Takeda), we signed a fraction IV paste supply agreement with Baxter (now Takeda) for the supply of fraction IV for use in the production of GLASSIA to be sold in the United States. Under this agreement, Takeda also supplies us with fraction IV used for the production, sale and distribution of GLASSIA in jurisdictions other than those which are covered under the exclusive manufacturing, supply and distribution agreement with Takeda as well as for other AAT derived products. If we require fraction IV for other purposes, we are entitled to purchase it from Takeda at a predetermined price and adjustment mechanism. The supply agreement terminates on August 23, 2040, subject to an option for earlier termination in the event of a material breach.

We have an additional fraction IV plasma supplier, approved for production of GLASSIA marketed in non-U.S. countries, and we may, in the future, seek to obtain regulatory approval to use fraction IV from this supplier for the U.S. market as well.

## Marketing and Distribution

We distribute our Proprietary Products in more than 30 countries worldwide, including the United States, Argentina, Canada, Israel, Russia, Turkey, Sweden, Australia, Poland, Switzerland, South Korea, Romania and additional countries in Latin America, the MENA region and Asia. We are also a supplier to an international organization specializing in providing health services for the Americas. We distribute our products in these markets directly or through strategic partners (e.g., Kedrion in the U.S. market) or by local distributors. We typically receive orders for our products and receive requests for participation in tenders for the supply of our products from our existing distributors as well as from new potential distributors.

We sell KEDRAB to Kedrion for distribution in the U.S. market and sell KAMRAB to other distributors in non-U.S. countries. We market GLASSIA mainly in Argentina, Russia, Israel and Switzerland (in some of these markets under a different brand name) through local distributors.

We distribute CYTOGAM, WINRHO SDF, VARIZIG and HEPAGAM B in the U.S. market directly to wholesalers and local distributors, through our wholly owned U.S. subsidiary, Kamada Inc. Commencing September 2022, we assumed all distribution responsibilities for these products in the U.S. market and are utilizing a U.S.-based third-party logistics provider for storage, logistics and distribution, which provides complete order to cash services. We are also responsible for marketing activities, price determination, provision of rebates and credits as well as mandatory pricing reporting requirements for these products in the U.S. market. We also market, sell and distribute these products in non-U.S. countries, primarily in Canada and other countries in the MENA region, through the engagement of local distributors. We continue to leverage our existing strong international distribution network to expand the sales of CYTOGAM, WINRHO SDF, VARIZIG and HEPAGAM B to other regions in which we currently operate and furthermore, we intend to explore the expansion of sales of our other Proprietary Products, primarily GLASSIA and KAMRAB, to international markets, primarily in the MENA region.

In 2022, as part of the establishment of our U.S. operations, we deployed an experienced team of U.S.-based sales and medical affairs professionals. The U.S. sales team promotes our portfolio of specialty plasma-derived IgG products to physicians and other healthcare practitioners through direct engagement and opportunities at medical conventions. The medical affairs team educates physicians by addressing their scientific and clinical inquiries, along with participating in major medical conferences. We are encouraged by the consistently positive feedback received from key U.S. physicians who are seeking to publish new clinical data related to our products, while conducting educational symposiums that we believe will have a positive impact on the understanding of these medicines, contributing to continued growth in demand.

Our promotional activities, including engagements with healthcare practitioners, are conducted in compliance with the FDA's restrictions on promotion of pharmaceuticals, and the Anti-Kickback statutes.

In the Israeli market, we currently sell and distribute GLASSIA and KAMRAB independently to local HMOs and medical centers, or through a third-party logistic partner that specializes in the supply of equipment and pharmaceuticals to healthcare providers, and in addition we sell our two types of anti-snake venom to the IMOH.

Outside the U.S. and Israel, we sell our Proprietary Products through local tenders by governing bodies (such as CBS and Hema-Quebec in Canada, as well as to an international organization), or our distributors may sell our Proprietary Products through a tender process and/or to the private market. The tender process is conducted on a regular basis by the distributors, sometimes on an annual basis. For existing distributors, our existing relationship does not guarantee additional orders in these tenders. The decisive parameter is generally the price proposed in the tender. The distributor purchases products from us and sells them to its customers (either directly or by means of sub-distributors). In most cases, we do not enter into contractual arrangements with the end users, and as such, we do not determine the price to the end user or its terms of payment and are not exposed to credit risks of the end users. In most cases, our agreements with the local distributors award the various distributors exclusivity in the distribution of our products in the relevant country, if permitted. The distribution agreements are usually made for a specific initial period and are subsequently renewed for certain agreed periods, where the parties have the right to cancel or renew the agreements with prior notice of several months. In these markets, we do not actively participate in the marketing to the end users, except for supplying marketing assistance where the cost is negligible or in some cases, reimburse the local distributor for an agreed amount of its actual marketing expenses.

We are establishing our footprint in the MENA region as a leader in the specialty plasma-derived field by exploring geographical expansion opportunities and strengthening our relationships with KOLs across the region.

Most of the sales of our Proprietary Products segment outside of Israel are made against open credit and some in documentary credit or advance payment. Most of our sales in Israel are made against open credit or cash. The credit given to some of our customers abroad (except for sales in documentary credit or advanced payment) is mostly secured by means of a credit insurance policy and in certain cases with bank guarantees.

In the Distribution segment, we market our products in Israel to HMOs, hospitals and medical specialists on our own and we distribute the products independently or through a third-party logistic provider. We sell certain of our Distribution segment products through offers to participate in public tenders that occur on an annual basis or through direct orders. The public tender process involves HMOs and hospitals soliciting bids from several potential suppliers, including us, and selecting the winning bid based on several attributes, primarily price and availability. The annual public tender process is also used by our existing Distribution segment products customers to determine their suppliers. As a result, our existing relationship with customers in our Distribution segment does not guarantee additional orders from such customers year-over-year.

To secure supply of our products in the Distribution segment, we enter into supply and distribution agreements with the product owners, pursuant to which we undertake to register the products with the IMOH, acquire certain quantity of products and act as the product distributor in the Israeli market. We work closely with those suppliers to develop annual forecasts, but these forecasts usually do not oblige our suppliers to provide us with their products.

## **Customers**

For the year ended December 31, 2025, sales to our three largest customers, Kedrion, Takeda and Clalit Health Services, an Israeli based HMO, accounted for 30%, 9% and 7%. For the year ended December 31, 2024, sales to our three largest customers, Kedrion, Takeda and McKesson, one of the largest U.S.-based wholesalers, accounted for 31%, 10% and 8%, respectively, of our total revenues. For the year ended December 31, 2023, sales to our three largest customers, Kedrion, Takeda and Clalit Health Services accounted for 23%, 11% and 7%, respectively, of our total revenues.

While Kedrion, Takeda, Clalit Health Services and McKesson are currently our major customers in the Proprietary Products segment, other key customers include several U.S. based wholesalers, an international organization, two Canadian customers and our distributors in Argentina, Russia, the MENA region and other territories. These arrangements are further described above under “— Marketing and Distribution.”

Our primary customers in the Distribution segment in Israel are HMOs, including Clalit Health Services and Maccabi Healthcare Services, Israeli hospitals and the IMOH.

## **Seasonality**

We have experienced in the past, and may experience in the future, certain fluctuations in our quarterly revenues.

## **Competition**

The worldwide market for pharmaceuticals in general, and biopharmaceutical and plasma derived products, in particular, has, in recent years, undergone a process of consolidation through mergers and acquisitions. This trend has led to a reduction in the number of competitors and the strengthening of the remaining companies, particularly in the plasma-derived sector.

## ***Proprietary Products Segment***

There are a limited number of direct competitors for each of our products in the Proprietary Products segment. These competitors include CSL Behring, Grifols (which acquired Biotest AG during 2022), Kedrion (other than for KEDRAB) (which merged with BPL during 2022), and ADMA. Most of these companies are multinational corporations that specialize in plasma derived protein therapeutics and distribute plasma derived pharmaceutical products worldwide. We have not seen significant changes in the activities of our competitors in recent years. Additionally, our strategic alliance with Kedrion in the United States has strengthened our KEDRAB competitive positioning in the market. The acquisition of Biotest AG by Grifols and the merger between Kedrion and BPL might impact the markets that we operate in. In some international markets, such as India, Thailand and Russia, we also have local competitors for KAMRAB.

In addition, we face potential competition from other biopharmaceutical companies that develop and market non-plasma derived products that are approved for similar indications to those in our Proprietary Products segment.

In cases of existing competition, our competitors usually have advantages in the market because of their size, financial resources, plasma-collection capacity, and the duration of their activities and experience in the relevant market, especially in the United States and countries of the European Union.

The following describes details known to us about our most significant competitors for each of our main Proprietary Products segment products.

*KEDRAB/KAMRAB.* We believe that there are two main competitors for this anti-rabies IgG product worldwide: Grifols, whose product we estimate accounts for approximately 50% of the anti-rabies IgG market in the United States, and CSL Behring, which sells its anti-rabies product in Europe and other international markets. Sanofi Pasteur, the vaccines division of Sanofi S.A., exited the U.S. anti-rabies IgG market as well as some additional international markets during 2022. We believe that such departure, among other things, contributed to the increase in demand for KEDRAB in the United States since 2023. BPL, which has an anti-Rabies IgG product for the UK market, has developed it also for the U.S. market, including performing a clinical trial; however, it did not complete the product development and has not submitted a BLA for FDA approval. There are several local producers in other countries that make anti-rabies IgG products, mostly based on equine serum, which we believe results in inferior products, as compared to products made from human plasma. Over the past several years, several companies have made attempts, and some are still in the process of developing monoclonal antibodies for anti-rabies treatment. The first monoclonal antibody product was approved and is available in India, and the second monoclonal antibody product was approved and is available in China and to our understanding, is intended to be submitted for marketing authorization in other countries, including the U.S. market. These products may be as effective as the currently available plasma derived anti-rabies immunoglobulin and may potentially be cheaper, and as such may result in the future in increased competition and potential loss of market share of KEDRAB/KAMRAB.

*GLASSIA.* There are several competing products for GLASSIA. Grifols, CSL Behring and Takeda have competing plasma derived AAT products approved for AATD that are marketed in the United States, as well as in some European countries and Canada. We estimate that Prolastin, Grifols' AAT infusion product for the treatment of AATD, accounts for at least 50% market share in the United States and more than 70% of sales worldwide. In September 2017, Grifols announced FDA approval of a liquid formulation of Prolastin. To the best of our knowledge, Grifols's liquid product is currently sold in the U.S. market. In addition, Grifols launched its liquid product in Argentina during 2025, and may in the future expand its sales of this product to other ex-U.S. markets. Grifols is also a producer of an additional AAT product, Trypsone, which is marketed in Spain and in some Latin American countries, including Brazil. CSL Behring's AAT by IV product, Zemaira, is mainly sold in the United States, and during 2015 received centralized marketing authorization approval in the European Union. CSL Behring launched the product in a few selected EU markets during 2016 under the brand name Respreeza. Takeda, our strategic partner for sales of GLASSIA in the United States and Canada, also serves existing patients in the United States with its own proprietary AAT product, Aralast. As far as we know, Takeda is selling both products in the United States and maintaining existing patients on Aralast. Laboratoire Français du Fractionnement et des Biotechnologies, S.A. (LFB) is a producer of an AAT product distributed only in the French market. We do not believe that new plasma derived AAT products are expected to enter the U.S. or European markets in the near future.

There are several other competitors in pre-clinical and clinical stages, such as Sanofi, Beam Therapeutics and Wave Therapeutics, and potentially others, all of which have clinical stage development programs for new medications for treatment of AATD lung disease. Additional companies have pre-clinical stage development programs, such as AlveoGene, and Regeneron/Tessera Therapeutics, all of which include gene editing technologies. Preclinical phase programs do not always progress to advanced clinical development stages. These product candidates, if approved, may have an adverse effect on the AATD market size and reduce or eliminate the need for the currently approved plasma derived AAT augmentation therapy, and thus may potentially affect our ability to continue to generate revenues and earnings from GLASSIA.

*CYTOGAM*. To our knowledge, CYTOGAM is the only plasma derived CMV IgG product approved in the United States and Canada. In Europe and other international markets Cytotec CP/Megalotect (Biotest AG), a plasma derived competing product, is available. Standard IVIG (polyvalent IgG) preparations are sometimes used as an alternative to plasma-derived hyperimmune products like CYTOGAM, due to lower costs, and therefore remain a market competitor in certain settings. Based on available public information, the FDA approved the following non-plasma derived antiviral drugs for the prevention of CMV infection and disease: letermovir (Prevymis), distributed by Merck & Co., and for treatment of refractory/resistant infection or disease maribavir (Livtency), developed by Takeda. Since their launch, these products have resulted in a significant loss of market share for CYTOGAM. Currently, treatment guidelines state that combination therapy with standard antiviral can be considered for certain solid organ transplant recipients. The most used antivirals are Ganciclovir (Cytovene-IV Roche) and valganciclovir (Valcyte Roche). Patients treated with such antivirals agents for a long time can develop resistance and will require second-line treatment such as foscarnet (Foscavir Pfizer) or Cidofovir (Gilead Sciences). Despite the introduction of newer antiviral therapies for CMV in solid organ transplantation, like letermovir and maribavir, there remains a need to determine the optimal approach to CMV management considering all therapies, including CYTOGAM. This is due to the ongoing risk of CMV developing antiviral drug resistance, specific patient populations at higher risk for CMV, adverse drug event concerns, and market access concerns.

*WINRHO SDF*. WINRHO SDF, an Anti-D IgG product (also called Rh<sub>0</sub>(D) IgG), which is registered in the United States, competes with corticosteroids (oral prednisone or high-dose dexamethasone) and IVIG as first or second line treatment for acute ITP. Grifols, CSL Behring, Takeda, Kedrion and Octapharma are the main IVIG manufacturers and suppliers in the United States. IVIG or WINRHO SDF are recommended for pediatric patients in whom corticosteroids are contraindicated. Rhophylac, a competing Anti-D IgG from CSL Behring, is also approved for ITP treatment. Outside the United States, WINRHO SDF is used for HDN indication. The market in ex-U.S. countries is usually led by tenders, where key indicators are registration status and price. Our main competitors in those countries are RhoGAM (Kedrion), Hyper RHO (Grifols) and Rhophylac (CSL Behring).

*VARIZIG*. To our knowledge, VARIZIG is the only plasma derived Varicella-Zoster IgG product approved in the United States and Canada. In Europe and other international markets, VARITECT (Biotest AG) and additional plasma derived competing products are available. In the United States, incidence of VZV infection has significantly decreased since the introduction of the varicella vaccine in 1995. While the vaccine has lowered the occurrence of chickenpox, the virus has not been eradicated, and the incidence of Herpes Zoster, also caused by VZV, is rising among adults in the United States. Suboptimal vaccination rates contribute to outbreaks and increased risk of VZV exposure. Immunocompromised individuals and other patient groups are at high risk for severe varicella and complications after being exposed to VZV. VARIZIG is recommended by the CDC for post-exposure prophylaxis of varicella in persons at high risk for severe varicella and complications who lack evidence of immunity to varicella. If VARIZIG is unavailable, the CDC recommends IVIG, and some experts recommend Acyclovir or Valacyclovir, although published data on their benefits as post-exposure prophylaxis among immunocompromised individuals are limited.

*HEPAGAM B*. To our knowledge, HEPAGAM B is the only approved HBIG in the United States with an on-label indication for liver transplants. To our understanding, HEPAGAM B holds the majority market share for the indication, although another HBIG, Nabi-HB (manufactured and supplied by ADMA) is used off-label by some medical centers for the indication. New generation antivirals are considered effective for preventing HBV reactivation post-transplant, thereby reducing HBIG use. PEP indication in the United States is covered almost totally by Nabi-HB (ADMA) and HyperHEP (Grifols). In Canada, the main competition in national tenders is HypeHEP. In other territories, such as Turkey, the MENA region, and in Israel, HEPATECT CP and Zutectra (Biotest AG) are the main competitors.

## **Government Regulation**

Government authorities in the United States, at the federal, state and local level, and in other countries extensively regulate, among other things, the research, development, testing, cGMP requirements, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, post-approval monitoring and reporting, marketing and export and import of products such as those we sell and are developing. Except for compassionate use or non-registered named-patient cases, any pharmaceutical candidate that we develop must be approved by the FDA before it may be legally marketed in the United States and by the appropriate regulatory agencies of other countries before it may be legally marketed in such other countries. In addition, any changes or modifications to an approved biological product that has the potential to have an adverse effect on the product's safety or effectiveness may require approval or review from regulatory authorities in the United States and/or in other countries. Preclinical studies, clinical trials and the process of obtaining such approvals or submitting required notifications can be expensive, time consuming and uncertain.

## *U.S. Drug Development Process*

In the United States, pharmaceutical products are regulated by the FDA under the Federal Food, Drug, and Cosmetic Act and other laws, including, in the case of biologics, the Public Health Service Act and their respective implementing regulations. All of our products for human use and product candidates in the United States, are regulated by the FDA as biologics. Biologics require the submission of a biologics license application (“BLA”) and approval by the FDA prior to being marketed in the United States. Manufacturers of biologics may also be subject to state regulation. Failure to comply with regulatory requirements, both before and after product approval, may subject us and/or our partners, contract manufacturers and suppliers to administrative or judicial sanctions, including FDA delay or refusal to approve applications, issuance of a clinical hold, injunctions, restitution, disgorgement, warning letters, product recalls, product seizures, import restrictions, total or partial suspension of production or distribution, fines and/or criminal prosecution.

The steps required before a biologic drug may be approved for marketing for an indication in the United States generally include:

1. completion of preclinical in-vitro and potentially also in-vivo tests in accordance with applicable regulations, including FDA’s good laboratory practice (“GLP”) requirements;
2. submission to the FDA of an investigational new drug (“IND”) application for human clinical testing, including required chemistry manufacturing and controls (“CMC”) sections, which must become effective before human clinical trials may commence;
3. performance of adequate and well-controlled human clinical trials in accordance with applicable IND regulations, GCP requirements and other clinical trial-related regulations to establish the safety and efficacy of the product;
4. submission to the FDA of a BLA, with all the required information;
5. a satisfactory completion of FDA pre-approval inspection of the drug product’s manufacturing facilities to ensure compliance with cGMP requirements; and
6. FDA review and approval of the BLA.

Preclinical studies include laboratory evaluation and in-vitro studies, and may include in vivo animal studies, which assess the potential safety and efficacy of the product candidate. Preclinical safety tests must be conducted in compliance with FDA regulations regarding GLP requirements. The results of the preclinical tests, together with manufacturing information and analytical data, are submitted to the FDA as part of an IND which must become effective before human clinical trials may be commenced. The IND will automatically become effective 30 days after receipt by the FDA, unless the FDA before that time raises concerns about the drug candidate or the conduct of the trials as outlined in the IND. The IND sponsor and the FDA must resolve any outstanding concerns before clinical trials can proceed. There can be no assurance that submission of an IND will result in FDA authorization to commence clinical trials or that, once commenced, other concerns will not arise, that could lead to a delay or a hold on the clinical trials.

Clinical trials involve the administration of the investigational product to healthy volunteers or to patients, under the supervision of qualified principal investigators. Each clinical study at each clinical site must be reviewed and approved by an independent IRB, prior to the recruitment of subjects. Numerous requirements apply including, but not limited to, GCP regulations, privacy regulations, and requirements related to the protection of human subjects, such as informed consent.

Clinical trials are typically conducted in three sequential phases, but the phases may overlap, and different trials may be initiated with the same drug candidate within the same phase of development in similar or differing patient populations.

- Phase 1 studies may be conducted in a limited number of patients but are usually conducted in healthy volunteer subjects. The drug is usually tested for safety and, as appropriate, for absorption, metabolism, distribution, excretion, pharmacodynamics and pharmacokinetics.
- Phase 2 usually involves studies in a larger, but still limited, patient population to evaluate preliminarily the efficacy of the drug candidate for specific, targeted indications; to determine dosage tolerance and optimal dosage; and to identify possible short-term adverse effects and safety risks.
- Phase 3 trials are undertaken to further evaluate clinical efficacy of a specific endpoint and to test further for safety within an expanded patient population at geographically dispersed clinical study sites.

Phase 1, Phase 2 or Phase 3 testing may not be completed successfully within any specific time period, if at all, with respect to any of our product candidates. Results from one trial are not necessarily predictive of results from later trials. The FDA may require additional testing or a larger pool of subjects beyond what we proposed as the clinical development process proceeds, thereby requiring more time and resources to complete the trials. Furthermore, the FDA may suspend clinical trials at any time on various grounds, including a finding that the subjects or patients are being exposed to an unacceptable health risk, or may not allow the importation of the clinical trial materials if there is non-compliance with applicable laws.

The results of the preclinical studies and clinical trials, together with other detailed information, including information on the manufacture and composition of the product, are submitted to the FDA as part of a BLA requesting approval to market the product candidate for a proposed indication. Under the Prescription Drug User Fee Act, as amended, the fees payable to the FDA for reviewing a BLA, as well as annual fees for commercial manufacturing establishments and for approved products, can be substantial. The BLA review fee alone can exceed \$4,300,000, subject to certain limited deferrals, waivers and reductions that may be available. Each BLA submitted to the FDA for approval is typically reviewed for administrative completeness and reviewability within 45 to 60 days following submission of the application. If found complete, the FDA will “file” the BLA, thus triggering a full review of the application. The FDA may refuse to file any BLA that it deems incomplete or not properly reviewable at the time of submission. The FDA’s established goals are to review and act on 90% of priority BLA applications and priority original efficacy supplements within six months of the 60-day filing date and receipt date, respectively. The FDA’s goals are to review and act on 90% of standard BLA applications and standard original efficacy supplements within 10 months of the 60-day filing date and receipt date, respectively. The FDA, however, may not be able to approve a drug within these established goals, and its review goals are subject to change from time to time. Further, the outcome of the review, even if generally favorable, may not be an actual approval but an “action letter” that describes additional work that must be done before the application can be approved. Before approving a BLA, the FDA may inspect the facilities at which the product is manufactured or facilities that are significantly involved in the product development and distribution process and will not approve the product unless cGMP compliance is satisfactory. The FDA may deny approval of a BLA if applicable statutory or regulatory criteria are not satisfied, or may require additional testing or information, which can delay the approval process. FDA approval of any application may include many delays or never be granted. If a product is approved, the approval will impose limitations on the indicated uses for which the product may be marketed, will require that warning statements be included in the product labeling, may impose additional warnings to be specifically highlighted in the labeling (e.g., a Black Box Warning), which can significantly affect promotion and sales of the product, will likely require that additional studies be conducted following approval as a condition of the approval, may impose restrictions and conditions on product distribution, prescribing or dispensing in the form of a risk management plan, or otherwise limit the scope of any approval. To market a product for other uses, or to make certain manufacturing or other changes requires prior FDA review and approval of a BLA Supplement or new BLA. Further post-marketing testing and surveillance to monitor the safety or efficacy of a product is required. Also, product approvals may be withdrawn if compliance with regulatory standards is not maintained or if safety or manufacturing problems occur following initial marketing. In addition, new government requirements may be established that could delay or prevent regulatory approval of our product candidates under development.

As part of the Patient Protection and Affordable Care Act (the “healthcare reform law”), Public Law No. 111-148, under the subtitle of Biologics Price Competition and Innovation Act of 2009 (“BPCIA”), a statutory pathway has been created for licensure, or approval, of biological products that are biosimilar to, and possibly interchangeable with, earlier biological products approved by the FDA for sale in the United States. Also, under the BPCIA, innovator manufacturers of original reference biological products are granted 12 years of exclusivity before biosimilars can be approved for marketing in the United States, which protects an innovator from competitors using the innovator’s own clinical data to gain approval of a competing product. There have been proposals to shorten this period from 12 years to five years. The objectives of the BPCIA are conceptually similar to those of the Drug Price Competition and Patent Term Restoration Act of 1984, commonly referred to as the “Hatch-Waxman Act,” which established abbreviated pathways for the approval of drug products. A biosimilar is defined in the statute as a biological product that is highly similar to an already approved biological product, notwithstanding minor differences in clinically inactive components, and for which there are no clinically meaningful differences between the biosimilar and the approved biological product in terms of the safety, purity, and potency. Under this approval pathway, biological products can be approved based on demonstrating they are biosimilar to, or interchangeable with, a biological product that is already approved by the FDA, which is called a reference product. If we obtain approval of a BLA, the approval of a biologic product biosimilar to one of our products could have a significant impact on our business. The biosimilar product may be significantly less costly to bring to market and may be priced significantly lower than our products.

Both before and after the FDA approves a product, the manufacturer and the holder or holders of the BLA for the product are subject to comprehensive regulatory oversight. For example, quality control and manufacturing procedures must conform, on an ongoing basis, to cGMP requirements, and the FDA periodically inspects manufacturing facilities to assess compliance with cGMP. Accordingly, manufacturers must continue to spend time, money and effort to maintain cGMP compliance. In addition, a BLA holder must comply with post-marketing requirements, such as reporting of certain adverse events. Such reports can present liability exposure, as well as increase regulatory scrutiny that could lead to additional inspections, labeling restrictions, or other corrective action to minimize further patient risk.

### ***Special Development and Review Programs***

#### ***Orphan Drug Designation***

The FDA may grant orphan drug designation to drugs intended to treat a rare disease or condition that affects fewer than 200,000 individuals in the United States, or if it affects more than 200,000 individuals in the United States and there is no reasonable expectation that the cost of developing and making the drug for this type of disease or condition will be recovered from sales in the United States. In the United States, orphan drug designation must be requested before submitting a BLA.

In the European Union, orphan designation is granted by the European Commission following an opinion from the EMA’s Committee for Orphan Medicinal Products to promote the development of medicines intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition. A product may qualify if (i) the condition affects not more than five in 10,000 persons in the European Union at the time of application, or (ii) without incentives, it is unlikely that marketing of the product would generate sufficient return to justify the necessary investment. In addition, it must be established that there is no satisfactory authorized method of diagnosis, prevention or treatment in the European Union, or, if such a method exists, that the product will be of significant benefit to those affected.

We have received orphan designations in the United States and the European Union for multiple indications. Inhaled AAT has been granted orphan designation for the treatment of AATD in both the United States and the European Union. The inhaled formulation of AAT has also received orphan designation for the treatment of cystic fibrosis in both regions, and for the treatment of bronchiectasis in the United States. In addition, GLASSIA has been granted orphan designation in the United States for the treatment of newly diagnosed Type 1 Diabetes. AAT has also received orphan designation for the treatment of Graft versus Host Disease in both the United States and the European Union, as well as for the prophylactic treatment of Graft versus Host Disease in the United States.

In the United States, orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and waivers for BLA/NDA FDA application user fees. In addition, if a product and its active ingredients receive the first FDA approval for the indication for which it has orphan designation, the product is entitled to orphan drug exclusivity, which means the FDA may not approve any other application to market the same drug for the same indication for a period of seven years, except in limited circumstances, such as a showing of clinical superiority over the product with orphan exclusivity. Orphan drug designation itself does not convey any advantage in, or shorten the duration of, the regulatory review and approval process. In addition, the FDA may rescind orphan drug designation and, even with designation, may decide not to grant orphan drug exclusivity even if a marketing application is approved. Furthermore, the FDA may approve a competitor product intended for a non-orphan indication, and physicians may prescribe the drug product for off-label uses, which can undermine exclusivity and hurt orphan drug sales. There has also been litigation that has challenged the FDA's interpretation of the orphan drug exclusivity regulatory provisions, which could potentially affect our ability to obtain exclusivity in the future.

In the European Union, orphan drug designation may entitle the sponsor to financial incentives such as reduction of fees or fee waivers. If the orphan designation is maintained at the time of marketing authorization, the product is granted 10 years of orphan market exclusivity for the authorized orphan indication. This period may be reduced to six years if, at the end of the fifth year, it is established that the orphan criteria are no longer met, including where the product is sufficiently profitable not to justify maintenance of market exclusivity. During orphan market exclusivity, authorization of a similar medicinal product for the same therapeutic indication is generally not permitted unless one of the Article 8(3) derogations applies (clinical superiority, including major contribution to patient care, consent of the Marketing Authorization Holder, or inability to supply)

In the European Union, an application for marketing authorization may be submitted while orphan designation is still under evaluation; however, orphan fee incentives apply only if the Commission decision granting orphan designation has been adopted and the designation is held at the time of marketing authorization application submission.

### ***Post-Approval Requirements***

Any drug products for which we receive FDA approvals are subject to continuing regulation by the FDA. Certain requirements include, among other things, changes to product testing or manufacturing, record-keeping requirements, reporting of adverse experiences with the product, providing the FDA with updated safety and efficacy information on an annual basis or more frequently for specific events, product sampling and distribution requirements, complying with certain electronic records and signature requirements and complying with FDA promotion and advertising requirements. These promotion and advertising requirements include, among others, standards for direct-to-consumer advertising, prohibitions against promoting drugs for uses or in patient populations that are not described in the drug's approved labeling (known as "off-label use"), and other promotional activities. We are also required to ensure that non-promotional scientific exchanges concerning our products are truthful and non-misleading. Failure to comply with FDA requirements can have negative consequences, including the immediate discontinuation of noncomplying materials, adverse publicity, warning letters from or other enforcement by the FDA, mandated corrective advertising or communications with doctors, and civil or criminal penalties. Such enforcement may also lead to scrutiny and enforcement by other government and regulatory bodies. Although physicians may prescribe legally available drugs for off-label uses, manufacturers may not encourage, market or promote such off-label uses.

The manufacturing of our product candidates is required to comply with applicable FDA manufacturing requirements contained in the FDA's cGMP regulations. Our product candidates are either manufactured at our production plant in Beit Kama, Israel, or, for products where we have entered into a strategic partnership with a third party to cooperate on the development of a product candidate, at a third-party manufacturing facility. These regulations require, among other things, quality control and quality assurance, as well as the corresponding maintenance of comprehensive records and documentation. Drug manufacturers and other entities involved in the manufacture and distribution of approved drugs are also required to register their establishments and list any products they make with the FDA and to comply with related requirements in certain states. These entities are further subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP and other laws. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain cGMP compliance. Discovery of problems with a product after approval may result in serious and extensive restrictions on a product, manufacturer or holder of an approved new drug application (NDA) or BLA, as well as lead to potential market disruptions. These restrictions may include suspension of a product until the FDA is assured that quality standards can be met, product seizure or detention, continuing oversight of manufacturing by the FDA under a "consent decree," which frequently includes the imposition of costs and continuing inspections over a period of many years, as well as possible withdrawal of the product from the market. In addition, changes to the manufacturing process generally require prior FDA approval before being implemented. Other types of changes to the approved product, such as adding new indications and additional labeling claims, are also subject to further FDA review and approval, including possible user fees.

The FDA also may require a Boxed Warning (e.g., a specific warning in the label to address a specific risk, sometimes referred to as a "Black Box Warning"), which has marketing restrictions, and post-marketing testing, or Phase 4 testing, as well as a Risk Evaluation and Minimization Strategy (REMS) plans and surveillance to monitor the effects of an approved product or place conditions on an approval that could otherwise restrict the distribution or use of the product.

#### ***Other U.S. Healthcare Laws and Compliance Requirements***

In the United States, our activities are subject to regulation and enforcement by various federal, state and local authorities, such as the FDA, the Centers for Medicare & Medicaid Services, the Department of Health and Human Services Office of Inspector General, the U.S. Federal Trade Commission, the U.S. Department of Justice and individual United States Attorney's offices within the Department of Justice, and state attorneys general. To the extent applicable, we must comply with the fraud and abuse provisions of the Social Security Act, the federal Anti-Kickback Statute, the False Claims Act, both federal and state physician sunshine acts, the privacy and security provisions of HIPAA, and similar state laws governing the use, disclosure, privacy, and security of health information. Pricing and rebate programs must comply with the Medicaid rebate requirements of the Omnibus Budget Reconciliation Act of 1990 and the Veterans Health Care Act ("VHCA"), each as amended. Certain pricing and rebate provisions of the IRA may require additional pricing disclosure and discount obligations for our products. If products are made available to authorized users of the Federal Supply Schedule of the General Services Administration, additional laws and requirements apply. Under the VHCA, drug companies are required to offer certain pharmaceutical products at a reduced price to a number of federal agencies, including the United States Department of Veterans Affairs and United States Department of Defense, the Public Health Service and certain private Public Health Service-designated entities in order to participate in other federal funding programs including Medicare and Medicaid. Under the TRICARE Retail Pharmacy Program, drug manufacturers must pay rebates to the United States Department of Defense for drugs provided by TRICARE retail network pharmacies to program beneficiaries. Participation under the VHCA requires submission of pricing data and calculation of discounts and rebates pursuant to complex statutory formulas, as well as the entry into government procurement contracts governed by the Federal Acquisition Regulations. Furthermore, the FCPA prohibits any U.S. individual or business from paying, offering, authorizing payment or offering of anything of value, directly or indirectly, to any foreign official, political party or candidate for the purpose of influencing any act or decision of the foreign entity in order to assist the individual or business in obtaining or retaining business. The FCPA presents unique challenges in the pharmaceutical industry, because, in many countries, hospitals are operated by the government, and doctors and other hospital employees are considered foreign officials. Certain payments to hospitals in connection with clinical trials and other work have been deemed to be improper payments to government officials and have led to FCPA enforcement actions. The failure to comply with laws governing international business practices may result in substantial penalties, including civil and criminal penalties.

In order to distribute products commercially, we must comply with federal and state laws and regulations that require the registration of manufacturers and wholesale distributors of pharmaceutical products. In certain states, manufacturers and distributors that ship products into the state may have to be licensed, even if such manufacturers or distributors have no place of business within the state. Certain federal and state laws also impose requirements on manufacturers and distributors to establish the pedigree of product in the chain of distribution, including the use of technology capable of tracking and tracing product as it moves through the distribution chain. Several states have enacted legislation requiring pharmaceutical companies to establish marketing compliance programs, file periodic reports with the state, make periodic public disclosures on sales, marketing, pricing, clinical trials and other activities, register their sales representatives, as well as prohibit certain other sales and marketing practices. Additionally, the federal Physician Payments Sunshine Act and implementing regulations promulgated pursuant to Section 6002 of the healthcare reform law requires the tracking and reporting of certain transfers of value made to certain healthcare practitioners and teaching hospitals as well as ownership by a physician or a physician's family member in a pharmaceutical manufacturer. Physician Payments Sunshine Act requirements were expanded in January 2021 to include physician assistants, nurse practitioners, clinical nurse specialists, certified registered nurse anesthetists and anesthesiologist assistants, and certified nurse-midwives as covered recipients. Finally, all of our activities are potentially subject to federal and state consumer protection and unfair competition laws. These laws may affect our sales, marketing, and other promotional activities by imposing administrative and compliance burdens. In addition, given the lack of clarity with respect to these laws and their implementation, our reporting actions could be subject to the penalty provisions of the pertinent state, and federal authorities.

### ***Europe/Rest of World Government Regulation***

In addition to regulations in the United States, we are subject to a variety of regulations in other jurisdictions governing, among other things, clinical trials and any commercial sales and distribution of our products.

Regardless of whether FDA approval is obtained, we must obtain the required local clinical trial authorizations before initiating clinical studies and marketing authorizations before commercializing any product in each country. For example, in the European Union, clinical trial applications ("CTA") for medicinal products are submitted via the Clinical Trials Information System (CTIS) under the clinical trial regulation (EU) no. 536/2014. CTIS provides a single submission portal and coordinated assessment, while authorization remains at Member State level, with each Member State issuing a single decision before trial initiation in that country. The CTA must be approved by the national health authority and the independent ethics committee prior to the commencement of a clinical trial in the member state. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country. In all cases, clinical trials are conducted in compliance with GCP and the applicable EU and national regulatory requirements and the ethical principles that have their origin in the Declaration of Helsinki. In the United Kingdom, following BREXIT, a separate CTA is required, and approval for clinical trials must be obtained from the Medicines and Healthcare products Regulatory Agency in the United Kingdom ("MHRA") and the appropriate ethics committee.

To obtain marketing approval of a drug in the European Union, marketing authorization applications may be submitted via the centralized, mutual recognition, decentralized or national procedures, depending on product characteristics and legal scope. The centralized procedure provides for the grant of a single marketing authorization that is valid for all European Union. The centralized procedure is compulsory for medicines produced by certain biotechnological processes, products designated as orphan medicinal products, and products with a new active substance indicated for the treatment of certain diseases, and optional for those products that are highly innovative or for which a centralized process is in the interest of patients. For our products and product candidates that have received or will receive orphan designation in the European Union, they will qualify for this centralized procedure, under which each product's marketing authorization application will be submitted to the EMA. Under the centralized procedure in the European Union, the CHMP opinion is adopted within a standard active evaluation timeframe of up to 210 days, excluding clock stops for the applicant to respond to CHMP questions. Accelerated evaluation might be granted by the CHMP in exceptional cases, when a medicinal product is expected to be of major public health interest particularly from the point of view of therapeutic innovation which is assessed on a case-by-case basis. In this circumstance, the EMA ensures that the opinion of the CHMP is given within 150 days without the clock stops.

The decentralized procedure provides possibility for approval by several member states following the assessment of an application performed by one member state, known as the reference member state. Under this procedure, an applicant submits an application, or dossier, and related materials, including a draft summary of product characteristics, and draft labeling and package leaflet, to the reference member state and concerned member states. The reference member state prepares a draft assessment and drafts of the related materials within 120 days after receipt of a valid application. Within 90 days of receiving the reference member state's assessment report, each concerned member state must decide whether to approve the assessment report and related materials. If a member state cannot approve the assessment report and related materials on the grounds of potential serious risk to public health, the disputed points may eventually be referred to the EMA. The European Commission, based on the EMA's report, will then issue a decision that is binding on all member states. Currently, following BREXIT, the UK is regulated by the MHRA as the regulatory leading body, which necessitates the submission of an individual marketing authorization. The MHRA also offers recognition/reliance routes for certain marketing authorizations under defined pathways. Additionally, the EU GDPR and UK GDPR, which may apply to our clinical development operations and other personal data we process, imposes strict requirements for processing personal data.

For other countries outside of the European Union, such as the UK, Israel, and countries in, Eastern Europe, Latin America and Asia, the requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary from country to country. In all cases, again, the clinical trials are conducted in accordance with GCPs and the applicable regulatory requirements and the ethical principles that have their origin in the Declaration of Helsinki. Additionally, these countries also impose privacy and data security requirements relevant to the processing of clinical trial and other personal data with which we are required to comply.

If we fail to comply with applicable foreign regulatory requirements, we may be subject to, among other things, fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution.

### ***Pharmaceutical Coverage, Pricing and Reimbursement***

Significant uncertainty exists as to the coverage and reimbursement status of product candidates for which we obtain regulatory approval. In the United States and markets in other countries, sales of any products for which we receive regulatory approval for commercial sale will depend, in part, on the coverage and reimbursement decisions made by payors. In the United States, third-party payors include government health administrative authorities, managed care providers, private health insurers and other organizations. The process for determining whether a payor will provide coverage for a drug product may be separate from the process for setting the price or reimbursement rate that the payor will pay for the drug product. Payors may limit coverage to specific drug products on an approved list, or formulary, which might not include all of the FDA-approved drug products for a particular indication. Third-party payors are increasingly challenging the price and examining the medical necessity and cost-effectiveness of medical products and services, in addition to their safety and efficacy. We may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of our products, in addition to the costs required to obtain the FDA approvals. Our product candidates may not be considered medically necessary or cost-effective. A payor's decision to provide coverage for a drug product does not imply that an adequate reimbursement rate will be approved. Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realize an appropriate return on our investment in product development.

Several significant laws have been enacted in the United States which affect the pharmaceutical industry and additional federal and state laws have been proposed in recent years. For example, the IRA includes several provisions to lower prescription drug costs for people with Medicare and reduce drug spending by the federal government, including allowing Medicare to negotiate prices for certain prescription drugs, requiring drug manufacturers to pay a rebate to the federal government if prices for single-source drugs and biologicals covered under Medicare Part B and nearly all covered drugs under Part D increase faster than the rate of inflation (CPI-U), and limiting out of pocket spending for Medicare Part D enrollees. Additionally, the current administration has issued several executive orders aimed at lowering prescription drug costs, including an executive order aimed at reforming the Medicare drug pricing negotiation program under the IRA. It is difficult to predict whether or how any of the current executive orders will lead to legislative changes. These federal, as well as state reform efforts, including other legislative efforts, present uncertainty around restrictions that may be imposed on pricing for our products, as well as regulatory compliance issues.

Federal, state and local governments in the United States continue to consider legislation to limit the growth of healthcare costs, including the cost of prescription drugs. Future legislation and regulation could further limit payments for pharmaceuticals such as the product candidates that we are developing. In addition, court decisions have the potential to affect coverage and reimbursement for prescription drugs. It is unclear whether future legislation, regulations or court decisions will affect the demand for our product candidates once commercialized.

Different pricing and reimbursement schemes exist in other countries. In the European Union, governments influence the price of pharmaceutical products through their pricing and reimbursement rules and control of national healthcare systems that fund a large part of the cost of those products to consumers. Some jurisdictions operate positive and negative list systems under which products may only be marketed once a reimbursement price has been agreed. To obtain reimbursement or pricing approval, some of these countries may require the completion of benefit assessments of medicinal products that compare the cost-effectiveness of a particular product candidate to currently available therapies. Other member states allow companies to fix their own prices for medicines but monitor and control company profits. The downward pressure of healthcare costs in general, particularly prescription drugs, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products. In addition, in some countries, cross-border imports from low-priced markets exert a commercial pressure on pricing within a country.

The marketability of any drug candidates for which we receive regulatory approval for commercial sale may suffer if the government and third-party payors fail to provide adequate coverage and reimbursement. In addition, emphasis on managed care in the United States has increased, as well as certain government efforts to reduce the costs of drug prices in the United States, and we expect will continue to increase the pressure on pharmaceutical pricing. Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

## **Intellectual Property**

Our success depends, at least in part, on our ability to protect our proprietary technology and intellectual property, and to operate without infringing or violating the proprietary rights of others. We rely on a combination of patent, trademark, trade secret and copyright laws, know-how, intellectual property licenses and other contractual rights (including confidentiality and invention assignment agreements) to protect our intellectual property rights.

### ***Patents***

As of December 31, 2025, we owned for use within our field of business 14 patents and patent applications families, most of which are granted or pending, respectively, in the United States, Europe, Canada and Israel and some were additionally filed in Russia, Turkey, certain Latin American countries, certain far East countries, Australia and other countries, including two pending PCT applications. We own a patent family protecting pulmonary delivery of AAT, filed in 2007, in a variety of jurisdictions, including Canada, Germany, France, Italy, Netherlands, Ireland, Belgium, Great Britain, Israel, Russia and Mexico. Furthermore, we own a patent family filed in 2018, protecting our manufacturing process of immunoglobulins. This patent family includes an allowed application in the U.S. and Israel, pending applications in Canada and Europe.

Our patents generally relate to the separation and purification of proteins and their respective pharmaceutical compositions. Our patents and patent applications further relate to the use of our products for a variety of clinical indications, and their delivery methods. Our patent applications further relate to the production of recombinant AAT and uses thereof for clinical indications. Our patent applications further relate to the system and method for purification of immunoglobulins from a biological sample, and to the use of acellular plasma for various indications. Our patents and patent applications are expected to expire at various dates between 2027 and 2044. We also rely on trade secrets to protect certain aspects of our separation and purification technology.

The patent positions of companies like ours are generally uncertain and involve complex legal and factual questions. Our ability to maintain and solidify our proprietary position for our technology will depend on our success in obtaining effective claims and enforcing those claims once granted. We do not know whether any of our patent applications or any patent applications that we license will result in the issuance of any patents and there is no guarantee that patent applications that were filed with the patent offices, which are still pending, will be eventually granted and will be registered. Additionally, our issued patents and those that may be issued in the future may be challenged, opposed, narrowed, circumvented or found to be invalid or unenforceable, which could limit our ability to stop competitors from marketing related products or the length of term of patent protection that we may have for our products. We cannot be certain that we were the first to file the inventions claimed in our owned patents or patent applications. In addition, our competitors or other third parties may independently develop similar technologies that do not fall within the scope of the technology protected under our patents, or duplicate any technology developed by us, and the rights granted under any issued patents may not provide us with any meaningful competitive advantages against these competitors. Furthermore, because of the extensive time required for research and development, testing and regulatory review of a potential product until authorization for marketing, it is possible that, before any of our products can be commercialized, any related patent may expire or remain in force for only a short period following commercialization, thereby reducing any advantage of the patent.

## Trademarks

We rely on trade names, trademarks to protect our name brands. Our registered trademarks in several countries, such as United States and the European Union, Israel, and certain Latin American countries, include the trademarks CYTOGAM, GLASSIA, HEPAGAM, HEPAGAM B, KAMRAB, KEDRAB, KAMADA, Kamada Each Life Is Unique, KAMRHO, KAMRHO-D, KAMRHO-D IM, KR (design mark), REBINOLIN, РЕБИНОЛИН (Rebinolin in Cyrillic), RESPIKAM, KAMADA RESPIRA, VARIZIG, VENTIA, WINRHO and WINRHO SDF.

## Trade Secrets and Confidential Information

We rely on, among other things, confidentiality and invention assignment agreements to protect our proprietary know-how and other intellectual property that may not be patentable, or that we believe is best protected by means that do not require public disclosure. For example, we require our employees, consultants and service providers to execute confidentiality agreements in connection with their engagement with us. Under such agreement, they are required, during the term of the commercial relationship with us and thereafter, to disclose and assign to us inventions conceived in connection with their services to us. However, there can be no assurance that these agreements will be fulfilled or shall be enforceable, or that these agreements will provide us with adequate protection. See “Item 3. Key Information — D. Risk Factors — *In addition to patented technology, we rely on our unpatented proprietary technology, trade secrets, processes and know-how.*”

For the risks related to intellectual property, see “Item 3. Key Information — D. Risk Factors — Risks Related to Intellectual Property.”

## Environmental

We believe that our operations comply in material respects with applicable laws and regulations concerning the environment. While it is impossible to predict accurately the future costs associated with environmental compliance and potential remediation activities, compliance with environmental laws is not expected to require significant capital expenditures and has not had, and is not expected to have, a material adverse effect on our earnings or competitive position. For more information see “Item 3. Key Information — D. Risk Factors — Risks Related to Our Operations and Industry – *We are subject to extensive environmental, health and safety, and other laws and regulations.*”

We are committed to business practices that promote socially and environmentally responsible economic growth. In 2025, we continued to make meaningful progress on our sustainability strategy and finalized our first Sustainability Report. A copy of the report is available on request by contacting us through our website.

## C. Organizational Structure

Our subsidiaries are set forth below. All subsidiaries are either wholly owned by us or controlled by us. All companies are incorporated and registered in the country in which they operate as listed below:

| Legal Name                | Jurisdiction                                |
|---------------------------|---|
| KI Biopharma LLC          | Delaware, USA                               |
| Kamada Inc.               | Delaware, USA                               |
| Kamada Plasma LLC         | Delaware, USA (wholly owned by Kamada Inc.) |
| Kamada Assets (2001) Ltd. | Israel                                      |
| Kamada Ireland Limited    | Ireland                                     |

## **D. Property, Plants and Equipment**

Our production plant located in Beit Kama, Israel, was built on land that Kamada Assets (2001) Ltd. (“Kamada Assets”), our 74%-owned Israeli subsidiary, leases from the Israel Land Administration pursuant to a capitalized long-term lease. Kamada Assets subleases the property to us. The property originally covered an area of approximately 16,880 square meters. The initial sublease expires in 2058, and we have an option to extend the sublease for an additional term of 49 years. On November 1, 2021, pursuant to a new area outline approved by the Israel Lands Administration, the covered area was reduced to 14,880 square meters. The production plant includes our manufacturing facility, manufacturing support systems, packaging, warehousing and logistics areas and laboratory facilities, as well as office buildings.

In addition, we lease approximately 2,200 square meters of office and laboratory facility at a building located in the Kiryat Weizmann Science Park in Rehovot, Israel. This property houses our corporate office, research and development laboratory and additional departments such as clinical operations, medical, regulatory affairs, compliance, sales and marketing and business development. The current lease agreement is in effect until January 2032.

We own a 237 square meters facility in Beaumont, TX that we acquired in March 2021, which serves as an FDA registered plasma collection center.

On March 7, 2023, our U.S. subsidiary Kamada Plasma LLC entered into a lease agreement for a 12,000 square foot premises in Houston, Texas to be used as a plasma collection center. The lease is in effect for an initial period of ten years commencing on February 16, 2024. We have the option to extend the lease for two consecutive periods of five years each, upon six months prior written notice. During 2024, we completed the construction of the new plasma collection center in this facility and commenced plasma collection activities after obtaining the required site registration. In 2025, we received FDA approval for collection operations at the Houston site.

In addition, on May 2, 2024, our U.S. subsidiary Kamada Plasma LLC entered into a lease agreement for a 11,100 square foot premises in San Antonio, Texas for our third plasma collection center. The lease is in effect for an initial period of ten years. We have the option to extend the lease for three additional periods of five years each, upon four months prior written notice. During 2025, we completed the construction of the new plasma collection center in this facility and commenced plasma collection activities after obtaining the required site registration. We submitted a prior approval supplement to the FDA for the site in June 2025 and the FDA site audit was completed in February 2026 and we expect to receive FDA approval during the first half of 2026.

Furthermore, our U.S. subsidiary Kamada Inc. leases approximately 1,500 square feet of office space within a shared office facility in Hoboken, NJ. The lease is based on a month-to-month agreement which automatically renews and may be terminated at any time by a one-month prior written notice.

### **Item 4A. Unresolved Staff Comments**

Not applicable.

### **Item 5. Operating and Financial Review and Prospects**

*The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes to those statements included elsewhere in this Annual Report. In addition to historical consolidated financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under “Item 3. Key Information—D. Risk Factors” and elsewhere in this Annual Report.*

*The audited consolidated financial statements for the years ended December 31, 2025, 2024 and 2023 in this Annual Report have been prepared in accordance with IFRS as issued by the IASB.*

## Overview

We are a global biopharmaceutical company with a portfolio of marketed products indicated for rare and serious conditions and a leader in the specialty plasma-derived therapies field. Our strategy is focused on driving profitable growth through four primary growth pillars:

First, organic growth of our commercial portfolio, including continued investment in the commercialization and life cycle management of our Proprietary Products, which consist of six FDA-approved specialty plasma-derived products: KEDRAB, GLASSIA, CYTOGAM, WINRHO SDF, VARIZIG, and HEPAGAM B, as well as KAMRAB, and two types of equine-based ASV products.

Second, distribution of third party pharmaceutical products in Israel through in-licensing partnerships, including through the launch of several biosimilar products in Israel, as well as expansion, during 2026, of such distribution activities to the MENA region.

Third, we are ramping up our plasma collection operations to support revenue growth through the sale of NSP to other plasma-derived manufacturers, and to support our increasing demand for hyper-immune plasma. We currently own three operating plasma collection centers in the United States, located in Beaumont and Houston, Texas (the Houston center obtained FDA approval in August 2025), and San Antonio, Texas (which completed an FDA site audit in February 2026, and for which we expect to receive FDA approval during the first half of 2026). We are in the process of ramping up plasma collection at these three collection centers and are in active discussions with potential customers to secure long-term sales agreements for NSP.

Lastly, we aim to secure new mergers and acquisitions, business development, in-licensing and/or collaboration opportunities, which are anticipated to enhance the Company's marketed products portfolio and leverage its financial strength and existing commercial infrastructure to drive long-term profitable growth. In addition, we are leveraging our research and development expertise to advance the development and commercialization of additional product candidates, targeting areas of significant unmet medical need.

## Our Commercial Activities

Our commercial activities operate in two segments: the Proprietary Products segment and the Distribution segment.

### *Proprietary Products Segment*

The Proprietary Products segment includes our six FDA approved plasma-derived biopharmaceutical products: KEDRAB, GLASSIA, CYTOGAM, WINRHO SDF, VARIZIG and HEPAGAM B, as well as KAMRAB and two types of equine-based ASV products. We distribute these products directly and through strategic partners or third-party distributors in over 30 countries. We manufacture our Proprietary Products at our FDA-approved cGMP production facility in Beit Kama, Israel, using our proprietary platform technology and know-how for the extraction and purification of proteins and IgGs from human plasma, as well as at third party contract manufacturing facilities. In addition, our Proprietary Products segment includes our plasma collection operations, where we collect Anti-Rabies and Anti-D hyper-immune plasma for the manufacture of some of our Proprietary Products (WINRHO SDF, KEDRAB and KAMRAB) as well as NSP for sale to third parties. For further information regarding our proprietary products, see "Item 4. Information on the Company—Business Overview—Our Business—Commercial Activities."

Our Proprietary Products sales totaled \$156.2 million, 141.4 million and \$115.5 million for the years ended December 31, 2025, 2024 and 2023, respectively. Most revenues from the Proprietary Products segment are generated from sales in the United States, which accounted for 64%, 71% and 64% of the segment's revenues for the years ended December 31, 2025, 2024 and 2023, respectively.

### *Distribution Segment*

In the Distribution segment, we leverage our expertise and presence in the Israeli biopharmaceutical market to distribute in Israel more than 25 pharmaceutical products, exclusively licensed from international manufacturers. Sales generated by our Distribution segment during 2025 totaled \$24.3 million, as compared to \$19.5 million and \$27.1 million during 2024 and 2023, respectively. The increase in revenues during 2025 is primarily the result of the launch of two biosimilar products as well as increase demand for certain other products in our portfolio.

As part of our Distribution segment, we have licensed a portfolio of biosimilar products from multiple international companies for distribution in Israel. Through the end of 2025, we launched two products of this portfolio in Israel and generated \$2.4 million in sales during 2025 associated with the sales of these products. Two additional biosimilar products are expected to be launched during 2026 and the remaining biosimilar products are expected to be launched in Israel over the coming years, at a rate of 1-3 products per year, subject to the EMA and subsequently the IMOH approvals, while continuing to explore opportunities to in-license additional biosimilar products and expand the portfolio. We believe that sales generated by the launch of biosimilar products will serve as a major growth and profitability catalyst for our Distribution segment. We estimate that revenues from the sales of our existing biosimilar products portfolio in Israel will increase to between approximately \$15 million to \$20 million within the next four to five years and will continue to grow thereafter, subject to the continued launch of the entire portfolio as scheduled.

We are currently expanding the distribution operation of in-licensed products to the MENA region by engaging third-party pharmaceutical companies to register and distribute their products in the region.

### ***Strategic Transactions***

We are actively seeking new business development, in-licensing and/or M&A opportunities. These anticipated transactions aim to leverage our financial strength, enhance our marketed products portfolio and leverage synergies with our existing commercial operations. We are targeting the acquisition or in-licensing of commercial products for distribution by us in markets we currently operate, particularly the U.S. market. These products may be plasma derived, allowing us to utilize manufacturing synergies, or non-plasma derived, leveraging our commercial, marketing and distribution capabilities to diversify our offerings and address a broader range of specialty, rare and serious conditions. We may also explore manufacturing services agreements to manufacture plasma-derived products for other companies, which can provide additional revenue streams and leverage our expertise in plasma-derived biopharmaceuticals.

### ***2026 Financial Guidance***

We currently expect to generate total revenues for the fiscal year 2026 in the range of \$200 million to \$205 million and adjusted EBITDA in the range of \$50 million to \$53 million. The midpoint of the projected 2026 revenue and adjusted EBITDA forecast represents a year-over-year increase of 13% in revenues and 23% in adjusted EBITDA. For details regarding the use of non-IFRS measures, see “Item 5. Operating and Financial Review and Prospects—Non-IFRS Financial Measures.”

### ***Non-IFRS Financial Measures***

We present EBITDA and adjusted EBITDA because we use these non-IFRS financial measures 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 these non-IFRS financial measures 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 depreciation and amortization expense, plus non-cash share-based compensation expenses and certain other costs.

For the projected 2026 adjusted EBITDA, the company is unable to provide a reconciliation of this forward measure to the most comparable IFRS financial measure because the information for this measure is dependent on future events, many of which are outside of our control. Additionally, estimating such forward-looking measures and providing a meaningful reconciliation consistent with our accounting policies for future periods is meaningfully difficult and requires a level of precision that is unavailable for these future periods and cannot be accomplished without unreasonable effort. Forward-looking non-IFRS measures are estimated in a manner consistent with the relevant definitions and assumptions noted in the company's non-IFRS measures for historical periods.

## **Key Components of Our Results of Operations**

### ***Business Combination***

In November 2021, we acquired a portfolio of the following four FDA approved plasma-derived hyperimmune commercial products from Saol: CYTOGAM, HEPAGAM B, VARIZIG and WINRHO SDF. Under the terms of the agreement, we paid Saol a \$95.0 million upfront payment and agreed to pay up to an additional \$50.0 million of contingent consideration subject to the achievement of sales thresholds for the period commencing on the acquisition date and ending on December 31, 2034. Through the end of 2025, the first three sales thresholds were achieved, and the related milestone payments were subsequently paid. We expect to meet the fourth sales threshold during 2026. Subject to certain conditions defined in the agreement between the parties, we may be entitled to up to a \$3.0 million credit, which is deductible from the contingent consideration payments due through 2027. The entitlement for such credit was not met through the end of 2025.

In addition to accounting for the contingent consideration described above, we assumed certain of Saol's liabilities for the future payment of milestone payments to third parties, which as of the end of 2025 were met in full, as well royalties (some of which are perpetual) on CYTOGAM related net sales which includes: 10% of the annual global net sales of CYTOGAM up to \$25.0 million and 5% of net sales that are greater than \$25.0 million, in perpetuity; 2% of the annual global net sales of CYTOGAM in perpetuity; and 8% of the annual global net sales of CYTOGAM for period of six years commencing in October 2023, subject to a maximum aggregate of \$5.0 million per year and a maximum aggregate amount of \$30.0 million throughout the entire six year period.

The contingent consideration and assumed liabilities are presented in the consolidated balance sheet as long-term liabilities in the amounts of \$30.1 million and \$34.2 million as of December 31, 2025 and 2024, respectively. Such liabilities are being remeasured at the end of each reporting period, and for the years ended December 31, 2025 and 2024, we accounted for revaluation of such contingent consideration and assumed liabilities. For the years ended December 31, 2025 and 2024, we recognized financial expenses of \$2.7 million and \$8.1 million with respect to such revaluation, respectively.

The acquisition was categorized as a business combination and accounted for by applying the acquisition method, pursuant to which we identified and valued the acquired assets and assumed liabilities. The excess amount of the acquisition cost over the net value of the acquired assets and assumed liabilities is recorded as goodwill. The fair value of the intangible assets acquired as of the acquisition date totaled \$121.1 million. Intangible assets with a finite useful life are amortized on a straight-line basis over their useful life (estimated 6-20 years). For each of the years ended December 31, 2025 and 2024, we accounted for \$7.1 million of amortization expenses associated with such intangible assets. Intangible assets and goodwill are reviewed for impairment whenever there is an indication that the asset may be impaired.

### ***Revenues***

In our Proprietary Products segment, we generate revenues from the sale of products to wholesalers in the U.S. market, strategic partners (specifically KEDRAB to Kedrion), local distributors in ex-U.S. markets, HMOs and local hospitals. Revenues from our Proprietary Products segment also include royalty income from our strategic partner, Takeda, on account of their sales of GLASSIA, as well as income from the sales of plasma collected and sold to third parties. In our Distribution segment, we generate revenues from the sale in Israel of imported products produced by third parties. Revenues are presented net of any discounts, chargebacks, fees, dues and/or marketing contribution payments extended to our partners, distributors or end users of our products.

The following table sets forth the geographic breakdown of our total revenues for the periods indicated:

|               | Year Ended<br>December 31, |      |
|---------------|----------------------------|------|
|               | 2025                       | 2024 |
| United States | 55%                        | 62%  |
| Israel        | 16%                        | 16%  |
| Latin America | 14%                        | 12%  |
| Canada        | 6%                         | 6%   |
| Europe        | 5%                         | 3%   |
| Rest of World | 4%                         | 1%   |
|               | 100%                       | 100% |

### ***Cost of Revenues***

Cost of revenues in our Proprietary Products segment includes expenses related to the manufacturing of products such as raw materials (including plasma), payroll (including bonus, equity-based compensation, and other benefits), utilities, laboratory costs and depreciation. In addition, part of the cost of revenues is derived from payment on account of manufacturing services provided by third parties. Cost of revenues also includes provisions for the costs associated with manufacturing scraps and inventory write-downs.

Cost of revenues includes amortization expenses related to intangible assets recognized pursuant to the acquisition of CYTOGAM, WINRHO SDF, HEPAGAM B and VARIZIG. Intangible assets which amortization are accounted for in the costs of revenues include the acquired products intellectual property and an assumed contract manufacturing agreement.

A significant portion of our manufacturing costs are for raw materials consisting of plasma and plasma fraction. To ensure the availability of plasma and plasma fraction, we secured supply agreements with multiple suppliers, including Kedrion, for the manufacturing of KEDRAB and KAMRAB, CSL Behring for the manufacturing of CYTOGAM, and Takeda for the manufacturing of GLASSIA. In addition, we are leveraging our plasma collection experience to expand our plasma collection capacity in the United States to support our continued plasma needs and reduce our dependency on third party plasma suppliers. We currently own and operate three plasma collection centers located in Beaumont, Houston, and San Antonio, Texas. The centers in Beaumont and Houston are FDA-approved, and the FDA site audit of the San Antonio center was completed in February 2026. We expect that the plasma collection center in San Antonio, Texas, will receive FDA approval during the first half of 2026.

Costs of revenues in our Distribution segment consists of costs of products acquired, packaging and labeling for sales by us in Israel.

### ***Gross Profit***

Gross profit is the difference between total revenues and the cost of revenues. Overall gross profit is mainly affected by sales price, volume and mix of sales, as well as manufacturing efficiencies, cost of raw materials and plant maintenance and overhead costs.

Our gross margins in our Proprietary Products segment, which were 46% and 48% for the years ended December 31, 2025 and 2024, respectively, are generally higher than in our Distribution segment, which were 17% and 11% for the years ended December 31, 2025 and 2024, respectively.

The decrease in gross profitability in our Proprietary Products segment during the year ended December 31, 2025, was primarily attributable to changes in product sales mix. The increase in gross profitability in our Distribution segment during the year ended December 31, 2025, was primarily attributable to favorable product sales mix, led by increased sales of the recently launched biosimilar products in the Israeli market.

### ***Research and Development Expenses***

The development of pharmaceutical products, including plasma-derived protein therapeutics, is characterized by significant up-front product development costs. Research and development expenses are incurred for the development of new products and newly revised processes for existing products and includes expenses for pre-clinical and clinical trials, development activities in the different fields, the advanced understanding of the mechanism of action of our products, improving existing products and processes, development work at the request of regulatory authorities and strategic partners, as well as communication with regulatory authorities related to our commercial products and clinical programs. In addition, such expenses include development materials, payroll for research and development personnel (including payroll, bonus, equity-based compensation and other benefits), including scientists and professionals for product registration and approval, external advisors, and the allotted cost of our manufacturing facility for research and development purposes. While research and development expenses are unallocated on a segment basis, the activities generally relate to our existing or in-development proprietary products.

Product development costs may fluctuate from period to period, as our product candidates proceed through various stages of development. We expect to continue to incur research and development expenses related to clinical trials, as well as other ongoing, planned, or future clinical trials with regard to our product pipeline. See “Item 4. Information on the Company Information on the Company—Business Overview—Our Development Product Pipeline.”

### ***Selling and Marketing Expenses***

Selling and marketing expenses principally consist of compensation for employees and executives in sales and marketing related positions (including payroll, bonuses, equity-based compensation and other benefits), expenditures incurred for sales incentive, advertising, marketing or promotional activities, shipping and handling costs, 3PL services fees, product liability insurance and business development activities, as well as marketing authorization fees to regulatory agencies, including the FDA and similar regulatory bodies in other markets in which we operate.

Selling and marketing expenses include amortization expenses related to intangible assets recognized pursuant to the acquisition of CYTOGAM, WINRHO SDF, HEPAGAM B and VARIZIG. Such intangible assets include customer relations.

### ***General and Administrative Expenses***

General and administrative expenses consist of compensation for employees in executive and administrative functions (including payroll, bonuses, equity compensation and other benefits), office expenses, professional consulting services, public company related costs, directors’ and officer’s liability insurance and other insurance costs, legal, audit fees, other professional services as well as employee welfare costs.

### ***Financial Income***

Financial income is comprised of interest income on amounts invested in bank deposits.

### ***Income (expense) in respect of currency exchange differences and derivatives instruments, net***

Income (expense) in respect of currency exchange differences and derivatives instruments, net is comprised of changes in balances denominated in currencies other than our functional currency. Changes in the fair value of derivatives instruments not designated as hedging instruments are reported under profit or loss.

### ***Financial income (expense) in respect of contingent consideration and other long-term liabilities***

Financial income (expense) in respect of contingent consideration and other long-term liabilities is comprised of the revaluation of the outstanding balances of the contingent consideration and other long-term liabilities associated with expected future payments related to the acquisition of CYTOGAM, WINRHO SDF, HEPAGAM B and VARIZIG (for details, see above under “Key Components of Our Results of Operations—*Business Combination*”).

### ***Financial Expenses***

Financial expenses are comprised of bank charges, changes in the time value of provisions, the portion of changes in the fair value of financial assets or liabilities at fair value through other comprehensive income and interest and amortization of bank loans and leases.

### ***Taxes on Income***

Taxes on income in profit or loss comprise of current taxes, deferred taxes and taxes in respect of prior years. In addition, we evaluate potential uncertain tax positions, including additional tax and interest expenses, and recognize a provision when it is more probable than not that we will have to use our economic resources to pay such obligation.

Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that they will be utilized. Deductible carryforward losses and temporary differences for which deferred tax assets have not been recognized are reviewed at the end of each reporting period, and a respective deferred tax asset is recognized to the extent that their utilization is probable.

We operate in multiple tax jurisdictions and account for taxes on income per each jurisdiction. As of December 31, 2025, we have NOLs for Israeli tax purposes of approximately \$12.1 million. These NOLs have no expiration date. Following the full utilization of these NOLs, we expect that our effective income tax rate in Israel will reflect the tax benefits discussed below.

On June 9, 2025, we obtained a tax ruling from the ITA according to which, among other things, our activity is qualified as an “industrial activity,” as defined in the Investment Law, and we may be eligible for tax benefits under the Investment Law, and our income from sales of our Proprietary Products (including royalty-based income) would be deemed “Preferred Income” or “Preferred Technology Income” (in each case, within the meaning of the Investment Law), to the extent we meet the requirements of being a Preferred Technology Enterprise as defined under the Investment Law). The tax ruling is valid for the years 2024 through 2028 (inclusive). There can be no assurance that we will comply with the conditions required to remain eligible for benefits under the Investment Law in the future, including under the tax ruling, or that we will be entitled to any additional benefits thereunder. As of the date of this Annual Report, we have not utilized any tax benefits under the Investment Law. See “Item 10. Additional Information — *E. Taxation — Israeli Tax Considerations and Government Programs.*”

We may be subject to withholding taxes for payments we receive from foreign countries. If certain conditions are met, these taxes may be credited against future tax liabilities pursuant to tax treaties and Israeli tax laws.

Since 2021, we conduct commercial operations in the United States through our subsidiaries Kamada Inc. and Kamada Plasma LLC. The two entities are subject to U.S. federal and certain state income taxes and file a combined tax return. Income tax expenses due in connection with such activities are included as part of taxes on income in our consolidated statement of operations. As of December 31, 2025, the two entities had NOLs and other temporary differences for U.S. tax purposes of approximately \$2.0 million.

As we further expand our commercial operations into other countries, we could become subject to taxation based on such a country’s statutory rates and our effective tax rate could fluctuate accordingly.

## A. Operating Results

For a discussion of our results of operations for the year ended December 31, 2023, including a year-to-year comparison between 2023 and 2024, and a discussion of our liquidity and capital resources for the year ended December 31, 2023, see “Item 5. Operating and Financial Review and Prospects” in our Annual Report on Form 20-F for the year ended December 31, 2024.”

The following table sets forth certain statements of operations data:

|  | Year Ended<br>December 31, |                  |
|--|----------------------------|------------------|
|  | 2025                       | 2024             |
| Revenues from Proprietary Products segment   | \$ 156,206                 | \$ 141,447       |
| Revenues from Distribution segment   | 24,254                     | 19,506           |
| <b>Total revenues</b>  | <b>180,460</b>             | <b>160,953</b>   |
| Cost of revenues from Proprietary Products segment   | 83,928                     | 73,708           |
| Cost of revenues from Distribution segment   | 20,125                     | 17,278           |
| <b>Total cost of revenues</b>  | <b>104,053</b>             | <b>90,986</b>    |
| <b>Gross profit</b>  | <b>76,407</b>              | <b>69,967</b>    |
| Research and development expenses  | 12,995                     | 15,185           |
| Selling and marketing expenses   | 18,455                     | 18,428           |
| General and administrative expenses  | 18,724                     | 15,702           |
| Other expense  | -                          | 601              |
| <b>Operating income</b>  | <b>26,233</b>              | <b>20,051</b>    |
| Financial income   | 1,921                      | 2,118            |
| Income (expense) in respect of currency exchange differences and derivatives instruments, net      | (1,171)                    | (94)             |
| Financial income (expense) in respect of contingent consideration and other long- term liabilities | (2,652)                    | (8,081)          |
| Financial expenses   | (864)                      | (660)            |
| <b>Income before taxes on income</b>   | <b>23,467</b>              | <b>13,334</b>    |
| Taxes on income  | (3,269)                    | (1,128)          |
| <b>Net income</b>  | <b>\$ 20,198</b>           | <b>\$ 14,462</b> |

### *Year Ended December 31, 2025 Compared to Year Ended December 31, 2024*

#### *Segment Results*

|                      | Change 2025 vs. 2024        |                  |                 |              |
|----------------------|-----------------------------|------------------|-----------------|--------------|
|                      | 2025                        | 2024             | Amount          | Percent      |
|                      | (U.S. Dollars in thousands) |                  |                 |              |
| Revenues:            |                             |                  |                 |              |
| Proprietary Products | \$ 156,206                  | \$ 141,447       | \$ 14,759       | 10.4%        |
| Distribution         | 24,254                      | 19,506           | 4,748           | 24.3%        |
| <b>Total</b>         | <b>180,460</b>              | <b>160,953</b>   | <b>19,507</b>   | <b>12.1%</b> |
| Cost of Revenues:    |                             |                  |                 |              |
| Proprietary Products | 83,928                      | 73,708           | 10,221          | 13.9%        |
| Distribution         | 20,125                      | 17,278           | 2,847           | 16.5%        |
| <b>Total</b>         | <b>104,053</b>              | <b>90,986</b>    | <b>13,068</b>   | <b>14.4%</b> |
| Gross Profit:        |                             |                  |                 |              |
| Proprietary Products | \$ 72,278                   | \$ 67,739        | \$ 4,538        | 6.7%         |
| Distribution         | 4,129                       | 2,228            | 1,901           | 85.3%        |
| <b>Total</b>         | <b>\$ 76,407</b>            | <b>\$ 69,967</b> | <b>\$ 6,439</b> | <b>9.2%</b>  |

### *Revenues*

For the year ended December 31, 2025, we generated \$180.5 million of total revenues, as compared to \$161.0 million for the year ended December 31, 2024, an increase of \$19.5 million, or approximately 12%, due to an increase in revenues in both the Proprietary Products segment and the Distribution Segment.

Sales generated by our Proprietary Products segment totaled \$156.2 million for the year ended December 31, 2025, a \$14.8 million increase compared to \$141.4 million for the year ended December 31, 2024. The increase in revenues in the Proprietary Products segment in 2025 was primarily attributable to increased sales of KAMRAB and GLASSIA in ex-U.S. markets and increased VARIZIG and KEDRAB sales in the U.S. market. KAMRAB and GLASSIA sales in ex-U.S. markets for the year ended December 31, 2025, totaled \$17.2 million and \$19.4 million, respectively, a \$5.5 million and a \$4.2 million increase compared to the year ended December 31, 2024. GLASSIA revenues for the year ended December 31, 2025, included the recognition of a \$1.2 million sales milestone on account of achieving a certain sales threshold by our distributor in Russia. VARIZIG sales for the year ended December 31, 2025, totaled \$11.1 million, a \$5.4 million increase compared to the year ended December 31, 2024, and KEDRAB sales for the year ended December 31, 2025 totaled \$53.6 million, a \$3.6 million increase compared to the year ended December 31, 2024.

CYTOGAM sales for the year ended December 31, 2025, decreased by \$5.4 million compared to the year ended December 31, 2024, to a total of \$17.1 million. We believe that the decline in CYTOGAM sales in 2025 compared to 2024 was primarily due to increased usage of antivirals such as letermovir and maribavir resulting from improvements in their market access coverage. Our promotional efforts for CYTOGAM are focused on enhancing awareness among the medical community of the benefits of using CYTOGAM in conjunction with the antivirals due to the complementary mechanisms of action of both treatments, as well as identifying specific solid organ transplant patient profiles that are at higher risk for CMV post-transplant and may benefit from additional CMV protection with CYTOGAM. We believe that our current promotional activities, supported by new clinical data, will lead to increased demand for the product in the coming years.

For the year ended December 31, 2025, we accounted for \$15.8 million of sales-based royalty income from Takeda, as compared to \$16.9 million for the year ended December 31, 2024, a decrease of \$1.1 million, primarily due to the decrease in the royalty rate of 12% to 6% effective August 2025.

Sales of all other products in the Proprietary Products segment for the year ended December 31, 2025, totaled \$22.0 million, as compared to \$19.3 million for the year ended December 31, 2024, a \$2.7 million increase compared to the year ended December 31, 2024.

Sales generated by our Distribution segment during the year ended December 31, 2025, totaled \$24.3 million, as compared to \$19.5 million during the year ended December 31, 2024. The increase in revenues during 2025 is primarily the result of increased sales of the two biosimilar products launched during 2024 and 2025 as well as increased sales of other portfolio products.

### *Cost of Revenues*

For the year ended December 31, 2025, we incurred \$104.1 million of cost of revenues, as compared to \$91.0 million for the year ended December 31, 2024, an increase of \$13.1 million, or approximately 14.4%. The increase in costs of revenues is mainly attributable to increased sales in both of our reporting segments. Cost of revenues for each of the years ended December 31, 2025 and 2024 included an intangible assets amortization cost of \$5.9 million.

### *Gross Profit*

Gross profit and gross margins in our Proprietary Products segment for the year ended December 31, 2025, were \$72.3 million and 46%, respectively, as compared to \$67.7 million and 48% for the year ended December 31, 2024, respectively, representing an increase of \$4.6 million and 6.7%, respectively. Such increase is primarily attributed to the overall increased commercial scale and a change in the product sales mix resulting in a reduction of 2.0% in the gross margins, reflecting higher sales of KAMRAB and GLASSIA in ex-U.S. markets and sales of VARIZIG and KEDRAB in the U.S. market, offset in part by the decrease in sales of CYTOGAM in the U.S. market.

Gross profit and gross margins in our Distribution segment for the year ended December 31, 2025, were \$4.1 million and 17%, respectively, as compared to \$2.2 million and 11% for the year ended December 31, 2024, respectively, representing an increase of \$1.9 million and 85.3%, respectively. Such increase is primarily attributed to increased sales of distribution products in Israel during 2025 as well as an improved product mix.

#### *Research and Development Expenses*

For the year ended December 31, 2025, we incurred \$13.0 million of research and development expenses, as compared to \$15.2 million for the year ended December 31, 2024, a decrease of \$2.2 million, or approximately 14.5%. The decrease was primarily due to timing changes in development projects, including the termination of the Phase 3 InnovAATe trial for Inhaled AAT.

During the year ended December 31, 2025, prior to conducting the futility analysis, we entered into an exclusivity letter with an international biopharmaceutical company associated with the potential out-licensing of the distribution rights of the Inhaled AAT product. In consideration of the terms of the exclusivity letter, we received a non-refundable payment of \$3.0 million. Following the decision to discontinue the InnovAATe clinical trial, the exclusivity letter was voided and the payment received was recorded as an offset to the 2025 research and development expenses associated with the clinical trial.

#### *Selling and Marketing Expenses*

For the year ended December 31, 2025, we incurred \$18.5 million of selling and marketing expenses, as compared to \$18.4 million for the year ended December 31, 2024.

Selling and marketing expenses for each of the years ended December 31, 2025 and 2024 included \$1.7 million of amortization expenses related to intangible assets recognized pursuant to a business combination.

Selling and marketing expenses accounted for approximately 10.2% and 11.4% of total revenues for the years ended December 31, 2025 and 2024, respectively.

#### *General and Administrative Expenses*

For the year ended December 31, 2025, we incurred \$18.7 million of general and administrative expenses, as compared to \$15.7 million for the year ended December 31, 2024, an increase of \$3.0 million, or approximately 19.1%. This increase is primarily attributable to increased administrative support for the growth of the overall commercial operation, specifically associated with information technology costs increase.

General and administrative expenses accounted for approximately 10.4% and 9.8% of total revenues for the years ended December 31, 2025 and 2024, respectively.

#### *Other expenses*

We did not incur other expenses for the year ended December 31, 2025. For the year ended December 31, 2024, we incurred \$0.6 million of other expenses which included costs associated with write downs of certain upfront licensing fees associated with products licensed for distribution as part of our Distribution segment.

#### *Operating Profit*

Operating profit and operating margin for the year ended December 31, 2025, were \$26.2 million and 14.5%, respectively, as compared to \$20.1 million and 12.5% for the year ended December 31, 2024, respectively, representing an increase of \$6.1 million and 30.3%, respectively. Such increase is attributed to the continued improved product sales mix and overall increased commercial scale.

#### *Financial Income*

For the years ended December 31, 2025 and 2024, we generated \$1.9 million and \$2.1 million of financial income, respectively. Financial income is primarily comprised of interest income on bank deposits. The decrease in financial income is attributed to changes in prevailing interest rates.

*Income (expenses) in respect of currency exchange differences and derivatives instruments, net*

For the years ended December 31, 2025 and 2024, we generated \$1.2 million and \$0.1 million of expenses in respect of currency exchange differences on balances in other currencies, respectively. Income and expenses with respect to currency exchange differences primarily relate to assets and liabilities denominated in NIS and Euro, which are translated into the U.S. dollar, as well as the impact of derivatives. The increase in such expenses is attributable to the appreciation of the NIS and Euro compared to the U.S. dollar during 2025.

*Financial income (expenses) in respect of contingent consideration and other long-term liabilities*

For the years ended December 31, 2025 and 2024, we recognized \$2.7 million and \$8.1 million of financial expenses in respect of the reevaluation of contingent consideration and other long-term liabilities, respectively. Financial expenses are in respect of revaluation of contingent consideration and other long-term liabilities associated with the acquisition of CYTOGAM, HEPAGAM B, VARIZIG and WINRHO SDF (for details regarding the description of such contingent consideration and other long-term liabilities, see above under “Key Components of Our Results of Operations—*Business Combination*” and for details regarding the payments made on account of these liabilities see below under “Liquidity and Capital Resources”). The change between the years is attributed to the reduced sales of CYTOGAM in 2025, that reduced the reevaluation expenses.

*Financial Expenses*

For the years ended December 31, 2025 and 2024, we incurred \$0.9 million and \$0.7 million of financial expenses, respectively. Financial expenses for the years ended December 31, 2025 and 2024, were primarily related to outstanding lease obligations.

*Taxes on Income*

For the year ended December 31, 2025, we recorded \$3.3 million of tax expense, consisting of \$2.0 million of deferred taxes related to changes in deferred tax liabilities, net; a \$1.2 million provision for uncertain tax positions; and \$0.1 million of current taxes, primarily associated with Kamada Inc., our U.S. subsidiary. For the year ended December 31, 2024, we recorded \$1.3 million of tax income due to accounting for a deferred tax asset on NOLs and other temporary differences that we anticipated utilizing in the future.

**B. Liquidity and Capital Resources**

Our primary uses of cash are to fund working capital requirements, research and development expenses and capital expenditures, as well as for acquisitions of new products, product candidates and assets. Historically, we have funded our operations primarily through cash flow from operations (including sales of our Proprietary Products and distribution products), payments received in connection with strategic partnerships (including milestone payments from collaboration agreements), issuances of ordinary shares (including our 2005 initial public offering and listing on the TASE, our 2013 initial public offering in the United States and listing on Nasdaq, our 2017 underwritten public offering and our 2020 and 2023 private placements), and the issuance of convertible debentures and warrants to purchase our ordinary shares as well as through commercial debt financing for the funding of certain acquisitions.

While we have historically retained our earnings to finance operations and expand our business, in April 2025, we paid a special cash dividend of approximately \$11.5 million in the aggregate.

The balance of cash and cash equivalents as of December 31, 2025, and 2024, totaled \$75.5 million and \$78.4 million, respectively. We plan to fund our future operations and strategic initiatives (see “Item 4. Information on the Company”) through our financial resources, cash generated from our operational activities, which generated \$25.5 million and \$47.6 million during the years ended December 31, 2025 and 2024, respectively, and, to the extent required, by raising additional capital through the issuance of equity or debt.

Our capital expenditure for the years ended December 31, 2025 and 2024, were \$9.8 million and \$10.7 million, respectively. Our capital expenditure during the year ended December 31, 2025, related primarily to the construction of our plasma collection facility in San Antonio, Texas, as well as the upgrades and improvements of our facilities and manufacturing and plasma collection equipment, including for the establishment of a new filling line at our Beit Kama facility. We expect our capital expenditures to increase in the coming years mainly in connection with the establishment of the new filling line and to facilitate the transition of manufacturing of HEPAGAM B, VARIZIG and WINRHO SDF to our manufacturing facility in Beit Kama, Israel, which will require possible upgrades to plant infrastructure as well as to upgrade manufacturing automation. In 2025, we engaged a third-party supplier to construct the new filling line.

In addition to our capital expenditure, in November 2021, we acquired CYTOGAM, HEPAGAM B, VARIZIG and WINRHO SDF from Saol. Under the terms of the agreement, we paid Saol a \$95.0 million upfront payment and agreed to pay up to an additional \$50.0 million of contingent consideration subject to the achievement of sales thresholds for the period commencing on the acquisition date and ending on December 31, 2034. During 2023, we made the first payment of the contingent consideration in the amount of \$3.0 million following achievement of the first sales threshold. The second sales threshold was met, and the second \$3.0 million milestone payment was paid during February 2024. The third sales threshold was met and the third \$3.0 million milestone payment was paid during April 2025. Subject to certain conditions defined in the agreement between the parties, we may be entitled to up to a \$3.0 million credit, which is deductible from the contingent consideration payments due for the years 2023 through 2027. The entitlement for such credit was not met through the end of 2025. In addition, we acquired inventory in the amount of \$14.2 million and agreed to pay the consideration to Saol in ten quarterly installments of \$1.5 million each or the remaining balance at the final installment. Through the first half of 2024, we completed all payments due on account of such inventory commitment. We also assumed certain of Saol's liabilities for the future payment of royalties (some of which are perpetual) and milestone payments to third parties subject to the achievement of corresponding CYTOGAM related net sales thresholds and milestones. During the years ended December 31, 2025 and 2024, we paid approximately \$5.9 million and \$12.7 million, respectively, on account of such contingent consideration, inventory related liability and the assumed liabilities, and the outstanding balance of the contingent consideration and the assumed liabilities as of December 31, 2025, totaled \$60.4 million. During the next 12 months we anticipate paying approximately \$9.9 million on account of such contingent consideration and the assumed liabilities, which are expected to be funded by our existing financial resources and cash to be generated through our operational activities. Payments on account of such liabilities expected to be made beyond the next 12 months, are expected to be funded from cash generated by our operating activities, and, to the extent required, by raising additional capital through the issuance of equity or debt. For additional information also see above under "Key Components of Our Results of Operations—*Business Combination*" and Note 13a to our consolidated financial statements included in this Annual Report.

We have entered into long-term lease agreements with respect to office facilities, storage spaces, plasma collection centers, vehicles and certain office equipment. The terms of such lease arrangements are between 3 to 20 years. The outstanding lease obligation as of December 31, 2025, totaled \$11.6 million. For additional information see Note 14 to our consolidated financial statements included in this Annual Report.

We are also obligated to make certain severance or pension payments to our Israeli employees upon their retirement in accordance with Israeli law. For additional information, see "Post-Employment Benefits Liabilities" and Note 2k and Note 16 to our consolidated financial statements included in this Annual Report.

We believe our current cash and cash equivalents, along with the expected future cash to be generated by our operational activities, will be sufficient to satisfy our liquidity requirements for at least the next 12 months.

#### ***Credit Facility and Loan Agreement with Bank Hapoalim B.M.***

In connection with the acquisition of CYTOGAM, HEPAGAM B, VARIZIG and WINRHO SDF from Saol, on November 15, 2021, we secured a \$40 million debt facility from Bank Hapoalim B.M., which was comprised of a \$20 million five-year loan and a \$20 million short-term revolving credit facility. The long-term loan bore interest at a rate of SOFR + 2.18% and was repayable in 54 equal monthly installments commencing on June 16, 2022. In September 2023, we repaid in full the outstanding balance of the \$20 million five-year loan.

The revolving credit facility was in effect for an initial period of 12 months. Thereafter, on January 1, 2023, the credit facility was reduced to NIS 35 million (equivalent to approximately \$10 million) and extended for an additional period of 12 months and subsequently on January 1, 2024, it was extended for an additional period of 12 months. Borrowings under the credit facility accrued interest at a rate of PRIME + 0.55 and were repayable no later than 12 months from the date advanced. We were required to pay Bank Hapoalim an annual fee of 0.275% for the credit allocation. The terms of the credit facility included certain financial covenants, including that we maintain: (i) minimum equity capital of 30% of the balance sheet and no less than \$120 million, examined on a quarterly basis, (ii) a maximum working capital to debt ratio of 0.8, examined on a quarterly basis, and (iii) a minimum debt coverage ratio of 1.1 during 2022-2024 and 1.25 in 2025 and onwards, examined on an annual basis. In addition, the terms of the credit facility contained certain restrictive covenants including, among others, limitations on restructuring, the sale of purchase of assets, material licenses, certain changes of control and the creation of floating charges over our property and assets. In addition, we undertook not to create any first ranking floating charge over all or materially all of our property and assets in favor of any third party unless certain conditions, as defined in the loan agreement, have been satisfied.

On February 17, 2025, we converted the credit facility to a NIS 35 million on-call credit facility from Bank Hapoalim, with each loan thereunder bearing interest at a rate of 6.3%. As part of the conversion, we undertook not to create a floating charge over all or materially all of our assets. In addition, the previous credit facility, as described above, was terminated, together with our obligations to meet the financial covenants.

#### ***Cash Flows from Operating Activities***

Net cash provided by operating activities was \$25.5 million and \$47.6 million for the years ended December 31, 2025 and 2024, respectively. Net cash provided by operating activities for 2025 and 2024 was primarily generated through our commercial operations, including the sales of our commercial products, mainly KEDRAB, GLASSIA and CYTOGAM, as well as cash generated from royalties payable by Takeda on account of their GLASSIA sales, net of our operational costs.

#### ***Cash Flows used in Investing Activities***

Net cash used in investing activities was \$9.8 million for the year ended December 31, 2025, comprised of capital expenditures primarily associated with the construction of our new plasma collection center in San Antonio, Texas, as well as upgrades and improvements of our facilities and manufacturing and plasma collection equipment, including the establishment of the new filling line at the Beit Kama, Israel facility.

Net cash used in investing activities was \$10.7 million for the year ended December 31, 2024, comprised of capital expenditures primarily associated with the construction of our plasma collection centers in Houston, Texas and San Antonio, Texas, as well as upgrades and improvements of our facilities and manufacturing and plasma collection equipment.

#### ***Cash Flows used in Financing Activities***

Net cash used in financing activities was \$18.3 million for the year ended December 31, 2025, and included a \$11.5 million dividend paid to our shareholders in April 2025, a \$3.0 million milestone payment related to the contingent consideration for achieving the third sales threshold, and \$2.9 million for assumed royalty payment obligations to third parties on CYTOGAM net sales.

Net cash used in financing activities was \$13.9 million for the year ended December 31, 2024, and included the payment to Saol of \$3.0 million on account of the contingent consideration for the second sales threshold and a total of \$9.7 million on account of assumed liabilities generated by the November 2021 Saol acquisition, comprised of \$2.2 million for the remaining acquired deferred inventory liability and \$7.5 million for assumed royalty payment obligations to third parties on CYTOGAM net sales.

### C. Research and Development, Patents and Licenses, Etc.

Research and development expenses accounted for approximately 7.2% and 9.4% of total revenues for the years ended December 31, 2025 and 2024, respectively.

Set forth below are the research and development expenses associated with our major development programs in the years ended December 31, 2025 and 2024:

|   | Year ended<br>December 31, |           |
|---|----------------------------|-----------|
|   | 2025                       | 2024      |
| Inhaled AAT   | \$ 3,000                   | \$ 6,889  |
| Other early stage development programs                          | 188                        | 91        |
| Unallocated salary  | 5,913                      | 5,621     |
| Unallocated facility cost allocated to research and development | 2,912                      | 1,559     |
| Unallocated other expenses                                      | 982                        | 1,025     |
| Total research and development expenses                         | \$ 12,995                  | \$ 15,185 |

In 2019, we commenced a global, randomized, double-blind, placebo-controlled Phase 3 InnovAATe pivotal study, to test our inhaled AAT therapy as a potential alternative to the current standard of care for AATD patients of weekly intravenous (IV) infusions, under the guidance of the FDA and the EMA. In December 2025, we announced that the DSMB advised us that, based on a prespecified interim futility analysis, the Phase 3 InnovAATe trial is unlikely to demonstrate a statistically significant benefit in its primary endpoint—lung function measured by FEV1. Based on the futility analysis outcome, we announced our decision to discontinue the trial. The discontinuation was solely due to the low likelihood of achieving the efficacy outcome and was not reflective of any safety concerns.

Following our announcement, we took appropriate steps to inform all participating sites and other stakeholders of our decision to discontinue the study, and we are currently carrying out the discontinuation process in an organized and efficient manner. In connection with the termination of the study, in 2025, we accounted for costs totaling \$2.6 million on account of study closeout costs.

During the year ended December 31, 2025, prior to conducting the futility analysis, we entered into an exclusivity letter with an international biopharmaceutical company associated with the potential out-licensing of the distribution rights of the Inhaled AAT product. In consideration of the terms of the exclusivity letter, we received a non-refundable payment of \$3.0 million. Following our decision to discontinue the InnovAATe clinical trial, the exclusivity letter was voided and the payment received was recorded as an offset to the 2025 research and development expenses associated with the clinical trial.

Our current development programs are described in “Item 4. Information on the Company— Information on the Company—Business Overview—Our Development Product Pipeline”.

We will determine which programs to pursue and how much to fund each program in response to the scientific, pre-clinical and clinical outcome and results of each product candidate, as well as an assessment of each product candidate’s commercial potential. See “Item 3. Key Information — D. Risk Factors — Risks Related to Development, Regulatory Approval and Commercialization of Product Candidates.”

### D. Trend Information.

Adverse macroeconomic conditions, including inflation, slower economic growth, changes in fiscal and monetary policies, volatility in interest rates, and currency fluctuations, have impacted companies in Israel and globally. As future market conditions and fiscal and monetary policies remain highly uncertain, we cannot predict the extent to which a potential recessionary environment or continued economic volatility may affect demand for our Proprietary Products and Distribution segment products, or our ability to sustain our forecasted growth and other business and operational objectives. See also “Item 3.D. “Risk Factors—General Risks— *Developments in the economy may adversely impact our business.*”

## E. Critical Accounting Estimates

This discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with IFRS as issued by the IASB. The preparation of these financial statements requires management to make estimates that affect the reported amounts of our assets, liabilities, revenues and expenses. Material accounting policies employed by us, including the use of estimates, are presented in the notes to the consolidated financial statements included elsewhere in this Annual Report. We periodically evaluate our estimates, which are based on historical experience and on various other assumptions that management believes to be reasonable under the circumstances. Critical accounting policies are those that are most important to the portrayal of our financial condition and results of operations and require management's subjective or complex judgments, resulting in the need for management to make estimates about the effect of matters that are inherently uncertain. If actual performance should differ from historical experience or if the underlying assumptions were to change, our financial condition and results of operations may be materially impacted. In addition, some accounting policies require significant judgment to apply complex principles of accounting to certain transactions, such as acquisitions, in determining the most appropriate accounting treatment.

A detailed description of our accounting policies is provided in Note 2 to our consolidated financial statements appearing elsewhere in this Annual Report. The following provides an overview of certain accounting policies that we believe are the most critical for understanding and evaluating our financial condition and results of operations.

### *Revenue Recognition*

Revenues are recognized when the customer obtains control over the promised goods or services.

On the date of the contract's inception, we assess the goods or services promised in the contract with the customer and identify the performance obligations. Revenues are recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

We include variable consideration, such as variable prices, discounts, chargeback, rebates, adjustments to the net market price, volume rebates, and, under certain conditions, a right to return option, in the transaction price, only to the extent it is highly probable that its inclusion will not result in a significant revenue reversal in the future once the uncertainty has been resolved. For contracts that consist of more than one performance obligation, at contract inception we allocate the contract transaction price to each performance obligation identified in the contract on a relative stand-alone selling price basis.

We sell CYTOGAM, WINRHO SDF, VARIZIG and HEPAGAM B through our wholly owned subsidiary Kamada Inc. in the U.S. market to wholesalers/distributors for redistribution/sale of these products to other parties, such as hospitals and pharmacies. Revenue recognition occurs at a point in time when control of the product is transferred to the wholesalers/distributors, generally on delivery of the goods.

Our gross sales are subject to various deductions, which are primarily composed of rebates and discounts to group purchasing organizations, government agencies, wholesalers, health insurance companies and managed healthcare organizations. These deductions represent estimates of the related obligations, requiring the use of judgment when estimating the effect of these sales deductions on gross sales for a reporting period. These adjustments are deducted from gross sales to arrive at net sales. We monitor the obligation for these deductions on at least a quarterly basis and record adjustments when rebate trends, rebate programs and contract terms, legislative changes, or other significant events indicate that a change in the obligation is appropriate. The Company has elected to apply the practical expedient such that it does not evaluate payment terms less than one year for the existence of a significant financing component.

The following summarizes the nature of the most significant adjustments to revenues generated from the sales of these products in the U.S. market:

Wholesaler chargebacks:

We have arrangements with certain indirect customers whereby the customer is able to buy products from wholesalers at reduced prices. A chargeback represents the difference between the invoice price to the wholesaler and the indirect customer's contractual discounted price. Provisions for estimating chargebacks are calculated based on historical experience and product demand. The provision for chargebacks is recorded as a deduction of revenue and of the trade receivables on the consolidated statements of financial position.

Fees for service:

Consists of wholesaler/distributor fees associated with the redistribution of the products to hospitals and pharmacies. These fees are outlined in each wholesaler/distributor contract. The fees are invoiced on a monthly or quarterly basis by the wholesaler/distributor. The provisions for fees for service are recorded in the same period that the corresponding revenues are recognized.

Right to return option:

We offer a right to return option under certain conditions, primarily when goods are sold with a short expiry date. The revenue recognized reflects the amount of consideration that we expect to be entitled to, excluding the estimated returns.

We also generate revenue in the form of royalty payments, due from the grant of a license for the use of our IP, knowhow and patents. Royalty revenue is recognized when the underlying sales have occurred.

### ***Business combinations and goodwill***

In November 2021, we acquired a portfolio of four FDA-approved plasma-derived hyperimmune commercial products from Saol. For details, see “Item 5. Operating and Financial Review and Prospects—Key Components of Our Results of Operations—*Business Combination*.” The acquisition was accounted for as a business combination, for which a key element of the consideration was contingent.

The contingent consideration was recognized at fair value on the acquisition date and classified as a financial liability in accordance with IFRS 9. Contingent consideration is measured at fair value. The fair value is determined using valuation techniques and method, using future cash flows discounted. Subsequent changes in the fair value of the contingent consideration are recognized in profit or loss as finance income or finance expense.

As part of the acquisition, we also assumed certain of Saol’s liabilities for the future payment of royalties (some of which are perpetual) and milestone payments to a third party subject to the achievement of corresponding CYTOGAM related net sales. Such assumed liabilities were accounted for as a financial liability on the acquisition date. Subsequently, the financial liability is measured at amortized cost, per IFRS 9. Remeasurement of the financial liability is recognized as finance income or expense in the statement of operations. For more information see Note 13a and Note 2e in our consolidated financial statements included in this Annual Report.

### ***Inventories***

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is comprised of costs required to purchase raw materials and other indirect costs required to manufacture the product (including salaries), in addition, such costs may include the costs of purchase and shipping and handling. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated selling costs.

We determine a standard manufacturing capacity for each quarter. To the extent the actual manufacturing capacity in a quarter is lower than the predetermined standard, then a portion of the indirect costs which is equal to the product of the overall quarterly indirect costs multiplied by the quarterly manufacturing shortfall rate is recognized as costs of revenues. The determination of the standard manufacturing capacity is subject to significant assumptions such as expected demand for our products, expected industry sales growth and manufacturing schedules. Management’s determination of deviations from quality standards is based on qualitative assessment, historical data and our experience.

We periodically evaluate the condition and analyze the age of inventories and make provisions for slow-moving inventories accordingly. Unfavorable changes in market conditions may result in a need for additional inventory reserves that could adversely impact our gross margins. Conversely, favorable changes in demand could result in higher gross margins when we sell products or the reversal of previously recorded write-downs.

We periodically assess the potential effect on inventory in cases of deviations from quality standards in the manufacturing process to identify potential required inventory write offs. Such assessment is subject to our professional judgment.

Inventory that is produced following a change in manufacturing process prior to final approval of regulatory authorities is subject to our assessment as to the probability of obtaining such approval. We periodically reassess the probability of such approval and the remaining shelf life of such inventory. If regulatory approval is not probable, the cost of this inventory will be charged to research and development expenses.

#### ***Impairment of Non-financial Assets, other than Goodwill***

We evaluate the need to record an impairment of the carrying amount of non-financial assets whenever events or changes in circumstances indicate that the carrying amount is not recoverable. If the carrying amount of non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. The recoverable amount of an asset that does not generate independent cash flows is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An impairment loss of an asset, other than goodwill, is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. Reversal of an impairment loss, as above, will not be increased above the lower of the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in prior years and its recoverable amount. The reversal of impairment loss of an asset presented at cost is recognized in profit or loss. During the year ended December 31, 2024, we recognized a \$0.6 million impairment loss on intangible assets associated with distribution rights of certain pharmaceutical products in our Distribution segment.

#### ***Goodwill impairment***

We review goodwill for impairment once a year, on December 31, or more frequently if events or changes in circumstances indicate that our goodwill may be impaired.

Goodwill is tested for impairment by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill has been allocated. An impairment loss is recognized if the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is less than the carrying amount of the cash-generating unit (or group of cash-generating units). Any impairment loss is allocated first to goodwill. Impairment losses recognized for goodwill cannot be reversed in subsequent periods.

The goodwill is attributed to the Proprietary Products segment, which represents the lowest level within the Company at which goodwill is monitored for internal management purposes.

As of December 31, 2025, we performed an assessment for goodwill impairment for our Proprietary Products segment, which is the level at which goodwill is monitored for internal management purposes and concluded that the fair value of the Proprietary Products segment exceeds the carrying amount by approximately 40%. The carrying amount of goodwill assigned to this segment is \$30.3 million.

When evaluating the fair value of the Proprietary Products segment, the Company used a discounted cash flow model which utilized Level 3 measures that represent unobservable inputs. Key assumptions used to determine the estimated fair value include: (a) internal cash flows forecasts for five years following the assessment date, including expected revenue growth, costs to produce, operating profit margins and estimated capital needs; (b) an estimated terminal value using a terminal year long-term future growth rate of -5.0% determined based on the long-term expected prospects of the reporting unit; and (c) a discount rate (post-tax) of 10.6% which reflects the weighted-average cost of capital adjusted for the relevant risk associated with the Proprietary Products segment's operations.

Actual results may differ from those assumed in our valuation method. It is reasonably possible that our assumptions described above could change in future periods. If any of these were to vary materially from our plans, we may record impairment of goodwill allocated to the Proprietary Products segment reporting unit in the future. A hypothetical decrease in the growth rate of 1% or an increase of 1% to the discount rate would have reduced the fair value of the Proprietary Products segment reporting unit by approximately \$6.5 million and \$25.2 million, respectively. The sensitivity analysis described above did not lead to an increase of the recoverable amount over the carrying amount. Based on our assessment as of December 31, 2025, no goodwill was determined to be impaired. For more information see Note 10 to our consolidated financial statements included in this Annual Report for more details.

### ***Research and development costs***

Research and development costs include preclinical and clinical costs (as well as cost of materials associated with the development of new products or existing products for new therapeutic indications). In addition, these costs include additional product development activities with respect to approved and distributed products as well as post marketing commitment research and development activities.

Research expenses are recognized when incurred. Costs incurred on development projects are recognized as intangible assets as of the date that it can be established that it is probable that future economic benefits attributable to the relevant project will be realized, considering factors including the technological and commercial feasibility of the project. Specifically, intangible assets arising from our development projects are recognized on our balance sheet if all of the following criteria are met:

- the development project is clearly defined and identifiable;
- the attributable costs can be measured reliably during the development period;
- the technological feasibility, adequate resources to complete and a market for the product or an internal use of the product can be demonstrated; and
- management has the intent to produce and market the product or otherwise utilize it.

Development costs are capitalized as of the date when these criteria are met. Until such criteria are met, development costs incurred are recognized as an expense.

Our development projects are often subject to regulatory approval procedures and other uncertainties. Therefore, the conditions for the capitalization of costs incurred before receipt of approvals are not normally satisfied, and development expenditures are recognized in profit or loss when incurred. Under limited circumstances, when development projects pertain to existing therapeutic indications, development costs are eligible for capitalization.

### ***Share-based Payment Transactions***

Our employees and directors are entitled to remuneration in the form of equity-settled share-based payment transactions (options and restricted share units).

The cost of equity-settled transactions is measured at the fair value of the equity instruments granted at grant date. We use the binomial model when estimating the grant date fair value of equity settled share options. We selected the binomial option pricing model as the most appropriate method for determining the estimated fair value of our share-based awards without market conditions. We use the share price at the grant date when estimating the grant date fair value of equity settled restricted share units.

The determination of the grant date fair value of options using an option pricing model is affected by estimates and assumptions regarding several complex and subjective variables. These variables include the expected volatility of our share price over the expected term of the options, share option exercise and expiration behaviors, expected exercise multiple, risk-free interest rates, expected dividends and the price of our ordinary shares on the TASE (or Nasdaq for persons who are subject to U.S. federal income tax), which are estimated as follows:

- *Expected Life.* The expected life of the share options is based on historical data and is not necessarily indicative of the exercise patterns of share options that may occur in the future.

- *Volatility.* The expected volatility of the share prices reflects the assumption that the historical volatility of the share prices on the TASE and NASDAQ is reasonably indicative of expected future trends.
- *Risk-free interest rate.* The risk-free interest rate is based on the yields of non-index-linked Bank of Israel treasury bonds with maturities similar to the expected term of the options for each option group.
- *Expected forfeiture rate.* The post-vesting forfeiture rate is based on the weighted average historical forfeiture rate.
- *Dividend yield and expected dividends.* While on March 5, 2025, we announced a special cash dividend of \$0.20 per share (approximately \$11.5 million in the aggregate), with a record date (ex-dividend date) of March 17, 2025, which was paid on April 7, 2025, we have historically retained our earnings to finance operations and expand our business and may not pay additional cash dividends in the future. Through the end of 2025, we assumed a dividend yield and expected dividends of zero.
- *Share price.* The price of our ordinary shares on the TASE (or Nasdaq for persons who are subject to U.S. federal income tax) used in determining the grant date fair value of options is based on the price on the grant date.

If any of the assumptions used in the binomial model change significantly, share-based compensation for future awards may differ materially compared with the awards granted previously.

The cost of equity-settled transactions is recognized in profit or loss, together with a corresponding increase in equity, during the period which the performance and/or service conditions are to be satisfied, ending on the date on which the relevant grantee become fully entitled to the award. The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and our best estimate of the number of equity instruments that will ultimately vest. The expense or income recognized in profit or loss represents the change between the cumulative expense recognized at the end of the reporting period and the cumulative expense recognized at the end of the previous reporting period.

No expense is recognized for awards that do not ultimately vest.

If we modify the conditions on which equity instruments were granted, an additional expense is recognized for any modification that increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the grantee at the modification date.

If a grant of an equity instrument is cancelled, it is accounted for as if it had vested on the cancellation date, and any expense not yet recognized for the grant is recognized immediately. However, if a new grant replaces the cancelled grant and is identified as a replacement grant on the grant date, the cancelled and new grants are accounted for as a modification of the original grant, as described above.

#### ***Post-employment Benefits Liabilities***

Our post-retirement benefit plans are normally financed by contributions to pension funds or similar entities, including insurance companies, and are classified as defined contribution plans or defined benefit plans.

We operate a defined benefit plan in respect of severance pay pursuant to the Israeli Severance Pay Law, 1963. See Note 2k and Note 16 to our consolidated financial statements included in this Annual Report for more details.

The present value of our severance pay depends on several factors that are determined on an actuarial basis using several assumptions. The assumptions used in determining the net cost or income for severance pay and plan assets include a discount rate. Any changes in these assumptions will impact the carrying amount of severance pay and plan assets.

Other key assumptions inherent to the valuation include employee turnover, inflation, expected long term returns on plan assets and future payroll increases. The expected return on plan assets is determined by considering the expected returns available on assets underlying the current investments policy. These assumptions are given a weighted average and are based on independent actuarial advice and are updated on an annual basis. Actual circumstances may vary from these assumptions, giving rise to a different severance pay liability.

A sensitivity analysis was performed based on reasonably possible changes of the principal assumptions (discount rate and future salary increases) underlying the defined benefit plan.

If the discount rate would be one percent higher or lower, and all other assumptions were held constant, the defined benefit obligation would decrease by \$110,000 or increase by \$169,000, respectively.

If the expected salary growth would increase or decrease by one percent, and all other assumptions were held constant, the defined benefit obligation would increase by \$159,000 or decrease by \$104,000, respectively.

Since August 2022, Kamada Inc., our U.S. wholly owned subsidiary has a 401(k) defined contribution plan covering certain employees in the United States. All eligible employees may elect to contribute up to 100% of their annual compensation to the plan through salary deferrals, subject to the U.S. Internal Revenue Service ("IRS") limits. For the year ended December 31, 2025, the contribution limit was \$23,500 per year (for certain employees over 50 years of age the maximum contribution was \$31,000 per year). The U.S. subsidiary matches 3% of employee contributions up to the combined maximum employee and employer contributions totaling \$70,000 (for certain employees over 50 years of age the maximum contribution was \$77,500 per year).

### ***Taxes on income***

#### *Current and Deferred taxes*

Taxes on income in profit or loss comprise of current taxes, deferred taxes and taxes in respect of prior years, which are mainly recognized in profit or loss.

Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is not probable that they will be utilized. Deductible carryforward losses and temporary differences for which deferred tax assets have not been recognized are reviewed at the end of each reporting period, and a respective deferred tax asset is recognized to the extent that their utilization is probable.

We operate in multiple tax jurisdictions. Deferred taxes are offset in the statement of financial position if there is a legally enforceable right to offset a current tax asset against a current tax liability and the deferred taxes relate to the same taxpayer and the same taxation authority.

As of December 31, 2025, we recorded \$2.0 million of tax expense associated with deferred tax asset on account of the remaining NOLs and other temporary differences as we estimated that their utilization is probable in the foreseeable future.

#### *Uncertain tax positions*

We evaluate potential uncertain tax positions, including additional tax and interest expenses, and recognize a provision when it is more probable than not that we will have to use our economic resources to pay such obligation.

As of December 31, 2025 we accounted for tax expenses associated with uncertain tax positions in the amount of \$1.2 million.

## Item 6. Directors, Senior Management and Employees

### A. Directors and Senior Management

The following table sets forth certain information relating to our executive officers and directors as of March 11, 2026.

| Name                                    | Age | Position   |
|---|-----|--|
| <b>Executive Officers:</b>              |     |  |
| Amir London                             | 57  | Chief Executive Officer  |
| Chaime Orlev                            | 55  | Chief Financial Officer  |
| Eran Nir                                | 53  | Chief Operating Officer  |
| Yael Brenner                            | 62  | Vice President, Quality  |
| Hanni Neheman                           | 56  | Vice President, Marketing & Sales  |
| Nir Livneh                              | 47  | Vice President, General Counsel and Corporate Secretary                                |
| Orit Pinchuk                            | 60  | Vice President, Regulatory Affairs and PVG   |
| Liron Reshef                            | 55  | Vice President, Human Resources  |
| Jon Knight                              | 60  | Vice President, U.S. Commercial Operations   |
| Shavit Beladev                          | 55  | Vice President, Plasma Operations  |
| Boris Gorelik                           | 45  | Vice President, Business Development and Strategic Programs                            |
| <b>Directors:</b>                       |     |  |
| Lilach Asher-Topilsky <sup>(1)(3)</sup> | 55  | Chair of the Board of Directors, Chair of the Strategy Committee                       |
| Uri Botzer <sup>(1)(3)</sup>            | 37  | Director   |
| Ishay Davidi <sup>(1)</sup>             | 64  | Director   |
| Prof. Benjamin Dekel <sup>(1)(2)</sup>  | 59  | External Director  |
| Karnit Goldwasser <sup>(1)</sup>        | 49  | Director   |
| Assaf Itshayek <sup>(1)(2)</sup>        | 53  | External Director, Chairman of Audit Committee, Chairman of the Compensation Committee |
| Lilach Payorski <sup>(1)(2)</sup>       | 53  | Director   |
| Leon Recanati <sup>(1)</sup>            | 77  | Director   |
| David Tsur <sup>(1)(3)</sup>            | 75  | Director   |

(1) Independent director under the Nasdaq listing requirements.

(2) Member of the Audit Committee and the Compensation Committee.

(3) Member of the Strategy Committee.

#### Executive Officers

*Amir London* has served as our Chief Executive Officer since July 2015. Prior to that, Mr. London served as our Senior Vice President, Business Development from December 2013. Mr. London brings with him over 25 years of senior management and international business development experience. From 2011 to 2013, Mr. London served as the Chief Operating Officer of Fidelis Diagnostics, a U.S.-based provider of innovative in-office medical diagnostic services. Earlier in his career, from 2009 to 2011, Mr. London was the Chief Executive Officer of Promedico, an Israeli-based \$350 million healthcare distribution company, and from 2006 to 2009 he was the General Manager of Cure Medical, providing contract manufacturing services for clinical studies, as well as home-care solutions. From 1995 to 2006, Mr. London was a Partner with Tefen, an international publicly traded operations management consulting firm, responsible for the firm's global biopharma practice. Mr. London holds a B.Sc. degree in Industrial and Management Engineering from the Technion – Israel Institute of Technology.

*Chaim Orlev* has served as our Chief Financial Officer since December 2017. Prior to that, Mr. Orlev had served in senior finance roles for more than 20 years, with approximately 13 years spent in the life sciences industry. Previously, from September 2016 to November 2017, Mr. Orlev served as Chief Financial Officer and Vice President Finance and Administration at Bioblast Pharma Ltd. (Nasdaq: ORPN), a clinical-stage, biotechnology company. Prior to that, from 2010, Mr. Orlev served as Vice President Finance and Administration at Chiasma (Nasdaq: CHMA), a clinical stage biopharmaceutical company, in which role Mr. Orlev led the company's initial public offering and listing on Nasdaq. Mr. Orlev holds a BA degree in Business Administration from the College of Management in Israel, an MBA degree from the Recanati Graduate School of Business Administration at the Tel Aviv University and is a certified public accountant in Israel.

*Eran Nir* has served as our Chief Operating Officer since March 2022, overseeing our operations and research and development activities. Prior to that Mr. Nir served as our Vice President, Operations from November 2016. Mr. Nir has over 20 years of operations management experience in the pharmaceutical and medical industries. Mr. Nir's previous roles include management of Teva Pharmaceutical Industries' plant in Jerusalem from 2002 to 2011, VP Operations of Amelia Cosmetics from 2014 to 2015 and management of a medical equipment plant of Philips Medical Systems from 2015 to 2016. Mr. Nir's experience spans across the management of large-scale FDA and EMA- approved manufacturing facilities, tech-transfer of new products from development to production and the implementation of operational excellence systems. Mr. Nir holds a B.Sc. degree in Industrial and Management Engineering and an MBA degree, both from Ben-Gurion University.

*Yael Brenner* has served as our Vice President, Quality since March 2015. Ms. Brenner has more than 25 years of experience in Quality Management, including Quality Assurance and Quality Control managerial positions in the pharmaceutical industry. Prior to joining Kamada, from 2007 to 2015, Ms. Brenner was at Teva Pharmaceuticals Industries, lastly as Senior Director Quality Operations of Teva's Kfar Sava Site, managing over 400 employees in Quality Assurance, Quality Control and Regulatory Affairs. Ms. Brenner holds B.Sc. and M.Sc. degrees in Chemistry from the Technion - Israel Institute of Technology, and she is a Certified Quality Engineer (CQE) from the American and Israeli Societies for Quality.

*Hanni Neheman* has served as our Vice President, Marketing & Sales since January 2020. Ms. Neheman joined us in August 2014 and served as Head of Business Operations, Israel. Ms. Neheman has more than 20 years of experience in different positions in the field of marketing and sales in the pharmaceutical industry. Prior to joining us, Ms. Neheman served as a Commercial Manager at Neopharm Israel. Ms. Neheman holds a B.A. degree in Occupational Therapy from the Technion Israel Institute of Technology and Executive M.B.A degree from Derby University.

*Nir Livneh* has served as our VP General Counsel and Corporate Secretary since April 2023. Mr. Livneh previously served as our General Counsel and Corporate Secretary, from 2010-2018. Prior to rejoining Kamada, Mr. Livneh served as Vice President of Legal Affairs at Purple Biotech Ltd. Previously, Mr. Livneh served as Legal Counsel at ICL Group Ltd. and General Counsel of PolyPid Ltd. Mr. Livneh is a member of the Israel Bar Association and holds an LL.B. (Bachelor of Law) and a B.A. degree in Business Administration from the Reichman University, Herzliya, Israel, and an LL.M degree from Tel Aviv University, Israel.

*Orit Pinchuk* has served as our Vice President of Regulatory Affairs and PVG since October 2014. Ms. Pinchuk has over 30 years of experience in the pharmaceutical industry, holding senior roles across Regulatory Affairs and Compliance. Prior to joining Kamada, Ms. Pinchuk served more than two decades at Teva Pharmaceuticals Industries (1993-2014), where she served as Director of Compliance and Regulatory Affairs, Operation Israel and Senior Director of Regulatory Affairs, Research and Development and Operation Israel. Ms. Pinchuk has extensive experience collaborating with global health authorities, including the FDA, EMA and the Canadian health authority. Ms. Pinchuk holds a B.Tech degree in Textile Chemistry from Shenkar College for Engineering and Design and M.Sc. degree in Applied Chemistry from the Hebrew University of Jerusalem.

*Liron Reshef* joined us as our Vice President, Human Resources in January 2023. Ms. Reshef has over 20 years of experience in the field of human resources in senior Human Resources positions at global companies in different industries. From 2018 to 2021, Ms. Reshef served as EVP Human Resources of TAT Technologies and from 2014 to 2018, she served as VP Human Resources of Evogene. Earlier in her career, Ms. Reshef worked in senior HR positions for Frutarom, Solbar Industries, Converse Technology and TICI Software Systems. Ms. Reshef is a certified Coach, specialized in personal coaching, career development and managers' coaching. Ms. Reshef holds a B.A. degree in Economics and Political Science from Bar-Ilan University and MBA degree, with specialization in Behavioral Sciences, from Ben-Gurion University, Israel.

*Jon Knight* has served as our Vice President of US Commercial Operations since March 2022. Mr. Knight has over 25 years of Life Sciences experience, primarily focusing on commercializing innovative specialty plasma-products. Prior to joining us, Mr. Knight served in a variety of commercial leadership positions. Previously Mr. Knight was responsible for Trade Relations at TherapeuticsMD, launching three innovative products into the U.S. market. Mr. Knight's professional background also includes leadership positions at Prometic Life Sciences, CIS by Deloitte, Cardinal Health, Cangene BioPharma and Nabi Biopharmaceuticals. Mr. Knight holds an MBA degree from Colorado State University and a B.A. degree in Biology from Colorado Mesa University.

*Shavit Beladev* has served as our Vice President, Plasma Operations since June 2022. Ms. Beladev has been with us for over 20 years in increasingly senior positions, most recently as Director of Business Development. Ms. Beladev previously served in management roles responsible for International Sales, Key Accounts Management and Plasma Procurement. Since the establishment of Kamada Plasma in early 2021, Ms. Beladev's extended responsibilities have also included overseeing the Company's plasma collection operations through its U.S. subsidiary Kamada Plasma LLC. Ms. Beladev holds a B.A. degree in Economics and Business Administration from Ben-Gurion University, Israel.

*Boris Gorelik* has served as our Vice President, Business Development and Strategic Programs since June 2022. Prior to that, Mr. Gorelik served as our Director of Business Development from April 2020. Mr. Gorelik has over 15 years of Business Development and M&A experience, most of it in the pharmaceutical industry. Prior to joining us, Mr. Gorelik was Senior Director of Global Business Development and Strategy with Teva Pharmaceutical Industries, Ltd. Prior to his tenure at Teva, Mr. Gorelik served in various legal, M&A, and transaction services-related roles in the Israeli law office of Goldfarb Seligman, as well as KPMG and Deloitte Israeli offices. Mr. Gorelik holds a LL.B. degree, B.A. degree in Accounting and MBA degree, all from Tel Aviv University.

## **Directors**

*Lilach Asher-Topilsky* has served as a member of our board of directors since December 2019, as the Chair of our board of directors since August 2020, served as a member of our Compensation Committee from August 2020 until August 2023 and serves as a member of our Strategy Committee (as the Chair of the Strategy Committee since November 2023). Ms. Asher-Topilsky has been a Senior Partner in the FIMI Opportunity Funds, Israel's largest group of private equity funds, since December 2019. Ms. Asher-Topilsky currently serves as the chair of the board of directors of Rimoni Industries Ltd. (TASE), SOS Ltd. Elyakim Ben Ari Group Ltd., Amal and Beyond Ltd. and Marom Dolphin Ltd. and as a director at Amiad Water Systems Ltd. (AIM), Ashot Ashkelon Industries Ltd. (TASE) and Tel Aviv University. Prior to joining FIMI, Ms. Asher-Topilsky served as the President and CEO of Israel Discount Bank (TASE), one of the leading banking groups in Israel, as the Chairman at IDB NY BANKCORP and as a director at IDB Bank New York from 2014 – 2019. Ms. Asher-Topilsky also served as the Chairman of Mercantile Bank from 2014 – 2016. Before that, Ms. Asher-Topilsky served as a member of the management of Bank Hapoalim (TASE) as Deputy CEO & Head of Retail Banking Division (2009 – 2013) & Head of Strategy & Planning Division (2007 – 2009). Ms. Asher-Topilsky served as a Strategy Consultant at The Boston Consulting Group (BCG, Chicago 1997 – 1998) and at Shaldor Strategy Consulting (Israel 1995 – 1996). Ms. Asher-Topilsky holds an M.B.A. degree from Kellogg School of Management, Northwestern University, Chicago, USA (1997) and a B.A. degree in Management and Economics from Tel Aviv University, Israel (Magna Cum Laude, 1994).

*Uri Botzer* has served as a member of our board of directors since December 2022 and serves as a member of our Strategy Committee. Mr. Botzer has been a Partner in the FIMI Opportunity Funds, Israel's largest group of private equity funds, since 2019. Mr. Botzer currently serves as a director at Marom Dolphin Ltd. and Simplivia Healthcare Ltd. Prior to joining FIMI, Mr. Botzer served as a lawyer at FISCHER (FBC & Co.). Mr. Botzer holds a B.A. degree in Business Administration and a LL.B. (Bachelor of Law), Cum Laude, from Reichman University, Herzliya.

*Ishay Davidi* has served on our board of directors since December 2019. Mr. Davidi is the Founder and has served as Chief Executive Officer of the FIMI Opportunity Funds, Israel's largest group of private equity funds, since 1996. Mr. Davidi currently serves as the Chairman of the Board of Directors of Polyram Plastic Industries Ltd. (TASE), Ashot Ashkelon Industries Ltd. (TASE), and Bio-Lab Ltd. Mr. Davidi also serves as a director of Bet Shemesh Engines Ltd. (TASE), C. Mer Industries Ltd. (TASE), PCB Technologies Ltd. (TASE), Rekah Pharmaceutical Industries (TASE), SOS Ltd., GreenStream Ltd., Amiad Water Systems Ltd. (AIM), Rimoni Industries Ltd. (TASE), Elyakim Ben-Ari Group Ltd., Amal and Beyond Ltd., Carmex Precision Tolls Ltd. and Gat Fertilizers Ltd. Mr. Davidi previously served as the Chairman of the board of directors of Infinya Ltd. (TASE), Inrom, Retalix (previously traded on NASDAQ and TASE) and Tefron Ltd. (NYSE and TASE) and as a director of Gilat Satellite Networks Ltd. (NASDAQ and TASE), Pharm Up Ltd (TASE), Ham-Let Ltd. (TASE), Ormat Industries Ltd. (previously traded on TASE), Lipman Electronic Engineering Ltd. (NASDAQ and TASE), Merhav Ceramic and Building Materials Center Ltd. (NASDAQ and TASE), Orian C.M. Ltd. (TASE), Ophir Optronics Ltd., Overseas Commerce Ltd. (TASE), Scope Metals Group Ltd. (TASE), Tadir-Gan (Precision Products) 1993 Ltd. (TASE) and Formula Systems Ltd. (NASDAQ and TASE). Prior to establishing FIMI, from 1993 until 1996, Mr. Davidi was the Founder and Chief Executive Officer of Tikvah Fund, a private Israeli investment fund. From 1992 until 1993 Mr. Davidi served as the Chief Executive Officer of Zer Science Industries Ltd. Mr. Davidi holds an M.B.A. degree from Bar Ilan University, Israel, and a B.Sc. degree, with honors, in Industrial Engineering from the Tel Aviv University, Israel.

*Prof. Benjamin Dekel* has served as an external director (within the meaning of the Companies Law) since August 2023 and serves as a member of our Audit Committee and Compensation Committee. Prof. Dekel currently serves as the Founder and Chief Scientist of RenoVate Biopharmaceuticals Ltd., as director at Sagol Center for Regenerative Medicine, Tel Aviv University; as Vice-Dean, School of Medicine, Tel Aviv University; Chief, Pediatric Nephrology and Pediatric Stem Cell Research Institute, Sheba Medical Center; as a member of the Higher Committee on Cell and Gene Therapy, Israel Ministry of Health; and as a member of the Scientific Advisory Board, Stemrad, Ltd. From June 2009 until June 2020, Prof. Dekel served as Chief Scientist and a member of the board of directors of KidneyCure Inc. In 2011, Prof. Dekel Served as a Visiting Scholar at Stanford University. From January 2003 to January 2005, Prof. Dekel Served as a Fellow at the Weizmann Institute. Prof. Dekel holds an MD degree in Medicine from the Technion — Israel Institute of Technology and a PhD in Immunology & Transplantation Biology from the Weizmann Institute.

*Karnit Goldwasser* has served on our board of directors since December 2019 and served as a member of our Audit Committee and Compensation Committee from January 2020 until August 2023. Ms. Goldwasser serves as an independent consultant and environmental engineer for various agencies and organizations. Ms. Goldwasser is a director at Delek San Recycling Ltd. (since December 2016). Ms. Goldwasser previously served as a director at ELA Recycling Corporation (2015 – September 2021), Orian DB Schenker (2017 – 2020) and at the government-owned Environmental Services Company Ltd., as chair of the Safety Committee (2010 – 2016) and as a member of the Tel Aviv-Jaffa City Council, holding the environmental portfolio (2013 – 2016). Ms. Goldwasser also served as a director in several Tel Aviv-Jaffa municipality corporations: Dan Municipal Sanitation Association, as chair of the audit committee; Tel Aviv-Jaffa Economic Development Authority; and Ganei Yehoshua Co. Ltd. Ms. Goldwasser holds a B.Sc. degree in Environmental Engineering, focusing on chemistry, mathematics and environmental engineering, a M.Sc. degree in Civil Engineering, specializing in Hydrodynamics and Water Resources, both from the Technion — Israel Institute of Technology, and a M.A. degree in Public Policy and Administration from the Lauder School of Government, Diplomacy and Strategy, IDC Herzliya. Ms. Goldwasser also completed the Directors Program at LAHAV, School of Management, Tel Aviv University.

*Assaf Itshayek* has served as an external director (within the meaning of the Companies Law) since August 2023 and is the Chairman of our Audit Committee and Compensation Committee. Mr. Itshayek has over 16 years of hi-tech industry experience in senior management and finance executive positions in different industries (including online, fintech and energy). Mr. Itshayek currently serves as a member of the board of directors of GoTo Global Ltd., Qira Ltd. and Nostromo Energy Holdings Corporation. From June 2021 until October 2022, Mr. Itshayek served as the chief executive officer of NeraTech Media Ltd. Prior thereto, from November 2012 until June 2021, Mr. Itshayek was at Somoto Ltd. (TASE: SMTO), initially as the chief financial officer and from December 2017, as the chief executive officer. Prior thereto, Mr. Itshayek served as the chief financial officer of BlueSnap Inc. (from February 2021 until January 2021) and Digital Power Corporation Ltd. (from June 2009 until May 2011) and served as the corporate controller of Metalink Ltd. from June 2006 until August 2008. From December 1999 until July 2006, Mr. Itshayek served as a TMT senior audit manager at Deloitte Brightman Almagor Zohar & Co., a Firm in the Deloitte Global Network. Mr. Itshayek holds a B.A. degree in Business Administration and Accountancy from the College of Management and an M.B.A. degree from Tel Aviv University.

*Lilach Payorski* has served on our board of directors since December 2021 and serves as a member of our Audit Committee. Ms. Payorski served as the Chair of our Audit Committee from December 2021 to October 2023. Ms. Payorski served as the Group Chief Financial Officer of Delta Galil Industries (TASE: DELG) from May 2024 until October 2024. Ms. Payorski served as the Chief Financial Officer of Tyto Care Ltd. from November 2022 until March 2023. Prior to that, Ms. Payorski served as the Chief Financial Officer of Stratasys Ltd. (NASDAQ: SSYS), a developer and manufacturer of 3D printers and additive solutions, from January 2017 to February 2022. From December 2012 until December 2016, Ms. Payorski served as Senior Vice President, Corporate Finance at Stratasys. From December 2009 to December 2012, Ms. Payorski served as Head of Finance at PMC-Sierra (NASDAQ: PMCS), a company operating in the semiconductors industry, which was subsequently acquired by Microsemi Corporation. Prior to that, from March 2005 to December 2009, Ms. Payorski served as Compliance Controller at Check Point Software Technologies Ltd. (NASDAQ: CHKP), a security company. Ms. Payorski also served as corporate controller at Wind River Systems (NASDAQ: WIND), a software company, which was subsequently acquired by Intel Corporation, from June 2003 to March 2005. Earlier in her career, from March 1997 to June 2003, Ms. Payorski worked as a chartered public accountant at Ernst & Young LLP, both in Israel and later in Palo Alto, CA. Ms. Payorski currently serves as the chair of the audit committee of ODDITY Ltd. (NASDAQ: ODD). Ms. Payorski also served as the chair of the audit committee of Scodix Ltd. (TASE: SCDX) and Gauzy Ltd. (NASDAQ: GAUZ). Ms. Payorski holds a B.A. degree in Accounting and Economics from Tel Aviv University. Ms. Payorski also completed the Board of Directors and Senior Corporate Officers Program at LAHAV, School of Management, Tel Aviv University.

*Leon Recanati* has served on our board of directors since May 2005, as the Chairman of our board of directors from March 2013 to August 2020 and served as the Chairman of our Compensation Committee from February 2019 until September 2023. Mr. Recanati currently serves as the Chairman of MadaTech, National Museum of Science Technology and Space in memory of Daniel and Mathilde Recanati. Mr. Recanati also serves as a member of the board of directors of Evogene Ltd., a computational biology and chemistry company listed on the TASE and New York Stock Exchange, and as a member of the board of directors of PV Nano Cell Ltd., a company traded on the OTC Market. Mr. Recanati is also a board member of the following private companies: GlenRock Israel Ltd., Gov, RelTech Holdings Ltd., Legov Ltd., Insight Capital Ltd., Shavit Capital Funds and Ofil Ltd. Mr. Recanati currently serves as the Chairman and Chief Executive Officer of GlenRock. Previously, Mr. Recanati was Chief Executive Officer and/or Chairman of IDB Holding Corporation Ltd., Clal Industries Ltd., Azorim Investment Development and Construction Co Ltd., Delek Israel Fuel Corporation and Super-Sol Ltd. Mr. Recanati also founded Clal Biotechnologies Industries Ltd., a biotechnology investment company operating in Israel. Mr. Recanati holds an M.B.A. degree from the Hebrew University of Jerusalem and Honorary Doctorates from the Technion — Israel Institute of Technology and Tel Aviv University.

*David Tsur* has served on our board of directors since our inception and serves as a member of our Strategy Committee. Mr. Tsur served as the Active Deputy Chairman on a half-time basis from July 2015 until December 31, 2019. Mr. Tsur served as our Chief Executive Officer from our inception until July 2015. Mr. Tsur served as the Chairman of the Board of Directors of Kanabo Ltd. (LSE) from 2018 to 2024 and as a director of BioHarvest Sciences Inc. (CSE) from 2022 to 2025. Prior to co-founding Kamada in 1990, Mr. Tsur served as Chief Executive Officer of Arad Systems and RAD Chemicals Inc. Mr. Tsur previously served as the Chairman of the Board of Directors of CollPlant Ltd., a company listed on the TASE and OTC market. Mr. Tsur has also held various positions in the Israeli Ministry of Economy and Industry (formerly named the Ministry of Industry and Trade), including Chief Economist and Commercial Attaché in Argentina and Iran. Mr. Tsur received the 2024 Lifetime Achievement Award by the Manufacturers Association of Israel for his many years of contribution to the Israeli biopharmaceutical industry. Mr. Tsur holds a B.A. degree in Economics and International Relations and an M.B.A. degree in Business Management, both from the Hebrew University of Jerusalem.

Under a shareholders' agreement entered into on March 6, 2013, the Recanati Group, on the one hand, and the Damar Group, on the other hand, have each agreed to vote the ordinary shares beneficially owned by them in favor of the election of director nominees designated by the other group as follows: (i) three director nominees, so long as the other group beneficially owns at least 7.5% of our outstanding share capital, (ii) two director nominees, so long as the other group beneficially owns at least 5.0% (but less than 7.5%) of our outstanding share capital, and (iii) one director nominee, so long as the other group beneficially owns at least 2.5% (but less than 5.0%) of our outstanding share capital. In addition, to the extent that after the designation of the foregoing director nominees there are additional director vacancies, each of the Recanati Group and Damar Group have agreed to vote the ordinary shares beneficially owned by them in favor of such additional director nominees designated by the party who beneficially owns the larger voting rights in our company. See "Item 7. Major Shareholders and Related Party Transactions — Related Party Transactions — Shareholder Agreement."

## **B. Compensation**

### ***Aggregate Compensation of Directors and Officers***

The aggregate compensation incurred by us in relation to our executive officers and directors, including share-based compensation, for the year ended December 31, 2025, was approximately \$4.95 million. This amount includes approximately \$0.4 million set aside or accrued to provide pension, severance, retirement or similar benefits or expenses, but does not include business travel, professional and business association dues and expenses reimbursed to executive officers, and other benefits commonly reimbursed or paid by companies in Israel.

From time to time, we grant options to our employees, officers and directors and, in the past, granted restricted share units to our officers and several of our employees. We granted options to purchase an aggregate 1,060,000 of our ordinary shares to our officers as a group during the year ended December 31, 2025. We did not grant any options to our directors during the year ended December 31, 2025.

As of December 31, 2025, options to purchase 2,033,985 of our ordinary shares granted to our Israeli based officers and directors as a group were outstanding, of which options to purchase 850,485 of our ordinary shares were vested, with a weighted average exercise price of NIS 19.85 per ordinary share. In addition, as of December 31, 2025, options to purchase 255,000 of our ordinary shares granted to our U.S. based officers as a group were outstanding, of which options to purchase 105,000 of our ordinary shares were vested, with a weighted average exercise price of \$6.06 per ordinary share. For details regarding the beneficial ownership of our shares by our officers and directors, see "Item 6. Directors, Senior Management and Employees — Share Ownership."

### ***Compensation of Directors***

We pay our directors an annual fee and per-meeting fees in the maximum amounts payable from time to time for such fees by us under the Second and Third Addendums, respectively (or, to the extent any director is determined to have financial and accounting expertise and is deemed an expert director (in each case, within the meaning of the Companies Law and the regulations thereunder), under the Fourth Addendum) to the Israeli Companies Regulations (Rules Regarding Compensation and Expense Reimbursement of External Directors), 2000, or the Compensation Regulations. In accordance with the Compensation Regulations, we currently pay our directors an annual fee of NIS 98,280 (approximately \$28,470), as well as a fee of NIS 3,785 (approximately \$1,096) for each board or committee meeting attended in person, NIS 2,271 (approximately \$658 for each board or committee meeting attended via telephone or videoconference and NIS 1,893 (approximately \$548) for participation by written consent.

There are no arrangements or understandings between us, on the one hand, and any of our directors, on the other hand, providing for benefits upon termination of their service as directors of our company.

To our knowledge, there are no agreements and arrangements between any director and any third party relating to compensation or other payment in connection with their candidacy or service on our Board of Directors.

### Compensation of Covered Executives

The following table presents information regarding compensation accrued in our financial statements for our five most highly compensated office holders (within the meaning of the Companies Law), namely our Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Vice President, Business Development and Strategic Programs, and Vice President, US Commercial Operations, during or with respect to the year ended December 31, 2025. Each such office holder was covered by our directors' and officers' liability insurance policy and was entitled to indemnification and exculpation in accordance with indemnification and exculpation agreements, our articles of association and applicable law.

| Name and Position   | Salary <sup>(1)</sup> | Bonus <sup>(2)</sup> | Value of<br>Options<br>Granted <sup>(3)</sup><br>(in thousands) | Other <sup>(4)</sup> | Total |
|---|-----------------------|----------------------|---|----------------------|-------|
| Amir London<br><i>Chief Executive Officer</i>                                       | \$ 443                | 240                  | 105   | 31                   | 819   |
| Chaime Orlev<br><i>Chief Financial Officer</i>                                      | \$ 365                | 115                  | 87  | 26                   | 593   |
| Eran Nir<br><i>Chief Operating Officer</i>  | \$ 336                | 100                  | 44  | 32                   | 512   |
| Boris Gorelik<br><i>Vice President, Business Development and Strategic Programs</i> | \$ 260                | 45                   | 35  | 117                  | 457   |
| Jon Knight<br><i>Vice President, U.S. Commercial Operations</i>                     | \$ 258                | 50                   | 32  | -                    | 340   |

(1) Salary includes gross salary and fringe benefits.

(2) Bonuses includes annual bonuses. The annual bonus is subject to the fulfillment of certain targets determined for each year by the compensation committee and board of directors.

(3) The value of options is the expense recorded in our financial statements for the year ended December 31, 2025 with respect to all options granted to such executive officer

(4) Cost of housing and personal expenses, and allowance for the use of a company car net of reimbursement by social security of certain salary expenses, each to the extent applicable

### Agreements with Five Most Highly Compensated Office Holders

We have entered into agreements with each of our five most highly compensated office holders (within the meaning of the Companies Law), listed below. The terms of employment or service of such office holders are directed by our compensation policy. See below “— Compensation Policy.” Each of these agreements contains provisions regarding non-competition, confidentiality of information and assignment of inventions. The enforceability of covenants not to compete in Israel and the United States is subject to limitations. Such office holders are entitled to an annual bonus subject to the fulfillment of certain targets determined for each year by the compensation committee and board of directors. In addition, our Israeli based executive officers are entitled to a company car, as well as sick pay, convalescence pay, manager’s insurance and a study fund (“*keren hishtalmut*”) and annual leave, all in accordance with Israeli law and our compensation policy for executive officers, and our U.S.-based executive officers are entitled to benefits customary to U.S. executives such as medical benefits and 401(k) plan, and in certain cases to relocation related remuneration.

*Amir London, Chief Executive Officer.* Mr. London has served as our Chief Executive Officer since July 2015. Prior to that and effective as of December 1, 2013, Mr. London served as our Vice President, Business Development. Mr. London’s engagement terms as our Chief Executive Officer have been approved by our Compensation Committee, Board of Directors and shareholders. According to the terms of the agreement, either party may terminate the agreement at any time upon three months’ prior written notice to the other party, and we may terminate the agreement immediately for cause in accordance with Israeli law.

*Chaime Orlev, Chief Financial Officer.* Effective as of October 1, 2017, we entered into an employment agreement with Mr. Chaime Orlev with respect to his employment as our Chief Financial Officer. Either party may terminate the agreement at any time upon three months’ prior written notice to the other party, and we may terminate the agreement immediately for cause in accordance with Israeli law.

*Eran Nir, Chief Operating Officer.* Mr. Eran Nir has served our Chief Operating Officer since March 1, 2022. Prior to that and effective as of November 1, 2016, Mr. Nir served as our Vice President, Operations. According to the terms of his employment agreement, either party may terminate the agreement at any time upon two months' prior written notice to the other party, and we may terminate the agreement immediately for cause in accordance with Israeli law.

*Boris Gorelik, Vice President, Business Development and Strategic Programs.* Effective as of June 2022, we entered into a three-year employment agreement with Mr. Boris Gorelik in connection with his relocation to the U.S. and his employment as our Vice President of Business Development with an option for an additional one-year extension. Prior to that Mr. Gorelik served as our Director of Business Development from April 2020. Either party may terminate the agreement at any time upon three months' prior written notice to the other party, and we may terminate the agreement immediately for cause in accordance with U.S. law.

*Jon Knight, Vice President, US Commercial Operations.* Effective as of March 15, 2022, we entered into an employment agreement with Mr. Jon Knight with respect to his employment as our Vice President, US Commercial Operations. Either party may terminate the agreement at any time upon three months' prior written notice to the other party, and we may terminate the agreement immediately for cause in accordance with U.S. law.

#### ***Other Executive Officers***

We have entered into written employment agreements with the rest of our executive officers. The terms of employment of our executive office holders are directed by our compensation policy. See “— Compensation Policy.” Each of these agreements contains provisions regarding non-competition, confidentiality of information and assignment of inventions. The non-competition provision applies for a period that is generally 12 months following termination of employment. The enforceability of covenants not to compete in Israel and the United States is subject to limitations. In addition, we are required to provide up to three months' notice prior to terminating the employment of such executive officers, other than in the case of a termination for cause. Each of our employment agreements with such executive officers provides for annual bonuses, which are subject to the fulfillment of certain targets determined for each year, and the executive officers may be also entitled to a special bonus upon the achievement of certain company milestones.

#### **Compensation of Directors and Executive Officers under Israeli Law**

##### ***Compensation Policy.***

Under the Companies Law, a public company is required to adopt a compensation policy, which sets forth the terms of service and employment of office holders, including the grant of any benefit, payment or undertaking to provide payment, any exemption from liability, insurance or indemnification, and any severance payment or benefit. Such compensation policy must comply with the requirements of the Companies Law. The compensation policy must be approved at least once every three years, first, by our board of directors, upon recommendation of our compensation committee, and second, by the shareholders, by a special majority (referred to as the “Special Majority for Compensation”) that requires that either:

- a majority of the shares held by shareholders who are not controlling shareholders and shareholders who do not have a personal interest in such matter and who are present and voting at the meeting, are voted in favor of approving the compensation package (excluding abstentions); or
- the total number of shares voted by non-controlling shareholders and shareholders who do not have a personal interest in such matter that are voted against the compensation policy does not exceed 2% of the aggregate voting rights in the company.

Our current compensation policy for executive officers and directors was approved by our shareholders on December 10, 2025.

### ***Compensation of Directors***

Under the Companies Law, the compensation (including insurance, indemnification, exculpation and compensation) of our directors requires the approval of our compensation committee, the subsequent approval of the board of directors and, unless exempted under the regulations promulgated under the Companies Law, the approval of the shareholders at a general meeting. The approval of the compensation committee and board of directors must be in accordance with the compensation policy. In special circumstances, the compensation committee and board of directors may approve a compensation arrangement that is inconsistent with the company's compensation policy, provided that they have considered the same considerations and matters required for the approval of a compensation policy in accordance with the Companies Law, in which case the approval of the company's shareholders must be by the Special Majority for Compensation.

Where the director is also a controlling shareholder, the requirements for approval of transactions with controlling shareholders apply, as described under “—Item 6. Directors, Senior Management and Employees — Fiduciary Duties and Approval of Related Party Transactions under Israeli Law — Disclosure of Personal Interests of a Controlling Shareholder and Approval of Certain Transactions.”

### ***Compensation of Officers Other than the Chief Executive Officer***

Pursuant to the Companies Law, the compensation (including insurance, indemnification and exculpation) of a public company's office holders (other than directors, which is described above, and the chief executive officer, which is described below) generally requires approval first by the compensation committee and second by the company's board of directors, according to the company's compensation policy. In special circumstances the compensation committee and board of directors may approve a compensation arrangement of such an officer that is inconsistent with the company's compensation policy, provided that they have considered the same considerations and matters required for the approval of a compensation policy in accordance with the Companies Law and such arrangement must be approved by the company's shareholders by the Special Majority for Compensation. However, if the shareholders of the company do not approve a compensation arrangement with such an executive officer that is inconsistent with the company's compensation policy, the compensation committee and board of directors may, in special circumstances, override the shareholders' decision, subject to certain conditions.

Under the Companies Law, an amendment to an existing arrangement with an office holder (other than the chief executive officer, which is described below), who is not a director, requires only the approval of the compensation committee, if the compensation committee determines that the amendment is not material in comparison to the existing arrangement. However, according to regulations promulgated under the Companies Law, an amendment to an existing arrangement with an office holder (who is not a director), who is subordinate to the chief executive officer, shall not require the approval of the compensation committee, if (i) the amendment is approved by the chief executive officer and the company's compensation policy determines that a non-material amendment to the terms of service of an office holder (other than the chief executive officer) will be approved by the chief executive officer and (ii) the engagement terms are consistent with the company's compensation policy. Under our compensation policy for executive officers and subject to applicable law, our chief executive officer may approve an immaterial amendment of up to 10% of the existing terms of office and engagement (as compared to those approved by the compensation committee) of an executive who is subordinate to the chief executive officer (who is not a director).

### ***Compensation of Chief Executive Officer***

The compensation (including insurance, indemnification and exculpation) of a public company's chief executive officer generally requires the approval of first, the company's compensation committee; second, the company's board of directors; and third (except for limited exceptions), the company's shareholders by the Special Majority for Compensation. If the shareholders of the company do not approve the compensation arrangement with the chief executive officer, the compensation committee and board of directors may override the shareholders' decision, subject to certain conditions. The compensation committee and board of directors approval should be in accordance with the company's compensation policy; however, in special circumstances, they may approve compensation terms of a chief executive officer that are inconsistent with such policy provided that they have considered the same considerations and matters required for the approval of a compensation policy in accordance with the Companies Law and that shareholder approval was obtained by the Special Majority for Compensation. Under certain circumstances, the compensation committee and board of directors may waive the shareholder approval requirement in respect of the compensation arrangements with a candidate for chief executive officer if they determine that the compensation arrangements are consistent with the company's stated compensation policy.

However, an amendment to an existing arrangement with a chief executive officer (who is not a director) requires only the approval of the compensation committee, if the compensation committee determines that the amendment is not material in comparison to the existing arrangement. Furthermore, according to regulations promulgated under the Companies Law, the renewal or extension of an existing arrangement with a chief executive officer shall not require shareholder approval if (i) the renewal or extension is not beneficial to the chief executive officer as compared to the prior arrangement or there is no substantial change in the terms and other relevant circumstances; and (ii) the engagement terms are consistent with the company's compensation policy and the prior arrangement was approved by the shareholders by the Special Majority for Compensation.

Where the office holder is also a controlling shareholder, the requirements for approval of transactions with controlling shareholders apply, as described under “—Item 6. Directors, Senior Management and Employees — Fiduciary Duties and Approval of Related Party Transactions under Israeli Law — Disclosure of Personal Interests of a Controlling Shareholders and Approval of Certain Transactions.”

### **Exculpation, Insurance and Indemnification of Office Holders**

Under the Companies Law, a company may not exculpate an office holder from liability for a breach of the duty of loyalty. An Israeli company may exculpate an office holder in advance from liability to the company, in whole or in part, for damages caused to the company as a result of a breach of duty of care, but only if a provision authorizing such exculpation is included in the company’s articles of association. Our articles of association include such a provision. However, we may not exculpate an office holder for an action or transaction in which a controlling shareholder or any other office holder (including an office holder who is not the office holder we have undertaken to exculpate) has a personal interest (within the meaning of the Companies Law). We may also not exculpate in advance a director from liability arising out of a prohibited dividend or distribution to shareholders.

Under the Companies Law, a company may indemnify an office holder for the following liabilities, payments and expenses incurred for acts performed by him or her, as an office holder, either pursuant to an undertaking given by the company in advance of the act or following the act, provided its articles of association authorize such indemnification:

- a monetary liability imposed on him or her in favor of another person pursuant to a judgment, including a settlement or arbitrator’s award approved by a court. However, if an undertaking to indemnify an office holder with respect to such liability is provided in advance, then such an undertaking must be limited to events which, in the opinion of the board of directors, can be foreseen based on the company’s activities when the undertaking to indemnify is given, and to an amount, or according to criteria, determined by the board of directors as reasonable under the circumstances. Such undertaking shall detail the foreseen events and amount, or criteria mentioned above;
- reasonable litigation expenses, including reasonable attorneys’ fees, incurred by the office holder (1) as a result of an investigation or proceeding instituted against him or her by an authority authorized to conduct such investigation or proceeding, provided that (i) no indictment was filed against such office holder as a result of such investigation or proceeding; and (ii) no financial liability was imposed upon him or her as a substitute for the criminal proceeding as a result of such investigation or proceeding or, if such financial liability was imposed, it was imposed with respect to an offense that does not require proof of criminal intent (*mens rea*); and (2) in connection with a monetary sanction; and
- reasonable litigation expenses, including attorneys’ fees, incurred by the office holder or imposed by a court in proceedings instituted against him or her by the company, on its behalf, or by a third party, or in connection with criminal proceedings in which the office holder was acquitted, or as a result of a conviction for an offense that does not require proof of criminal intent (*mens rea*).

In addition, under the Companies Law, a company may insure an office holder against the following liabilities incurred for acts performed by him or her as an office holder, to the extent provided in the company’s articles of association:

- a breach of a duty of loyalty to the company, provided that the office holder acted in good faith and had a reasonable basis to believe that the act would not harm the company;
- a breach of duty of care to the company or to a third party, to the extent such a breach arises out of the negligent conduct of the office holder; and
- a monetary liability imposed on the office holder in favor of a third party.

Under the Companies Law, a company may not indemnify, exculpate or insure an office holder against any of the following:

- a breach of the duty of loyalty, except for indemnification and insurance for a breach of the duty of loyalty to the company to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not harm the company;
- a breach of the duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder;
- an act or omission committed with intent to derive illegal personal benefit; or
- a fine or penalty levied against the office holder.

For the approval of exculpation, indemnification and insurance of office holders who are directors, see “— Compensation of Directors,” for the approval of exculpation, indemnification and insurance of office holders who are not directors, see “— Compensation of Executive Officers” and for the approval of exculpation, indemnification and insurance of office holders who are controlling shareholders, see “— Fiduciary Duties and Approval of Related Party Transactions under Israeli Law — Disclosure of Personal Interests of a Controlling Shareholder and Approval of Certain Transactions.”

Our articles of association permit us to exculpate, indemnify and insure our office holders to the fullest extent permitted under the Companies Law (other than indemnification for litigation expenses in connection with a monetary sanction); provided that we may not exculpate an office holder for an action or transaction in which a controlling shareholder or any other office holder (including an office holder who is not the office holder we have undertaken to exculpate) has a personal interest (within the meaning of the Companies Law). In addition, pursuant to an amendment to our articles of association approved by our shareholders at the annual general meeting held on December 10, 2025, our articles of association now authorize us to indemnify and insure our office holders to the fullest extent permitted under the Israeli Securities Law, 1968 (the “Israeli Securities Law”) and the Competition Law.

We have entered into indemnification and exculpation agreements with each of our current office holders exculpating them from a breach of their duty of care to us to the fullest extent permitted by the Companies Law (provided that we may not exculpate an office holder for an action or transaction in which a controlling shareholder or any other office holder (including an office holder who is not the office holder we have undertaken to exculpate) has a personal interest (within the meaning of the Companies Law)) and undertaking to indemnify them to the fullest extent permitted by the Companies Law (other than indemnification for litigation expenses in connection with a monetary sanction), to the extent that these liabilities are not covered by insurance. This indemnification is limited to events determined as foreseeable by our board of directors based on our activities, as set forth in the indemnification agreements. Under such agreements, the maximum aggregate amount of indemnification that we may pay to all of our office holders together is (i) for office holders who joined our company before May 31, 2013, the greater of 30% of the shareholders equity according to our most recent financial statements (audited or reviewed) at the time of payment and NIS 20 million, and (ii) for office holders who joined our company after May 31, 2013, 25% of the shareholders equity according to our most recent financial statements (audited or reviewed) at the time of payment. In addition, following the amendment to our articles of association approved by our shareholders at the annual general meeting held on December 10, 2025, described above, our shareholders also approved an amendment to the indemnification and exculpation agreements with each of our current office holders to provide for indemnification to the fullest extent permitted under the Israeli Securities Law and the Competition Law.

We are not aware of any pending or threatened litigation or proceeding involving any of our office holders as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any office holder.

## **C. Board Practices**

### **Board of Directors**

Under our articles of association, the number of directors on our board of directors (including external directors) must be no less than five and no more than 11. Our board of directors currently consists of nine directors, including two external directors. All of our current directors qualify as “independent directors” under the Nasdaq listing requirements, such that we comply with the Nasdaq Listing Rule that requires that a majority of our board of directors be comprised of independent directors, within the meaning of Nasdaq Listing Rules.

Other than our external directors who are subject to special election requirements under the Companies Law, our directors are elected by the vote of a majority of the ordinary shares present, in person or by proxy, and voting at a shareholders’ meeting. Each director (other than our external directors) holds office until the first annual general meeting of shareholders following his or her appointment, unless the tenure of such director expires earlier pursuant to the Companies Law or unless he or she is removed from office as described below.

Vacancies on our board of directors, including vacancies resulting from there being fewer than the maximum number of directors permitted by our articles of association, may generally be filled by a vote of a simple majority of the directors then in office. See “— External Directors” for a description of the procedure for the election of external directors.”

A general meeting of our shareholders may remove a director (other than our external directors) from office prior to the expiration of his or her term in office by a resolution adopted by holders of a majority of our shares voting on the proposed removal, provided that the director being removed from office is given a reasonable opportunity to present his or her case before the general meeting. See “— External Directors” for a description of the procedure for the removal of external directors.”

### **External Directors**

Under the Companies Law, companies incorporated under the laws of the State of Israel that are “public companies,” must appoint at least two external directors who meet the qualification requirements in the Companies Law.

According to regulations promulgated under the Companies Law, a company whose shares are traded on certain stock exchanges outside Israel (including Nasdaq, such as our company) and which does not have a controlling shareholder, may, subject to certain conditions, elect to exempt itself from the requirements of Israeli law regarding the appointment of external directors and related rules concerning the composition of the audit committee and compensation committee of the board of directors. We relied on such exemption between January 30, 2017 and until the closing of the September 2023 private placement, as a result of which FIMI Opportunity Funds became our controlling shareholder (within the meaning of the Companies Law). Accordingly, in August 2023, our shareholders approved the election of Prof. Benjamin Dekel and Assaf Itshayek as external directors (within the meaning of the Companies Law), each to serve for an initial three-year term, effective as of September 7, 2023.

The Companies Law provides that a person may not serve as an external director if the person is a relative (as such term is defined in the Companies Law) of a controlling shareholder or if, on the date of the person’s appointment or within the preceding two years, the person or his or her relatives (as such term is defined in the Companies Law), partners, employers or anyone to whom that person is subordinate (directly or indirectly), or entities under the person’s control have or had any affiliation with the company, the controlling shareholder of the company or relative of a controlling shareholder, at the time of the appointment, or any entity that, as of the appointment date is, or at any time during the two years preceding that date was, controlled by the company or by the company’s controlling shareholder (each an “Affiliated Party”). The term “affiliation” generally includes: an employment relationship; a business or professional relationship maintained on a regular basis (excluding insignificant relationships); control; and service as an office holder (excluding service as a director in a private company prior to the first offering of its shares to the public if such director was appointed as a director of the private company in order to serve as an outside director following the initial public offering). Notwithstanding the foregoing, a person may not serve as an external director if that person or that person’s relative, partner, employer, a person to whom such person is subordinate (directly or indirectly) or any entity under the person’s control has a business or professional relationship with any entity or person that has an affiliation with any Affiliated Party, even if such relationship is intermittent (excluding insignificant relationships). Additionally, any person who has received, during his or her tenure as an external director, direct or indirect compensation from the company for his or her role as a director, other than compensation permitted under the Companies Law and the regulations promulgated thereunder (including indemnification or exculpation, the company’s commitment to indemnify or exculpate such person and insurance coverage), may not continue to serve as an external director.

No person may serve as an external director if the person's positions or other affairs create, or may create, a conflict of interest with that person's responsibilities as a director, or may otherwise interfere with such person's ability to serve as a director, or if the person is an employee of the Israel Securities Authority or of an Israeli stock exchange. If at the time an external director is appointed all current members of the board of directors, who are not the controlling shareholder or relatives of the controlling shareholder, are of the same gender, then the external director to be appointed must be of the other gender. In addition, a person who is a director of a company may not be elected as an external director of another company if, at that time, a director of the other company is acting as an external director of the first company.

An external director must meet certain professional qualifications or have financial and accounting expertise, as such terms are defined under regulations promulgated pursuant to the Companies Law. At least one external director must have financial and accounting expertise. The board of directors determines whether a director possesses financial and accounting expertise or professional qualifications. Our Board of Directors has determined that Assaf Itshayek has financial and accounting expertise and Prof. Benjamin Dekel has the requisite professional qualifications.

External directors are elected by shareholders by the affirmative vote of the holders of a majority of the ordinary shares represented at the meeting, in person or by proxy, entitled to vote and voting on the matter, provided that one of the following conditions is met: (i) the shares voting in favor of the election of the external director (excluding abstentions) include at least a majority of the shares voted by shareholders who are not controlling shareholders and shareholders who do not have a personal interest in such election (excluding a personal interest that is not related to a relationship with a controlling shareholder), or (ii) the total number of shares voted against the election by shareholders referred to in clause (i) does not exceed 2% of our outstanding voting rights.

Under Israeli law, the initial term of an external director of an Israeli public company is three years. An external director may be re-elected, subject to certain circumstances and conditions, to two additional terms of three years, and as a company whose shares are listed on the TASE and a foreign exchange, our external directors may be elected to additional terms of three years each, subject to conditions set out in regulations promulgated under the Companies Law.

An external director may be removed at a special general meeting of shareholders called by the board of directors by the same special majority of the shareholders required for his or her election (as detailed above) if he or she ceases to meet the statutory qualifications for appointment or if he or she violates his or her duty of loyalty to the company. An external director may also be removed by order of an Israeli court if the court finds that the external director is permanently unable to exercise his or her duties, has ceased to meet the statutory qualifications for his or her appointment or has violated his or her duty of loyalty to the company.

If the vacancy of an external directorship causes a company to have fewer than two external directors, the company's board of directors is required under the Companies Law to call a special general meeting of the company's shareholders as soon as possible to appoint such number of new external directors so that the company thereafter has two external directors.

Each committee authorized to exercise any of the powers of the board of directors is required to include at least one external director, and both the audit committee and compensation committee are required to include all of the external directors.

An external director is entitled to compensation as provided in regulations adopted under the Companies Law and is otherwise prohibited from receiving any other compensation, directly or indirectly, in connection with such service.

## **Audit Committee**

We have an audit committee consisting of Ms. Lilach Payorski, an independent director under the Companies Law and Nasdaq Listing Rules, and our external directors, Mr. Assaf Itshayek and Prof. Benjamin Dekel. Mr. Assaf Itshayek serves as the chairman of the audit committee.

Under the Companies Law, publicly traded companies must establish an audit committee. The audit committee must consist of at least three members, and must include all the company's external directors, including one external director serving as chair of the audit committee; and the majority of the audit committee members must be "independent directors" (as such term is defined in the Companies Law). The chairman of the board of directors, directors employed by, or that provide services on a regular basis to, the company or to a controlling shareholder or a company controlled by a controlling shareholder, or a director whose main livelihood depends on a controlling shareholder, or any controlling shareholder and any relative of a controlling shareholder may not be a member of the audit committee. An audit committee may not approve an action or a transaction with an officer or director, a transaction in which an officer or director has a personal interest, a transaction with a controlling shareholder or certain other transactions specified in the Companies Law, unless at the time of approval two external directors are serving as members of the audit committee and at least one of the external directors was present at the meeting in which approval was granted.

Under the Exchange Act and Nasdaq listing requirements, we are required to maintain an audit committee consisting of at least three independent directors, each of whom is financially literate and one of whom has accounting or related financial management expertise. Our board of directors has affirmatively determined that each member of our audit committee qualifies as an "independent director" for purposes of serving on an audit committee under the Exchange Act and Nasdaq listing requirements. Our board of directors has determined that Lilach Payorski qualifies as an "audit committee financial expert," as defined in Item 407(d)(5) of Regulation S-K. All members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and Nasdaq.

### ***Audit Committee Role***

Our audit committee generally provides assistance to our board of directors in fulfilling its legal and fiduciary obligations in matters involving our accounting, auditing, financial reporting and internal control functions by reviewing the services of our independent accountants and reviewing their reports regarding our accounting practices and systems of internal control over financial reporting. Our audit committee also oversees the audit efforts of our independent accountants. Our audit committee also acts as a corporate governance compliance committee and oversees the implementation and amendment, from time to time, of our policies for compliance with Israeli and U.S. securities laws and applicable Nasdaq corporate governance requirements, including non-use of inside information, reporting requirements, our engagement with related parties, whistleblower complaints and protection, and is also responsible for the handling of any incidents that may arise in violation of our policies or applicable securities laws. Our board of directors has adopted an audit committee charter setting forth the specific responsibilities of the audit committee consistent with the Companies Law, and the rules and regulations of the SEC and the Nasdaq listing requirements, which include:

- oversight of our independent auditors and recommending the engagement, compensation or termination of engagement of our independent auditors to the board of directors or shareholders for their approval, as applicable, in accordance with the requirements of the Companies Law;
- pre-approval of audit and non-audit services to be provided by the independent auditors;
- reviewing and recommending to the board of directors the approval of our quarterly and annual financial reports; and
- overseeing the implementation and amendment of our policies for compliance with Israeli and U.S. securities laws and applicable Nasdaq corporate governance requirements.

Additionally, under the Companies Law, the role of the audit committee includes: (1) determining whether there are delinquencies in the business management practices of our company, including in consultation with our internal auditor or our independent auditor, and making recommendations to the board of directors to improve such practices; (2) determining whether to approve certain related party transactions (including transactions in which an office holder has a personal interest) and whether any such transaction is an extraordinary or material transaction under the Companies Law; (3) determining whether a competitive process must be implemented for the approval of certain transactions with controlling shareholders or in which a controlling shareholder has a personal interest (whether or not the transaction is an extraordinary transaction), under the supervision of the audit committee or other party determined by the audit committee and in accordance with standards determined by the audit committee, or whether a different process determined by the audit committee should be implemented for the approval of such transactions; (4) determining the process for the approval of certain transactions with controlling shareholders that the audit committee has determined are not extraordinary transactions but are not immaterial transactions; (5) where the board of directors approves the work plan of the internal auditor, examining such work plan before its submission to the board of directors and proposing amendments thereto; (6) examining our internal controls and internal auditor's performance, including whether the internal auditor has sufficient resources and tools to dispose of its responsibilities; (7) examining the scope of our auditor's work and compensation and submitting its recommendation with respect thereto to the corporate body considering the appointment thereof (either the board of directors or the shareholders at the general meeting); and (8) establishing procedures for the handling of employees' complaints as to the management of our business and the protection to be provided to such employees.

### **Compensation Committee**

We have a compensation committee consisting of Ms. Lilach Payorski, an independent director under the Companies Law and Nasdaq Listing Rules, and our external directors, Mr. Assaf Itshayek and Prof. Benjamin. Mr. Assaf Itshayek serves as the chairman of the compensation committee.

Under the Companies Law, publicly traded companies must establish a compensation committee, including an external director serving as chair of the compensation committee. The compensation committee must consist of at least three members and must include all of the company's external directors, who must form a majority of its members. The additional members of the compensation committee must satisfy the criteria for remuneration applicable to the external directors. The restrictions under the Companies Law regarding who may serve on the audit committee, as detailed above, apply to membership on the compensation committee.

Under Nasdaq listing requirements, we are required to maintain a compensation committee consisting of at least two members, each of whom is an "independent director" under the Nasdaq listing requirements. Our board of directors has affirmatively determined that each member of our compensation committee qualifies as an "independent director" under the Nasdaq listing requirements.

### **Compensation Committee Role**

In accordance with the Companies Law, the roles of the compensation committee are, among others, as follows:

- recommending to the board of directors with respect to the approval of the compensation policy for office holders and, once every three years, regarding any extensions to a compensation policy that was adopted for a period of more than three years;
- reviewing the implementation of the compensation policy and periodically recommending to the board of directors with respect to any amendments or updates of the compensation policy;
- resolving whether or not to approve arrangements with respect to the terms of office and employment of office holders; and
- exempting, under certain circumstances, a transaction with our Chief Executive Officer from the approval of the general meeting of our shareholders.

We rely on the "foreign private issuer exemption" with respect to the Nasdaq requirement to have a formal charter for the compensation committee.

## Strategy Committee

Our strategy committee currently consists of Ms. Lilach Asher-Topilsky, Mr. David Tsur and Mr. Uri Botzer. Ms. Lilach Asher-Topilsky serves as the chair of the strategy committee.

The roles of our strategy committee are (among others): (1) reviewing periodically and making recommendations to the board of directors with respect to our strategic plan and overall strategy, our research and development plan, annual work plan and budget, strategy with respect to mergers and acquisitions, and any strategic initiatives identified our board of directors or management from time to time, including the exit from existing lines of business and entry into newlines of business, joint ventures, acquisitions, investments, dispositions of business and assets and business expansions; (2) guiding management in the development of our strategy, including reviewing and discussing with management our strategic direction and initiatives and the risks and opportunities associated with our strategy; (3) reviewing with management the process for development, approval and modification of the strategy and strategic plan; (4) assisting management with identifying key issues, options and external developments impacting our strategy; (5) reviewing management's progress in implementing our global strategy; and (6) ensuring the board of directors is regularly apprised of the progress with respect to implementation of any approved strategy.

## Internal Auditor

Under the Companies Law, the board of directors of a public company must appoint an internal auditor recommended by the audit committee. The role of the internal auditor is, among other things, to examine whether a company's actions comply with applicable law and orderly business procedure. Under the Companies Law, the internal auditor may not be an "interested party" or an office holder, or a relative of an interested party or of an office holder, nor may the internal auditor be the company's independent accounting firm or anyone acting on its behalf. An "interested party" is defined in the Companies Law as (i) a holder of 5% or more of the company's outstanding shares or voting rights, (ii) any person or entity (or relative of such person) who has the right to designate one or more directors or to designate the chief executive officer of the company, or (iii) any person who serves as a director or as a chief executive officer of the company. Tali Yaron of Brightman Almagor Zohar & Co. (a Firm in the Deloitte Global Network) serves as our internal auditor

## Fiduciary Duties and Approval of Related Party Transactions under Israeli Law

### *Fiduciary Duties of Office Holders*

The Companies Law codifies the fiduciary duties that office holders owe to a company. Each person listed in the table under "Management — Executive Officers and Directors" is an office holder under the Companies Law.

An office holder's fiduciary duties consist of a duty of care and a duty of loyalty. The duty of care requires an office holder to act with the level of care with which a reasonable office holder in the same position would have acted under the same circumstances. The duty of care includes, among other things, a duty to use reasonable means, in light of the circumstances, to obtain:

- information on the advisability of a given action brought for his or her approval or performed by the director in his or her capacity as a director; and
- all other important information pertaining to such action.

The duty of loyalty requires an office holder to act in good faith and for the benefit of the company, and includes, among other things, the duty to:

- refrain from any act involving a conflict of interests between the performance of his or her duties to the company and his or her other duties or personal affairs;
- refrain from any activity that is competitive with the business of the company;

- refrain from exploiting any business opportunity of the company to receive a personal gain for himself or herself or others; and
- disclose to the company any information or documents relating to the company's affairs which the office holder received as a result of his or her position as an office holder.

We may approve an act specified above which would otherwise constitute a breach of the office holder's duty of loyalty provided that the office holder acted in good faith, the act or its approval does not harm the company and the office holder discloses his or her personal interest a sufficient amount of time before the date for discussion of approval of such act.

***Disclosure of Personal Interests of an Office Holder and Approval of Transactions***

The Companies Law requires that an office holder promptly disclose to the company any "personal interest" that he or she may have, and all related material information or documents relating to any existing or proposed transaction by the company. A "personal interest" is defined under the Companies Law as the personal interest of a person in an action or in a transaction of the company, including the personal interest of such person's relative or of any other corporate entity in which such person and/or such person's relative is a director, general manager or chief executive officer, a holder of 5% or more of the outstanding shares or voting rights, or has the right to appoint at least one director or the general manager, but excluding a personal interest arising solely from ownership of shares in the company. A personal interest includes the personal interest of a person for whom the office holder holds a voting proxy and the personal interest of a person voting as a proxy, even when the person granting such proxy has no personal interest. An interested office holder's disclosure must be made promptly and no later than the first meeting of the board of directors at which the transaction is considered. An office holder is not obliged to disclose such information if the personal interest of the office holder derives solely from the personal interest of his or her relative in a transaction that is not considered as an "extraordinary transaction."

An "extraordinary transaction" is defined under the Companies Law as any of the following:

- a transaction other than in the ordinary course of business;
- a transaction that is not on market terms; or
- a transaction that is likely to have a material impact on the company's profitability, assets or liabilities.

Under the Companies Law, unless the articles of association of a company provide otherwise, a transaction with an office holder or with a third party in which the office holder has a personal interest, and which is not an extraordinary transaction, requires approval by the board of directors. Our articles of association do not provide for a different method of approval. If the transaction is an extraordinary transaction with an office holder or third party in which the office holder has a personal interest, then audit committee approval is required prior to approval by the board of directors. The audit committee determines whether any such transaction is an "extraordinary transaction" (within the meaning of the Companies Law). For the approval of compensation arrangements with directors and officers who are controlling shareholders, see "— Disclosures of Personal Interests of a Controlling Shareholder and Approval of Certain Transactions," for the approval of compensation arrangements with directors, see "— Compensation of Directors" and for the approval of compensation arrangements with office holders who are not directors, see "— Compensation of Executive Officers."

Subject to certain exceptions, any person who has a personal interest in the approval of a transaction that is brought before a meeting of the board of directors or the audit committee may not be present at the meeting, unless such person is an office holder and invited by the chairman of the board of directors or of the audit committee, as applicable, to present the matter being considered, and may not vote on the matter. In addition, a director who has a personal interest in the approval of a transaction may be present at the meeting and vote on the matter if a majority of the directors or members of the audit committee, as applicable, have a personal interest in the transaction. In such case, shareholder approval is also required.

### ***Disclosure of Personal Interests of a Controlling Shareholder and Approval of Certain Transactions***

Pursuant to the Companies Law, the disclosure requirements regarding personal interests that apply to office holders also apply to a controlling shareholder of a public company. For this purpose, a controlling shareholder is a shareholder who has the ability to direct the activities of a company, including a shareholder who owns 25% or more of the voting rights if no other shareholder owns more than 50% of the voting rights. Two or more shareholders with a personal interest in the approval of the same transaction are deemed to be one shareholder.

Extraordinary transactions with a controlling shareholder or in which a controlling shareholder has a personal interest, the terms of services provided by a controlling shareholder or his or her relative, directly or indirectly (including through a corporation controlled by a controlling shareholder), the terms of employment of a controlling shareholder or his or her relative who is employed by the company and who is not an office holder and the terms of service and employment, including exculpation, indemnification or insurance, of a controlling shareholder or his or her relative who is an office holder, require the approval of each of the audit committee or the compensation committee with respect to terms of service and employment by the company as an office holder, employee or service provider, the board of directors and the shareholders, in that order. In addition, the shareholder approval must fulfill one of the following requirements:

- at least a majority of the shares held by shareholders who have no personal interest in the transaction and who are present and voting at the meeting on the matter are voted in favor of approving the transaction, excluding abstentions; or
- the shares voted against the transaction by shareholders who have no personal interest in the transaction who are present and voting at the meeting represent no more than 2% of the voting rights in the company.

Each shareholder voting on the approval of an extraordinary transaction with a controlling shareholder must inform the company prior to voting whether or not he or she has a personal interest in the approval of the transaction, otherwise, the shareholder is not eligible to vote on the proposal and his or her vote will not be counted for purposes of the proposal.

Any extraordinary transaction with a controlling shareholder or in which a controlling shareholder has a personal interest with a term of more than three years requires approval every three years, unless the audit committee determines that the duration of the transaction is reasonable given the circumstances related thereto.

Pursuant to regulations promulgated under the Companies Law, certain transactions with a controlling shareholder or his or her relative, or with directors, relating to terms of service or employment, that would otherwise require approval of the shareholders may be exempt from shareholder approval upon certain determinations of the audit committee and board of directors.

### ***Duties of Shareholders***

Under the Companies Law, a shareholder has a duty to refrain from abusing his or her power in the company and to act in good faith and in a customary manner in exercising its rights and performing its obligations to the company and other shareholders, including, among other things, when voting at meetings of shareholders on the following matters:

- an amendment to the company's articles of association;
- an increase in the company's authorized share capital;
- a merger; and
- the approval of related party transactions and acts of office holders that require shareholder approval.

A shareholder also has a general duty to refrain from discriminating against other shareholders.

In addition, certain shareholders have a duty to act with fairness towards the company. These shareholders include any controlling shareholder, any shareholder who knows that his or her vote can determine the outcome of a shareholder vote, and any shareholder that, under a company's articles of association, has the power to appoint or prevent the appointment of an office holder or has another power with respect to the company. The Companies Law does not define the substance of this duty except to state that the remedies generally available upon a breach of contract will also apply in the event of a breach of the duty to act with fairness.

#### Approval of Significant Private Placements

Under the Companies Law, a significant private placement of securities requires approval by the board of directors and the shareholders by a simple majority. A private placement is considered a significant private placement if it will cause a person to become a controlling shareholder or if all of the following conditions are met:

- the securities issued amount to 20% or more of the company's outstanding voting rights before the issuance;
- some or all of the consideration is other than cash or listed securities or the transaction is not on market terms; and
- the transaction will increase the relative holdings of a shareholder who holds 5% or more of the company's outstanding share capital or voting rights or that will cause any person to become, as a result of the issuance, a holder of more than 5% of the company's outstanding share capital or voting rights.

#### D. Employees

Set forth below is a chart showing the number of people we employed at the times indicated:

|                               | As of December 31, |            |            |
|-------------------------------|--------------------|------------|------------|
|                               | 2025               | 2024       | 2023       |
| <b>Total Employees</b>        | <b>462</b>         | <b>420</b> | <b>378</b> |
| Located in Israel             | 393                | 374        | 347        |
| Located in the United States  | 67                 | 44         | 29         |
| Located in Other Countries    | 2                  | 2          | 2          |
| In Research and Development   | 46                 | 42         | 38         |
| In General and Administrative | 64                 | 62         | 57         |
| In Operations                 | 317                | 278        | 249        |
| In Sales and Marketing        | 35                 | 38         | 34         |

We signed a collective bargaining agreement with the Histadrut and the employees' committee established by our employees at our Beit Kama facility in December 2013, which expired in December 2017. In November 2018, we signed a further collective bargaining agreement with the employees' committee and the Histadrut, which expired in December 2021. In July 2022, we signed a new collective agreement with the employee's committee and the Histadrut; while the agreement will be effective through the end of 2029, certain economic terms may be renegotiated by the parties following the four-year anniversary of the agreement. In September 2025, we entered into a negotiation process with the employees' committee and the Histadrut related to the economic terms under the collective bargaining agreement, and such process is still ongoing. The collective bargaining agreement governs certain aspects of our employee-employer relations, such as firing procedures, annual salary raise, and eligibility for certain compensation terms and welfare. Approximately 218 of our employees, all of whom are located at our Beit Kama facility, currently work under the collective bargaining agreement signed in July 2022. We have experienced labor disputes and work stoppages in the past at our Beit Kama facility. For example, on March 3, 2022, during the course our negotiations with the Histadrut and the employees' committee on the renewal of the collective bargaining agreement, the employee's committee declared a labor dispute, and on April 26, 2022, a strike was initiated by the employees' committee, which continued until signed agreement was signed in July 2022. In addition, in December 2020, during the course of our negotiations with the Histadrut and the employees' committee on severance remuneration for employees who may be laid-off as part of the workforce down-sizing as a result of the transfer of GLASSIA manufacturing to Takeda, the employee's committee declared a labor dispute, which was subsequently concluded during February 2021 following the execution of a special collective bargaining agreement governing such severance terms. In March 2023, we signed an additional special collective bargaining agreement with the employees' committee and the Histadrut governing severance remuneration terms for staff reductions, in order to adjust to lower plant utilization.

In regard to our Israeli employees, Israeli labor laws govern the length of the workday, minimum wages for employees, procedures for hiring and dismissing employees, determination of severance pay, annual leave, sick days, advance notice of termination of employment, equal opportunity and anti-discrimination laws and other conditions of employment. Subject to certain exceptions, Israeli law generally requires severance pay upon the retirement, death or dismissal of an employee, and requires us and our employees to make payments to the National Insurance Institute, which is similar to the U.S. Social Security Administration. Our employees have defined benefit pension plans that comply with the applicable Israeli legal requirements.

Extension orders issued by the Israeli Ministry of Labor, Social Affairs, and Social Services apply to us and affect matters such as cost of living adjustments to payroll, length of working hours and week, recuperation pay, travel expenses, and pension rights.

#### E. Share Ownership

The following table sets forth information with respect to the beneficial ownership of our ordinary shares by each of our directors and executive officers and all of current directors and executive officers as a group.

The percentage of beneficial ownership of our ordinary shares is based on 57,686,056 ordinary shares outstanding as of March 10, 2026. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting power or investment power with respect to securities. All ordinary shares subject to options exercisable into ordinary shares and restricted share units that will become vested, as applicable, within 60 days of the date of the table are deemed to be outstanding and beneficially owned by the shareholder holding such options and restricted share units for the purpose of computing the number of shares beneficially owned by such shareholder. They are not, however, deemed to be outstanding and beneficially owned for the purpose of computing the percentage ownership of any other shareholder.

| Name   | Ordinary Shares<br>Beneficially Owned |               |
|--|---------------------------------------|---------------|
|  | Number                                | Percentage    |
| <b>Executive Officers</b>  |                                       |               |
| Amir London (1)  | 361,875                               | *             |
| Chaime Orlev (2)   | 79,133                                | *             |
| Eran Nir (3)   | 32,898                                | *             |
| Yael Brenner (4)   | 66,266                                | *             |
| Hanni Neheman (5)  | 18,417                                | *             |
| Nir Livneh (6)   | 29,485                                | *             |
| Orit Pinchuk (7)   | 27,133                                | *             |
| Liron Reshef (8)   | 30,000                                | *             |
| Jon Knight (9)   | 60,000                                | *             |
| Shavit Beladev (10)  | 18,418                                | *             |
| Boris Gorelik (11)   | 60,000                                | *             |
| <b>Directors</b>   |                                       |               |
| Lilach Asher-Topilsky (12)   | 49,000                                | *             |
| Uri Botzer (13)  | 22,500                                | *             |
| Ishay Davidi (14)  | 22,133,287                            | 38.34%        |
| Prof. Benjamin Dekel (15)  | 8,000                                 | *             |
| Karnit Goldwasser (16)   | 49,000                                | *             |
| Assaf Itshayek (17)  | 8,000                                 | *             |
| Lilach Payorski (18)   | 22,500                                | *             |
| Leon Recanati (19)   | 3,481,937                             | 6.03%         |
| David Tsur (20)  | 656,929                               | 1.14%         |
| <b>Directors and executive officers as a group (20 persons) (21)</b> | <b>27,214,779</b>                     | <b>46.39%</b> |

\* Less than 1% of our ordinary shares.

(1) Includes (i) 61,875 ordinary shares, and (ii) options to purchase 300,000 ordinary shares exercisable within 60 days of the date of the table, at an exercise price of NIS 19.36 (or \$6.31) per share, which expire on June 22, 2029. Does not include unvested options to purchase 500,000 ordinary shares that are not exercisable within 60 days of the date of the table.

- (2) Includes (i) 11,633 ordinary shares, and (ii) options to purchase 67,500 ordinary shares exercisable within 60 days of the date of the table, at a weighted average exercise price of NIS 19.43 (or \$6.33) per share, which expire between August 28, 2028, and November 28, 2029. Does not include unvested options to purchase 135,000 ordinary shares units that are not exercisable within 60 days of the date of the table.
- (3) Includes (i) 10,398 ordinary shares, and (ii) options to purchase 22,500 ordinary shares exercisable within 60 days of the date of the table, at an exercise price of NIS 19.36 (or \$6.31) per share, which expire on August 28, 2028. Does not include unvested options to purchase 90,000 ordinary shares that are not exercisable within 60 days of the date of the table.
- (4) Includes (i) 6,266 ordinary shares, and (ii) options to purchase 60,000 ordinary shares exercisable within 60 days of the date of the table, at an exercise price of NIS 19.36 (or \$6.31) per share, which expire on August 28, 2028. Does not include unvested options to purchase 60,000 ordinary shares that are not exercisable within 60 days of the date of the table.
- (5) Includes (i) 3,417 ordinary shares, and (ii) options to purchase 15,000 ordinary shares exercisable within 60 days of the date of the table, at exercise price of NIS 19.36 (or \$6.31) per share, which expire on August 28, 2028. Does not include unvested options to purchase 60,000 ordinary shares that are not exercisable within 60 days of the date of the table.
- (6) Subject to options to purchase 29,485 ordinary shares exercisable within 60 days of the date of the table, at an exercise price of NIS 17.67 (or \$5.76) per share, which expire on October 23, 2029. Does not include unvested options to purchase 80,000 ordinary shares that are not exercisable within 60 days of the date of the table.
- (7) Includes (i) 12,133 ordinary shares, and (ii) options to purchase 15,000 ordinary shares exercisable within 60 days of the date of the table, at an exercise price of NIS 19.36 (or \$6.31) per share, which expire on August 28, 2028. Does not include unvested options to purchase 60,000 ordinary shares that are not exercisable within 60 days of the date of the table.
- (8) Subject to options to purchase 30,000 ordinary shares exercisable within 60 days of the date of the table, at a weighted average exercise price of NIS 16.75 (or \$5.46) per share, which expire on September 2, 2029. Does not include unvested options to purchase 70,000 ordinary shares that are not exercisable within 60 days of the date of the table.
- (9) Subject to options to purchase 60,000 ordinary shares exercisable within 60 days of the date of the table, at an exercise price of \$5.88 per share, which expire on September 9, 2028. Does not include unvested options to purchase 75,000 ordinary shares that are not exercisable within 60 days of the date of the table.
- (10) Includes (i) 3,418 ordinary shares, and (ii) options to purchase 15,000 ordinary shares exercisable within 60 days of the date of the table, at an exercise price of NIS 19.36 (or \$6.31) per share, which expire on August 28, 2028. Does not include unvested options to purchase 60,000 ordinary shares that are not exercisable within 60 days of the date of the table.
- (11) Includes options to purchase 60,000 ordinary shares exercisable within 60 days of the date of the table, at a weighted average exercise price of \$6.2 per share, which expire between February 11, 2027, and January 16, 2029. Does not include unvested options to purchase 75,000 ordinary shares units that are not exercisable or do not vest, as applicable, within 60 days of the date of the table.
- (12) Subject to options to purchase 49,000 ordinary shares that are currently exercisable or exercisable within 60 days of the date of the table, at an exercise price of NIS 21.69 (or \$7.1) per share, which expire between September 25, 2026, and June 22, 2029. Does not include unvested options to purchase 7,500 ordinary shares that are not exercisable within 60 days of the date of the table.

- (13) Subject to options to purchase 22,500 ordinary shares that are currently exercisable or exercisable within 60 days of the date of the table, at an exercise price of NIS 17.35 (or \$5.65) per share, which expire on June 22, 2029. Does not include unvested options to purchase 7,500 ordinary shares that are not exercisable within 60 days of the date of the table.
- (14) Includes (i) 22,084,287 shares indirectly beneficially owned through the FIMI 6 Funds and FIMI 7 Funds, and (ii) 49,000 ordinary shares subject to options held directly held by Mr. Ishay Davidi that are currently exercisable or exercisable within 60 days of the date of the table, at a weighted average exercise price of NIS 22.69 (or \$7.1) per share, which expire between September 25, 2026, and June 22, 2029. Does not include unvested options to purchase 7,500 ordinary shares held by Mr. Ishay Davidi that are not exercisable within 60 days of the date of the table.
- (15) Subject to options to purchase 8,000 ordinary shares that are currently exercisable or exercisable within 60 days of the date of the table, at an exercise price of NIS 19.71 (or \$6.42) per share, which expire on March 7, 2030. Does not include ordinary shares subject to unvested options to purchase 8,000 ordinary shares that are not exercisable within 60 days of the date of the table.
- (16) Subject to options to purchase 49,000 ordinary shares that are currently exercisable or exercisable within 60 days of the date of the table, at a weighted average exercise price of NIS 21.69 (or \$7.1) per share, which expire between September 25, 2026, and June 22, 2029. Does not include unvested options to purchase 7,500 ordinary shares that are not exercisable within 60 days of the date of the table.
- (17) Subject to options to purchase 8,000 ordinary shares that are currently exercisable or exercisable within 60 days of the date of the table, at an exercise price of NIS 19.71 (or \$6.42) per share, which expire on March 7, 2030. Does not include ordinary shares subject to unvested options to purchase 8,000 ordinary shares that are not exercisable within 60 days of the date of the table.
- (18) Subject to options to purchase 22,500 ordinary shares that are currently exercisable or exercisable within 60 days of the date of the table, at an exercise price of NIS 19.36 (or \$6.31) per share, which expire on June 22, 2029. Does not include unvested options to purchase 7,500 ordinary shares that are not exercisable within 60 days of the date of the table.
- (19) Mr. Recanati (i) directly holds 631,145 ordinary shares and (ii) beneficially owns 1,455,458 ordinary shares through Gov Financial Holdings Ltd. (“Gov”) and 1,346,334 ordinary shares through Insight Capital Ltd. (“Insight”), both of which are wholly owned by Mr. Recanati. In addition, includes options to purchase 49,000 ordinary shares directly held by Mr. Recanati that are currently exercisable or exercisable within 60 days of the date of the table, at a weighted average exercise price of NIS 21.69 (or \$7.1) per share, which expire between September 25, 2026, and June 22, 2029. Does not include ordinary shares subject to unvested options to purchase 7,500 ordinary shares that are not exercisable within 60 days of the date of the table.
- (20) Mr. David Tsur directly holds 607,929 ordinary shares. In addition, includes options to purchase 49,000 ordinary shares directly held by Mr. Tsur that are currently exercisable or exercisable within 60 days of the date of the table, at a weighted average exercise price of NIS 21.69 (or \$7.1) per share, which expire between September 25, 2026, and June 22, 2029. Does not include unvested options to purchase 7,500 ordinary shares that are not exercisable within 60 days of the date of the table.
- (21) See footnotes (1)-(20) for certain information regarding beneficial ownership.

### **Equity Compensation Plan**

In July 2011, we adopted our 2011 Israeli Share Option Plan and in September 2016, we amended and renamed it as the 2011 Israeli Share Award Plan (the “2011 Plan”). The 2011 Plan expired in July 2021 and in August 2021, we extended the 2011 Plan by an additional ten years, until August 9, 2031, and adopted a few additional amendments to the 2011 Plan and the 2011 Plan was further amended in October 2022 and March 2025. References below to the “2011 Plan” refer to the 2011 Plan as amended in August 2021, October 2022 and March 2025. Under the 2011 Plan, we are authorized to grant options and restricted share units to directors, officers, employees, consultants and service providers of our company and subsidiaries. The 2011 Plan is intended to enhance our ability to attract and retain desirable individuals by increasing their ownership interests in us. The 2011 Plan is designed to reflect the provisions of the Israeli Income Tax Ordinance [New Version], 1961 (the “Israeli Income Tax Ordinance”), which affords certain tax advantages to Israeli employees, officers and directors that are granted equity awards (including options and restricted stock units) in accordance with its terms. The 2011 Plan may be administered by our board of directors either directly or upon the recommendation of the compensation committee.

In February 2022, the board of directors adopted the U.S. Taxpayer Appendix to the 2011 Plan (the “US Appendix”), which provides for the grant of options and restricted shares to persons who are subject to U.S. federal income tax. The Appendix provides for the grant to U.S. employees of options that qualify as incentive stock options (“ISOs”) under the Code. The aggregate maximum number of ordinary shares that may be issued upon the exercise of ISOs granted under the 2011 Plan is 500,000. The grant of ISO’s was subject to the approval of the Appendix by our shareholders within 12 months of its approval by our board of directors. The US Appendix was approved by our shareholders at the annual general meeting held in December 2022.

We have granted options to our employees, officers and directors under the 2011 Plan. Each option granted under the 2011 Plan entitles the grantee to purchase one of our ordinary shares. In general, the exercise price of options granted to directors and officers under the 2011 Plan prior to January 1, 2020, is generally equal to the higher of (i) the average closing price of our ordinary shares on the TASE during the 30-TASE trading days immediately prior to board of directors’ approval of the grant of such options plus 5%; and (ii) the closing price of our ordinary shares on the TASE on the date of the approval of the grant of options. The exercise price of options granted to directors and officers under the 2011 Plan following January 1, 2020 is generally equal to the higher of (i) the average closing price of our ordinary shares on the TASE during the 30-TASE (or Nasdaq, in the case of U.S. recipients) trading days immediately prior to board of directors’ approval of the grant of such options; and (ii) the closing price of our ordinary shares on the TASE (or Nasdaq, in the case of U.S. recipients) on the date of the approval of the grant of options. Options granted under the 2011 Plan are exercised by way of net exercise and accordingly, the grantee is not required to pay the exercise price when exercising the options and instead, receives, upon exercise and sale of such number of ordinary shares, an amount which is equal to the difference between the total market value of the ordinary shares on the date of exercise and sale underlying the exercised options and the total exercise price for such options. The actual number of shares issued pursuant to the net exercise of the options is equal to the number of shares subject to the option less the number of shares tendered back to the company to pay the exercise price.

Options granted under the 2011 Plan generally vest in four equal installments, with 25% vesting on each of the four anniversaries of the date of grant. Options granted under the 2011 Plan prior to the October 2025 grant were generally exercisable for 6.5 years following the date of grant and options granted under the 2011 Plan commencing with the October 2025 grants are generally expected to be exercisable for 10 years following the date of grant (unless the expiration date of the options is within a blackout period, in which case the expiration date is extended until the date that is five trading days following the expiration of the blackout period), and all unexercised options will expire immediately thereafter. Options that have vested prior to the end of a grantee’s employment or services agreement with us may generally be exercised within 90 days from the end of such grantee’s employment or services with us, unless such relationship was terminated for cause. Options which are not exercised during such 90-day period expire at the end of the period, unless upon termination of such 90-day period there is an ongoing black-out period during which time the options may not be exercised, in which case the expiration date of the option will automatically extend until the date that is the five trading days following the expiration of the blackout period (or such longer period of time as may be determined by the board of directors in its discretion). Options that have not vested on the date of the end of a grantee’s employment or services agreement with us, and, in the event of termination of employment or services for cause, all unexercised options (whether vested or not), expire immediately upon termination.

In the event of certain transactions, such as our being acquired, or a merger or reorganization or a sale of all or substantially all of our shares or assets, the board of directors or compensation committee may take one of the following actions: (i) provide that awards then outstanding under the 2011 Plan shall be assumed or substituted for shares or other securities of the surviving or acquiring entity, under such terms and conditions determined by the board of directors or the compensation committee; (ii) provide for the acceleration of vesting of all a part of any awards then outstanding under the 2011 Plan, under such terms and conditions as the board of directors or the compensation committee shall determine; or (iii) provide for the cancellation of any award without any consideration, if the fair market value per share on the date of the transaction does not exceed the purchase price of any such award or if such award would not otherwise be exercisable or vested, even in the event that the fair market value per share on the date of the transaction, exceeds the purchase price of any such award. The board of directors or the compensation committee may determine that the terms of certain awards under the 2011 Plan include a provision that their vesting schedules will be accelerated such that they will be exercisable prior to the closing of such a transaction, if the awards are not assumed or substituted by the successor company. Awards granted under the 2011 Plan are subject to customary adjustments including in connection with changes in capitalization and distribution of cash dividends.

Options and restricted share units granted under the 2011 Plan to our Israeli directors, officers and employees who are not controlling shareholders (within the meaning of Israeli tax law) are granted pursuant to the provisions of Section 102 of the Israeli Income Tax Ordinance, under the capital gains alternative. In order to comply with the capital gains alternative, all such options and restricted share units under the 2011 Plan are granted or issued to a trustee and are to be held by the trustee for at least two years from the date of grant. Under the capital gains alternative, we are not allowed an Israeli tax deduction for the grant of the options or issuance of the shares issuable thereunder.

As of December 31, 2025, an aggregate of 501,441 ordinary shares were reserved for future issuance under the 2011 Plan (subject to certain adjustments specified in the 2011 Plan), and options to purchase 3,560,428 ordinary shares were outstanding under the 2011 Plan, of which options to purchase 1,360,070 ordinary shares were vested as of such date. Any ordinary shares underlying options that expire prior to exercise that are forfeited under the 2011 Plan will become again available for issuance under the 2011 Plan.

#### F. Disclosure of a Registrant’s Action to Recover Erroneously Awarded Compensation

There was no erroneously awarded compensation that was required to be recovered pursuant to the Kamada Ltd. Recoupment Policy during the fiscal year ended December 31, 2025.

### Item 7. Major Shareholders and Related Party Transactions

#### A. Major Shareholders

The following table sets forth information with respect to the beneficial ownership of our ordinary shares by each person known to us to own beneficially more than 5% of our outstanding ordinary shares.

The percentage of beneficial ownership of our ordinary shares is based on 57,686,056 ordinary shares outstanding as of March 10, 2026. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting power or investment power with respect to securities. Ordinary shares subject to options that are currently exercisable or exercisable within 60 days of the date of the table are deemed to be outstanding and beneficially owned by the person holding such options for the purpose of computing the number of shares beneficially owned by such shareholder. Such shares are also deemed outstanding for purposes of computing the percentage ownership of the person holding the options. They are not, however, deemed to be outstanding and beneficially owned for the purpose of computing the percentage ownership of any other person or entity.

Except as described in the footnotes below, we believe each shareholder has voting and investment power with respect to the ordinary shares indicated in the table as beneficially owned.

| Name                          | Number     | Percentage |
|-------------------------------|------------|------------|
| FIMI Funds(1)                 | 22,084,287 | 38.28%     |
| The Phoenix Holdings Ltd. (2) | 3,948,337  | 6.84%      |
| Leon Recanati(3)              | 3,481,938  | 6.03%      |

(1) Based solely upon, and qualified in its entirety with reference to, Amendment No. 3 to Schedule 13D filed with the SEC on September 7, 2023. According to the Statement, (A) (i) includes 4,421,909 shares directly owned by FIMI Opportunity Fund 6, L.P. and 5,030,799 shares directly owned by FIMI Israel Opportunity Fund 6, Limited Partnership (together, the “FIMI 6 Funds”) and (ii) the 9,452,708 ordinary shares held by the FIMI 6 Funds are indirectly beneficially owned by FIMI 6 2016 Ltd. (“FIMI 6”), which serves as the managing general partner of the FIMI 6 Funds, and Or Adiv Ltd., a company controlled by Mr. Ishay Davidi, which controls FIMI 6; (B) (i) includes 4,911,158 shares directly owned by FIMI Opportunity 7, L.P. and 7,720,421 shares directly owned by FIMI Israel Opportunity Fund 7, Limited Partnership (together, the “FIMI 7 Funds”) and (ii) the 12,631,579 ordinary shares held by the FIMI 7 Funds are indirectly beneficially owned by FIMI 7 2016 Ltd. (“FIMI 7”), which serves as the managing general partner of the FIMI 7 Funds, and O.D.N Seven Investments Ltd., a company controlled by Mr. Ishay Davidi, which controls FIMI 7; and (C) the 22,084,287 ordinary shares held by the FIMI 6 Funds and the FIMI 7 Funds are indirectly beneficially owned by Mr. Ishay Davidi. Information included in this footnote does not include 49,000 ordinary shares subject to options held directly by Mr. Ishay Davidi that are currently exercisable or exercisable within 60 days of the date of the table See Footnote (14) to the table under “Item 6. Directors, Senior Management and Employees — Share Ownership.”

- (2) Based solely upon, and qualified in its entirety with reference to, a notice dated January 4, 2026, submitted to the Company, reporting its holdings as of December 31, 2025. According to the report, the securities are beneficially owned by various direct or indirect, majority or wholly-owned subsidiaries of the reporting person, each of which operates under independent management and makes its own independent voting and investment decisions.
- (3) Mr. Recanati (i) directly holds 631,145 ordinary shares and (ii) beneficially owns 1,455,458 ordinary shares through Gov and 1,346,334 ordinary shares through Insight, both of which are wholly owned by Mr. Recanati. In addition, includes options to purchase 49,000 ordinary shares directly held by Mr. Recanati that are currently exercisable or exercisable within 60 days of the date of the table, at a weighted average exercise price of NIS 21.69 (or \$7.1) per share, which expire between September 25, 2026 and June 22, 2029. Does not include 7,500 ordinary shares subject to unvested options that are not exercisable within 60 days of the date of the table.

To our knowledge, based on information provided to us by our transfer agent in the United States, as of February 27, 2026, we had one shareholder of record registered with an address in the United States, holding approximately 18.63% of our outstanding ordinary shares. Such number is not representative of the portion of our shares held in the United States nor is it representative of the number of beneficial holders residing in the United States, since such ordinary shares were held of record by one U.S. nominee company, CEDE & Co.

To our knowledge, other than as disclosed in the table above, our other filings with the SEC and this Annual Report, there has been no significant change in the percentage ownership held by any major shareholder since January 1, 2023.

None of our shareholders has different voting rights from other shareholders. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

## **B. Related Party Transactions**

The following is a description of our related party transactions since January 1, 2023.

### **Directors and Executive Officers Agreements and Arrangements**

***Exculpation, Indemnification and Insurance.*** We have entered into indemnification and exculpation agreements with each of our current officers and directors, exculpating them from a breach of their duty of care to us to the fullest extent permitted by the Companies Law (provided that we may not exculpate an office holder for an action or transaction in which a controlling shareholder or any other office holder (including an office holder who is not the office holder we have undertaken to exculpate) has a personal interest (within the meaning of the Companies Law)) and undertaking to indemnify them to the fullest extent permitted by the Companies Law (other than indemnification for litigation expenses in connection with a monetary sanction), including with respect to liabilities resulting from our initial public offering in the United States, to the extent such liabilities are not covered by insurance. In addition, at the annual general meeting held on December 10, 2025, our shareholders approved an amendment to the indemnification and exculpation agreements with each of our current office holders to provide for indemnification to the fullest extent permitted under the Israeli Securities Law and the Competition Law. Our office holders are covered by a directors and officers' liability insurance policy. See "Item 6. Directors, Senior Management and Employees — Exculpation, Insurance and Indemnification of Office Holders."

***Employment Agreements.*** We have entered into employment agreements with our executive officers, which are terminable by either party for any reason. The employment agreements contain standard provisions, including confidentiality of information and assignment of invention provisions and non-competition clauses. See "Item 6. Directors, Senior Management and Employees — Compensation."

***Equity Awards.*** From time to time, we grant options to our officers and directors and, in the past, granted restricted share units to our officers. For details regarding the beneficial ownership of our shares by our officers and directors, see "Item 6. Directors, Senior Management and Employees — Share Ownership."

## **FIMI Funds**

### ***FIMI Private Placements***

On January 20, 2020, we entered into a share purchase agreement with the FIMI Funds to purchase, in a private placement, an aggregate of 4,166,667 ordinary shares at a price of \$6.00 per share, for an aggregate \$25 million gross proceeds. Concurrently, we 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 our shares held by them. Upon the closing of the private placement, the beneficial ownership of the FIMI Funds increased from approximately 12.2% to 21.1% of our outstanding ordinary shares.

On May 23, 2023, we entered into a share purchase agreement with the FIMI Funds to purchase, in a private placement, an aggregate 12,631,579 ordinary shares at a price of \$4.75 per share, for an aggregate \$60 million gross proceeds. The private placement was approved by our shareholders on August 29, 2023, in accordance with Israeli law. Upon the closing of the private placement on September 7, 2023, the beneficial ownership of the FIMI Funds increased from approximately 21.1% to 38.4% of our outstanding ordinary shares and the FIMI Opportunity Funds became our controlling shareholder, within the meaning of the Companies Law. Concurrently with the execution of the share purchase agreement, we entered into an amended and restated registration rights agreement with the FIMI Funds pursuant to which, among other things, we undertook to file with the SEC a registration statement registering the resale of all of the ordinary shares held by the FIMI Funds, per its request, at any time commencing six months following the closing of the private placement.

Lilach Asher-Topilsky, the Chair of our board of directors, Ishay Davidi and Uri Botzer, members of our board of directors, are partners of the FIMI Funds. For details regarding the beneficial ownership of the FIMI Funds and Messrs. Davidi and Botzer and Ms. Asher-Topilsky see “Item 7. Major Shareholders and Related Party Transactions — Major Shareholders” and “Item 6. Directors, Senior Management and Employees — Share Ownership.”

### ***Engagements with Suppliers and Service Providers Affiliated with the FIMI Funds***

We have entered into certain agreements in the ordinary course of our business for the purchase of certain products and services (such as security services, computing and information systems services, office equipment and recycling services) from entities controlled by or affiliated with the FIMI Funds, most of which were originally entered into prior to the FIMI Funds becoming a shareholder of our company, and one of which was subsequently amended and extended following the FIMI Funds becoming our controlling shareholder. These agreements were entered into on an arm’s-length basis and include customary terms and conditions as applicable to the type of supplied products or services.

## **Shareholders’ Agreement**

Under a shareholders’ agreement entered into on March 4, 2013, the Recanati Group, on the one hand, and the Damar Group, on the other hand, have each agreed to vote the ordinary shares beneficially owned by them in favor of the election of director nominees designated by the other group as follows: (i) three director nominees, so long as the other group beneficially owns at least 7.5% of our outstanding share capital, (ii) two director nominees, so long as the other group beneficially owns at least 5.0% (but less than 7.5%) of our outstanding share capital, and (iii) one director nominee, so long as the other group beneficially owns at least 2.5% (but less than 5.0%) of our outstanding share capital. In addition, to the extent that after the designation of the foregoing director nominees there are additional director vacancies, each of the Recanati Group and Damar Group have agreed to vote the ordinary shares beneficially owned by them in favor of such additional director nominees designated by the party who beneficially owns the larger voting rights in our company.

## **Item 8. Financial Information**

### **Consolidated Financial Statements**

Consolidated financial statements are set forth under Item 18.

## Legal Proceedings

In May 2022, we terminated a distribution agreement with a third-party engaged to distribute our 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 June 13, 2023, the Affiliate filed its Statement of Claim with the tribunal of first instance in Geneva, seeking alleged damages in the total amount of \$6.7 million. We filed a motion with the tribunal of first instance in Geneva challenging its jurisdiction over the Affiliate’s claims, submitting that such claims should have been brought before an arbitral tribunal, as contractually agreed between the parties. On April 22, 2025, the tribunal of first instance in Geneva dismissed the Distributor’s action and declared it inadmissible due to a lack of jurisdiction in Switzerland. On May 27, 2025, the Distributor challenged the decision rendered by the tribunal of first instance, claiming that the tribunal of first instance wrongly declined jurisdiction. The allegations raised by the Distributor in the appeal are largely reiterations of what it argued in front of the tribunal of first instance. The Company submitted its response to the appeal in September 2025. In October and November 2025, two further briefs (one from each party) were exchanged. The Court of Appeals will now decide on the appeal; a ruling on the appeal is expected later in 2026. At this time, it is not possible to assess the prospects of the claim against us and any potential liabilities and impact on our business.

In addition to the above, we are subject to various claims and legal actions during the ordinary course of our business. We believe that there are currently no claims or legal actions that would have a material adverse effect on our financial position, operations or potential performance.

## Dividend Policy

While we have historically retained our earnings to finance operations and expand our business, on March 5, 2025, we announced a special cash dividend of \$0.20 per share (approximately \$11.5 million in the aggregate), with a record date (ex-dividend date) of March 17, 2025, which was paid on April 7, 2025. On March 10, 2026, our board of directors adopted, by resolution, a dividend policy pursuant to which we currently intend to distribute to our shareholders an annual cash dividend at a rate of at least 50% of our annual net income, subject to the board of directors’ discretion at the time of any such distribution and satisfaction of the applicable dividend distribution tests under the Israeli Companies Law at the time of distribution. Accordingly, pursuant to such dividend policy, on March 11, 2026, we announced a cash dividend of \$0.25 per share (approximately \$14.4 million in the aggregate), with a record date (ex-dividend date) of March 23, 2026, and a payment date of April 6, 2026. Any dividends must be declared by our board of directors, which will take into account various factors, including our financial condition, operating results, capital requirements and other factors that the Board of Directors considers relevant. “See “Item 3. Key Information — D. Risk Factors — Risks Related to Our Ordinary Shares—*We may not pay dividends in the future.*”

The Companies Law restricts our ability to declare dividends, which provide that unless otherwise approved by a court, we can distribute dividends only from “profits” (as defined by the Companies Law), and only if there is no reasonable concern that the dividend distribution will prevent us from meeting our existing and foreseeable obligations as they become due. Our ability to distribute dividends may also be prohibited or limited by future contractual obligations. See Exhibit 2.1 “Description of Securities—Dividend and Liquidation Rights.” The payment of dividends may be subject to Israeli withholding taxes. See “Item 10. Additional Information — E. Taxation — Israeli Tax Considerations and Government Programs — Taxation of Our Shareholders — Dividends.”

## B. Significant Changes

Except as disclosed elsewhere in this Annual Report, there have been no other significant changes since December 31, 2025, until the date of the filing of this Annual Report.

## Item 9. The Offer and Listing

### A. Offer and Listing Details

Our ordinary shares are listed on both Nasdaq and TASE under the symbol “KMDA.”

**B. Plan of Distribution**

Not applicable.

**C. Markets for Ordinary Shares**

See “—Offer and Listing Details” above.

**D. Selling Shareholders**

Not applicable.

**E. Dilution**

Not applicable.

**F. Expenses of the Issue**

Not applicable.

**Item 10. Additional Information****A. Share Capital**

Not applicable.

**B. Memorandum and Articles of Association**

A copy of our amended and restated articles of association is attached as Exhibit 1.1 to this Annual Report. Other than as set forth below, the information called for by this Item is set forth in Exhibit 2.1 to this Annual Report and is incorporated by reference into this Annual Report.

***Establishment and Purposes of the Company***

We were incorporated under the laws of the State of Israel on December 13, 1990, under the name Kamada Ltd. We are registered with the Israeli Registrar of Companies in Jerusalem. Our registration number is 51-152460-5. Our purpose as set forth in our amended articles of association is to engage in any lawful business.

***Shareholder Meetings***

Under the Companies Law, we are required to convene an annual general meeting of our shareholders at least once every calendar year and within a period of not more than 15 months following the preceding annual general meeting. In addition, the Companies Law provides that our board of directors may convene a special general meeting of our shareholders whenever it sees fit and is required to do so upon the written request of (i) two directors or one quarter of the serving members of our board of directors, or (ii) one or more holders of 5% or more of our outstanding share capital and 1% of our voting power, or the holder or holders of 5% or more of our voting power. Subject to the provisions of the Companies Law and the regulations promulgated thereunder, shareholders entitled to participate and vote at general meetings are the shareholders of record on a date to be decided by the board of directors, which in the case of an Israeli company whose shares are dual listed on the TASE and on certain exchanges outside of Israel, such as the Nasdaq, may be between four and 60 days prior to the date of the meeting. The Companies Law requires that resolutions regarding the following matters (among others) be approved by our shareholders at a general meeting: amendments to our articles of association; appointment, terms of service and termination of service of our auditors; election of external directors; approval of certain related party transactions; increases or reductions of our authorized share capital; mergers; dissolution of the company by a court, voluntary dissolution or voluntary dissolution in an expedited procedure, and the exercise of our board of director’s powers by a general meeting, if our board of directors is unable to exercise its powers and the exercise of any of its powers is essential for our proper management.

The chairman of our board of directors presides over our general meetings. However, if at any general meeting the chairman is not present within 15 minutes after the appointed time or is unwilling to act as chairman of such meeting, any of the following may preside as chairman of such meeting (and in the following order): a director, the Chief Executive Officer, Chief Financial Officer, Secretary or any person designated by any of the foregoing. If at any such meeting none of the foregoing persons is present or all are unwilling to act as chairman of the general meeting, the shareholders present (in person or by proxy) shall choose a shareholder or its proxy present at the meeting to be chairman of the general meeting.

Israeli law requires that a notice of any annual general meeting or special general meeting be provided to shareholders at least 21 days prior to the meeting and if the agenda of the meeting includes, among other things, the appointment or removal of directors, the approval of transactions with office holders or interested or related parties, an approval of a merger or the approval of the compensation policy, notice must be provided at least 35 days prior to the meeting.

#### ***Borrowing powers***

Pursuant to the Companies Law and our amended and restated articles of association, our board of directors may exercise all powers and take all actions that are not required under law or under our amended and restated articles of association to be exercised or taken by our shareholders, including the power to borrow money for company purposes.

#### **C. Material Contracts**

We have not entered into any material contracts other than in the ordinary course of business and other than those described in “Item 4. Information on the Company” or elsewhere in this Annual Report.

#### **D. Exchange Controls**

There are currently no Israeli currency control restrictions on remittances of dividends on our ordinary shares, proceeds from the sale of the ordinary shares or interest or other payments to non-residents of Israel, except for shareholders who are subjects of countries that are, or have been, in a state of war with Israel.

Non-residents of Israel who hold our ordinary shares are able to repatriate any dividends (if any), any amounts received upon the dissolution, liquidation and winding up of our affairs and proceeds of any sale of our ordinary shares, into non-Israeli currency at the rate of exchange prevailing at the time of conversion, provided that any applicable Israeli income tax has been paid or withheld on these amounts. In addition, the statutory framework for the potential imposition of exchange controls has not been eliminated and may be restored at any time by administrative action.

#### **E. Taxation**

The following description is not intended to constitute a complete analysis of all tax consequences relating to the acquisition, ownership and disposition of our ordinary shares. You should consult your own tax advisor concerning the tax consequences of your particular situation, as well as any tax consequences that may arise under the laws of any state, local, foreign or other taxing jurisdiction.

#### **Israeli Tax Considerations and Government Programs**

The following is a brief summary of the material Israeli tax laws applicable to us, and certain Israeli Government programs benefiting us. This section also contains a discussion of material Israeli tax consequences concerning the ownership of and disposition of our ordinary shares. This summary does not discuss all aspects of Israeli tax law that may be relevant to a particular investor in light of his or her personal investment circumstances or to some types of investors, such as traders in securities, who are subject to special treatment under Israeli law. The discussion below is subject to amendment under Israeli law or changes to the applicable judicial or administrative interpretations of Israeli law, which could affect the tax consequences described below.

The discussion below does not cover all possible tax considerations. Potential investors are urged to consult their own tax advisors as to the Israeli or other tax consequences of the purchase, ownership and disposition of our ordinary shares, including in particular, the effect of any foreign, state or local taxes.

### **General Corporate Tax Structure in Israel**

Israeli companies are generally subject to corporate tax at a rate of 23%. However, the effective corporate tax rate payable by a company that derives income in any tax year (other than income from certain governmental loans) is generated from an “Industrial Enterprise” that it owns and is located in Israel or in the “Area”, in accordance with its definition under section 3A of the Israeli Income Tax Ordinance. An Industrial Enterprise is defined as an enterprise whose principal activity, in a given tax year, is industrial activity.

### **Law for the Encouragement of Industry (Taxes), 1969**

The Law for the Encouragement of Industry (Taxes), 1969 (the “Encouragement of Industry Law”), provides several tax benefits to “Industrial Companies.” Pursuant to the Encouragement of Industry Law, a company qualifies as an Industrial Company if it is a resident of Israel and at least 90% of its income in any tax year (other than income from certain governmental loans) is generated from an “Industrial Enterprise” that it owns and is located in Israel or in the “Area”, in accordance with its definition under section 3A of the Israeli Income Tax Ordinance. An Industrial Enterprise is defined as an enterprise whose principal activity, in a given tax year, is industrial activity.

An Industrial Company is entitled to certain tax benefits, including: (i) a deduction of the cost of purchases of patents and know-how and the right to use patents and know-how used for the development or promotion of the Industrial Enterprise in equal amounts over a period of eight years, beginning from the year in which such rights were first used, (ii) the right to elect to file consolidated tax returns, under certain conditions, with additional Israeli Industrial Companies controlled by it, and (iii) the right to deduct expenses related to public offerings in equal amounts over a period of three years beginning from the year of the offering.

Eligibility for benefits under the Encouragement of Industry Law is not contingent upon the approval of any governmental authority.

We believe that we may qualify as an Industrial Company within the meaning of the Encouragement of Industry Law; however, there is no assurance that we qualify or will continue to qualify as an Industrial Company or that the benefits described above will be available in the future.

### **Law for the Encouragement of Capital Investments, 1959**

The Investment Law, which has undergone major reforms and several amendments in recent years, provides certain tax benefits to eligible facilities. The different benefits under the Investment Law depend on the specific year in which the enterprise received approval from the Investment Center or the year it was eligible for Approved/Privileged/Preferred/Preferred Technology Enterprise status under the Investment Law, and the benefits available at that time. Below is a short description of the different benefits available to us under the Investment Law:

#### **Approved Enterprise**

The Investment Law provides that a capital investment in eligible production facilities (or other eligible assets) may, upon application to the Investment Center, be designated as an “Approved Enterprise.” Each certificate of approval for an Approved Enterprise relates to a specific investment program delineated both by its financial scope, including its sources of capital, and by its physical characteristics, for example, the equipment to be purchased and utilized pursuant to the program. The tax benefits generated from any such certificate of approval relate only to taxable income attributable to the specific Approved Enterprise.

Our manufacturing facility in Israel was granted Approved Enterprise status by the Investment Center, which made us eligible for a grant and certain tax benefits under the “Grant Track.” The approved investment program provided us with a grant in the amount of 24% of our approved investments, in addition to certain tax benefits, which applied to our turnover resulting from the operation of such investment program, for a period of up to ten consecutive years from the first year in which we generated taxable income. The tax benefits under the Grant Track include accelerated depreciation and amortization for tax purposes as well as a tax exemption for the first two years of the benefit period and the taxation of income generated from an Approved Enterprise at a reduced corporate tax rate of 10%-25% (depending on the level of foreign investment in each year), for a certain period of time. The benefit period is ordinarily seven to ten years commencing with the year in which the Approved Enterprise first generates taxable income. The benefit period is limited to 12 years from the earlier of the operational year as determined by the Investment Center or 14 years from the date of approval of the Approved Enterprise. The company’s benefit period ended by 2017.

### **Privileged Enterprise**

On April 1, 2005, an amendment to the Investment Law came into effect (the “2005 Amendment”), which revised the criteria for investments qualified to receive tax benefits. An eligible investment program under the 2005 Amendment will qualify for benefits as a “Privileged Enterprise” (rather than the previous terminology of Approved Enterprise). Pursuant to the 2005 Amendment, a company whose facilities meet certain criteria set forth in the 2005 Amendment may claim certain tax benefits offered by the Investment Law (as further described below) directly in its tax returns, without the need to obtain prior approval. In order to receive the tax benefits, the company must make an investment in the Privileged Enterprise which meets all of the conditions, including exceeding a certain percentage or a minimum amount, specified in the Investment Law. Such investment must be made over a period of no more than three years ending at the end of the year in which the company requested to have the tax benefits apply to the Privileged Enterprise (the “Year of Election”).

In May 2012, we obtained a tax ruling from the ITA according to which, among other things, our activity was qualified as an “industrial activity”, as defined in the Investment Law, and was eligible for tax benefits as a Privileged Enterprise under the “Tax Benefit Track,” which apply to the turnover attributed to such enterprise, for a period of up to ten years from the first year in which we generated taxable income. According to the tax ruling, our Year of Election was 2009. We subsequently elected 2012 as a Year of Election. The duration of tax benefits is subject to a limitation of the earlier of seven to ten years from the first year in which the company generated taxable income (at or after the Year of Election), or 12 years from the first day of the Year of Election. Therefore, the tax benefits under our Privileged Enterprise expired at the end of 2023.

In January 2015, we obtained a ruling from the ITA pursuant to which royalties-based income related to GLASSIA will be considered “Privileged Income” (within the meaning of the Investment Law), subject to meeting certain conditions detailed in the ruling.

The term “Privileged Enterprise” means an industrial enterprise which is “competitive” and contributes to the gross domestic product, and for which a minimum entitling investment was made in order to establish it (as explained above). For this purpose, an industrial enterprise is deemed to be competitive and contributing to the gross domestic product if it meets one of the following conditions: (1) its main activity is in the field of biotechnology or nanotechnology, as certified by the Director of the Industrial Research and Development Administration before the project was approved; or (2) its income during a tax year from sales to a certain market does not exceed 75% of its total income from sales in that tax year; or (3) 25% or more of its total income from sales in the tax year is from sales to a certain market with at least 14,000,000 inhabitants.

A corporate taxpayer owning a Privileged Enterprise may be entitled to an exemption from corporate tax on undistributed income for a period of two to ten years, depending on the location of the Privileged Enterprise within Israel, as well as a reduced corporate tax rate of 10% to 25% for the remainder of the benefit period, depending on the level of foreign investment in each year. In addition, the Privileged Enterprise is entitled to claim accelerated depreciation for manufacturing assets used by the Privileged Enterprise.

However, a company that pays a dividend out of income generated during the tax exemption period from the Privileged/Approved Enterprise is subject to deferred corporate tax with respect to the otherwise exempt income (grossed-up to reflect the pre-tax income that we would have had to earn in order to distribute the dividend) at the corporate tax rate which would have applied if the company had not enjoyed the exemption (i.e. at a tax rate between 10% and 25%, depending on the level of foreign investment). A company is generally required to withhold tax on such distribution at a rate of 15% (or a reduced rate under an applicable double tax treaty, subject to the approval by the ITA).

### **Preferred Enterprise**

An amendment to the Investment Law that became effective on January 1, 2011 (“Amendment No. 68”) changed the benefit alternatives available to companies under the Investment Law and introduced new benefits for income generated by a “Preferred Company” through its “Preferred Enterprises” (as such terms are defined in the Investment Law). The definition of a Preferred Company includes a company incorporated in Israel that is not wholly owned by a governmental entity, and that, among other things, owns a Preferred Enterprise and is controlled and managed from Israel. The tax benefits granted to a Preferred Company are determined depending on the location of its Preferred Enterprise within Israel. Amendment No. 68 imposes a reduced flat corporate tax rate which is not program-dependent and applies to the Preferred Company’s “preferred income” which is generated by its Preferred Enterprise.

According to the Investment Law, a Preferred Company is subject to reduced corporate tax rate of 10% for preferred income attributed to Preferred Enterprises located in areas in Israel designated as Development Zone A and 15% for those located elsewhere in Israel in the tax years 2011-2012, and 7% for Development Zone A and 12.5% for the rest of Israel in the tax year 2013, and 9% for Development Zone A and 16% for the rest of Israel in the tax years 2014 until 2016. Under an amendment to the Investment Law that became effective on January 1, 2017, the corporate tax rate applying to income attributed to Preferred Enterprise located in Development Zone A was reduced to 7.5% while the reduced corporate tax rate for the rest of Israel remains 16%. Income derived by a Preferred Company from a “Special Preferred Enterprise” (as such term is defined in the Investment Law) would be entitled, during a benefits period of 10 years, to further reduced tax rates of 5% if the Special Preferred Enterprise is located in Development Zone A, or 8% if the Special Preferred Enterprise is located elsewhere in Israel.

The tax benefits under Amendment No. 68 also include accelerated depreciation and amortization for tax purposes during the first five-year period for productive assets that the Preferred Enterprise uses pursuant to the rates prescribed in the Investment Law. Preferred Enterprises located in specific locations within Israel (Development Zone A) are eligible for grants and/or loans approved by the Israeli Investment Center, as well as tax benefits. Our facility in Beit-Kama, Israel, is located in Development Zone A.

A dividend distributed from income which is attributed to a Preferred Enterprise/Special Preferred Enterprise will generally be subject to withholding tax at source at the following rates: (i) Israeli resident corporation – 0%, (ii) Israeli resident individual – 20% (iii) non-Israeli resident – 20% subject to a reduced tax rate under the provisions of an applicable double tax treaty.

The provisions of Amendment No. 68 do not apply to existing Privileged Enterprises or Approved Enterprises, which will continue to be entitled to the tax benefits under the Investment Law as in effect prior to Amendment No. 68. Nevertheless, a company owning such enterprises may choose to apply Amendment No. 68 to its existing enterprises while waiving benefits provided under the Investment Law as in effect prior to Amendment No. 68. Once a company elects to be classified as a Preferred Enterprise under the provisions of Amendment No. 68, the election cannot be rescinded, and such company will no longer enjoy the tax benefits of its Approved/Privileged Enterprises.

We believe that we satisfy the requirements of the Preferred Company status, pursuant to Amendment 68, and while we have not yet utilized the benefits under Amendment 68, we may do so in subsequent fiscal years.

## Technology Enterprises

An amendment to the Investment Law was enacted as part of the Economic Efficiency Law that became effective as of January 1, 2017 (the “2017 Amendment”). The 2017 Amendment provides new tax benefits for two types of “Technology Enterprises”, as described below, and is in addition to the other existing tax beneficial programs under the Investment Law.

The 2017 Amendment provides that a technology company satisfying certain conditions will qualify as a “Preferred Technology Enterprise” and will thereby enjoy a reduced corporate tax rate of 12% on income that qualifies as “Preferred Technology Income”, as defined in the Investment Law. The tax rate is further reduced to 7.5% for a Preferred Technology Enterprise located in Development Zone A. In addition, a Preferred Technology Enterprise will enjoy a reduced corporate tax rate of 12% on capital gain derived from the sale of certain “Benefitted Intangible Assets” (as defined in the Investment Law) to a related foreign company if the Benefitted Intangible Assets were acquired from a foreign company on or after January 1, 2017 for at least NIS 200 million, and the sale receives prior approval from the National Authority for Technological Innovation (“NATI”).

The 2017 Amendment further provides that a technology company satisfying certain conditions will qualify as a “Special Preferred Technology Enterprise” and will thereby enjoy a reduced corporate tax rate of 6% on “Preferred Technology Income” regardless of the company’s geographic location within Israel. In addition, a Special Preferred Technology Enterprise will enjoy a reduced corporate tax rate of 6% on capital gain derived from the sale of certain “Benefitted Intangible Assets” to a related foreign company if the Benefitted Intangible Assets were either developed by the Special Preferred Technology Enterprise or acquired from a foreign company on or after January 1, 2017, and the sale received prior approval from NATI. A Special Preferred Technology Enterprise that acquires Benefitted Intangible Assets from a foreign company for more than NIS 500 million will be eligible for these benefits for at least ten years, subject to certain approvals as specified in the Investment Law.

Dividends distributed by a Preferred Technology Enterprise or a Special Preferred Technology Enterprise, paid out of Preferred Technology Income, are generally subject to withholding tax at source at the rate of 20% or such lower rate as may be provided in an applicable tax treaty (subject to the receipt in advance of a valid certificate from the ITA allowing for a reduced tax rate). However, if such dividends are paid to an Israeli company, generally no tax is required to be withheld. If such dividends are distributed to a foreign company and other conditions are met, the withholding tax rate will generally be 4%.

On June 9, 2025, we obtained a tax ruling from the ITA, according to which, among other things, our activity is qualified as an “industrial activity,” as defined in the Investment Law, and our income from sales of our Proprietary Products (including royalty-based income) will be deemed “Preferred Income”, or “Preferred Technology Income” (in each case, within the meaning of the Investment Law), to the extent we meet the requirements of being a Preferred Technology Enterprise. The tax ruling is valid for the years 2024 through 2028 (inclusive). There can be no assurance that we will comply with the conditions required to remain eligible for benefits under the Investment Law in the future, including under the tax ruling, or that we will be entitled to any additional benefits thereunder. If we do not fulfill these conditions in whole or in part, the benefits can be canceled and we may be required to refund the amount of the benefits, linked to the Israeli consumer price index, with interest.

### **Tax benefits under the 2021 Amendment that became effective on August 15, 2021**

Israel’s 2021-2022 Budget Law published on November 15, 2021, introduced a new dividend distribution ordering rule according to which in the event of a dividend distribution, earnings that were tax exempt under the historical Approved or Beneficial Enterprise regimes, and that were accrued or derived until December 31, 2020, referred to as “trapped earnings,” must be distributed on a pro-rata basis from any dividend distribution, commencing August 15, 2021 and onwards. As we had not utilized any tax benefits under the Investment Law prior to December 31, 2020, we do not have “trapped earnings.”

## **The Encouragement of Industrial Research, Development and Technological Innovation in the Industry Law, 5744-1984 (formerly known as The Encouragement of Industrial Research and Development Law, 5744-1984)**

We have received grants from the Government of the State of Israel through the Israel Innovation Authority of the Israeli Ministry of Economy and Industry (the "IIA") (formerly known as the Office of the Chief Scientist of the Israeli Ministry of Economy (the "OCS")), for the financing of a portion of our research and development expenditures pursuant to the Encouragement of Research, Development and Technological Innovation in the Industry Law 5744-1984 (formerly known as the Encouragement of Industrial and Development Law, 5744-1984) (the "Research Law") and related regulations. We previously received funding from the IIA for eight research and development programs, in the aggregate amount of approximately \$2.3 million as of December 31, 2025, which amount includes accrued aggregate interest as of such date, and we had paid aggregate royalties to the IIA for these programs in the amount of approximately \$1.2 million and had a contingent liability to the IIA in the amount of approximately \$0.9 million (excluding any interest thereon) as of December 31, 2025.

Under the Research Law, research and development programs which meet specified criteria and are approved by the IIA (formerly the OCS) may be eligible for grants. Under the Research Law, as currently in effect, the grants awarded are typically up to 50% of the project's expenditures. The grantee is required to pay royalties to the State of Israel from the sale of products (and associated services) developed under the program. Regulations under the Research Law, as currently in effect, generally provide for the payment of royalties of 3% to 5% on sales of products and services based on technology developed using grants, until 100% (which may be increased under certain circumstances, as described below) of the U.S. dollar-linked value of the grant is repaid, plus interest. Until October 25, 2023, the interest was calculated at a rate based on the last published 12-month LIBOR applicable to U.S. dollar deposits. On October 25, 2023, the IIA published a directive concerning changes in royalties to address the expiration of the LIBOR, according to which, (a) for IIA grants approved between January 1, 1999 and June 30, 2017 – the annual interest will be the interest in effect at the time of the grant approval; (b) for IIA grants approved between July 1, 2017 and December 31, 2023 – for the period prior to December 31, 2023, the interest shall be calculated based on the 12-month LIBOR applicable to U.S. dollar deposits, as published on the first trading day of each year or in an alternative publication of the Bank of Israel; and for periods as of January 1, 2024, the annual interest shall be calculated at a rate based on the 12-month secured overnight financing rate (SOFR), or at an alternative rate published by the Bank of Israel plus 0.71513%; and (c) for IIA grants approved on or following January 1, 2024, the annual interest shall be the higher of (i) the 12 months SOFR interest rate, plus 1%, and (ii) a fixed annual interest rate of 4%.

The terms of the IIA grants generally require that products developed with such grants be manufactured in Israel and that the technology developed thereunder may not be transferred outside of Israel, unless prior approval is received from the IIA and additional payments are made to the State of Israel. However, this does not restrict the export of products that incorporate the funded technology. If we were to receive IIA approval to manufacture or to transfer the rights to manufacture our products developed with IIA grants outside of Israel, the royalty repayment ceiling may increase to up to one and a half times the amount of the grant received (plus interest) if manufacturing is moved outside of Israel (depending on the portion of total manufacturing to be performed outside of Israel), and if the funded technology itself is transferred outside of Israel, we may be required to pay a redemption fee of up to six times the amount of the grants (less paid royalties, if any, and depreciation, but no less than the total grants received), plus interest. Even following the full repayment of any IIA grants, we must nevertheless continue to comply with the requirements of the Research Law. If we fail to comply with any of the conditions and restrictions imposed by the Research Law, or by the specific terms under which we received the grants, we may be required to refund any grants previously received together with interest and penalties, and, in certain circumstances, may be subject to criminal charges.

### **Taxation of Our Shareholders**

The Israeli Income Tax Ordinance applies Israeli income tax on a worldwide basis with respect to Israeli residents, and on an Israeli source income, with respect to non-Israeli residents. Dividends distributed (or deemed distributed) by an Israeli resident company to a holder in respect of its securities and consideration received by a holder (or deemed received) in connection with the sale or other disposition of securities of an Israeli resident company are considered to be an Israeli source income.

### **Capital Gains**

Under present Israeli tax legislation, the tax rate applicable to real capital gain derived by Israeli resident corporations from the sale of shares of an Israeli company is the general corporate tax rate (currently, 23%).

Generally, as of January 1, 2006, the tax rate applicable to real capital gain derived by Israeli individuals from the sale of shares which had been purchased on or after January 1, 2003, whether or not listed on a stock exchange, is 25%, unless such shareholder claims a deduction for interest and linkage differences expenses in connection with the purchase and holding of such shares. Additionally, if such a shareholder is considered a “Substantial Shareholder” (i.e., a person who holds, directly or indirectly, alone or together with another, 10% or more of any of the company’s “means of control” (including, among other things, the right to receive profits of the company, voting rights, the right to receive the company’s liquidation proceeds and the right to appoint a director)) at the time of sale or at any time during the preceding 12-month period, such gain will be taxed at the rate of 30%. Individual shareholders dealing in securities in Israel are taxed at their marginal tax rates applicable to business income (up to 47% from 2017).

Notwithstanding the foregoing, capital gains generated from the sale of shares by a non-Israeli shareholder may be exempt from Israeli taxes provided that, in general, both the following conditions are met: (i) the seller of the shares does not have a permanent establishment in Israel to which the generated capital gain is attributed and (ii) if the seller is a corporation, less than 25% of its means of control are held, directly and indirectly, by Israeli residents or Israeli residents that are the beneficiaries or are eligible to less than 25% of the seller’s income or profits from the sale. In addition, the sale of the shares may be exempt from Israeli capital gain tax under the provisions of an applicable tax treaty. For example, the Convention between the Government of the United States of America and the Government of Israel with respect to Taxes on Income, or the “Israel-U.S.A. Double Tax Treaty,” generally exempts U.S. residents from Israeli capital gains tax in connection with such sale, provided that (i) the U.S. resident owned, directly or indirectly, less than 10% of the Israeli resident company’s voting power at any time within the 12-month period preceding such sale; (ii) the seller, if an individual, has been present in Israel for less than 183 days (in the aggregate) during the taxable year; and (iii) the capital gain from the sale was not generated through a permanent establishment of the U.S. resident in Israel.

The purchaser of the shares, the stockbrokers who effected the transaction or the financial institution holding the shares through which payment to the seller is made are obligated, subject to the above-referenced exemptions if certain conditions are met, to withhold tax on the real capital gain resulting from a sale of shares at the rate of 25%.

A detailed return, including a computation of the tax due, must be filed and an advance payment must be paid on January 31 and July 31 of each tax year for sales of shares traded on a stock exchange made within the six months preceding the month of the report. However, if the seller is exempt from tax or all tax due was withheld at the source according to applicable provisions of the Israeli Income Tax Ordinance and the regulations promulgated thereunder, the return does not need to be filed and an advance payment does not need to be made. Taxable capital gains are also reportable on an annual income tax return if applicable.

#### **Dividends**

Our company is obligated to withhold tax, at the rate of 15%, upon the distribution of a dividend attributed to a Privileged Enterprise’s income, subject to a reduced tax rate under the provisions of an applicable double tax treaty, provided that a certificate from the ITA allowing for a reduced withholding tax rate is obtained in advance. If the dividend is distributed from income not attributed to a Privileged Enterprise, the following withholding tax rates will generally apply: (i) Israeli resident corporations — 0%, (ii) Israeli resident individuals — 25% (or 30% in the case of a Substantial Shareholder) and (iii) non-Israeli residents (whether an individual or a corporation), so long as the shares are registered with a nominee company — 25%, subject to a reduced tax rate under the provisions of an applicable double tax treaty, provided that a certificate from the ITA allowing for a reduced withholding tax rate is obtained in advance. Generally, unless the recipient of the dividend is a U.S. corporate resident which holds at least 10% of the share capital of the Company, the withholding rate will not be reduced under the Israel-U.S.A. Double Tax Treaty.

#### **Excess Tax**

Individual holders who are subject to tax in Israel (whether any such individual is an Israeli resident or non-Israeli resident) and who have taxable income that exceeds a certain threshold in a tax year (NIS 721,560 for 2024, 2025 and 2026), will be subject to an additional tax on any income in excess of such amount, at the rate of 3% on any such taxable income prior to January 1, 2025 and commencing January 1, 2025, at the rate of 3% of any such active taxable income and 5% of any such passive taxable income. For this purpose, passive taxable income includes taxable capital gains from the sale of securities and taxable income from interest and dividends, subject to the provisions of an applicable double tax treaty.

## Estate and gift tax

Israeli law presently does not impose estate or gift taxes.

## United States Federal Income Taxation

The following is a summary of the material U.S. federal income tax consequences to a U.S. Holder (as defined below) of the ownership and disposition of our ordinary shares. This summary addresses only the material U.S. federal income tax consequences to U.S. Holders (as defined below) that will hold our ordinary shares as capital assets for U.S. federal income tax purposes (generally, property held for investment). In addition, it does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including U.S., local and non-U.S. tax consequences, estate and gift tax consequences, alternative minimum tax consequences, special accounting rules under Section 451(b) of the Code, and tax consequences applicable to U.S. Holders, subject to special rules, such as:

- banks, certain financial institutions or insurance companies;
- real estate investment trusts, regulated investment companies or grantor trusts;
- dealers or traders in securities, commodities or currencies;
- tax-exempt entities;
- U.S. expatriates and certain former citizens or long-term residents of the United States;
- persons that received our shares pursuant to the exercise of an employee stock option or otherwise as compensation;
- persons that will hold our shares as part of a "hedging," "integrated" or "conversion" transaction or as a position in a "straddle" for U.S. federal income tax purposes;
- partnerships (including entities classified as partnerships for U.S. federal income tax purposes) or other pass-through entities, or holders that will hold our shares through such an entity;
- S-corporations;
- persons whose "functional currency" is not the U.S. Dollar;
- persons that own directly, indirectly or through attribution 10% or more of the voting power or value of our ordinary shares; or
- persons holding our ordinary shares in connection with a trade or business conducted outside the United States.

This summary is based on the Code, existing, proposed and temporary U.S. Treasury Regulations and judicial and administrative interpretations thereof, in each case as in effect on the date hereof. All of the foregoing is subject to change, which change could apply retroactively and could affect the tax consequences described below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the ownership and disposition of our ordinary shares or that the IRS's position would not be sustained.

For purposes of this description, a “U.S. Holder” is a beneficial owner of our ordinary shares that, for U.S. federal income tax purposes, is:

- an individual citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia or any political subdivision thereof;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (1) a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or (2) the trust has a valid election to be treated as a U.S. person under applicable U.S. Treasury Regulations.

Holders of our ordinary shares should consult their own tax advisors concerning the particular U.S. federal income tax consequences to them of the ownership and disposition of our ordinary shares in light of their own particular circumstances, as well as the consequences to them arising under other U.S. federal, state and local tax laws and the laws of any non-U.S. taxing jurisdiction.

### ***Distributions***

Subject to the discussion below under “Passive Foreign Investment Company Considerations,” non-liquidating distributions made to a U.S. Holder with respect to our ordinary shares before reduction for any Israeli taxes withheld therefrom, other than certain pro rata distributions of our ordinary shares to all our shareholders, generally will be includible in the U.S. Holder’s income as dividend income to the extent the distribution is paid out of our current or accumulated earnings and profits as determined under U.S. federal income tax principles. We do not expect to maintain calculations of our earnings and profits under U.S. federal income tax principles and, therefore, U.S. Holders should expect that the entire amount of any distribution generally will be reported as dividend income. Subject to the discussion below under “—Passive Foreign Investment Company Considerations,” non-corporate U.S. Holders may qualify for the lower rates of taxation with respect to dividends on ordinary shares applicable to “qualified dividend income” received from a “qualified foreign corporation” provided that certain conditions are met, including certain holding period requirements and the absence of certain risk reduction transactions. A non-U.S. corporation will generally be considered a qualified foreign corporation (i) if it is eligible for the benefits of a comprehensive tax treaty with the United States which the Secretary of Treasury of the United States determines is satisfactory for purposes of these rules and which includes an exchange of information provision (which includes the Treaty), or (ii) with respect to any dividend it pays on ordinary shares which are readily tradable on an established securities market in the United States. Our ordinary shares are listed on Nasdaq, which is a qualified exchange for these purposes. Consequently, if our ordinary shares continue to be listed on Nasdaq and are regularly traded, we expect to be a qualified foreign corporation for purposes of dividends paid by us with respect to our ordinary shares constituting qualified dividend income. However, the qualified dividend income treatment will not apply if we are treated as a PFIC with respect to the U.S. Holder for our taxable year of the distribution or the preceding taxable year. However, with respect to corporate U.S. Holders, dividends on our ordinary shares will not be eligible for the dividends received deduction generally allowed to corporate U.S. Holders in respect of dividends received from other U.S. corporations. Subject to the discussion below under “—Passive Foreign Investment Company Considerations,” to the extent that the amount of any distribution by us exceeds our current and accumulated earnings and profits as determined under U.S. federal income tax principles, it will be treated first as a tax-free return of your tax basis in our ordinary shares and thereafter as capital gain.

Dividends paid to U.S. Holders with respect to our ordinary shares will be treated as foreign source income, which may be relevant in calculating a U.S. Holder’s foreign tax credit limitation. Subject to certain conditions and limitations, Israeli tax withheld on dividends may be deducted from taxable income or credited against U.S. federal income tax liability. An election to deduct foreign taxes instead of claiming foreign tax credits applies to all foreign taxes paid or accrued in the taxable year. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends that we distribute generally should constitute “passive category income,” or, in the case of certain U.S. Holders, “general category income.” A foreign tax credit for foreign taxes imposed on distributions may be denied if certain minimum holding period requirements are not satisfied. The rules relating to the determination of the foreign tax credit are complex, and U.S. Holders should consult their tax advisors to determine whether and to what extent they will be entitled to this credit.

### ***Sale, Exchange or Other Disposition of Ordinary Shares***

Subject to the discussion below under “Passive Foreign Investment Company Considerations,” U.S. Holders generally will recognize gain or loss on the sale, exchange or other taxable disposition of our ordinary shares equal to the difference between the amount realized on the sale, exchange or other disposition and the holder’s tax basis in our ordinary shares, and any gain or loss will be capital gain or loss. The tax basis in an ordinary share generally will be equal to the cost of the ordinary share. For non-corporate U.S. Holders, capital gain from the sale, exchange or other disposition of ordinary shares is generally eligible for a preferential rate of taxation in the case of long-term capital gain. The deductibility of capital losses for U.S. federal income tax purposes is subject to limitations under the Code. Any gain or loss that a U.S. Holder recognizes generally will be treated as U.S. source income or loss for foreign tax credit limitation purposes.

### ***Passive Foreign Investment Company Considerations***

If we were to be classified as a PFIC in any taxable year, a U.S. Holder would be subject to special rules generally intended to reduce or eliminate any benefits from the deferral of U.S. federal income tax that a U.S. Holder could derive from investing in a non-U.S. company holding certain assets or receiving certain income that does not distribute its earnings on a current basis.

A non-U.S. corporation will be classified as a PFIC for U.S. federal income tax purposes in any taxable year in which, after applying certain look-through rules, either:

- at least 75% of its gross income is “passive income”, or
- at least 50% of the average quarterly value of its gross assets is attributable to assets that produce passive income or are held for the production of passive income.

Passive income for this purpose generally includes dividends, interest, royalties, rents, gains from commodities and securities transactions, the excess of gains over losses from the disposition of assets which produce passive income and amounts derived by reason of the temporary investment of funds raised in offerings of our ordinary shares. If a non-U.S. corporation owns at least 25% by value of the stock of another corporation, the non-U.S. corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation and as directly receiving its proportionate share of the other corporation’s income. If we are classified as a PFIC in any year with respect to which a U.S. Holder owns our ordinary shares, we generally will continue to be treated as a PFIC with respect to that U.S. Holder in all succeeding years during which the U.S. Holder owns our ordinary shares, regardless of whether we continue to meet the tests described above.

However, our PFIC status for each taxable year may be determined only after the end of such year and will depend on the composition of our income and assets, our activities and the value of our assets (which may be determined in large part by reference to the market value of our ordinary shares, which may be volatile) from time to time. If we are a PFIC then unless a U.S. Holder makes one of the elections described below, a special tax regime will apply to both (i) any “excess distribution” by us to that U.S. Holder (generally, the U.S. Holder’s ratable portion of distributions in any year which are greater than 125% of the average annual distribution received by the holder in the shorter of the three preceding years or its holding period for our ordinary shares) and (ii) any gain realized on the sale or other disposition of the ordinary shares.

Based on the financial information currently available to us and the nature of our business, we do not believe that we were classified as a PFIC for the taxable year ended December 31, 2025. However, this determination could be subject to change. If, contrary to our expectations, we were to be classified as a PFIC, U.S. Holders of ordinary shares may be required to file form 8621 with respect to their ownership of our ordinary shares in the year in which we were a PFIC. U.S. Holders of our ordinary shares should consult their tax advisors in this regard.

Under this regime, any excess distribution and realized gain will be treated as ordinary income and will be subject to tax as if (i) the excess distribution or gain had been realized ratably over the U.S. Holder's holding period, (ii) the amount deemed realized in each year had been subject to tax in each year of that holding period at the highest marginal rate for that year (other than income allocated to the current period or any taxable period before we became a PFIC, which will be subject to tax at the U.S. Holder's regular ordinary income rate for the current year and will not be subject to the interest charge discussed below), and (iii) the interest charge generally applicable to underpayments of tax had been imposed on the taxes deemed to have been payable in those years. In addition, dividend distributions made to a U.S. Holder will not qualify for the lower rates of taxation applicable to long-term capital gains discussed above under "Distributions." Certain elections may be available that would result in an alternative treatment (such as mark-to-market treatment, which very generally involves including in ordinary income for each year an amount equal to the excess, if any, of the fair market value of a U.S. Holder's ordinary shares at the close of the taxable year over the U.S. Holder's adjusted tax basis in the ordinary shares) of our ordinary shares. We do not intend to provide the information necessary for a U.S. Holder to make a "qualified electing fund election" if we are classified as a PFIC. U.S. Holders should consult their tax advisors to determine whether any of these elections would be available and, if so, what the consequences of the alternative treatments would be in their particular circumstances. Each U.S. Holder should consult its tax advisor as to whether any election is available or advisable with respect to our ordinary shares.

If we are determined to be a PFIC, the general tax treatment for U.S. Holders described in this paragraph would apply to indirect distributions and gains deemed to be realized by U.S. Holders in respect of any of our subsidiaries that also may be determined to be PFICs.

In addition, all U.S. Holders may be required to file tax returns (including on IRS Form 8621) containing such information as the U.S. Treasury may require. For example, if a U.S. Holder owns ordinary shares during any year in which we are classified as a PFIC and the U.S. Holder recognizes gain on a disposition of our ordinary shares or receives distributions with respect to our ordinary shares, the U.S. Holder generally will be required to file an IRS Form 8621 with respect to the company, generally with the U.S. Holder's U.S. federal income tax return for that year. The failure to file this form when required could result in substantial penalties.

#### ***Backup Withholding and Information Reporting Requirements***

U.S. backup withholding and information reporting requirements may apply to payments to holders of our ordinary shares. Information reporting generally will apply to payments of dividends on, and to proceeds from the sale of, our ordinary shares made within the United States, or by a U.S. payor or U.S. middleman, to a holder of our ordinary shares, other than an exempt recipient (including a corporation). A payor may be required to backup withhold at a rate of 24% from payments of dividends on, or the proceeds from the sale or redemption of, ordinary shares within the United States, or by a U.S. payor or U.S. middleman, to a holder, other than an exempt recipient, if the holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding tax requirements.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules generally should be allowed as a credit against the beneficial owner's U.S. federal income tax liability, if any, and any excess amounts withheld under the backup withholding rules may be refunded, provided that the required information is timely furnished to the IRS.

#### ***Additional Medicare Tax***

Certain U.S. Holders who are individuals, estates or trusts may be required to pay an additional 3.8% Medicare tax on, among other things, dividends and capital gains from the sale or other disposition of shares of our ordinary shares. For individuals, the additional Medicare tax applies to the lesser of (i) "net investment income" or (ii) the excess of "modified adjusted gross income" over \$200,000 (\$250,000 if married and filing jointly or \$125,000 if married and filing separately). "Net investment income" generally equals the taxpayer's gross investment income reduced by the deductions that are allocable to such income. U.S. Holders will likely not be able to credit foreign taxes against the 3.8% Medicare tax.

### ***Foreign Asset Reporting***

Certain U.S. Holders who are individuals (and certain domestic entities) may be required to report information relating to an interest in our ordinary shares, subject to certain exceptions (including an exception for shares held in accounts maintained by U.S. financial institutions). U.S. Holders are urged to consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of our ordinary shares.

**The above description is not intended to constitute a complete analysis of all tax consequences relating to the ownership and disposition of our ordinary shares. Holders of our ordinary shares should consult their own tax advisors concerning the particular tax consequences to them of the ownership and disposition of our ordinary shares in light of their own particular circumstances, as well as the consequences to them arising under Israeli, U.S. federal, state and local tax laws and the laws of any other taxing jurisdiction.**

### **F. Dividends and Paying Agents**

Not applicable.

### **G. Statement by Experts**

Not applicable.

### **H. Documents on Display**

We are subject to certain of the reporting requirements of the Exchange Act, as applicable to “foreign private issuers” as defined in Rule 3b-4 under the Exchange Act. Accordingly, we are required to file reports and other information with the SEC, including annual reports on Form 20-F and reports on Form 6-K. The SEC maintains a website at [www.sec.gov](http://www.sec.gov) that contains reports, proxy and information statements and other information regarding registrants like us that file electronically with the SEC. You can also inspect the Annual Report on that website. Our SEC filings are also generally available to the public via the Israel Securities Authority’s Magna website at [www.magna.isa.gov.il](http://www.magna.isa.gov.il), and the TASE website at <http://www.maya.tase.co.il>.

A copy of each document (or a translation thereof to the extent not in English) concerning our company that is referred to in this Annual Report is available for public view (subject to confidential treatment of certain agreements pursuant to applicable law) at our principal executive offices.

### **I. Subsidiary Information**

Not applicable.

## **Item 11. Quantitative and Qualitative Disclosures About Market Risk**

### ***Interest Rate Risk***

We are exposed to changes in interest as our financial debt bears floating and fixed interest rates. In addition, our exposure is also related to cash balance invested in interest-bearing deposits.

### **Foreign Currency Risk**

Fluctuations in exchange rates, especially the NIS against the U.S. dollar, may affect our results, as part of our assets is linked to NIS, as are part of our liabilities. Changes in exchange rates may also affect the prices of products purchased by us and designated for marketing in Israel in cases where these product prices are not linked to the U.S. dollar and during the period after these products are sold to our customers in NIS. In addition, the fluctuation in the NIS exchange rate against the U.S. dollar may impact our results, as a portion of our manufacturing cost is NIS denominated.

For the years ended December 31, 2025, 2024 and 2023, we have witnessed high volatility in the U.S. dollar exchange rate. This fact impacts our revenues from the Distribution segment, where prices are denominated in or linked to the NIS upon delivery of product while our expenses for the purchase of raw materials and imported goods in the Distribution segment are in U.S. dollars and part of our development and marketing expenses are paid in NIS.

We attempt to mitigate our currency exposure by matching assets denominated in NIS currency with liabilities denominated in NIS. In the Distribution segment, we attempt to mitigate foreign currency exposure by matching Euro denominated expenses with Euro denominated revenues. Additionally, we use, and from time to time, will continue to use, currency hedging transactions using financial derivatives and forward currency contracts. We attempt to enter into forward currency contracts with critical terms that match those of the underlying exposure. As of December 31, 2025, we had open transactions in derivatives in the amount of approximately \$3.8 million. We regularly monitor and review the need for currency hedging transactions in accordance with trend analysis.

The following table presents information about the changes in the exchange rates of the NIS against the U.S. dollar:

| <b>Period</b>                | <b>Change in<br/>Average<br/>Exchange Rate<br/>of the NIS<br/>against the<br/>U.S. Dollar<br/>(%)</b> |
|------------------------------|---|
| Year ended December 31, 2023 | 3.1   |
| Year ended December 31, 2024 | 0.6   |
| Year ended December 31, 2025 | (12.5)  |

As of December 31, 2025, we had excess liabilities over assets denominated in NIS in the amount of \$19.6 million. When the U.S. dollar appreciates against the NIS, we recognize financial expenses with respect to exchange rate differences. When the U.S. dollar depreciates against the NIS, we recognize financial income.

A 10% increase (decrease) in the value of the NIS against the U.S. dollar would have decreased (increased) our financial assets by \$2.0 million, \$1.7 million and \$0.9 million as of December 31, 2025, 2024 and 2023, respectively.

As of December 31, 2025, we had foreign currency exposures to currencies other than U.S. dollars and NIS amounting to \$0.2 million in excess assets over liabilities. Most of this exposure is to the Euro and Canadian dollar.

### **Item 12. Description of Securities Other Than Equity Securities**

Not applicable.

## PART II

### Item 13. Defaults, Dividend Arrearages and Delinquencies

Not applicable.

### Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Not applicable.

### Item 15. Controls and Procedures

(a) *Disclosure Controls and Procedures.* Our management, under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2025, pursuant to Rule 13a-15 under the Exchange Act. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer (the principal executive and principal financial officer, respectively) have concluded that our disclosure controls and procedure are effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure, and is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms.

(b) *Report of Management on Internal Control over Financial Reporting.* Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our management has assessed the effectiveness of internal control over financial reporting based on the Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, our management has concluded that our internal control over financial reporting as of December 31, 2025 was effective.

(c) *Attestation Report of the Registered Public Accounting Firm.* Our independent registered public accounting firm, Kost Forer Gabbay & Kasierer, a member of EY Global, has audited the consolidated financial statements included in this annual report on Form 20-F, and as part of its audit, has issued its audit report on the effectiveness of our internal control over financial reporting as of December 31, 2025. The report of Kost Forer Gabbay & Kasierer, a member of EY Global, is included with our consolidated financial statements included elsewhere in this annual report and is incorporated herein by reference.

(d) *Changes in Internal Control over Financial Reporting.* During the period covered by this report, we have not made any changes to our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### Item 16. [Reserved]

#### Item 16A. Audit Committee Financial Expert

Our board of directors has determined that each of Assaf Itshayek and Lilach Payorski is an “independent” director for purposes of serving on an audit committee under the Exchange Act and Nasdaq listing requirements and qualifies as an “audit committee financial expert,” as defined in Item 407(d)(5) of Regulation S-K.

#### Item 16B. Code of Ethics

We have adopted a Code of Ethics, which applies to our directors, officers and employees, including our Chief Executive Officer and Chief Financial Officer, principal accounting officer or controller, and persons performing similar functions. The Code of Ethics is posted on our website, [www.kamada.com](http://www.kamada.com).

**Item 16C. Principal Accountant Fees and Services**

During the years ended December 31, 2025 and 2024, we were billed the following aggregate fees for the professional services rendered by Kost Forer Gabbay& Kasierer, a member of EY Global, independent registered public accounting firm, all of which were pre-approved by our Audit Committee:

|                    | Year Ended<br>December 31, |                |
|--------------------|----------------------------|----------------|
|                    | 2025                       | 2024           |
| Audit Fees (1)     | \$ 420,000                 | 430,000        |
| Tax Fees (2)       | 60,702                     | 7,036          |
| All Other Fees (3) | 33,524                     | 33,020         |
| <b>Total</b>       | <b>\$ 514,226</b>          | <b>470,056</b> |

- (1) Audit fees are aggregate fees for audit services for each of the years shown in this table, including fees associated with the annual audit and reviews of our quarterly financial results submitted on Form 6-K, the auditor attestation report on the effectiveness of our internal control over financial reporting, consultations on various accounting issues and audit services provided in connection with other statutory or regulatory filings.
- (2) Tax services rendered by our auditors in 2025 and 2024 were for compliance with tax regulation.
- (3) Other fees in 2025 mainly related to consulting services for implementation of a new costing methodology, and in 2024, mainly related to consulting services for IT upgrades.

Our audit committee has adopted a policy for pre-approval of audit and non-audit services provided by our independent auditor. Under the policy, such services require the specific pre-approval of our audit committee followed by ratification of our full board of directors. Any proposed services exceeding the pre-approval amounts for all services to be provided by our independent auditor require additional specific pre-approval by our audit committee followed by the approval of our full board of directors.

**Item 16D. Exemptions from the Listing Standards for Audit Committees**

Not applicable.

**Item 16E. Purchase of Equity Securities by the Issuer and Affiliated Purchasers**

In the year ended December 31, 2025, neither we nor any affiliated purchaser (as defined in the Exchange Act) purchased any of our ordinary shares.

**Item 16F. Change in Registrant's Certifying Accountant**

None.

## Item 16G. Corporate Governance

As a foreign private issuer whose shares are listed on the Nasdaq, we have the option to follow Israeli corporate governance practices rather than certain of those of Nasdaq, except to the extent that such laws would be contrary to U.S. securities laws and provided that we disclose the practices we are not following and describe the home country practices we follow instead. Pursuant to Nasdaq Listing Rule 5615(a)(3), we follow certain Israeli corporate governance practices in lieu of the corresponding corporate governance requirements otherwise applicable to U.S. domestic issuers listed on Nasdaq. The significant ways in which our corporate governance practices differ from those applicable to U.S. domestic issuers are described below. We rely on this “foreign private issuer exemption” with respect to the following Nasdaq requirements:

- *Distribution of annual and quarterly reports to shareholders.* Nasdaq Listing Rules generally require listed companies to make annual and interim reports available to shareholders. Under Israeli law, as a public company whose shares are traded on the TASE, we are not required to distribute annual and quarterly reports directly to shareholders and the generally accepted business practice in Israel is not to distribute such reports to shareholders but to make such reports publicly available through the website of the Israel Securities Authority and the TASE. In addition, we make our audited financial statements available to our shareholders at our offices.
- *Shareholder approval requirements for equity issuances and equity-based compensation plans.* Nasdaq Listing Rule 5635 generally requires shareholder approval prior to certain equity issuances, including certain private placements, and for the adoption of, or material amendments to, equity compensation plans. In contrast, under the Companies Law, the adoption of, and material changes to, equity-based compensation plans generally require the approval of the board of directors (for approval of equity-based arrangements, see “Item 6. Directors, Senior Management and Employees — Fiduciary Duties and Approval of Related Party Transactions under Israeli Law — Disclosure of Personal Interests of a Controlling Shareholder and Approval of Certain Transactions,” “Item 6. Directors, Senior Management and Employees — Compensation of Directors” and “Item 6. Directors, Senior Management and Employees — Compensation of Executive Officers”). Similarly, the approval of the board of directors is generally sufficient for a private placement unless the private placement is deemed a “significant private placement” (see “Item 6. Directors, Senior Management and Employees — Approval of Significant Private Placements”), in which case shareholder approval is also required, or an office holder or a controlling shareholder or their relative has a personal interest in the private placement, in which case, audit committee approval is required prior to the board approval and, for a private placement in which a controlling shareholder or its relative has a personal interest, shareholder approval is also required (see “Item 6. Directors, Senior Management and Employees — Fiduciary Duties and Approval of Related Party Transactions under Israeli Law”).
- *Requirement for independent oversight on our director nominations process and to adopt a formal written charter or board resolution addressing the nominations process.* Nasdaq Listing Rule 5605(e) generally requires that director nominees be selected, or recommended for selection, either by a majority of the independent directors or by a nominating committee comprised solely of independent directors operating under a formal written charter. In accordance with Israeli law and practice, directors are recommended by our board of directors for election by our shareholders. The Damar Group and Recananti Group have entered into a shareholders’ agreement which includes an agreement about voting in the election of nominees appointed by the other party (see “Item 7. Major Shareholders and Related Party Transactions — Related Party Transactions — Shareholders’ Agreement”). As permitted under the Companies Law, we do not have a formal charter addressing the nominations process.
- *Quorum requirement.* Under our articles of association and as permitted under the Companies Law, a quorum for any meeting of shareholders shall be the presence of at least two shareholders present in person, by proxy or by a voting instrument, who hold at least 25% of the voting power of our shares instead of 33 1/3% of the issued share capital required under Nasdaq requirements. At an adjourned meeting, any number of shareholders shall constitute a quorum.

Except as stated above, we comply with the rules generally applicable to U.S. domestic companies listed on Nasdaq. We may in the future decide to use other foreign private issuer exemptions with respect to some or all of the other Nasdaq listing requirements. Following our home country governance practices, as opposed to the requirements that would otherwise apply to a company listed on Nasdaq, may provide less protection than is accorded to investors under Nasdaq listing requirements applicable to domestic issuers. For more information, see “Item 3. Key Information — D. Risk Factors — *As we are a “foreign private issuer” and follow certain home country corporate governance practices instead of otherwise applicable Nasdaq corporate governance requirements, our shareholders may not have the same protections afforded to shareholders of domestic U.S. issuers that are subject to all Nasdaq corporate governance requirements.*” We are also required to comply with Israeli corporate governance requirements under the Companies Law and the regulations promulgated thereunder applicable to Israeli public companies whose shares are listed for trade on an exchange outside Israel and dual listed on the TASE.

## Item 16H. Mine Safety Disclosure

Not applicable.

## Item 16I. Disclosure Regarding Foreign Jurisdictions That Prevent Inspections

Not applicable.

## Item 16J. Insider trading policies

We have adopted a policy that governs the trading in our securities by our directors, officers, employees and certain other covered persons, and which is reasonably designed to promote compliance with applicable insider trading laws, rules and regulations and applicable Nasdaq listing standards. A copy of our Insider Trading Policy is included as Exhibit 11.1 to this Annual Report.

## Item 16K. Cybersecurity

Cybersecurity represents an important component of the Company's overall approach to risk management. The Company's cybersecurity policies, standards and practices are integrated into the Company's enterprise risk management ("ERM") approach, and cybersecurity risks are one of the enterprise risks that are subject to oversight by the Company's Board of Directors. The Company approaches cybersecurity threats through a cross-functional approach which endeavors to: (i) identify, prevent and mitigate cybersecurity threats to the Company; (ii) preserve the confidentiality, security and availability of the information that we collect and store to use in our business; (iii) protect the Company's intellectual property; (iv) maintain the confidence of our customers and business partners; and (v) provide appropriate public disclosure of cybersecurity risks and incidents when required.

### *Risk Management and Strategy*

The Company's cybersecurity program focuses on the following areas:

- **Vigilance:** The Company maintains cybersecurity threat operations with the goal of identifying, preventing and mitigating cybersecurity threats and responding to cybersecurity incidents in accordance with our established incident response and recovery plans.
- **Systems Safeguards:** The Company deploys systems safeguards that are designed to protect the Company's information systems from cybersecurity threats, including firewalls, intrusion prevention and detection systems, anti-malware functionality and access controls, which are evaluated and improved through ongoing vulnerability assessments and cybersecurity threat intelligence.
- **Collaboration:** The Company utilizes collaboration mechanisms established with certain third-party service providers, to identify, assess and respond to cybersecurity risks.
- **Third-Party Risk Management:** The Company endeavors to identify and oversee cybersecurity risks presented by third parties, as well as the systems of third parties that could adversely impact our business in the event of a cybersecurity incident affecting those third-party systems.
- **Training:** The Company provides periodic training for personnel regarding cybersecurity threats, as well as periodic management cyber-attack exercises, which reinforce the Company's information security policies, standards and practices.
- **Incident Response and Recovery Planning:** The Company has established and maintains incident response and recovery plans that address the Company's response to a cybersecurity incident and the recovery from a cybersecurity incident, and such plans are tested and evaluated periodically.

- **Communication, Coordination and Disclosure:** The Company utilizes a cross-functional approach to address the risk from cybersecurity threats, involving management personnel from the Company's technology, operations, legal, risk management, and other key business functions, while also implementing controls and procedures for the escalation of cybersecurity incidents pursuant to established thresholds so that decisions regarding the disclosure and reporting of such incidents can be made by management in a timely manner.

A key part of the Company's strategy for managing risks from cybersecurity threats is the ongoing assessment and testing of the Company's processes and practices focused on evaluating the effectiveness of our cybersecurity measures. The Company engages third parties as appropriate to perform assessments of its cybersecurity measures. The results of such assessments and reviews are reported to the Company's Board of Directors and the Company adjusts its cybersecurity policies, standards, processes and practices as necessary based on the information provided by the assessments, audits and reviews.

#### *Governance*

The Company's Audit Committee receives updates on a quarterly basis from the Company's IT Director regarding the progress of our annual and long-term work plan associated with managing risks from cybersecurity threats. The Company's Board of Directors receives updates and presentations on cybersecurity risks at least once a year, which address a wide range of topics including, for example, recent developments, third-party reviews, common threats, technological trends and information security considerations arising with respect to the Company and discusses the Company's approach to cybersecurity risk management with the Company's management and IT Director. The Board of Directors will receive prompt and timely information regarding any significant cybersecurity incident, as well as ongoing updates regarding such incident until it has been addressed.

The Company's IT Director, together with the assistance of the Company's Information Security Compliance Officer (CISO), is principally responsible for overseeing the Company's cybersecurity risk management program. The IT Director, in assistance with a team of external experts, works in coordination with the other members of management, including our Chief Executive Officer, Chief Financial Officer and General Counsel, to implement a program designed to protect the Company's information systems from cybersecurity threats, to address cybersecurity threats and to promptly respond to any cybersecurity incidents in accordance with the Company's incident response and recovery plans. Through ongoing activities of this team, the IT Director monitors the prevention, detection, mitigation and remediation of cybersecurity incidents in real time, and reports such incidents to senior management and the Board of Directors, when appropriate.

The Company's IT Director has served in various roles in information technology and information security for over 20 years, including at Rafael Advanced Defense Systems, Haifa Sea Port, Tara Dairy and HCT. The Company's IT Director has a bachelor's degree in information systems management and business administration and is a Microsoft systems certified engineer.

To date, no risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, which have not been material, have materially affected or are reasonably likely to materially affect our business strategy, results of operations or financial condition. However, an actual or perceived breach of our cybersecurity could damage our reputation, subject us to third-party lawsuits, regulatory fines or other actions or liabilities, any of which could adversely affect our business, operating results or financial condition. For further information, see "Item 3. Key Information – D. Risk Factors – Risks Related to Our Industry – *Our business and operations would suffer in the event of computer system failures, cyber-attacks on our systems or deficiency in our cyber security measures.*"

### PART III

#### Item 17. Financial Statements

Consolidated Financial Statements are set forth under Item 18.

#### Item 18. Financial Statements

Our Consolidated Financial Statements beginning on pages F-1 through F-66, as set forth in the following index, are hereby incorporated herein by reference. These Consolidated Financial Statements are filed as part of this Annual Report.

|  | <b>Page</b> |
|--|-------------|
| <a href="#">Report of Independent Registered Public Accounting Firm (PCAOB ID: 1281)</a> | F-2 – F-5   |
| <b>Consolidated Financial Statements as of December 31, 2025:</b>                        |             |
| <a href="#">Consolidated Statements of Financial Position</a>                            | F-6         |
| <a href="#">Consolidated Statements of Profit or Loss and Other Comprehensive Income</a> | F-7         |
| <a href="#">Consolidated Statements of Changes in Equity</a>                             | F-8         |
| <a href="#">Consolidated Statements of Cash Flows</a>                                    | F-9 – F-10  |
| <a href="#">Notes to the Consolidated Financial Statements</a>                           | F-11 – F-66 |

## Item 19. Exhibits

| <b>Exhibit No.</b> | <b>Description</b>  |
|--------------------|---|
| 1.1                | <a href="#"><u>Amended Articles of Association of the Registrant (incorporated by reference to Exhibit 99.2 to Form 6-K filed with the Securities and Exchange Commission on December 10, 2025).</u></a>  |
| 1.2                | <a href="#"><u>Memorandum of Association of the Registrant, as currently in effect (as translated from Hebrew) (incorporated by reference to Exhibit 3.1 of the Registration Statement on Form F-1 filed with the Securities and Exchange Commission on May 15, 2013).</u></a>  |
| 2.1                | <a href="#"><u>Description of Securities</u></a>  |
| 2.2                | <a href="#"><u>Form of Certificate for Ordinary Shares (incorporated by reference to Exhibit 4.1 of the Registration Statement on Form F-1 filed with the Securities and Exchange Commission on May 15, 2013).</u></a>  |
| 4.1†               | <a href="#"><u>Exclusive Manufacturing, Supply and Distribution Agreement, dated as of August 23, 2010, by and between Kamada Ltd. and Baxter Healthcare Corporation (incorporated by reference to Exhibit 10.1 of the Registration Statement on Form F-1 filed with the Securities and Exchange Commission on May 15, 2013).</u></a>   |
| 4.2†               | <a href="#"><u>Technology License Agreement, dated as of August 23, 2010, by and between Kamada Ltd. and Baxter Healthcare S.A. (incorporated by reference to Exhibit 10.2 of the Registration Statement on Form F-1 filed with the Securities and Exchange Commission on May 15, 2013).</u></a>  |
| 4.3†               | <a href="#"><u>Amended and Restated Fraction IV-1 Paste Supply Agreement, dated as of August 23, 2010, by and between Kamada Ltd. and Baxter Healthcare Corporation (incorporated by reference to Exhibit 10.3 of the Registration Statement on Form F-1 filed with the Securities and Exchange Commission on April 11, 2013).</u></a>  |
| 4.4†               | <a href="#"><u>First Amendment to the Amended and Restated Fraction IV-1 Paste Supply Agreement, dated as of May 10, 2011, by and between Kamada Ltd. and Baxter Healthcare Corporation (incorporated by reference to Exhibit 10.4 of the Registration Statement on Form F-1 filed with the Securities and Exchange Commission on April 11, 2013).</u></a>  |
| 4.5†               | <a href="#"><u>Second Amendment to the Amended and Restated Fraction IV-1 Paste Supply Agreement, dated as of June 22, 2011, by and between Kamada Ltd. and Baxter Healthcare Corporation (incorporated by reference to Exhibit 10.5 of the Registration Statement on Form F-1 filed with the Securities and Exchange Commission on April 11, 2013).</u></a>  |
| 4.6†               | <a href="#"><u>License Agreement, dated as of November 16, 2006, by and between PARI GmbH and Kamada Ltd. (incorporated by reference to Exhibit 10.7 of the Registration Statement on Form F-1 filed with the Securities and Exchange Commission on April 11, 2013).</u></a>  |
| 4.7†               | <a href="#"><u>Amendment No. 1 to License Agreement, dated as of August 9, 2007, by and between PARI GmbH and Kamada Ltd. (incorporated by reference to Exhibit 10.8 of the Registration Statement on Form F-1 filed with the Securities and Exchange Commission on April 11, 2013).</u></a>  |
| 4.8†               | <a href="#"><u>Addendum No. 1 to License Agreement, dated as of February 21, 2008, by and between PARI Pharma GmbH and Kamada Ltd. (incorporated by reference to Exhibit 10.9 of the Registration Statement on Form F-1 filed with the Securities and Exchange Commission on April 11, 2013).</u></a>   |
| 4.9†               | <a href="#"><u>Supply and Distribution Agreement, dated as of July 18, 2011, by and between Kamada Ltd. and Kedrion S.p.A. (incorporated by reference to Exhibit 10.10 of the Registration Statement on Form F-1 filed with the Securities and Exchange Commission on April 11, 2013).</u></a>  |
| 4.10               | <a href="#"><u>Form of Indemnification Agreement with the Registrant's office holders who joined the Company after May 31, 2013.</u></a>  |
| 4.11               | <a href="#"><u>Form of Indemnification Agreement with the Registrant's office holders who joined the Company before May 31, 2013.</u></a>   |
| 4.12               | <a href="#"><u>English summary of two lease agreements dated June 20, 2002, by and between the Israel Lands Administration and Kamada Nehasim (2001) Ltd., as such agreements were amended by lease agreement dated January 30, 2011, by and between the Israel Lands Authority and Kamada Assets (2001) Ltd. (incorporated by reference to Exhibit 10.16 of the Registration Statement on Form F-1 filed with the Securities and Exchange Commission on April 11, 2013).</u></a> |
| 4.13†              | <a href="#"><u>Fraction IV-1 Paste Supply Agreement, dated December 3, 2012, by and between Baxter Healthcare S.A. and Kamada Ltd. (incorporated by reference to Exhibit 10.18 of the Registration Statement on Form F-1 filed with the Securities and Exchange Commission on April 11, 2013).</u></a>  |
| 4.14               | <a href="#"><u>Side Letter Agreement, dated as of March 23, 2011, by and between Kamada Ltd. and Baxter Healthcare Corporation (incorporated by reference to Exhibit 10.20 of the Registration Statement on Form F-1 filed with the Securities and Exchange Commission on May 15, 2013).</u></a>  |
| 4.15               | <a href="#"><u>First Amendment to the Exclusive Manufacturing Supply and Distribution Agreement, dated as of September 6, 2012, between Kamada Ltd. and Baxter Healthcare Corporation (incorporated by reference to Exhibit 10.21 of the Registration Statement on Form F-1 filed with the Securities and Exchange Commission on May 15, 2013).</u></a>   |

- 4.16† [Second Amendment to the Exclusive Manufacturing, Supply and Distribution Agreement, dated as of May 14, 2013, by and between Kamada Ltd. and Baxter Healthcare Corporation \(incorporated by reference to Exhibit 10.22 of the Registration Statement on Form F-1 filed with the Securities and Exchange Commission on May 15, 2013\).](#)
- 4.17† [First Amendment to the Technology License Agreement, dated as of May 14, 2013, by and between Kamada Ltd. and Baxter Healthcare SA \(incorporated by reference to Exhibit 10.23 of the Registration Statement on Form F-1 filed with the Securities and Exchange Commission on May 28, 2013\).](#)
- 4.18† [Third Amendment to the Exclusive Manufacturing, Supply and Distribution Agreement, dated as of September 2014, by and between Kamada Ltd. and Baxter Healthcare Corporation \(incorporated by reference to Exhibit 4.25 of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on April 28, 2015\).](#)
- 4.19† [Third Amendment to the Amended and Restated Fraction IV-1 Paste Supply Agreement executed on July 19, 2015 by and between Kamada Ltd. and Baxalta U.S. Inc. \(incorporated by reference to Exhibit 4.29 of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on February 25, 2016\).](#)
- 4.20† [Fourth Amendment to the Exclusive Manufacturing, Supply and Distribution Agreement, dated as of October, 2015, by and between Kamada Ltd. and Baxalta U.S. Inc. \(incorporated by reference to Exhibit 4.30 of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on February 25, 2016\).](#)
- 4.21† [Second Amendment to the Technology License Agreement, dated as of August 25, 2015, by and between Kamada Ltd. and Baxalta GmbH. \(incorporated by reference to Exhibit 4.31 of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on February 25, 2016\).](#)
- 4.23† [Fifth Amendment to the Exclusive Manufacturing, Supply and Distribution Agreement, dated as of October 5, 2016, by and between Kamada Ltd. and Shire plc. \(incorporated by reference to Exhibit 4.28 of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on March 1, 2017\).](#)
- 4.24 [Compensation Policy for Office Holders \(incorporated by reference to Exhibit 99.1 to Form 6-K filed with the Securities and Exchange Commission on December 10, 2025\).](#)
- 4.25 [Kamada Ltd. 2011 Israeli Share Award Plan](#)
- 4.26 [Kamada Ltd. 2011 Israeli Share Award Plan Appendix – U.S. Taxpayer. \(incorporated by reference to Exhibit 4.26 of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on March 15, 2022\).](#)
- 4.27† [1<sup>st</sup> Addendum to Supply and Distribution Agreement dated October 15, 2016 between Kamada Ltd., and Kedrion S.p.A. \(incorporated by reference to Exhibit 4.32 of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on March 1, 2017\).](#)
- 4.28† [2<sup>nd</sup> Addendum to Supply and Distribution Agreement dated October 11, 2018 between Kamada Ltd., and Kedrion S.p.A. \(incorporated by reference to Exhibit 4.29 of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on February 27, 2019\).](#)
- 4.29† [Sixth Amendment to the Exclusive Manufacturing, Supply and Distribution Agreement, dated as of August 30, 2019, by and between Kamada Ltd. and Baxalta U.S. Inc. \(incorporated by reference to Exhibit 4.30 of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on February 26, 2020\).](#)
- 4.30† [Clinical Study Supply Agreement, dated as of May 5, 2019, by and between PARI GmbH and Kamada Ltd. \(incorporated by reference to Exhibit 4.31 of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on February 26, 2020\).](#)
- 4.31 [Share Purchase Agreement dated as of January 20, 2020, by and among Kamada Ltd. and the FIMI Funds \(incorporated by reference to Exhibit 99.2 to Form 6-K filed with the Securities and Exchange Commission on January 21, 2020\).](#)
- 4.32† [Registration Rights Agreement, dated as of January 20, 2020, by and among Kamada Ltd. and the FIMI Funds \(incorporated by reference to Exhibit 99.3 to Form 6-K filed with the Securities and Exchange Commission on January 21, 2020\).](#)

|         |   |
|---------|---|
| 4.33†   | <a href="#">Binding Term Sheet, dated as of April 27, 2020, between Kamada Ltd. and Kedrion S.p.A. (incorporated by reference to Exhibit 4.34 of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on February 24, 2021)</a>   |
| 4.34    | <a href="#">Asset Purchase Agreement, dated January 31, 2021, by and among Kamada Plasma, LLC and Blood and Plasma Research, Inc (incorporated by reference to Exhibit 4.35 of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on February 24, 2021)</a>   |
| 4.35    | <a href="#">Asset Purchase Agreement dated November 22, 2021, by and among Saol International Limited, Saol Bermuda Limited, Saol Therapeutics Research Limited, Saol Therapeutics Inc., Saol US Inc., Kamada Limited and Kamada Inc. (incorporated by reference to Exhibit 99.2 to Form 6-K filed with the Securities and Exchange Commission on November 22, 2021).</a> |
| 4.36†   | <a href="#">Amended and Restated Manufacturing Services Agreement dated as of September 28, 2017, by and between Emergent BioSolutions, Inc. and Aptevo Therapeutics Inc. (assumed by Kamada Ltd.) (incorporated by reference to Exhibit 4.37 of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on March 15, 2023)</a>                  |
| 4.37†   | <a href="#">Contract Manufacturing, Services and Supply Agreement dated November 29, 2022, by and between Kamada Ltd. and Prothya Biosolutions Belgium (incorporated by reference to Exhibit 4.38 of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on March 15, 2023)</a>  |
| 4.38    | <a href="#">Share Purchase Agreement dated May 23, 2023, by and among Kamada Ltd., FIMI Opportunity 7, L.P. and FIMI Israel Opportunity 7, Limited Partnership (incorporated by reference to Exhibit 99.2 to Form 6-K filed with the Securities and Exchange Commission on May 24, 2023)</a>  |
| 4.39    | <a href="#">Amended and Restated Registration Rights Agreement dated May 23, 2023, by and among Kamada Ltd. and the FIMI Funds (incorporated by reference to Exhibit 99.3 to Form 6-K filed with the Securities and Exchange Commission on May 24, 2023)</a>  |
| 4.40†   | <a href="#">Memorandum of Understandings dated December 4, 2023, by and among Kamada Ltd., and Kedrion Biopharma Inc. (incorporated by reference to Exhibit 99.2 to Form 6-K filed with the Securities and Exchange Commission on December 6, 2023)</a>   |
| 4.41†   | <a href="#">Fifth Amendment to the Supply and Distribution Agreement, by and between Kamada Ltd. and Kedrion Biopharma Inc., dated January 1, 2025. (incorporated by reference to Exhibit 4.41 of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on March 5, 2025)</a>  |
| 4.42†   | <a href="#">Lease Agreement by and between TCP Las Palmas Partners, Ltd. and Kamada Plasma, LLC, dated May 2, 2024. (incorporated by reference to Exhibit 4.42 of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on March 5, 2025)</a>  |
| 4.43†   | <a href="#">Lease Agreement by and between BRIXMOR HOLDINGS 12 SPE, LLC, and Kamada Plasma, LLC, dated March 7, 2023. (incorporated by reference to Exhibit 4.43 of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on March 5, 2025)</a>  |
| 8.1     | <a href="#">Subsidiaries of the Registrant.</a>   |
| 11.1    | <a href="#">Insider Trading Policy (incorporated by reference to Exhibit 11.1 of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on March 5, 2025)</a>   |
| 12.1    | <a href="#">Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a).</a>  |
| 12.2    | <a href="#">Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a).</a>  |
| 13.1    | <a href="#">Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>  |
| 15.1    | <a href="#">Consent of EY Global, independent registered public accounting firm.</a>  |
| 97.1    | <a href="#">Kamada Ltd. Compensation Recoupment Policy (incorporated by reference to Exhibit 97.1 of the Annual Report on Form 20-F filed with the Securities and Exchange Commission on March 5, 2025)</a>   |
| 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).   |

† Portions of this exhibit have been omitted.

**SIGNATURES**

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

**KAMADA LTD.**

By: /s/ Chaime Orlev  
Chaime Orlev  
Chief Financial Officer

Date: March 11, 2026

Kamada Ltd. and Subsidiaries

Consolidated Financial Statements as of December 31, 2025

Table of Contents

|   | <b>Page</b> |
|---|-------------|
| <a href="#"><u>Report of Independent Registered Public Accounting Firm (PCAOB ID: 1281)</u></a> | F-2 – F-5   |
| <a href="#"><u>Consolidated Statements of Financial Position</u></a>                            | F-6         |
| <a href="#"><u>Consolidated Statements of Profit or Loss and Other Comprehensive Income</u></a> | F-7         |
| <a href="#"><u>Consolidated Statements of Changes in Equity</u></a>                             | F-8         |
| <a href="#"><u>Consolidated Statements of Cash Flows</u></a>                                    | F-9 – F-10  |
| <a href="#"><u>Notes to the Consolidated Financial Statements</u></a>                           | F-11 – F-66 |

-----



**Kost Forer Gabbay & Kasierer**  
144 Menachem Begin Road,  
Building A  
Tel-Aviv 6492102, Israel

Tel: +972-3-6232525  
Fax: +972-3-5622555  
ey.com

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
To the Shareholders and the Board of Directors of  
Kamada Ltd.**

We have audited the accompanying consolidated statements of financial position of Kamada Ltd. and subsidiaries (the Company) as of December 31, 2025 and 2024, the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with International Financial Reporting Standards as issued by the International Accounting Standard Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 11, 2026 expressed an unqualified opinion thereon.

**Basis for Opinion**

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matters**

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.



**Kost Forer Gabbay & Kasierer**  
144 Menachem Begin Road,  
Building A  
Tel-Aviv 6492102, Israel

Tel: +972-3-6232525  
Fax: +972-3-5622555  
ey.com

### ***Valuation of goodwill in the proprietary segment***

#### *Description of the Matter*

As discussed in Note 2j, 3a, 3b and 10 to the consolidated financial statements, as of December 31, 2025, the Company recorded goodwill of USD 30.3 million, which is related to the proprietary segment. The Company tests the goodwill for impairment at least annually on December 31 of each year, or more frequently if indicators of potential impairment exist, at the single operating segment level (one cash-generating unit (CGU)), which is the level at which goodwill is monitored for internal management purposes. The Company performed a quantitative impairment analysis as of December 31, 2025, estimating the recoverable amount of the proprietary segment using a value-in-use calculation based on a DCF (discounted cash flow) technique. The Company performed its goodwill impairment analysis, and the results indicated that the estimated fair value exceeded the carrying amount as of December 31, 2025.

Auditing the Company's goodwill impairment assessment involved significant judgement and required involvement of specialist in determining the value-in-use of the proprietary segment. In particular, the value-in-use estimate was sensitive to significant assumptions that require judgment, including the amount and timing of future cash flows (e.g., revenue growth rates and gross margin), long-term growth rates, and the discount rate. These assumptions are affected by factors such as expected future market or economic conditions.

#### *How We Addressed the Matter in Our Audit*

Our audit procedures related to the Company's goodwill impairment assessment included, among others, obtaining an understanding, evaluated, and tested the design and operating effectiveness of internal controls over the Company's goodwill impairment review process. We tested controls over management's review of the valuation model and the significant assumptions, as discussed above, used to develop the prospective financial information. We also tested management's controls to validate that the data used in the valuation was complete and accurate.

To test the estimated value-in-use of the Company's proprietary segment, we performed audit procedures that included, among others, testing management's process for developing the value-in-use estimate; evaluating the appropriateness of the discounted cash flow model; testing the completeness, accuracy, and relevance of underlying data used in the model; and evaluating the significant assumptions as mentioned above. Evaluating management's assumptions related to future cash flows involved evaluating whether the assumptions used by management were reasonable considering (i) the current and past performance of the proprietary segment, (ii) the consistency with external market and industry data, (iii) sensitivities over significant inputs and assumptions and (iv) whether these assumptions were consistent with evidence obtained in other areas of the audit. We also involved our valuation specialists in assisting with our evaluation of the methodology used by the Company and the significant assumptions included in the value-in-use estimates.



**Kost Forer Gabbay & Kasierer**  
144 Menachem Begin Road,  
Building A  
Tel-Aviv 6492102, Israel

Tel: +972-3-6232525  
Fax: +972-3-5622555  
ey.com

***Valuation of Inventory- deviations from quality standards***

*Description of the Matter*

As of December 31, 2025, the Company's inventory totaled \$84.9 million. As described in Notes 2d, 3a and Note 8 to the consolidated financial statements, inventory is comprised of raw materials, work-in-progress, and finished goods relating to both the Proprietary and Distribution segments. The value of work in progress and finished goods related to the Proprietary segment includes direct and indirect costs.

As part of the quarterly inventory valuation process, the Company assesses the potential effect on inventory in cases of deviations from quality standards in the manufacturing process to identify potential required inventory write offs.

Auditing the valuation of the Company's inventory deviations from quality standards was complex and involved subjective auditor judgment because of the significant assumptions management makes to determine the inventory write-offs as a result from deviations from quality standards. Management's determination of deviations from quality standards is based on qualitative assessment and the Company's past experience.

*How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated, and tested the design and operating effectiveness of internal controls over the Company's inventory valuation process, including controls over the assessment of required write offs due to deviations from quality standards, and the completeness and accuracy of underlying data and assumptions.

To test management's assessment of required write offs due to deviation from quality standards, our audit procedures included, among others, obtaining the deviations analysis reports from management and evaluating their appropriateness by comparing with historical data. We also held discussions with Company personnel to understand the judgments and qualitative factors considered in their analysis.

Kost Forer Gabbay & Kasierer  
A Member of EY Global

We have served as the Company's auditor since 2005.

/s/ KOST FORER GABBAY & KASIERER  
A MEMBER OF EY Global

Tel-Aviv, Israel  
March 11, 2026



**Kost Forer Gabbay & Kasierer**  
144 Menachem Begin Road,  
Building A  
Tel-Aviv 6492102, Israel

Tel: +972-3-6232525  
Fax: +972-3-5622555  
ey.com

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

### To the Shareholders and the Board of Directors of Kamada Ltd.

#### Opinion on Internal Control Over Financial Reporting

We have audited Kamada Ltd. and subsidiaries' internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), (the COSO criteria). In our opinion, Kamada Ltd. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statements of financial position of the Company as of December 31, 2025 and 2024, the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and our report dated March 11, 2026 expressed an unqualified opinion thereon.

#### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report of Management on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

#### Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Kost Forer Gabbay & Kasierer  
A Member of EY Global

/s/ KOST FORER GABBAY & KASIERER  
A MEMBER OF EY Global

Tel-Aviv, Israel  
March 11, 2026

**Consolidated Statements of Financial Position**

|   | Note | As of December 31,        |                   |
|---|------|---------------------------|-------------------|
|   |      | 2025                      | 2024              |
|   |      | U.S. Dollars in thousands |                   |
| <u>Assets</u>   |      |                           |                   |
| <u>Current Assets</u>                                       |      |                           |                   |
| Cash and cash equivalents                                   | 5    | \$ 75,469                 | \$ 78,435         |
| Trade receivables, net                                      | 6    | 27,007                    | 21,547            |
| Other accounts receivables                                  | 7    | 5,656                     | 5,546             |
| Inventories   | 8    | 84,943                    | 78,819            |
| Total Current Assets  |      | <u>193,075</u>            | <u>184,347</u>    |
| <u>Non-Current Assets</u>                                   |      |                           |                   |
| Property, plant and equipment, net                          | 9    | 41,367                    | 36,245            |
| Right-of-use assets   | 14   | 8,900                     | 9,617             |
| Intangible assets and other long-term assets                | 10   | 97,511                    | 103,226           |
| Goodwill  | 10   | 30,313                    | 30,313            |
| Contract asset  | 10   | 7,544                     | 8,019             |
| Deferred taxes  | 21   | -                         | 488               |
| Total Non-Current Assets                                    |      | <u>185,635</u>            | <u>187,908</u>    |
| Total Assets  |      | <u>\$ 378,710</u>         | <u>\$ 372,255</u> |
| <u>Liabilities</u>  |      |                           |                   |
| <u>Current Liabilities</u>                                  |      |                           |                   |
| Current maturities of lease liabilities                     | 14   | 2,121                     | 1,631             |
| Current maturities of other long term liabilities           | 13   | 9,923                     | 10,181            |
| Trade payables  | 11   | 23,242                    | 27,735            |
| Other accounts payables                                     | 12   | 12,108                    | 9,671             |
| Deferred revenues   |      | -                         | 171               |
| Total Current Liabilities                                   |      | <u>47,394</u>             | <u>49,389</u>     |
| <u>Non-Current Liabilities</u>                              |      |                           |                   |
| Lease liabilities   | 14   | 9,440                     | 9,431             |
| Contingent consideration                                    | 13a  | 20,372                    | 20,646            |
| Other long-term liabilities                                 | 13a  | 30,113                    | 32,816            |
| Deferred taxes  | 21   | 1,651                     | -                 |
| Employee benefit liabilities, net                           | 16   | 670                       | 509               |
| Total Non-Current Liabilities                               |      | <u>62,246</u>             | <u>63,402</u>     |
| <u>Shareholder's Equity</u>                                 |      |                           |                   |
| Ordinary shares   | 19   | 15,078                    | 15,028            |
| Additional paid in capital net                              |      | 268,283                   | 266,933           |
| Capital reserve due to translation to presentation currency |      | (3,490)                   | (3,490)           |
| Capital reserve from hedges                                 |      | 177                       | 51                |
| Capital reserve from share-based payments                   |      | 5,711                     | 6,316             |
| Capital reserve from employee benefits                      |      | 385                       | 364               |
| Accumulated deficit   |      | (17,074)                  | (25,738)          |
| Total Shareholder's Equity                                  |      | <u>269,070</u>            | <u>259,464</u>    |
| Total Liabilities and Shareholder's Equity                  |      | <u>\$ 378,710</u>         | <u>\$ 372,255</u> |

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

**Consolidated Statements of Profit or Loss and Other Comprehensive Income**

|  | Note  | For the Year Ended<br>December 31,                                |                  |                 |
|--|-------|---|------------------|-----------------|
|  |       | 2025  | 2024             | 2023            |
|  |       | U.S. Dollars in thousands,<br>except for share and per share data |                  |                 |
| Revenues from proprietary products   | 1a    | \$ 156,206  | \$ 141,447       | \$ 115,458      |
| Revenues from distribution   |       | 24,254  | 19,506           | 27,061          |
| <b>Total revenues</b>  | 22a,b | <b>180,460</b>  | <b>160,953</b>   | <b>142,519</b>  |
| Cost of revenues from proprietary products   |       | 83,928  | 73,708           | 63,342          |
| Cost of revenues from distribution   |       | 20,125  | 17,278           | 23,687          |
| <b>Total cost of revenues</b>  | 22c   | <b>104,053</b>  | <b>90,986</b>    | <b>87,029</b>   |
| <b>Gross profit</b>  |       | <b>76,407</b>   | <b>69,967</b>    | <b>55,490</b>   |
| Research and development expenses  | 22d   | 12,995  | 15,185           | 13,933          |
| Selling and marketing expenses   | 22e   | 18,455  | 18,428           | 16,193          |
| General and administrative expenses  | 22f   | 18,724  | 15,702           | 14,381          |
| Other expense  |       | -   | 601              | 919             |
| <b>Operating income</b>  |       | <b>26,233</b>   | <b>20,051</b>    | <b>10,064</b>   |
| Financial income   | 22g   | 1,921   | 2,118            | 588             |
| Income (expenses) in respect of currency exchange differences and derivatives instruments, net                     | 22g   | (1,171)   | (94)             | 55              |
| Revaluation of long-term liabilities   | 15    | (2,652)   | (8,081)          | (980)           |
| Financial expense  | 22g   | (864)   | (660)            | (1,298)         |
| <b>Income before tax on income</b>   |       | <b>23,467</b>   | <b>13,334</b>    | <b>8,429</b>    |
| Taxes on income  | 21    | (3,269)   | 1,128            | (145)           |
| <b>Net Income</b>  |       | <b>\$ 20,198</b>  | <b>14,462</b>    | <b>8,284</b>    |
| <b>Other Comprehensive Income:</b>   |       |   |                  |                 |
| Amounts that will be or that have been reclassified to profit or loss when specific conditions are met, net of tax |       |   |                  |                 |
| Gain (loss) on cash flow hedges  |       | 1,069   | (30)             | (186)           |
| Net amounts transferred to the statement of profit or loss for cash flow hedges                                    |       | (943)   | (59)             | 414             |
| Items that will not be reclassified to profit or loss in subsequent periods:                                       |       |   |                  |                 |
| Remeasurement gain (loss) from defined benefit plan, net of tax  |       | 21  | 89               | (73)            |
| <b>Total comprehensive income</b>  |       | <b>\$ 20,345</b>  | <b>\$ 14,462</b> | <b>\$ 8,439</b> |
| <b>Earnings per share attributable to equity holders of the Company:</b>   | 23    |   |                  |                 |
| Basic net earnings per share   |       | \$ 0.35   | \$ 0.25          | \$ 0.17         |
| Diluted net earnings per share   |       | \$ 0.35   | \$ 0.25          | \$ 0.15         |

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 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 |
|--|---------------------------|----------------------------|---|-----------------------------|---|--|---------------------|--------------|
|  | U.S. Dollars in thousands |                            |   |                             |   |  |                     |              |
| Balance as of December 31, 2022                            | \$ 11,734                 | \$ 210,495                 | \$ (3,490)  | \$ (88)                     | \$ 5,505                                  | \$ 348                                 | \$ (48,484)         | \$ 176,020   |
| Net income (loss)  | -                         | -                          | -   | -                           | -   | -                                      | 8,284               | 8,284        |
| Other comprehensive income (loss)                          | -                         | -                          | -   | 228                         | -   | (73)                                   | -                   | 155          |
| Total comprehensive income (loss)                          | -                         | -                          | -   | 228                         | -   | (73)                                   | 8,284               | 8,439        |
| Issuance of shares   | 3,283                     | 54,948                     | -   | -                           | -   | -                                      | -                   | 58,231       |
| Exercise and forfeiture of share-based payment into shares | 4                         | 405                        | -   | -                           | (405)                                     | -                                      | -                   | 4            |
| Cost of share-based payment                                | -                         | -                          | -   | -                           | 1,327                                     | -                                      | -                   | 1,327        |
| Balance as of December 31, 2023                            | \$ 15,021                 | \$ 265,848                 | \$ (3,490)  | \$ 140                      | \$ 6,427                                  | \$ 275                                 | \$ (40,200)         | \$ 244,021   |
| Net income (loss)  | -                         | -                          | -   | -                           | -   | -                                      | 14,462              | 14,462       |
| Other comprehensive income (loss)                          | -                         | -                          | -   | (89)                        | -   | 89                                     | -                   | -            |
| Total comprehensive income (loss)                          | -                         | -                          | -   | (89)                        | -   | 89                                     | 14,462              | 14,462       |
| Exercise and forfeiture of share-based payment into shares | 7                         | 985                        | -   | -                           | (985)                                     | -                                      | -                   | 7            |
| Cost of share-based payment                                | -                         | -                          | -   | -                           | 874                                       | -                                      | -                   | 874          |
| Income tax impact associated with issuance of shares       | -                         | 100                        | -   | -                           | -   | -                                      | -                   | 100          |
| Balance as of December 31, 2024                            | \$ 15,028                 | \$ 266,933                 | \$ (3,490)  | \$ 51                       | \$ 6,316                                  | \$ 364                                 | \$ (25,738)         | \$ 259,464   |
| Net income (loss)  | -                         | -                          | -   | -                           | -   | -                                      | 20,198              | 20,198       |
| Other comprehensive income (loss), net of tax              | -                         | -                          | -   | 126                         | -   | 21                                     | -                   | 147          |
| Total comprehensive income (loss)                          | -                         | -                          | -   | 126                         | -   | 21                                     | 20,198              | 20,345       |
| Exercise and forfeiture of share-based payment into shares | 50                        | 1,450                      | -   | -                           | (1,450)                                   | -                                      | -                   | 50           |
| Cost of share-based payment                                | -                         | -                          | -   | -                           | 845                                       | -                                      | -                   | 845          |
| Cash dividend declared (\$0.20 per share)                  | -                         | -                          | -   | -                           | -   | -                                      | (11,534)            | (11,534)     |
| Tax impact associated with issuance of shares              | -                         | (100)                      | -   | -                           | -   | -                                      | -                   | (100)        |
| Balance as of December 31, 2025                            | \$ 15,078                 | \$ 268,283                 | \$ (3,490)  | \$ 177                      | \$ 5,711                                  | \$ 385                                 | \$ (17,074)         | \$ 269,070   |

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

**Consolidated Statements of Cash Flows**

|   | Note    | For the year ended<br>December 31, |                  |                 |
|---|---------|------------------------------------|------------------|-----------------|
|   |         | 2025                               | 2024             | 2023            |
|   |         | U.S. Dollars in thousands          |                  |                 |
| <b>Cash Flows from Operating Activities</b>                                       |         |                                    |                  |                 |
| Net income (loss)   |         | \$ 20,198                          | \$ 14,462        | \$ 8,284        |
| Adjustments to reconcile net income to net cash provided by operating activities: |         |                                    |                  |                 |
| Adjustments to the profit or loss items:  |         |                                    |                  |                 |
| Depreciation and amortization   | 9,10,14 | 14,918                             | 13,808           | 12,714          |
| Financial expense, net  |         | 2,766                              | 6,717            | 1,635           |
| Cost of share-based payment   | 20      | 845                                | 874              | 1,314           |
| Taxes on income   | 22      | 3,269                              | (1,128)          | 145             |
| Loss (gain) from sale of property and equipment                                   |         | (8)                                | 11               | (5)             |
| Change in employee benefit liabilities, net                                       |         | 183                                | 52               | (125)           |
|   |         | <u>21,973</u>                      | <u>20,334</u>    | <u>15,678</u>   |
| Changes in asset and liability items:   |         |                                    |                  |                 |
| Decrease (increase) in trade receivables, net                                     |         | (5,407)                            | (1,977)          | 7,835           |
| Decrease (increase) in other accounts receivables                                 |         | (535)                              | 593              | (1,150)         |
| Decrease (increase) in inventories  |         | (6,124)                            | 9,659            | (19,694)        |
| Decrease in contract asset  |         | 475                                | 476              | 2,814           |
| Increase (decrease) in trade payables   |         | (6,870)                            | 1,226            | (8,885)         |
| Increase in other accounts payables   |         | 950                                | 1,413            | 765             |
| Increase (decrease) in deferred revenues  |         | (171)                              | 23               | 113             |
|   |         | <u>(17,682)</u>                    | <u>11,413</u>    | <u>(18,202)</u> |
| Cash (paid) received during the year for:   |         |                                    |                  |                 |
| Interest paid   |         | (864)                              | (594)            | (1,228)         |
| Interest received   |         | 1,921                              | 2,118            | -               |
| Taxes paid  |         | (56)                               | (139)            | (217)           |
|   |         | <u>1,001</u>                       | <u>1,385</u>     | <u>(1,445)</u>  |
| <b>Net cash provided by operating activities</b>                                  |         | <b>\$ 25,490</b>                   | <b>\$ 47,594</b> | <b>\$ 4,315</b> |

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

**Consolidated Statements of Cash Flows**

|  | Note | For the year ended<br>December 31, |                  |                  |
|--|------|------------------------------------|------------------|------------------|
|  |      | 2025                               | 2024             | 2023             |
|  |      | U.S. Dollars in thousands          |                  |                  |
| <b><u>Cash Flows from Investing Activities</u></b>                   |      |                                    |                  |                  |
| Purchase of property and equipment and intangible assets             | 9    | \$ (9,846)                         | \$ (10,740)      | \$ (5,850)       |
| Proceeds from sale of property and equipment                         |      | 8                                  | 1                | 7                |
| Net cash used in investing activities                                |      | <u>(9,838)</u>                     | <u>(10,739)</u>  | <u>(5,843)</u>   |
| <b><u>Cash Flows from Financing Activities</u></b>                   |      |                                    |                  |                  |
| Proceeds from exercise of share base payments                        |      | 50                                 | 7                | 4                |
| Proceeds from issuance of ordinary shares, net                       | 20f  | -                                  | -                | 58,231           |
| Repayment of lease liabilities                                       |      | (972)                              | (1,251)          | (850)            |
| Repayment of long-term loans   |      | -                                  | -                | (17,407)         |
| Dividends Paid   |      | (11,534)                           | -                | -                |
| Repayment of other long-term liabilities                             |      | (5,889)                            | (12,667)         | (17,300)         |
| Net cash provided by (used in) financing activities                  |      | <u>(18,345)</u>                    | <u>(13,911)</u>  | <u>22,678</u>    |
| Exchange differences on balances of cash and cash equivalent         |      | <u>(273)</u>                       | <u>(150)</u>     | <u>233</u>       |
| Increase (decrease) in cash and cash equivalents                     |      | (2,966)                            | 22,794           | 21,383           |
| <b><u>Cash and cash equivalents at the beginning of the year</u></b> |      | <u>78,435</u>                      | <u>55,641</u>    | <u>34,258</u>    |
| <b><u>Cash and cash equivalents at the end of the year</u></b>       |      | <u>\$ 75,469</u>                   | <u>\$ 78,435</u> | <u>\$ 55,641</u> |
| <b><u>Significant non-cash transactions</u></b>                      |      |                                    |                  |                  |
| Right-of-use asset recognized with corresponding lease liability     | 15   | \$ 1,221                           | \$ 3,304         | \$ 6,546         |
| Purchase of property and equipment in credit                         |      | <u>\$ 2,523</u>                    | <u>\$ 1,955</u>  | <u>\$ 646</u>    |

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

**Notes to the Consolidated Financial Statements**

---

**NOTE 1: - GENERAL**General description of the Company and its activity.

Kamada Ltd. (the “Company”) is a global biopharmaceutical company with a portfolio of marketed products indicated for rare and serious conditions and a leader in the specialty plasma-derived therapies field. The Company’s strategy is focused on driving profitable growth through four primary growth pillars: First, organic growth of its commercial portfolio, including continued investment in the commercialization and life cycle management of its proprietary products, consisting of six FDA-approved specialty plasma-derived products: KEDRAB®, GLASSIA®, CYTOGAM®, VARIZIG®, WINRHO SDF® and HEPAGAM B®, as well as KAMRAB®, and two types of equine-based anti-snake venom products. Second, distribution of third parties’ pharmaceutical products in Israel & the MENA region through in-licensing partnerships, including the launch of several biosimilar products in Israel. Third, the Company is ramping up its plasma collection operations to support revenue growth through the sale of normal source plasma to other plasma-derived manufacturers, and to support its increasing demand for hyper-immune plasma. The Company currently owns three operating plasma collection centers in the United States, in Beaumont, Houston, and San Antonio, Texas. Fourth, the Company aims to secure new mergers and acquisitions, business development, in-licensing and/or collaboration opportunities, which are anticipated to enhance the Company’s marketed products portfolio and leverage its financial strength and existing commercial infrastructure to drive long-term profitable growth. The Company is leveraging its manufacturing, research and development expertise to advance the development and commercialization of additional product candidates, targeting areas of significant unmet medical need.

In November 2021, the Company acquired, pursuant to an Asset Purchase Agreement, CYTOGAM, WINRHO SDF, VARIZIG and HEPGAM B from Saol Therapeutics Ltd. (“Saol” and “Saol APA”). The acquisition of this portfolio furthered 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., is responsible for the commercialization of the four products in the U.S. market, including direct sales to wholesalers and local distributors.

In accordance with an agreement with Takeda Pharmaceuticals Company Limited (“Takeda”), starting from the first quarter of 2022, Takeda pays the Company royalties on sales of GLASSIA manufactured by Takeda in the United States and, commencing in 2024, in Canada, 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 year from 2022 to 2040. The Company will also be entitled to royalty income on sales of GLASSIA by Takeda in Australia and New Zealand, to the extent that GLASSIA will be approved, and sales will be generated in these markets by Takeda in the future. Refer to Note 17 for further details on the engagement with Takeda.

**Notes to the Consolidated Financial Statements**

---

**NOTE 1: - GENERAL (CONT.)**General description of the Company and its activity (cont.)

The Company's ordinary shares are listed for trading on the Tel Aviv Stock Exchange and the NASDAQ Global Select Market.

FIMI Opportunity Funds ("FIMI"), the leading private equity firm in Israel beneficially owns approximately 38% of the Company's outstanding ordinary shares and is a controlling shareholder of the Company; within the meaning of the Israeli Companies Law, 1999. Refer to Note 19f for further details.

The Company's activity is divided into two operating segments:

|                      |  |
|----------------------|--|
| Proprietary Products | Manufacturing, sales and distribution of plasma-derived protein therapeutics and normal source plasma. |
| Distribution         | Distribute imported drug products in Israel, which are manufactured by third parties.                  |

The Company has four wholly-owned subsidiaries – Kamada Inc., Kamada Plasma LLC (wholly owned by Kamada Inc.), KI Biopharma LLC and Kamada Ireland Limited. In addition, the Company owns 74% of Kamada Assets Ltd. ("Kamada Assets").

**Notes to the Consolidated Financial Statements**

---

**NOTE 2: - MATERIAL ACCOUNTING POLICIES**a. Basis of presentation of financial statements

1. These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standard Board.

2. Measurement basis:

The Company's consolidated financial statements are prepared on a cost basis, except for financial assets and liabilities (including derivatives and contingent consideration) which are measured at fair value through profit or loss (See Note 15).

The Company has elected to present profit or loss items using the "function of expense" method.

b. The Company's operating cycle is one year.

c. Functional currency, presentation currency and foreign currency1. Functional currency and presentation currency

The consolidated financial statements are presented in U.S. dollars, which is the Company's functional and presentation currency.

2. Transactions, assets and liabilities in foreign currency

Transactions denominated in foreign currency are recorded on initial recognition at the exchange rate at the date of the transaction. After initial recognition, monetary assets and liabilities denominated in foreign currency are translated at the end of each reporting period into the functional currency at the exchange rate at that date. Exchange differences are recognized in profit or loss. Non-monetary assets and liabilities measured at cost in a foreign currency are translated at the exchange rate at the date of the transaction.

## Notes to the Consolidated Financial Statements

## NOTE 2: - MATERIAL ACCOUNTING POLICIES (CONT.)

d. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprises of the costs of purchase of raw and other materials and costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, net of selling expenses.

Cost of inventories is determined as follows:

|                    |   |
|--------------------|---|
| Raw materials      | At cost using the first-in, first-out method.   |
| Work in process    | Costs of raw materials, direct and indirect costs including labor, other materials and other indirect manufacturing costs allocated to the in process manufactured batches through the end of the reporting period. The allocation of indirect costs is accounted for on a quarterly basis by dividing the total quarterly indirect manufacturing cost to the batches manufactured during that quarter based on predetermined allocation factors.<br><br>The Company determines a standard manufacturing capacity for each quarter. To the extent the actual manufacturing capacity in a given quarter is lower than the predetermined standard, than a portion of the indirect costs which is equal to the product of the overall quarterly indirect costs multiplied by the quarterly manufacturing shortfall rate is recognized as costs of revenues |
| Finished products  | Costs of raw materials, direct and indirect costs including labor, other materials and other indirect manufacturing costs allocated to the manufactured finished products through completion of manufacturing process.<br><br>Normal source plasma collected at the Company's plasma collection centers in Houston and San Antonio is measured at cost. The cost includes donor-related collection fees and other direct plasma collection costs. Normal source plasma is subsequently stated at the lower of cost and net realizable value.  |
| Purchased products | At cost using the first-in, first-out method.   |

The Company periodically evaluates the condition, age and market prices of inventories and accounts for impairment of inventories with a lower net realizable value, including inventories that are slow moving whose carrying amount is not expected to be recoverable.

e. Financial instruments1. Financial assets

The Company's portfolio of financial assets consists mainly of trade receivables and bank deposits. The objective of the business model for managing the Company's financial instruments is to collect the amounts due from them, and for bank deposits to earn contractual interest income on the amounts collected. All of the Company's financial assets' contractual cash flows represent solely payments of principal and interest (SPPI). Thus, the Company accounts for its financial assets under the amortized cost model. For those financial assets, the Company analyzes each material customer's balance individually to evaluate and measure the expected credit losses ("ECLs") of its trade receivables. Loss rates are based on actual credit loss experience, adjusted for current conditions and the Company's view of the economic conditions over the expected lives of the trade receivables

---

**Notes to the Consolidated Financial Statements**


---

**NOTE 2: - MATERIAL ACCOUNTING POLICIES (CONT.)**e. Financial instruments (cont.)2. Financial liabilities

Financial liabilities within the scope of IFRS 9 are initially measured at fair value less transaction costs that are directly attributable to the issuance of the financial liability.

After initial recognition, the accounting treatment of financial liabilities is based on their classification as follows:

a) Financial liabilities measured at amortized cost

Assumed liabilities, including liabilities for future payment of royalties, are measured based on their terms at amortized cost using the effective interest method considering directly attributable transaction costs. Reassessment of cash flows arising from assumed financial liabilities is recognized as finance income or expense in the statement of operations.

b) Financial liabilities measured at fair value

Derivatives are classified as fair value through profit and loss unless they are designated as effective hedging instruments (see below). Transaction costs are recognized in profit or loss.

After initial recognition, changes in fair value are recognized either in income (expenses) in respect of currency exchange differences and derivatives instruments line item for non-hedge accounting derivatives or in other comprehensive income for hedge accounting derivatives.

c) Contingent consideration in a business combination

Contingent consideration recognized in a business combination is classified as a financial liability in accordance with IFRS 9.

Contingent consideration is measured at fair value. The fair value is determined using valuation techniques and methods, using future cash flows discounted. Subsequent changes in the fair value of the contingent consideration are recognized in profit or loss as finance income or finance expense.

f. Derivative financial instruments designated as hedges

The Company enters into contracts for derivative financial instruments such as forward currency contracts and cylinder strategy in respect of foreign currency to hedge risks associated with foreign exchange rates fluctuations and cash flows risk. Such derivative financial instruments are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The hedge effectiveness is assessed at the end of each reporting period.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are recorded in profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized as other comprehensive income (loss), while any ineffective portion is recognized immediately in profit or loss.

Amounts recognized as other comprehensive income (loss) are reclassified to profit or loss when the hedged transaction affects profit or loss, such as when the hedged income or expense is recognized or when a forecast payment occurs.

g. Property, plant and equipment

Property, plant and equipment are measured at cost, including directly attributable costs, less accumulated depreciation excluding day-to-day servicing expenses. Cost includes spare parts and auxiliary equipment that can be used only in connection with the plant and equipment.

The cost of assets includes the cost of materials, direct labor costs, as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to operate in the manner intended by management.

## Notes to the Consolidated Financial Statements

## NOTE 2: - MATERIAL ACCOUNTING POLICIES (CONT.)

g. Property, plant and equipment (cont.)

The Company's assets include computer systems comprising hardware and software. Software forming an integral part of the hardware to the extent that the hardware cannot function without the software installed on it is classified as property, plant and equipment.

Depreciation is calculated on a straight-line basis over the useful life of the assets at annual rates as follows:

|   | %     | Mainly<br>% |
|---|-------|-------------|
| Buildings   | 2.5-4 | 4           |
| Machinery and equipment                             | 10-20 | 15          |
| Vehicles  | 15    | 15          |
| Computers, software, equipment and office furniture | 6-33  | 33          |
| Leasehold improvements                              | (*)   | 10          |

(\*) Leasehold improvements are depreciated on a straight-line basis over the shorter of the lease term (including the extension option held by the Company and intended to be exercised) and the expected life of the improvement.

h. Leases

The Company leases lands, facilities dedicated for office space plasma collection centers and storage spaces, vehicles and office equipment (see Note 14).

For leases in which the Company is the lessee, it recognizes a right-of-use asset and a lease liability on the commencement date of the lease. The Company has elected to apply the recognition exemption for leases which the lease term is up to 12 months and for leases for which the underlying asset is of low value. For these excluded leases, the Company recognizes the lease payments as an expense in profit or loss on a straight-line basis over the lease term.

In measuring the lease liability, the Company has elected to apply the practical expedient and does not separate the lease components from the non-lease components (such as management and maintenance services, etc.). On the commencement date, the lease liability includes all unpaid lease payments discounted at the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Company's incremental borrowing rate. The Company determines the incremental borrowing rate based on its credit risk, the lease term and other economic variables deriving from the lease contract's conditions and restrictions. After the commencement date, the Company measures the lease liability using the effective interest rate method.

The right-of-use asset is measured applying the cost model and depreciated over the shorter of its useful life or the lease term, as follows:

|  | %     | Mainly<br>% |
|--|-------|-------------|
| Land and Buildings   | 4-10  | 10          |
| Vehicles   | 20-33 | 33          |
| office equipment (i.e. printing and photocopying machines) | 20    | 20          |

Variable lease payments that depend on an index:

For leases in which the Company is the lessee, the aggregate changes in future lease payments resulting from a change in the index are discounted (without a change in the discount rate applicable to the lease liability) and recorded as an adjustment of the lease liability and the right-of-use asset, only when there is a change in the cash flows resulting from the change in the index (that is, when the adjustment to the lease payments takes effect).

## Notes to the Consolidated Financial Statements

## NOTE 2: - MATERIAL ACCOUNTING POLICIES (CONT.)

i. Intangible assets

Separately acquired intangible assets are measured on initial recognition at cost including directly attributable costs. Intangible assets acquired in a business combination are measured at fair value at the acquisition date.

Intangible assets with a finite useful life are amortized on a straight-line basis over their useful life, as follows:

|                       | <u>Estimated life</u> | <u>Amortization method</u>             |
|-----------------------|-----------------------|--|
| Intellectual property | 15-20                 | Straight-line                          |
| Customer Relations    | 20                    | Straight-line                          |
| Production agreement  | 6                     | Straight-line                          |
| Distribution right    | 10-15                 | Straight-line over the contract period |
| Goodwill              | Indefinite            | Not amortized                          |

For additional information regarding intangible assets, see Note 10.

j. Impairment of non-financial assets

The Company reviews the carrying amount of non-financial assets (other than inventories, contract assets and deferred tax assets), at each reporting date, to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. If the carrying amount of non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount.

Goodwill is evaluated for potential impairment on an annual basis, on December 31 of each year, or more frequently if events or changes in circumstances indicate that there is a potential impairment. The Company's goodwill is attributed to the Proprietary Products segment, which represents the lowest level within the Company at which goodwill is monitored for internal management purposes (see Note 10).

Goodwill is evaluated for impairment by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill has been allocated. An impairment loss is recognized if the recoverable amount of the CGU (or group of CGUs) to which goodwill has been allocated is less than the carrying amount of the CGU (or group of CGUs). Any impairment loss is allocated first to goodwill. Impairment losses recognized for goodwill cannot be reversed in subsequent periods.

In the years ended December 31, 2025, and 2024, the Company did not recognize impairment losses on account of the goodwill.

k. Employee benefit liabilities

The Company has several employee benefit plans:

1. Short-term employee benefits

Short-term employee benefits including salaries, paid annual leave, paid sick leave, recreation, and social security contributions, are recognized as expenses as the services are rendered. A liability in respect of a cash bonus is recognized when the Company has a legal or constructive obligation to make such payment due to past service rendered by an employee and a reliable estimate of the amount can be made.

2. Post-employment benefits

Post-employment benefits plans are typically financed by contributions to pension funds or similar entities, such as insurance companies, and are classified as defined contribution plans or defined benefit plans.

With respect to its employees in Israel, the Company has defined contribution plans pursuant to Section 14 to the Israeli Severance Pay Law, 1963 (the "Israeli Severance Pay Law"), under which the Company pays fixed contributions to certain employees under Section 14 and will have no legal or constructive obligation to pay further contributions.

Contributions to the defined contribution plan in respect of severance or retirement pay are recognized as an expense when contributed concurrently with performance of the employee's services.

**Notes to the Consolidated Financial Statements**

---

**NOTE 2: - MATERIAL ACCOUNTING POLICIES (CONT.)**k. Employee benefit liabilities (cont.)2. Post-employment benefits (cont.)

In addition, with respect to certain other Israeli based employees who were hired prior to the establishment of the defined contribution plans pursuant to Section 14 to the Israeli Severance Pay Law, the Company operates a defined benefit plan in respect of severance pay pursuant to the Israeli Severance Pay Law. According to the Israeli Severance Pay Law, employees are entitled to severance pay upon dismissal or retirement. The liability for termination of employment is measured using the projected unit credit method. The actuarial assumptions include expected salary increases and rates of employee's turnover based on the estimated timing of payment. The amounts are presented based on discounted expected future cash flows using a discount rate determined by reference to market yields at the reporting date on high quality corporate bonds that are linked to the Israeli Consumer Price Index with a term that is consistent with the estimated term of the severance pay obligation.

In respect of its defined benefit plan obligation, the Company makes current deposits to pension funds or similar entities, such as insurance companies, ("plan assets"). Plan assets comprise assets held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the Company's own creditors and cannot be returned directly to the Company. The liability for employee benefits shown in the statement of financial position reflects the present value of the defined benefit obligation less the fair value of the plan assets.

U.S. employees defined contribution plan:

Since August 2022, Kamada Inc., the Company's U.S. wholly owned subsidiary has a 401(k) defined contribution plan covering certain employees in the United States. All eligible employees may elect to contribute up to 100% of their annual compensation to the plan through salary deferrals, subject to Internal Revenue Service limits. For the year ended December 31, 2025, the contribution limit was \$23,500 per year (for certain employees over 50 years of age the maximum contribution was \$31,000 per year). The U.S. subsidiary matches 3% of employee contributions up to the combined maximum employee and employer contributions totaling \$70,000 (for certain employees over 50 years of age the maximum contribution was \$77,500 per year).

l. Revenue recognition

The Company's main source of revenue is from the sale of products to strategic partners and distributors through the entering into sales and distribution agreements. In addition, and commencing from 2022, the Company also generates revenue in the form of royalties received under a license agreement that grant the use of the Company's knowhow and patents. Under the royalty exception, revenue is recognized when the underlying sales have occurred.

The Company assesses, on the inspection date, the goods or services to be provided under the sales and distribution agreements with its customers and identifies its performance obligations under such agreements. In order to identify distinct performance obligations, the Company examines whether it provides a significant service of integrating the goods or services in the contract into one integrated outcome.

Performance obligations are met when the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer and the Company's obligation to transfer such goods or services is separately identifiable from other obligations in the agreement. The Company recognizes revenue from agreements with customers at a point in time when control of the Company's product is transferred to the customer, generally on delivery of the goods according to the shipment terms.

The Company determines the transaction price separately for each agreement with a customer taking into consideration variable prices, discounts, chargeback, rebates, adjustments to the net market price and in certain conditions the Company provide right to return option. The Company includes the estimated variable consideration in the transaction price only to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty is resolved.

**Notes to the Consolidated Financial Statements**

---

**NOTE 2: - MATERIAL ACCOUNTING POLICIES (CONT.)**1. Revenue recognition (cont.)

Following the acquisition of the four FDA-approved plasma derived hyperimmune commercial products in November 2021, the Company, through its wholly owned subsidiary Kamada Inc., sells these acquired products in the U.S. market to wholesalers/distributors that redistribute/sell these products to other parties such as hospitals and pharmacies. Revenue recognition occurs at a point in time when control of the product is transferred to the wholesalers/distributors, generally on delivery of the goods.

The Company's gross sales are subject to various deductions, which are primarily composed of rebates and discounts to group purchasing organizations, government agencies, wholesalers, health insurance companies and managed healthcare organizations. These deductions represent estimates of the related obligations, requiring the use of judgment when estimating the effect of these sales deductions on gross sales for a reporting period. These adjustments are deducted from gross sales to arrive at net sales. The Company monitors the obligation for these deductions on at least a quarterly basis and records adjustments when rebate trends, rebate programs and contract terms, legislative changes, or other significant events indicate that a change in the obligation is appropriate. The Company has elected to apply the practical expedient such that it does not evaluate payment terms less than one year for the existence of a significant financing component.

The following summarizes the nature of the most significant adjustments to revenues generated from the sales of these products in the U.S. market:

- Wholesaler chargebacks:

Certain indirect customers of the Company are entitled to acquire products from wholesalers at reduced prices. When applicable, a chargeback, which represents the difference between the invoice price to the wholesaler and the indirect customer's discounted price, is issued by the wholesaler to the Company. Provisions for estimating chargebacks are calculated based on historical experience, product demand and the balance of the product at the wholesaler. The provision for chargebacks is recorded as a deduction of revenue and of the trade receivables on the consolidated statements of financial position.

- Fees for service:

Consists of wholesaler/distributor fees. The wholesalers/distributors charge the Company fees for the redistribution of the products to hospitals and pharmacies. These fees are outlined in each wholesaler/distributor contract. The fees are invoiced to the Company monthly or quarterly by the wholesaler/distributor. The provisions for fees for service are recorded in the same period that the corresponding revenues are recognized.

- Right to return option:

The company offers a right to return option under certain conditions, mainly when goods are sold with a short expiry date. The revenue recognized reflects the amount of consideration the company expects to be entitled to, excluding the estimated returns.

Costs to fulfill a contract:

Costs to fulfill a contract, which primarily consist of costs in preparation of supply contracts or anticipated contracts, are recognized as an asset when the costs generate or enhance the Company's resources that will be used in satisfying or continuing to satisfy the performance obligations in the future and are expected to be recovered. Costs to fulfill a contract consist of direct identifiable costs and indirect costs that can be attributed to a contract based on a reasonable allocation method. These costs include mainly salaries and other employee benefits costs. Costs to fulfill a contract are amortized on a systematic basis that is consistent with the provision of the goods and services under the contracts.

**Notes to the Consolidated Financial Statements**

---

**NOTE 2: - MATERIAL ACCOUNTING POLICIES (CONT.)**l. Revenue recognition (cont.)

As of December 31, 2025, and 2024, the Company recognized an asset related to the costs to fulfill a contract in the net amounts of \$7,544 thousand and \$8,019 thousand, respectively. Refer to Note 10 for further information.

m. Research and development costs

Research and development expenditures are recognized in profit or loss when incurred and include preclinical and clinical costs (as well as cost of materials associated with the development of new products or existing products for new therapeutic indications). In addition, these costs include additional product development activities with respect to approved and distributed products as well as post marketing commitment research and development activities.

Since the Company's development projects are often subject to regulatory approval procedures and other uncertainties, the conditions for the capitalization of costs incurred before receipt of approvals are not normally satisfied and therefore, development expenditures are recognized in profit or loss when incurred.

n. Taxes on income

## Current and Deferred taxes

Taxes on income in profit or loss comprise of current taxes, deferred taxes and taxes in respect of prior years, which are mainly recognized in profit or loss.

Deferred taxes are computed in respect of temporary differences between the carrying amounts in the financial statements and the amounts attributed for tax purposes.

Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that they will be utilized. Deductible carryforward losses and temporary differences for which deferred tax assets have not been recognized are reviewed at the end of each reporting period and a respective deferred tax asset is recognized to the extent that their utilization is probable.

The Company operates in multiple tax jurisdictions. Deferred taxes are offset in the statement of financial position if there is a legally enforceable right to offset a current tax asset against a current tax liability and the deferred taxes relate to the same taxpayer and the same taxation authority.

As of December 31, 2025, the Company recorded a deferred tax liability, net at an amount of \$1,651 thousands representing the utilization of previously unrecognized tax losses and other deductible temporary differences as the Company considered it probable that future taxable profits will be available against which they can be utilized. As a result, the Company recognized deferred tax expense of \$2,009 thousands and \$130 thousands was recognized in equity.

**Notes to the Consolidated Financial Statements**

---

**NOTE 2: - MATERIAL ACCOUNTING POLICIES (CONT.)**n. Taxes on income (cont.)

## Uncertain tax positions

The Company evaluates potential uncertain tax positions, including additional tax and interest expenses, and recognizes a provision when it is more probable than not that the Company will have to use its economic resources to pay such obligation.

As of December 31, 2025, and December 31, 2024, the Company recorded tax expenses of \$1.2 million and \$0.2 million, respectively, as a provision for uncertain tax positions in accordance with IFRIC 23.

o. Provisions

A provision in accordance with IAS 37 is recognized when the Company has a present (legal or constructive) obligation as a result of a past event, it is expected to require the use of economic resources to settle the obligation and a reliable estimate can be made of the obligation.

p. Share-based payment transactions

The Company's employees and members of its Board of Directors are entitled to remuneration in the form of equity-settled share-based payment transactions, primarily in the form of options and, in the past, restricted shares units. The cost of such equity-settled transactions is measured at the fair value of the equity instruments granted at grant date. The fair value of options is determined using a standard option pricing model, specifically the binomial option valuation model. The fair value of restricted share units is determined using the share price at the grant date.

The cost of equity-settled share-based payment transactions is recognized in profit or loss together with a corresponding increase in shareholder's equity during the period during which the performance and/or service conditions are to be satisfied ending on the date on which the relevant employees or directors become entitled to the award ("the vesting period"). The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognized for awards that do not ultimately vest.

**NOTE 3: - SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS**a. Judgments

In the process of applying the significant accounting policies, the Company has made the following judgments which have the most significant effect on the amounts recognized in the financial statements:

- Determining the fair value of share-based payment transactions

The fair value of equity settled share-based payment transactions is determined upon initial recognition by an acceptable option pricing model. The inputs to the model include share price, exercise price (if applicable) and assumptions regarding expected volatility, expected life of the equity instrument and expected dividend yield.

- Revenue

Identification of performance obligations in contracts with customers:

In order to identify distinct performance obligations in a contract with a customer, the Company uses judgment when it examines whether it is providing a significant service of integrating the goods or services under the contract into one integrated outcome.

Measurement of variable consideration

In order to determine the transaction price, the Company estimates the amount of the variable consideration which includes variable prices, discounts, chargeback, rebates, adjustments to the net market price and in certain conditions the right to return option. The Company recognizes revenue in an amount where there is a high probability that its inclusion will not result in a significant revenue reversal in the future after the uncertainty has been resolved. Following the acquisition of a portfolio of four FDA-approved plasma derived hyperimmune commercial products (as described under Note 1), the Company sells its products mainly in the U.S market through its subsidiary Kamada Inc. to wholesalers/distributors. The Company's gross sales are subject to various deductions, which are primarily composed of rebates and discounts to group purchasing organizations, government agencies, wholesalers, health insurance companies and managed healthcare organizations. These deductions represent estimates of the related obligations, requiring the use of judgment when estimating the effect of these sales deductions on gross sales for a reporting period.

Costs to fulfill a contract:

Costs to fulfill a contract, which primarily consist of costs arising from technology transfers in preparation of supply contracts or anticipated contracts, are recognized as an asset when the costs generate or enhance the Company's resources that will be used in satisfying or continuing to satisfy the performance obligations in the future and are expected to be recovered. Costs to fulfill a contract consist of direct identifiable costs and indirect costs that can be attributed to a contract based on a reasonable allocation method. These costs include mainly salaries and other employee benefits costs. Costs to fulfill a contract are amortized on a systematic basis that is consistent with the provision of the goods and services under the contracts.

**Notes to the Consolidated Financial Statements**

---

**NOTE 3: - SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS (CONT.)**a. Judgments (cont.)- Inventory

Work in process and finished goods includes direct and indirect costs. The allocation of indirect costs is accounted for on a quarterly basis by dividing the total quarterly indirect manufacturing cost to the batches manufactured during that quarter based on predetermined allocation factors. The criteria for allocation of indirect manufacturing expense to manufactured batches which eventually effect the Company's inventory value is subject to Company judgment.

- Impairment of inventories with realizable value lower than cost or which are slow moving

Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprises costs of purchase of raw and other materials and costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, net of selling expenses. The estimation of realizable value can affect the inventory value at the period end.

In addition, and as part of the quarterly inventory valuation process, the Company assesses the potential effect on inventory in cases of deviations from quality standards in the manufacturing process to identify potential required inventory write offs. Such assessment is subject to Company's judgment.

- Inventory designated for R&D activities

The Company recognizes inventory produced for commercial sale, including costs incurred prior to regulatory approval and prior to the filing of a regulatory request when the Company has determined that the inventory has probable future economic benefit. Inventory is not recognized prior to completion of a phase 3 clinical trial unless it is probable the Company expected to future economic benefit. For products with an approved indication, raw materials and purchased drug product associated with development programs are included in inventory and charged to research and development expense when it is designated. For products without an approved indication, drug product is charged to research and development expenses. The estimation of future economic and the recognition of an inventory for unapproved indication is subject to Company's judgment.

- Lease extension and/or termination options

In evaluating whether it is reasonably certain that the Company will exercise an option to extend a lease or not exercise an option to terminate a lease, the Company considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease such as: the amounts invested in leasehold improvements, the significance of the underlying asset to the Company's operation and whether it is a specialized asset, the Company's past experience with similar leases, etc.

**Notes to the Consolidated Financial Statements**

---

**NOTE 3: - SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS (CONT.)**a. Judgments (cont.)

- Recognition of deferred tax asset in respect of carry forward tax losses

Deferred tax assets are recognized for unused carryforward tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the timing and level of future taxable profits, its source and the tax planning strategy. For information regarding deferred taxes recognition, please refer to Note 21.

- Uncertain income tax treatments:

When there is uncertainty as to whether the tax authorities will accept the tax treatment taken by the Company, the Company assesses the level of such uncertainty and the risk of additional taxes as a result. Significant management judgment is required to such exposure given the Company's past experience and applicable tax law interpretations. The possible effects on the financial statements are a change in taxes on income.

- Determining cash-generating units

Impairment testing for assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "CGU").

Goodwill impairment testing is performed at the lowest level at which goodwill is monitored for internal reporting purposes. Significant management judgment is required to determine which is the CGU (or group of CGUs) are applicable to monitor the goodwill. When goodwill is not monitored for internal reporting purposes, it is allocated to operating segments and not to a CGU (or group of CGUs). Goodwill acquired in a business combination is allocated to groups of CGUs, including CGUs existing prior to the business combination, that are expected to benefit from the synergies of the combination. Also refer to Note 10.

- Impairment of Company's non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. Significant management judgment is required to determine such impairment, and if any such indication exists, then the asset's recoverable amount is estimated.

b. Estimates and assumptions

The preparation of the financial statements requires management to make estimates and assumptions that have an effect on the application of the accounting policies and on the reported amounts of assets, liabilities, revenues and expenses. Changes in accounting estimates are reported in the period of the change in estimate.

The key assumptions made in the financial statements concerning uncertainties at the end of the reporting period and the critical estimates computed by the Company that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Pensions and other post-employment benefits

The liability in respect of post-employment defined benefit plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about, among other things, discount rates, expected rates of return on assets, future salary increases and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

**Notes to the Consolidated Financial Statements**

---

**NOTE 3: - SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS (CONT.)**b. Estimates and assumptions (cont.)- Legal claims

In estimating the likelihood of outcome of legal claims filed against the Company, the Company relies on the opinion of its legal counsel. These estimates are based on the legal counsel's best professional judgment, considering the stage of proceedings and historical legal precedents in respect of the different issues. Since the outcome of the claims will be determined in courts, the results could differ from these estimates.

- Impairment of goodwill

The Company reviews goodwill for impairment at least once a year. This requires management to make an estimate of the projected future cash flows from the continuing use of the CGU (or a group of CGUs) to which the goodwill is allocated and to choose a suitable discount rate for those cash flows (see Note 10).

- Determination of Useful Life

Intangible assets and property, plant and equipment are measured on initial recognition at cost including directly attributable costs. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. In determining the useful life and the depreciation or amortization method, the Company assesses the period over which an asset is expected to be available for use by the Company and the pattern in which the asset's future economic benefits are expected to be consumed by the Company.

- Determining the fair value of an unquoted financial asset or liability

The fair value of unquoted financial assets or liability in Level 3 of the fair value hierarchy is determined using valuation techniques, generally using future cash flows discounted at current rates applicable for items with similar terms and risk characteristics. Changes in estimated future cash flows and estimated discount rates, after consideration of risks such as liquidity risk, credit risk and volatility, are liable to affect the fair value of these assets of liability.

Contingent consideration is measured at fair value. The fair value is determined using valuation techniques and method, using future cash flows discounted. This requires management to make an estimate of the projected future cash flows. For information regarding contingent consideration, please refer to Note 13 and Note 15.

## Notes to the Consolidated Financial Statements

## NOTE 4: NEW ACCOUNTING STANDARDS OR AMENDMENTS AND FORTHCOMING REQUIREMENTS

Forthcoming requirements- *Presentation and Disclosure in Financial Statements - IFRS 18*

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements (“IFRS 18”) which replaces IAS 1 Presentation of Financial Statements. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new. These categories are complemented by the requirement to present subtotals and totals for “operating profit or loss,” “profit or loss before financing income and taxes,” and “profit or loss.” IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted.

The Company is currently assessing the impact of the Standard on its financial statements.

## NOTE 5: - CASH AND CASH EQUIVALENTS

|   | December 31,              |                  |
|---|---------------------------|------------------|
|   | 2025                      | 2024             |
|   | U.S. Dollars in thousands |                  |
| Cash and deposits for immediate withdrawal      | \$ 38,223                 | \$ 23,130        |
| Cash equivalents in USD deposits <sup>(1)</sup> | 37,246                    | 55,305           |
| <b>Total Cash and Cash Equivalents</b>          | <b>\$ 75,469</b>          | <b>\$ 78,435</b> |

(1) The deposits bear interest of 4.65%-5.25% per year, as of December 31, 2025, and 4.70%-5.78% per year as of December 31, 2024.

## NOTE 6: - TRADE RECEIVABLES, NET

|   | December 31,              |                  |
|---|---------------------------|------------------|
|   | 2025                      | 2024             |
|   | U.S. Dollars in thousands |                  |
| Trade receivables                         | \$ 27,007                 | \$ 21,388        |
| Less allowance for expected credit losses | -                         | -                |
| Checks receivable                         | -                         | 159              |
| <b>Total Trade receivables, net</b>       | <b>\$ 27,007</b>          | <b>\$ 21,547</b> |

An analysis of the trade receivables with reference to reporting date:

|                   | Past due trade receivables with aging of |                  |               |                   |                    |                      | Total  |
|-------------------|--|------------------|---------------|-------------------|--------------------|----------------------|--------|
|                   | Neither<br>past<br>due nor<br>impaired   | Up to<br>30 Days | 31-60<br>Days | 61-90<br>Days (2) | 91-120<br>Days (2) | Over<br>121 days (2) |        |
| December 31, 2025 | \$ 23,168                                | 1,133            | -             | 478               | 1,221              | 1,009                | 27,007 |
| December 31, 2024 | \$ 20,094                                | 113              | 10            | 32                | 6                  | 1,292                | 21,547 |

(1) Following December 31, 2025, \$10,399 thousand was collected on account of the outstanding trade receivable as of December 31, 2025. The amount collected includes \$457 thousand on account of the amount past due over 120 days as of December 31, 2025, included in the table above.

(2) An amount of \$2,340 thousand of the outstanding trade receivables is secured by a bank guarantee issued in favor of the Company.

## Notes to the Consolidated Financial Statements

## NOTE 7: - OTHER ACCOUNTS RECEIVABLES

|  | December 31,              |                 |
|--|---------------------------|-----------------|
|  | 2025                      | 2024            |
|  | U.S. Dollars in thousands |                 |
| Prepaid expenses   | \$ 3,623                  | \$ 3,847        |
| Government authorities   | 1,043                     | 894             |
| Derivatives financial instruments mainly measured at fair value through other comprehensive income | 197                       | 49              |
| Accrued other income   | 539                       | 235             |
| Other <sup>(1)</sup>   | 254                       | 521             |
| Total Other Accounts Receivables   | <u>\$ 5,656</u>           | <u>\$ 5,546</u> |

(1) The balance, as of December 31, 2025, and December 31, 2024, includes \$247 thousand of a bank deposit which serves as collateral for an issued bank guarantee (refer to Note 18 for further details) and short-term lease in the \$267 thousand as of December 31, 2024 that was classified to other accounts receivables (refer to Note 14 for further details)

## NOTE 8: - INVENTORIES

|                    | December 31,              |                  |
|--------------------|---------------------------|------------------|
|                    | 2025                      | 2024             |
|                    | U.S. Dollars in thousands |                  |
| Finished products  | \$ 35,422                 | \$ 29,368        |
| Purchased products | 8,143                     | 9,749            |
| Work in progress   | 7,033                     | 9,165            |
| Raw materials      | 34,345                    | 30,537           |
| Total Inventories  | <u>\$ 84,943</u>          | <u>\$ 78,819</u> |

(1) During the years 2025, 2024 and 2023, the Company recognized, as cost of revenues, an impairment for inventories carried at net realizable value totaled of \$13,476 thousand, \$8,628 thousand, and \$4,399 thousand, respectively.

## Notes to the Consolidated Financial Statements

## NOTE 9: - PROPERTY, PLANT AND EQUIPMENT

Composition and changes:

2025

|  | <u>Land and<br/>Buildings<sup>(1)</sup><br/>(2)</u> | <u>Machinery<br/>and<br/>Equipment<sup>(1)</sup></u> | <u>Vehicles</u> | <u>Computers,<br/>Software,<br/>Equipment<br/>and Office<br/>Furniture</u> | <u>Leasehold<br/>Improvements<sup>(2)</sup></u> | <u>Total</u>     |
|--|---|--|-----------------|--|---|------------------|
|  | U.S. Dollars in thousands                           |  |                 |  |   |                  |
| <b>Cost</b>                              |   |  |                 |  |   |                  |
| Balance at January 1, 2025               | \$ 37,324   | \$ 41,457  | \$ 31           | \$ 13,253  | \$ 9,044  | \$ 101,109       |
| Additions                                | 3,970   | 5,059  | -               | 812  | 1,377   | 11,218           |
| Sale and write-off                       | -   | (38)   | -               | -  | -   | (38)             |
| Balance as of December 31, 2025          | <u>41,294</u>                                       | <u>46,478</u>  | <u>31</u>       | <u>14,065</u>  | <u>10,421</u>                                   | <u>112,289</u>   |
| <b>Accumulated Depreciation</b>          |   |  |                 |  |   |                  |
| Balance as of January 1, 2025            | 24,421  | 29,159   | 31              | 10,170   | 1,083   | 64,864           |
| Depreciation                             | 1,231   | 2,438  | -               | 1,452  | 975   | 6,096            |
| Sale and write-off                       | -   | (38)   | -               | -  | -   | (38)             |
| Balance as of December 31, 2025          | <u>25,652</u>                                       | <u>31,559</u>  | <u>31</u>       | <u>11,622</u>  | <u>2,058</u>                                    | <u>70,922</u>    |
| Depreciated cost as of December 31, 2025 | <u>\$ 15,643</u>                                    | <u>\$ 14,920</u>                                     | <u>\$ -</u>     | <u>\$ 2,443</u>  | <u>\$ 8,363</u>                                 | <u>\$ 41,367</u> |

(1) Including labor costs charged in 2025 to the cost of facilities, machinery, and equipment in the amount of \$2,550 thousand.

(2) Kamada Assets Ltd. ("Kamada Assets"), a subsidiary of the Company, capitalized leasing rights from the Israel Lands Administration for an area of 16,880 m<sup>2</sup> in Beit Kama, Israel, on which the Company's manufacturing plant and other buildings are located. As part of a new outline which were approved during 2021, the plant area was adjusted to 14,880 m<sup>2</sup>. The amount attributed to capitalized rights is presented under property, plant and equipment and is depreciated over the leasing period, which includes the lease extension option period. During 2010, Kamada Assets signed an agreement with the Israel Lands Administration to consolidate its leasing rights and extend the lease period to 2058; the lease also includes an extension option allowing the parties to extend the lease for an additional 49 years following the conclusion of the initial term.

## Notes to the Consolidated Financial Statements

## NOTE 9: - PROPERTY, PLANT AND EQUIPMENT (CONT.)

Composition and changes: (cont.)

2024

|  | <u>Land and<br/>Buildings<sup>(1)</sup></u> | <u>Machinery<br/>and<br/>Equipment<sup>(1)</sup></u> | <u>Vehicles</u> | <u>Computers,<br/>Software,<br/>Equipment<br/>and Office<br/>Furniture</u> | <u>Leasehold<br/>Improvements<sup>(2)</sup></u> | <u>Total</u> |
|--|---|--|-----------------|--|---|--------------|
|  | U.S. Dollars in thousands                   |  |                 |  |   |              |
| <b>Cost</b>                              |   |  |                 |  |   |              |
| Balance at January 1, 2024               | \$ 36,041                                   | \$ 37,997  | \$ 31           | \$ 11,472  | \$ 3,093  | \$ 88,634    |
| Additions                                | 1,306                                       | 3,546  | -               | 1,891  | 5,951   | 12,694       |
| Sale and write-off                       | (23)  | (86)   | -               | (110)  | -   | (219)        |
| Balance as of December 31, 2024          | 37,324                                      | 41,457   | 31              | 13,253   | 9,044   | 101,109      |
| <b>Accumulated Depreciation</b>          |   |  |                 |  |   |              |
| Balance as of January 1, 2024            | 23,294                                      | 27,259   | 29              | 9,050  | 778   | 60,410       |
| Depreciation                             | 1,149                                       | 1,975  | 2               | 1,230  | 305   | 4,661        |
| Sale and write-off                       | (22)  | (75)   | -               | (110)  | -   | (207)        |
| Balance as of December 31, 2024          | 24,421                                      | 29,159   | 31              | 10,170   | 1,083   | 64,864       |
| Depreciated cost as of December 31, 2024 | \$ 12,903                                   | \$ 12,298  | \$ -            | \$ 3,083   | \$ 7,961  | \$ 36,245    |

(1) Including labor costs charged in 2024 to the cost of facilities, machinery, and equipment in the amount of \$1,853 thousand.

(2) Including Right – of use assets depreciation expense in the amount of \$128 thousand that was capitalized to the Leasehold Improvements during 2024. Also refer to Note 14.

(3) Kamada Assets Ltd. (“Kamada Assets”), a subsidiary of the Company, capitalized leasing rights from the Israel Lands Administration for an area of 16,880 m<sup>2</sup> in Beit Kama, Israel, on which the Company’s manufacturing plant and other buildings are located. As part of a new outline which were approved during 2021, the plant area was adjusted to 14,880 m<sup>2</sup>. The amount attributed to capitalized rights is presented under property, plant and equipment and is depreciated over the leasing period, which includes the lease extension option period. During 2010, Kamada Assets signed an agreement with the Israel Lands Administration to consolidate its leasing rights and extend the lease period to 2058; the lease also includes an extension option allowing the parties to extend the lease for an additional 49 years following the conclusion of the initial term.

## Notes to the Consolidated Financial Statements

## NOTE 10: - INTANGIBLE ASSETS, GOODWILL AND OTHER LONG-TERM ASSETS

a. Composition and changes:

|  | December 31,              |                   |
|--|---------------------------|-------------------|
|  | 2025                      | 2024              |
|  | U.S. Dollars in thousands |                   |
| Intangible Assets                            | 96,096                    | 101,860           |
| Long term pre-paid expenses <sup>(1)</sup>   | 1,415                     | 1,366             |
| Intangible assets and other long-term assets | 97,511                    | 103,226           |
| Goodwill                                     | 30,313                    | 30,313            |
| Contract asset                               | 7,544                     | 8,019             |
|  | <u>\$ 135,368</u>         | <u>\$ 141,558</u> |

(1) Includes mainly prepayment for excess tax

Intangible Assets:2025

|  | Intellectual<br>property <sup>(1)</sup> | Customer<br>Relationships<br>(1) | Other<br>Intangibles <sup>(2)</sup><br>(3) | Total<br>Intangible<br>Assets | Goodwill <sup>(1)</sup> | Contract<br>asset <sup>(4)</sup> |
|--|---|----------------------------------|--|-------------------------------|-------------------------|----------------------------------|
|  | U.S. Dollars in thousand                |                                  |  |                               |                         |                                  |
| Cost:                                    |   |                                  |  |                               |                         |                                  |
| Balance as of January 1, 2025            | 80,103                                  | \$ 33,514                        | \$ 11,230                                  | \$ 124,847                    | \$ 30,313               | \$ 8,546                         |
| Purchases                                | -                                       | -                                | 1,435                                      | 1,435                         | -                       | -                                |
| Balance as of December 31, 2025          | <u>\$ 80,103</u>                        | <u>\$ 33,514</u>                 | <u>\$ 12,665</u>                           | <u>\$ 126,282</u>             | <u>\$ 30,313</u>        | <u>\$ 8,546</u>                  |
| Accumulated amortization and impairment: |   |                                  |  |                               |                         |                                  |
| Balance as of January 1, 2025            | 12,539                                  | 5,207                            | 5,241                                      | 22,987                        | -                       | 527                              |
| Amortization recognized in the year      | 4,021                                   | 1,676                            | 1,502                                      | 7,199                         | -                       | 475                              |
| Balance as of December 31, 2025          | <u>16,560</u>                           | <u>6,883</u>                     | <u>6,743</u>                               | <u>30,186</u>                 | <u>30,313</u>           | <u>1,002</u>                     |
| Amortized cost at December 31, 2025      | <u>\$ 63,543</u>                        | <u>\$ 26,631</u>                 | <u>\$ 5,922</u>                            | <u>\$ 96,096</u>              | <u>\$ 30,313</u>        | <u>\$ 7,544</u>                  |

2024

|  | Intellectual<br>property <sup>(1)</sup> | Customer<br>Relationships<br>(1) | Other<br>Intangibles <sup>(2)</sup> | Total<br>Intangible<br>Assets | Goodwill <sup>(1)</sup> | Contract<br>asset <sup>(4)</sup> |
|--|---|----------------------------------|-------------------------------------|-------------------------------|-------------------------|----------------------------------|
|  | U.S. Dollars in thousand                |                                  |                                     |                               |                         |                                  |
| Cost:                                    |   |                                  |                                     |                               |                         |                                  |
| Balance as of January 1, 2024            | 80,103                                  | \$ 33,514                        | \$ 11,230                           | \$ 124,847                    | \$ 30,313               | \$ 8,546                         |
| Purchases                                | -                                       | -                                | -                                   | -                             | -                       | -                                |
| Balance as of December 31, 2024          | <u>\$ 80,103</u>                        | <u>\$ 33,514</u>                 | <u>\$ 11,230</u>                    | <u>\$ 124,847</u>             | <u>\$ 30,313</u>        | <u>\$ 8,546</u>                  |
| Accumulated amortization and impairment: |   |                                  |                                     |                               |                         |                                  |
| Balance as of January 1, 2024            | 8,518                                   | 3,531                            | 3,156                               | 15,205                        | -                       | 51                               |
| Amortization recognized in the year      | 4,021                                   | 1,676                            | 1,495                               | 7,192                         | -                       | 476                              |
| Impairment loss <sup>(3)</sup>           | -                                       | -                                | 590                                 | 590                           | -                       | -                                |
| Balance as of December 31, 2024          | <u>12,539</u>                           | <u>5,207</u>                     | <u>5,241</u>                        | <u>22,987</u>                 | <u>-</u>                | <u>527</u>                       |
| Amortized cost at December 31, 2024      | <u>\$ 67,564</u>                        | <u>\$ 28,307</u>                 | <u>\$ 5,989</u>                     | <u>\$ 101,860</u>             | <u>\$ 30,313</u>        | <u>\$ 8,019</u>                  |

(1) The Intellectual Property, Customer Relationship and Goodwill generated by the November 2021 Saol APA, in the amount of 79,141 thousands, 33,514 thousands and 29,897 thousands respectively other than intellectual property and goodwill in the amount of \$962 thousands and \$416, respectively which were generated by the acquisition of the Company's plasma collection center in Beaumont, Texas consumed during March, 2021

## Notes to the Consolidated Financial Statements

## NOTE 10: - INTANGIBLE ASSETS, GOODWILL AND OTHER LONG-TERM ASSETS (CONT.)

a. Composition and changes: (cont.)

- (2) Includes assumed contract manufacturing agreement associated with the November 2021 Saol APA and distribution right of certain pharmaceutical products to be distributed in Israel, subject to IL MOH and or EMA marketing authorization. The Company was required to make certain upfront and milestone payments on account of such distribution rights. These payments are accounted for as long-term assets through obtaining IL MOH marketing authorization and will subsequently be amortized during the expected distribution right's useful life.
- (3) During 2024 the Company recognized impairment loss of \$590 arising from certain distribution rights assets, from which the Company does not expect future economic benefits.
- (4) In December 2019, the Company entered into a binding term sheet for a 12-year contract manufacturing agreement with Saol to manufacture CYOTGAM. As a result of the execution and consummation of the Saol APA as detailed in Note 1, which included the acquisition of all rights relating to CYTOGAM, the previous engagement with Saol with respect to this product expired. Following the successful execution of the technology transfer from the previous manufacturer and pending all necessary FDA approvals, the Company obtained during May 2023 FDA approval to manufacture CYTOGAM at its facility in Beit Kama, Israel.

The Company amortizes the contract asset over an 18-year period on a straight-line basis, representing the expected duration of the relationship with its relevant customers. The amortized cost was included in the cost of goods sold. No impairment losses were recognized.

b. Amortization:

Amortization expenses of intangible assets and contract assets are classified in statement of profit or loss as follows:

|                                    | Year ended December 31, |              |              |
|------------------------------------|-------------------------|--------------|--------------|
|                                    | 2025                    | 2024         | 2023         |
|                                    | USD in thousands        |              |              |
| Cost of goods sold                 | 5,915                   | 5,915        | 5,491        |
| Other expenses and income          | -                       | 590          | -            |
| Selling and marketing expenses (1) | 1,759                   | 1,753        | 1,743        |
|                                    | <u>7,674</u>            | <u>8,258</u> | <u>7,234</u> |

- (1) The Selling and marketing amortization expenses for the year ended December 31, 2025, 2024, and 2023 include \$82 thousand, \$78 thousand, and \$67 thousand, respectively, which are associated with the amortization of in-licensed distribution rights, and \$1,676 thousand for each of these years which are associated with the amortization of Customer Relations generated by the November 2021 Saol APA

c. Allocation of goodwill to cash-generating units

|             | December 31,              |           |
|-------------|---------------------------|-----------|
|             | 2025                      | 2024      |
|             | U.S. Dollars in thousands |           |
| Proprietary | \$ 30,313                 | \$ 30,313 |

The goodwill is attributed to the Proprietary Products segment, which represent the lowest level within the Company at which goodwill is monitored for internal management purposes.

Impairment test of goodwill for the year ended on December 31, 2025:

Impairment loss for goodwill is recognized if the recoverable amount of the goodwill is less than the carrying amount. The recoverable amount is the greater of fair value less costs of disposal, or value in use of the relevant reporting level (i.e., a CGU of a group of CGUs).

The Company performed an assessment for goodwill impairment for its Proprietary Products segment, which is the level at which goodwill is monitored for internal management purposes and concluded that the fair value of the Proprietary Products segment exceeds the carrying amount by approximately 40%. The carrying amount of goodwill assigned to this segment is in the amount of \$30,313 thousand.

The recoverable amount of the Proprietary segment as of December 2025 has been determined based on a value in use calculation using a discounted cash flow model which utilized Level 3 measures that represent unobservable inputs. Key assumptions used to determine the estimated fair value include: (a) internal cash flows forecasts for 5 years following the assessment date, including expected revenue growth, costs to produce, operating profit margins and estimated capital needs; (b) an estimated terminal value using a terminal year long-term future growth rate of -5.0% determined based on the long-term expected prospects of the reporting unit; and (c) a discount rate (post-tax) of 10.6 % which reflects the weighted-average cost of capital adjusted for the relevant risk associated with the Proprietary Products segment's operations.

## Notes to the Consolidated Financial Statements

## NOTE 10: - INTANGIBLE ASSETS, GOODWILL AND OTHER LONG TERM ASSETS (CONT.)

c. Allocation of goodwill to cash-generating units (cont.)

Actual results may differ from those assumed in the Company's valuation method. It is reasonably possible that the Company's assumptions described above could change in future periods. If any of these were to vary materially from the Company's plans, it may record impairment of goodwill allocated to this reporting unit in the future. A hypothetical decrease in the growth rate of 1% or an increase of 1% to the discount rate would have reduced the fair value of the Proprietary Products segment by approximately \$6,494 thousand and \$25,223 thousand, respectively.

The sensitivity analysis above does not result in a reduction of the recoverable amount below the carrying amount.

Based on the Company's assessment as of December 31, 2025, no impairment loss for goodwill was required to be recorded.

## NOTE 11: - TRADE PAYABLES

|                          | December 31,              |                  |
|--------------------------|---------------------------|------------------|
|                          | 2025                      | 2024             |
|                          | U.S. Dollars in thousands |                  |
| Open debts mainly in USD | \$ 13,825                 | \$ 16,006        |
| Open debts in EUR        | 2,112                     | 2,314            |
| Open debts in NIS        | 7,305                     | 9,415            |
| Total Trade Payables     | <u>\$ 23,242</u>          | <u>\$ 27,735</u> |

## NOTE 12: - OTHER ACCOUNTS PAYABLES

a. Composition:

|                                | December 31,              |                 |
|--------------------------------|---------------------------|-----------------|
|                                | 2025                      | 2024            |
|                                | U.S. Dollars in thousands |                 |
| Employees and payroll accruals | \$ 10,267                 | \$ 9,218        |
| Government grants (b)          | -                         | -               |
| Accrued Expenses and Others    | 1,841                     | 453             |
| Total Other Accounts Payables  | <u>\$ 12,108</u>          | <u>\$ 9,671</u> |

b. Government grants:

Presented in the statement of financial position and Profit or Loss and Other Comprehensive Income:

|  | December 31,              |              |
|--|---------------------------|--------------|
|  | 2025                      | 2024         |
|  | U.S. Dollars in thousands |              |
| Current Assets                                   | \$ 8                      | \$ 11        |
| Current liability                                | \$ -                      | \$ -         |
| Royalties paid during the year                   | \$ -                      | \$ (177)     |
| Expense carried to Research and Development cost | <u>\$ 12</u>              | <u>\$ 17</u> |

## Notes to the Consolidated Financial Statements

## NOTE 13: - LOANS AND FINANCIAL LIABILITIES

a. Financial liabilities originated or assumed through business combinations

|  | December 31,              |               |
|--|---------------------------|---------------|
|  | 2025                      | 2024          |
|  | U.S. Dollars in thousands |               |
| Contingent consideration <sup>(1)</sup>                          | 23,237                    | 23,566        |
| Assumed liabilities <sup>(2)</sup>                               | 37,170                    | 40,079        |
| Less current maturities  | (9,923)                   | (10,181)      |
| Total Long term contingent consideration and assumed liabilities | <u>\$ 50,484</u>          | <u>53,462</u> |

(1) Contingent consideration is measured at fair value. The change in the balance of the contingent consideration reflect the payments made on account of such and the change in the fair value of the liability. Refer also to note 15.

Pursuant to the Saol APA, the Company agreed to pay up to \$50,000 thousand of contingent consideration subject the achievement of sales thresholds for the period commencing on the acquisition date and ending on December 31, 2034. Through December 31, 2025, the first three sales thresholds were met, and the Company paid three \$3,000 thousand on account of these thresholds. These payments were accounted for as a reduction of the liability. The Company may be entitled for up to \$3,000 thousand credit deductible from the contingent consideration payments due for the years 2023 through 2027, subject to certain conditions as defined in the Saol APA. Through December 31, 2025, the entitlement of the credit was not met.

The fair value of the contingent consideration was \$23,237 thousand and \$23,566 thousand as of December 31, 2025, and December 31, 2024, respectively. The Company accounted for \$2,672 thousand, \$4,711 thousand, and \$1,321 thousand, for the years ended December 31, 2025, 2024 and 2023, respectively as financing expenses in the statement of profit and loss to reflect the changes in the fair value of the liability.

(2) Assumed liabilities are measured at amortized cost. The changes in the balance of the assumed liabilities reflects the payments made on account of such and the changes in time value and changes in expected payments.

Pursuant to the Saol APA, the Company acquired inventory valued at \$14,199 thousand which was paid in ten quarterly installments of \$1,500 thousand each or the remaining balance at the final installment (the "Deferred Liability"). Through December 31, 2024, the Company made all payments due on account of such liability. As part of the Saol APA, the Company also assumed certain of Saol's liabilities for the future payment of royalties (some of which are perpetual) and milestone payments to third party subject to the achievement of corresponding CYTOGAM related net sales (the "Assumed Liabilities").

## Notes to the Consolidated Financial Statements

## NOTE 13: - LOANS AND FINANCIAL LIABILITIES (CONT.)

a. Financial liabilities originated or assumed through business combinations (cont.)

Such assumed liabilities include:

- Royalties: 10% of the annual global net sales of CYTOGAM up to \$ 25,000 thousand and 5% of net sales that are greater than \$ 25,000 thousand, in perpetuity; 2% of the annual global net sales of CYTOGAM in perpetuity; and 8% of the annual global net sales of CYTOGAM for a period of six years following the completion of the technology transfer of the manufacturing of CYTOGAM to the Company (such royalty payments commenced on October 1, 2023 following the completion of such technology transfer), subject to a maximum aggregate of \$5,000 thousand per year and the total amount of \$30,000 thousand throughout the entire six years period.

During the years ended December 31, 2025, 2024 and 2023, the Company recognized net revenues of \$17,113 thousands, \$22,521 thousands and \$17,180 thousands, respectively from sales of CYTOGAM.

- Sales milestones: two \$1,500 thousand sales milestones subject to achievement of certain sales thresholds with respect to CYTOGAM sales in the United States market, of which the first sales threshold was achieved and the milestone payment was made during 2023, and the second threshold was not achieved and was written off the outstanding liability.
- Milestone: \$8,500 thousand upon the receipt of FDA approval for the manufacturing of CYTOGAM at the Company's manufacturing facility. During May 2023, the Company received such FDA approval and paid the milestone of \$8,500 thousand.

The value of the Assumed Liabilities and Deferred Liability was \$37,170 thousand and \$40,079 thousand as of December 31, 2025, and 2024, respectively. During the years ended December 31, 2025, and 2024, the Company paid a total of \$2,889 thousand and \$9,667 thousand on account of such Assumed Liabilities and Deferred Liability. The Company accounted for \$20 thousand as financing income and \$3,370 thousand of financing expenses, and \$341 thousand of financing income for the years ended December 31, 2025, 2024 and 2023, respectively to reflect the changes in the value of the assumed liabilities.

b. Bank loan:

On November 15, 2021, the Company secured a \$40,000 thousand credit facility from Bank Hapoalim, an Israeli bank. The credit facility comprised of the following:

- (1) A \$20,000 thousand long-term loan. The loan bore an interest at a rate of SOFR (Secured Overnight Financing Rate) +2.18% and was payable over 54 equal monthly installments commencing June 16, 2022.

On September 19, 2023, the Company repaid in full the outstanding balance of the loan.

- (2) A \$20,000 thousand short-term revolving credit facility. The credit facility bore an interest at a rate of SOFR +1.75%, or a commitment fee of 0.2% calculated over the unutilized balance of the facility.

The credit facility was in effect for an initial period of 12 months, and effective as of January 1, 2023, the credit facility was amended such that the \$20 million short-term revolving credit facility was reduced to a NIS 35 million (approx. \$10 million) credit facility, and the credit facility was extended for an additional period of 12 months. Subsequently on January 1, 2024, it was extended for an additional period of 12 months.

Borrowings under the amended credit facility accrue interest at a rate of PRIME + 0.55% and are repayable no later than 12 months from the date advanced. The Company is required to pay an annual fee of 0.275% for the Bank's credit allocation.

Since its establishment and through December 31, 2025, the Company did not utilize such credit facility.

Pursuant to the loan and credit facility agreement, the Company was required to meet certain financial covenants for the years ending December 31, 2022, and through the term of the loan and credit facility.

On February 17, 2025, the Company converted the credit facility to a NIS 35,000 thousand On-Call credit facility from Bank Hapoalim, with each loan thereunder bearing interest at a rate of 6.3%. As part thereof, The Company undertook not to create a floating charge over all or materially all of its assets. In addition, the previous credit facility, as described above, has been terminated, together with all obligations to meet financial covenants.

See Note 18 regarding pledge information related to the bank loans.

## Notes to the Consolidated Financial Statements

## NOTE 14: - LEASES

The Company entered into lease agreements with respect to the following items:

1. Office and storage spaces:

In November 2016, the Company entered into a lease agreement for office space and a laboratory facility in Rehovot, Israel for an initial period of ten years (which includes a three-year extension through November 2026). In March 2023, the lease agreement was amended, and the lease period was extended for an additional eight years through January 2032.

On March 7, 2023, the Company's U.S. subsidiary Kamada Plasma LLC entered into a lease agreement for a 12,000 square feet premises in Houston, Texas to be used as a plasma collection center. The lease is in effect for an initial period of ten years commencing February 2024 and includes an option to extend the lease for two consecutive periods of five years upon at least 120 days prior written notice.

On May 2, 2024, the Company's U.S. subsidiary Kamada Plasma LLC entered into a lease agreement for a 11,100 square feet premises in San Antonio, Texas to be used as a plasma collection center. The lease is in effect for an initial period of ten years commencing on the rent commencement date which will be the earlier of (a) opening for business in the facility or (b) 180 days following receipt of building permits. The lease agreement may be extended for three consecutive periods of five years each, upon at least 120 days prior written notice.

2. Vehicles:

The Company leases vehicles for the use of certain of its employees in Israel. The lease term is mainly for three-year periods.

3. Office equipment (i.e. printing and photocopying machines):

The Company leases office equipment (i.e., printing and photocopying machines), each for a five-year period.

Right-of-use assets composition and changes in lease liabilities

|                                    | Right-of-use-assets      |          |   |          | Lease Liabilities <sup>(1)</sup> |
|------------------------------------|--------------------------|----------|---|----------|----------------------------------|
|                                    | Rented Offices           | Vehicles | Computers, Software, Equipment and Office Furniture | Total    |                                  |
|                                    | U.S Dollars in thousands |          |   |          |                                  |
| As of January 1, 2025              | \$ 8,232                 | \$ 1,370 | \$ 15   | \$ 9,617 | \$ 11,062                        |
| Additions to right -of -use assets | 103                      | 1,119    | -   | 1,222    | 1,222                            |
| Lease termination                  | -                        | (300)    | -   | (300)    | (339)                            |
| Depreciation expense               | (741)                    | (883)    | (15)  | (1,639)  | -                                |
| Exchange rate differences          | -                        | -        | -   | -        | 588                              |
| Repayment of lease liabilities     | -                        | -        | -   | -        | (972)                            |
| As of December 31, 2025            | \$ 7,594                 | \$ 1,306 | \$ -  | \$ 8,900 | \$ 11,561                        |

(1) The weighted average incremental borrowing rate used to discount future lease payments in the calculation of the lease liability was in the range of 5.41%–7.11% evaluated based on credit risk, terms of the leases and other economic variables.

During 2025, the Company recognized \$706 thousand as financial expenses on lease liabilities.

During 2025, the total cash outflow for leases was \$972 thousand.

## Notes to the Consolidated Financial Statements

## NOTE 14: - LEASES (CONT.)

|                                    | Right-of-use-assets              |          |   |          | Lease<br>Liabilities <sup>(2) (3)</sup> |
|------------------------------------|----------------------------------|----------|---|----------|---|
|                                    | Rented<br>Offices <sup>(1)</sup> | Vehicles | Computers,<br>Software,<br>Equipment<br>and Office<br>Furniture | Total    |   |
|                                    | U.S Dollars in thousands         |          |   |          |   |
| As of January 1, 2024              | \$ 6,363                         | \$ 1,397 | \$ 1  | \$ 7,761 | \$ 8,822                                |
| Additions to right -of -use assets | 2,547                            | 858      | 28  | 3,432    | 3,432                                   |
| Lease termination                  | (12)                             | (73)     | -   | (84)     | (69)                                    |
| Depreciation expense               | (666)                            | (812)    | (14)  | (1,492)  | -                                       |
| Exchange rate differences          | -                                | -        | -   | -        | (128)                                   |
| Repayment of lease liabilities     | -                                | -        | -   | -        | (1,251)                                 |
| As of December 31, 2024            | \$ 8,232                         | \$ 1,370 | \$ 15   | \$ 9,617 | \$ 11,062                               |

(1) Out of the Depreciation expense \$127 thousand was capitalized to the Leasehold Improvements.

(2) The weighted average incremental borrowing rate used to discount future lease payments in the calculation of the lease liability was in the range of 6.16%–7.11% evaluated based on credit risk, terms of the leases and other economic variables.

(3) The balance does not include current maturities of lease of \$267 thousand that were classified to other accounts receivables due to expected lease incentive.

During 2024, the Company recognized \$587 thousand as financial expenses on lease liabilities.

During 2024, the total cash outflow for leases was \$1,251 thousand.

As of December 31, 2025:

|  | Less than<br>one year | 1 to 2   | 2 to 3   | 3 to 5   | 6 and<br>thereafter | Total     |
|--|-----------------------|----------|----------|----------|---------------------|-----------|
| Lease liabilities (including interest) | \$ 4,138              | \$ 2,945 | \$ 2,039 | \$ 2,824 | \$ 9,200            | \$ 21,146 |

As of December 31, 2024:

|  | Less than<br>one year | 1 to 2   | 2 to 3   | 3 to 5   | 6 and<br>thereafter | Total     |
|--|-----------------------|----------|----------|----------|---------------------|-----------|
| Lease liabilities (including interest) | \$ 3,708              | \$ 3,014 | \$ 1,700 | \$ 2,458 | \$ 10,265           | \$ 21,145 |

Lease extension

The Company has leases that include extension options. These options provide flexibility in managing the leased assets and align with the Company's business needs.

The Company exercises judgement in deciding whether it is reasonably certain that the extension options will be exercised.

## Notes to the Consolidated Financial Statements

## NOTE 14: - LEASES (CONT.)

The lease agreement entered into by Kamada Plasma LLC for the premises in Houston, Texas and in San Antonio, Texas to be used as a plasma collection center includes an option to extend the lease as follow:

- Houston, Texas: extend the lease for two consecutive periods of five years each, upon 120 days prior written notice.
- San Antonio, Texas: extend the lease for three consecutive periods of five years each, upon at least 120 days prior written notice.

The Company has reasonable certainty that the extension option will be exercised to avoid a significant adverse impact to its plasma collection activities.

## NOTE 15: - FINANCIAL INSTRUMENTS

a. Classification of financial assets and liabilities

The financial assets liabilities in the balance sheet are classified by groups of financial instruments pursuant to IFRS 9:

|   | <b>December 31,</b>              |                  |
|---|----------------------------------|------------------|
|   | <b>2025</b>                      | <b>2024</b>      |
|   | <b>U.S. Dollars in thousands</b> |                  |
| <b>Financial assets</b>   |                                  |                  |
| <u>Financial assets at fair value through other comprehensive income:</u> |                                  |                  |
| Cash flow hedges  | 197                              | 49               |
| Total Financial assets at fair value through other comprehensive income:  | \$ 197                           | \$ 49            |
| <u>Financial assets at amortized cost:</u>                                |                                  |                  |
| Cash and cash equivalent  | 75,469                           | 78,435           |
| Total Financial assets at amortized cost                                  | \$ 75,469                        | \$ 78,435        |
| Total financial assets  | <u>\$ 75,666</u>                 | <u>\$ 78,484</u> |
| <b>Financial liabilities</b>  |                                  |                  |
| <u>Financial liabilities at fair value through profit or loss:</u>        |                                  |                  |
| Foreign exchange forward contracts  | 15                               | 10               |
| Contingent consideration in business combination <sup>(1)</sup>           | 23,237                           | 23,566           |
| Total financial liabilities at fair value through profit or loss          | \$ 23,252                        | \$ 23,576        |
| <u>Financial liabilities measured at amortized cost:</u>                  |                                  |                  |
| Assumed liabilities through business combination <sup>(1)</sup>           | 37,170                           | 40,079           |
| Leases  | 11,561                           | 11,062           |
| Total financial liabilities measured at amortized cost                    | \$ 48,731                        | \$ 54,141        |
| Total financial and lease liabilities                                     | <u>\$ 71,983</u>                 | <u>\$ 74,717</u> |

(1) Refer to note 13(a) for additional information.

**Notes to the Consolidated Financial Statements**

---

**NOTE 15: - FINANCIAL INSTRUMENTS (CONT.)**b. Financial risk factors

The Company's activities expose it to various financial risks, such as market risk (foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's investment policy focuses on activities that will preserve the Company's capital. The Company utilizes derivatives to hedge certain exposures to risk.

Risk management is the responsibility of the Company's management and specifically that of the Company's Chief Executive Officer (CEO) and Chief Financial Officer (CFO), in accordance with the policy approved by the Board of Directors. The Board of Directors provides principles for overall risk management.

1. Market risksForeign exchange risk

The Company operates in an international environment and is exposed to foreign exchange risk resulting from the exposure to different currencies, mainly the NIS and EUR. Foreign exchange risks arise from recognized assets and liabilities denominated in a foreign currency other than the functional currency, such as trade and other accounts receivables, trade and other accounts payables and capital leases.

As of December 31, 2025, and 2024, the Company held financial derivatives intended to hedge changes in the exchange rate of the USD vs. the NIS and the EUR (see also Note 15f. below).

2. Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, short-term bank deposits, trade receivables and foreign currency derivative contracts.

a) Cash, cash equivalent and short-term investments:

The Company holds cash, cash equivalents, short term deposits and other financial instruments at major financial institutions in Israel and the United States. In accordance with Company policy, evaluations of the relative strength of credit of the various financial institutions are made on an ongoing basis.

Short-term investments include short-term deposits with low risk for a period less than one year.

b) Trade receivables:

The Company regularly monitors the credit extended to its customers and their general financial condition, and, when necessary, requires collateral as security for the debt such as letters of creditor and down payments. In addition, the Company partially insures its non-Israeli based accounts receivables with foreign trade risk insurance. Refer to Note 6 for additional information.

## Notes to the Consolidated Financial Statements

## NOTE 15: - FINANCIAL INSTRUMENTS (CONT.)

b. Financial risk factors (cont.)2. Credit risk (cont.)

The Company keeps constant track of customer debt, and, to the extent required, accounts for an allowance for expected credit losses that adequately reflects, in the Company's assessment, the loss embodied in the debts the collection of which is in doubt.

The Company's maximum exposure to credit risk for the components of the statement of financial position as of December 31, 2025, and 2024 is the carrying amount of trade receivables.

c) Foreign currency derivative contracts:

The Company is exposed to foreign currency exchange fluctuations, primarily in USD vs. NIS and EUR. Consequently, it enters into various foreign currency exchange contracts with major Israeli financial institutions (see also Note 15f. below).

d) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term liabilities.

3. Liquidity risk

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

December 31, 2025

|  | <u>Less than<br/>one year</u> | <u>1 to 2</u>   | <u>2 to 3</u>   | <u>3 to 5</u>   | <u>6 and<br/>thereafter</u> | <u>Total</u>     |
|--|-------------------------------|-----------------|-----------------|-----------------|-----------------------------|------------------|
| Trade payables                         | \$ 23,242                     | \$ -            | \$ -            | \$ -            | \$ -                        | \$ 23,242        |
| Assumed liabilities <sup>(1)</sup>     | 7,057                         | 4,069           | 4,028           | 5,792           | 16,224                      | 37,170           |
| Other accounts payables                | 12,108                        | -               | -               | -               | -                           | 12,108           |
| Lease liabilities (including interest) | 4,138                         | 2,945           | 2,039           | 2,824           | 9,200                       | \$ 21,146        |
|  | <u>\$ 46,545</u>              | <u>\$ 7,014</u> | <u>\$ 6,067</u> | <u>\$ 8,616</u> | <u>\$ 25,424</u>            | <u>\$ 93,666</u> |

December 31, 2024

|  | <u>Less than<br/>one year</u> | <u>1 to 2</u>   | <u>2 to 3</u>   | <u>3 to 5</u>    | <u>6 and<br/>thereafter</u> | <u>Total</u>     |
|--|-------------------------------|-----------------|-----------------|------------------|-----------------------------|------------------|
| Trade payables                         | \$ 27,735                     | \$ -            | \$ -            | \$ -             | \$ -                        | \$ 27,735        |
| Assumed liabilities <sup>(1)</sup>     | 6,913                         | 4,419           | 4,393           | 7,675            | 16,679                      | 40,079           |
| Other accounts payables                | 9,671                         | -               | -               | -                | -                           | 9,671            |
| Lease liabilities (including interest) | 3,708                         | 3,014           | 1,700           | 2,458            | 10,265                      | 21,145           |
|  | <u>\$ 48,027</u>              | <u>\$ 7,433</u> | <u>\$ 6,093</u> | <u>\$ 10,133</u> | <u>\$ 26,944</u>            | <u>\$ 98,630</u> |

(1) Due the nature of the account which include infinite payments for royalties and milestones to third parties the assumed liabilities reflect the discounted amount. See Note 13(2)

## Notes to the Consolidated Financial Statements

## NOTE 15: - FINANCIAL INSTRUMENTS (CONT.)

b. Financial risk factors (cont.)3. Liquidity risk (cont.)Changes in liabilities arising from financing activitiesDecember 31, 2025

|   | <u>January 1,<br/>2025</u>       | <u>Payments</u>   | <u>Foreign<br/>exchange<br/>fluctuation</u> | <u>New<br/>loans<br/>and<br/>leases</u> | <u>Business<br/>combination</u> | <u>Revaluation</u> | <u>termination</u> | <u>December 31,<br/>2025</u> |
|---|----------------------------------|-------------------|---|---|---------------------------------|--------------------|--------------------|------------------------------|
|   | <u>U.S. Dollars in thousands</u> |                   |   |   |                                 |                    |                    |                              |
| Contingent consideration <sup>(1)</sup> | 23,566                           | \$ (3,000)        | \$ -  | \$ -                                    | \$ -                            | \$ 2,672           | \$ -               | \$ 23,237                    |
| Assumed liabilities                     | 40,079                           | (2,889)           | -   | -                                       | -                               | (20)               | -                  | 37,170                       |
| Leases                                  | 11,062                           | (972)             | 588   | 1,222                                   | -                               | -                  | (339)              | 11,561                       |
| <b>Total</b>                            | <b>\$ 74,707</b>                 | <b>\$ (6,861)</b> | <b>\$ 588</b>                               | <b>\$ 1,222</b>                         | <b>\$ -</b>                     | <b>\$ 2,652</b>    | <b>\$ (339)</b>    | <b>\$ 71,968</b>             |

(1) The contingent consideration fair value as of December 31, 2025, was based on “Monte Carlo Simulation” model. In measuring the contingent consideration liability, the Company used an appropriate risk-adjusted discount rate of 9.6% and volatility of 13.32%. totaled \$23,237 thousand.

December 31, 2024

|   | <u>January 1,<br/>2024</u>       | <u>Payments</u>    | <u>Foreign<br/>exchange<br/>fluctuation</u> | <u>New<br/>loans<br/>and<br/>leases</u> | <u>Business<br/>combination</u> | <u>Revaluation</u> | <u>termination</u> | <u>December 31,<br/>2024</u> |
|---|----------------------------------|--------------------|---|---|---------------------------------|--------------------|--------------------|------------------------------|
|   | <u>U.S. Dollars in thousands</u> |                    |   |   |                                 |                    |                    |                              |
| Contingent consideration <sup>(1)</sup> | 21,855                           | (3,000)            | -   | -                                       | -                               | 4,711              | -                  | 23,566                       |
| Assumed liabilities                     | 46,375                           | (9,667)            | -   | -                                       | -                               | 3,370              | -                  | 40,079                       |
| Leases                                  | 8,822                            | (1,251)            | 128   | 3,432                                   | -                               | -                  | (69)               | 11,062                       |
| <b>Total</b>                            | <b>\$ 77,052</b>                 | <b>\$ (13,918)</b> | <b>\$ 128</b>                               | <b>\$ 3,432</b>                         | <b>\$ -</b>                     | <b>\$ 8,081</b>    | <b>\$ (69)</b>     | <b>\$ 74,707</b>             |

(1) The contingent consideration fair value as of December 31, 2024, was based on “Monte Carlo Simulation” model. In measuring the contingent consideration liability, the Company used an appropriate risk-adjusted discount rate of 11.5% and volatility of 14.19%. totaled \$23,566 thousand.

c. Fair value

The following table demonstrates the carrying amount and fair value of the financial assets and liabilities presented in the financial statements not at fair value:

|                                    | <u>Carrying Amount<br/>December 31,</u> |                  | <u>Fair Value<br/>December 31,</u> |                  |
|------------------------------------|---|------------------|------------------------------------|------------------|
|                                    | <u>2025</u>                             | <u>2024</u>      | <u>2025</u>                        | <u>2024</u>      |
|                                    | <u>U.S. Dollars in thousands</u>        |                  |                                    |                  |
| Assumed liabilities                | 37,170                                  | 40,079           | 35,888                             | 37,676           |
| <b>Total Financial liabilities</b> | <b>\$ 37,170</b>                        | <b>\$ 40,079</b> | <b>\$ 35,888</b>                   | <b>\$ 37,676</b> |

## Notes to the Consolidated Financial Statements

## NOTE 15: - FINANCIAL INSTRUMENTS (CONT.)

c. Fair value (cont.)

The fair value of the assumed liabilities was calculated using the discounted cash-flow (DCF) valuation method under the income approach which considers future cash flows projections discounted by an interest rate that reflects market conditions (Level 3).

The carrying amount of cash and cash equivalents, short-term bank deposits, trade and other receivables, trade and other payables approximates their fair value, due to the short-term maturities of the financial instruments.

d. Classification of financial instruments by fair value hierarchyFinancial assets (liabilities) measured at fair value:

| <u>Financial assets (liabilities) measured at fair value:</u> | <u>Level 1</u>                   | <u>Level 2</u> | <u>Level 3 <sup>(1)</sup></u> |
|---|----------------------------------|----------------|-------------------------------|
|   | <u>U.S. Dollars in thousands</u> |                |                               |
| December 31, 2025   |                                  |                |                               |
| Derivatives instruments                                       | -                                | 197            | -                             |
| Contingent consideration <sup>(1)</sup>                       | -                                | -              | (23,237)                      |
|   | <u>\$ -</u>                      | <u>\$ 197</u>  | <u>\$ (23,237)</u>            |

(1) For changes in Contingent Consideration see Note 15(b)

| <u>Financial assets (liabilities) measured at fair value:</u> | <u>Level 1</u>                   | <u>Level 2</u> | <u>Level 3 <sup>(1)</sup></u> |
|---|----------------------------------|----------------|-------------------------------|
|   | <u>U.S. Dollars in thousands</u> |                |                               |
| December 31, 2024   |                                  |                |                               |
| Derivatives instruments                                       | -                                | 49             | -                             |
| Contingent consideration <sup>(1)</sup>                       | -                                | -              | (23,566)                      |
|   | <u>\$ -</u>                      | <u>\$ 49</u>   | <u>\$ (23,566)</u>            |

(1) For changes in Contingent Consideration see Note 15(b)

During 2025 and 2024 there was no transfer 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.

Sensitivity tests and principal work assumptions

The selected changes in the relevant risk variables were determined based on management's estimate as to reasonable possible changes in these risk variables.

The Company has performed sensitivity tests of principal market risk factors that are liable to affect its reported operating results or financial position. The sensitivity tests present the profit or loss in respect of each financial instrument for the relevant risk variable chosen for that instrument as of each reporting date. The test of risk factors was determined based on the materiality of the exposure of the operating results or financial condition of each risk with reference to the functional currency and assuming that all the other variables are constant.

|  | <u>December 31,</u>              |                 |
|--|----------------------------------|-----------------|
|  | <u>2025</u>                      | <u>2024</u>     |
|  | <u>U.S. Dollars in thousands</u> |                 |
| Sensitivity test to changes in foreign currency: |                                  |                 |
| Gain (loss) from change:                         |                                  |                 |
| 5% increase in NIS                               | <u>\$ (982)</u>                  | <u>\$ (852)</u> |
| 5% decrease in NIS                               | <u>\$ 982</u>                    | <u>\$ 852</u>   |
| 5% increase in Euro                              | <u>\$ (80)</u>                   | <u>\$ (56)</u>  |
| 5% decrease in Euro                              | <u>\$ 80</u>                     | <u>\$ 56</u>    |

## Notes to the Consolidated Financial Statements

## NOTE 15: - FINANCIAL INSTRUMENTS (CONT.)

- e. Linkage terms of financial liabilities by groups of financial instruments pursuant to IFRS 9:

|   | December 31,              |                  |
|---|---------------------------|------------------|
|   | 2025                      | 2024             |
|   | U.S. Dollars in thousands |                  |
| In NIS:   |                           |                  |
| Leases measured at amortized cost                             | \$ 6,207                  | \$ 6,025         |
|   | <u>\$ 6,207</u>           | <u>\$ 6,025</u>  |
| In USD:   |                           |                  |
| Contingent consideration at fair value through profit or loss | 23,237                    | 23,566           |
| Assumed liabilities measured at amortized cost                | 37,170                    | 40,079           |
| Leases measured at amortized cost <sup>(1)</sup>              | 5,354                     | 5,037            |
|   | <u>\$ 65,761</u>          | <u>\$ 68,682</u> |

- (1) The balance, as of December 31, 2024, includes short-term lease in the amount of \$267 thousand that was classified to other accounts receivables (refer to Note 14 for further)

- f. Derivatives and hedging:

Derivatives instruments not designated as hedging

The Company has foreign currency forward contracts designed to protect it from exposure to fluctuations in exchange rates, mainly of NIS and EUR, in respect of its trade receivables, trade payables. Foreign currency forward contracts are not designated as cash flow hedges, fair value or net investment in a foreign operation. These derivatives are not considered as hedge accounting. As of December 31, 2025, and December 31, 2024, the fair value of the derivative instruments not designated as hedging was accounted for as a financial liability of \$15 thousand and \$10 thousand, respectively. The open transactions (Derivative contract which have not yet been settled) for those derivatives were in an amount of \$4,849 thousand and \$3,652 thousand, respectively.

Cash flow hedges:

As of December 31, 2025, and December 31, 2024, the Company held NIS/USD hedging contracts (cylinder contracts) designated as hedges of expected future salaries expenses and for expected future purchases from Israeli suppliers.

The main terms of these positions were set to match the terms of the hedged items. As of December 31, 2025, and December 31, 2024, the fair value of the derivative instruments designated as hedge accounting was an asset of \$197 thousand and \$49 thousand respectively. The open transactions (Derivative contract which have not yet been settled) for those derivatives were in an amount of \$1,023 thousand and \$562 thousand respectively.

Cash flow hedges of the expected salaries and suppliers' expenses as of December 31, 2025, and December 31, 2024 were estimated as effective and accordingly a net unrecognized income in the amount of \$126 thousand and a net unrecognized expense of \$89 thousand, respectively were accounted for as other comprehensive income. The ineffective portion was allocated to finance expenses.

## Notes to the Consolidated Financial Statements

## NOTE 16: - EMPLOYEE BENEFIT LIABILITIES, NET

Employee benefits consist of short-term benefits and post-employment benefits.

Post-employment benefits:

According to the Israeli labor and Severance Pay Laws, the Company is required to pay compensation to employees upon dismissal or retirement or to make contributions in defined contribution plans pursuant to Section 14 of the Israeli Severance Pay Law, as specified below. The Company's liability is accounted for as a post-employment benefit only for those employees for which Section 14 of the Israeli Severance Pay Law is not applicable to. The computation of the Company's employee benefit liability is made in accordance with a valid employment contract, or a collective bargaining agreement based on the employee's salary and employment terms which establish the entitlement to receive the compensation.

The post-employment employee benefits are normally financed by contributions classified as defined benefit plans, as detailed below:

a. Defined contribution deposit:

Israeli employees defined contribution plan:

The Company's agreements with some of its employees are in accordance with Section 14 of the Israeli Severance Pay Law. Contributions made by the Company in accordance with Section 14 release the Company from any future severance liabilities in respect of those employees. The expenses for the defined benefit deposit in 2025, 2024 and 2023 were \$1,470 thousand, \$1,300 thousand, and \$1,125 thousand, respectively.

U.S. employees defined contribution plan:

Since August 2022, the Company's U.S. subsidiary has a 401(k) defined contribution plan covering certain employees in the U.S. During the years ended December 31, 2025, and December 31, 2024, the U.S. subsidiary recorded expenses for matching contributions in the amount of \$158 thousand and \$89 thousand, respectively.

b. Defined benefit plans:

The Company accounts for the payment of compensation as a defined benefit plan for which an employee benefit liability is recognized and for which the Company deposits amounts in a long-term employee benefit fund and in qualifying insurance policies.

c. Expenses recognized in comprehensive income (loss):

|                                 | Year Ended December 31,   |               |              |
|---------------------------------|---------------------------|---------------|--------------|
|                                 | 2025                      | 2024          | 2023         |
|                                 | U.S. Dollars in thousands |               |              |
| Current service cost            | \$ 239                    | \$ 208        | \$ 197       |
| Interest expenses, net          | 37                        | 39            | 36           |
| Total employee benefit expenses | <u>276</u>                | <u>247</u>    | <u>233</u>   |
| Actual return on plan assets    | <u>\$ 383</u>             | <u>\$ 400</u> | <u>\$ 50</u> |

## Notes to the Consolidated Financial Statements

## NOTE 16: - EMPLOYEE BENEFIT LIABILITIES, NET (CONT.)

3. Expenses recognized in comprehensive income (loss): (cont.)

The expenses are presented in the Statement of Comprehensive income (loss) as follows

|                            | Year Ended December 31,   |               |               |
|----------------------------|---------------------------|---------------|---------------|
|                            | 2025                      | 2024          | 2023          |
|                            | U.S. Dollars in thousands |               |               |
| Cost of revenues           | \$ 180                    | \$ 159        | \$ 155        |
| Research and development   | 20                        | 20            | 22            |
| Selling and marketing      | 45                        | 39            | 33            |
| General and administrative | 31                        | 29            | 23            |
|                            | <u>\$ 276</u>             | <u>\$ 247</u> | <u>\$ 233</u> |

4. The plan liabilities, net:

|                            | December 31,              |               |
|----------------------------|---------------------------|---------------|
|                            | 2025                      | 2024          |
|                            | U.S. Dollars in thousands |               |
| Defined benefit obligation | \$ 6,085                  | \$ 4,813      |
| Fair value of plan assets  | 5,415                     | 4,304         |
| Total liabilities, net     | <u>\$ 670</u>             | <u>\$ 509</u> |

5. Changes in the present value of defined benefit obligation

|                         | 2025                      | 2024            |
|-------------------------|---------------------------|-----------------|
|                         | U.S. Dollars in thousands |                 |
| Balance at January 1,   | \$ 4,813                  | \$ 4,399        |
| Interest costs          | 254                       | 216             |
| Current service cost    | 239                       | 208             |
| Past service cost       | -                         | -               |
| Benefits paid           | (315)                     | (223)           |
| Demographic assumptions | 33                        | (84)            |
| Financial assumptions   | 70                        | -               |
| Past Experience         | 287                       | 322             |
| Currency Exchange       | 704                       | (25)            |
| Balance at December 31, | <u>\$ 6,085</u>           | <u>\$ 4,813</u> |

6. Plan assetsa) Plan assets

Plan assets comprise of assets held by long-term employee benefit funds and qualifying insurance policies.

## Notes to the Consolidated Financial Statements

## NOTE 16: - EMPLOYEE BENEFIT LIABILITIES, NET (CONT.)

## 6. Plan assets (cont.)

b) Changes in the fair value of plan assets

|                           | <u>2025</u>                      | <u>2024</u>     |
|---------------------------|----------------------------------|-----------------|
|                           | <u>U.S. Dollars in thousands</u> |                 |
| Balance at January 1,     | \$ 4,304                         | \$ 3,778        |
| Expected return           | 228                              | 184             |
| Contributions by employer | 176                              | 165             |
| Benefits paid             | (319)                            | (195)           |
| Demographic assumptions   | (2)                              | (2)             |
| Financial assumptions     | -                                | -               |
| Past Experience           | 417                              | 402             |
| Currency exchange         | 611                              | (28)            |
| Balance at December 31,   | <u>\$ 5,415</u>                  | <u>\$ 4,304</u> |

7. The principal assumptions underlying the defined benefit plan

|                                     | <u>2025</u> | <u>2024</u> | <u>2023</u> |
|-------------------------------------|-------------|-------------|-------------|
|                                     | <u>%</u>    |             |             |
| Discount rate of the plan liability | 4.8         | 5.4         | 5.3         |
| Future salary increases             | 3.0         | 3.0         | 3.0         |

The sensitivity analyses below have been determined based on reasonably possible changes of the principal assumptions underlying the defined benefit plan as mentioned above, occurring at the end of the reporting period.

If the discount rate would be one percent higher or lower, and all other assumptions were held constant, the defined benefit obligation would decrease by \$110 thousand or increase by \$169 thousand, respectively.

If the expected salary growth would increase or decrease by one percent, and all other assumptions were held constant, the defined benefit obligation would increase by \$159 thousand or decrease by \$104 thousand, respectively.

**Notes to the Consolidated Financial Statements**

---

**NOTE 17: - CONTINGENT LIABILITIES AND COMMITMENTS**

- a. On August 23, 2010, the Company entered into a 30-year collaboration agreement with Baxter Healthcare Corporation (“Baxter”) with respect for granting of the distribution rights for GLASSIA. During 2015, Baxter assigned all its rights under the collaboration agreement to Baxalta US Inc. (“Baxalta”) which was acquired during 2016 by Shire plc. (“Shire”), which is now part of Takeda (“Takeda” and in these consolidated financial statements Baxter, Baxalta and Shire will be referred to as “Takeda”).

The collaboration agreement consists of three main agreements (1) an Exclusive Manufacturing, Supply and Distribution agreement for GLASSIA in the United States, Canada, Australia and New Zealand (the “Territory” and the “Distribution Agreement”, respectively); (2) Technology License Agreement for the use of the Company’s knowhow and patents for the production, continued development and sale of GLASSIA by Takeda (the “License Agreement”) in the Territory; and (3) A Paste Supply Agreement for the supply by Takeda of plasma derived fraction IV-1 to be used by the Company for the production of GLASSIA (the “Raw Materials Supply Agreement”).

Pursuant to the agreements, the Company was entitled to certain upfront and milestone payments at a total amount of \$45 million, all of which were received and accounted for as income through December 31, 2021, and for a minimum commitment of Takeda to acquire GLASSIA produced by the Company over the term of the Distribution Agreement. In addition, upon initiation of sales of GLASSIA manufactured by Takeda, the Company would be entitled to royalty payments at a rate of 12% on net sales of Glassia through August 2025, and at a rate of 6% thereafter until 2040, with a minimum of \$5 million annually (the “Royalty Payments”).

During 2021, the Company terminated the production and supply of GLASSIA to Takeda and Takeda initiated its own production of the product for distribution in the territory. In addition, during 2022, the Company transferred to Takeda the U.S. Biologics License Application (BLA) of the product, in consideration for a \$2 million payment from Takeda, which was paid by Takeda and accounted for as income during the first quarter of 2022.

Commencing 2022, the Company collected royalty payments from Takeda (per the agreement term as described above). For the years ended December 31, 2025, 2024 and 2023 the Company accounted for a total of \$15,817 thousand, \$16,882 thousand and \$16,129 thousand from sales-based royalty income from Takeda, respectively.

Pursuant to the Distribution Agreement, Takeda is responsible for conducting any required additional clinical studies required to obtain or maintain GLASSIA’s marketing authorization in the Territory. Under certain conditions, the Company will be required to participate in the funding of these clinical studies in a total amount not to exceed \$10 million. Through December 31, 2025, the Company did not make any payments on account of such clinical studies funding.

Pursuant to the Raw Material Supply Agreement, the Company has the right to acquire from Takeda plasma derived fraction IV-1 for its continued development and for the production, sale and distribution of GLASSIA by the Company outside the Territory.

**Notes to the Consolidated Financial Statements**

---

**NOTE 17: - CONTINGENT LIABILITIES AND COMMITMENTS (CONT.)**

- b. In November 2006, the Company entered into an agreement with PARI GmbH (“PARI”) in connection with a supply by PARI of a certain medical device required for the development of the Company’s Inhaled AAT product. Pursuant to the agreement, the Company was licensed to use developments made by PARI, obtained certain quantities of devices for carrying out clinical trials, and committed to pay PARI royalties based on sales of the devices through the later of the device patents expiration period or 15 years from the first commercial sale of the Company’s Inhaled AAT product.

In February 2008, the parties executed an amendment to the agreement according to which the exclusive global license granted to the Company was expanded to two additional indications. The royalties’ obligations mentioned above, was applicable to all indications.

In addition, the parties entered into a commercialization and supply agreement, which ensured long-term regular supply of the device, including spare parts.

In May 2019, the Company signed a Clinical Study Supply Agreement (“CSSA”) with PARI for the supply of the required quantities of controller kits and the web portal associated with PARI’s device required for the Company’s continued clinical trials with respect to the Inhaled AAT product. The CSSA is a supplement agreement to the commercialization and supply agreement and will expire upon the expiration or termination of such agreement.

Following a decision to discontinue the Inhaled AAT product development, the Company is in the process of terminating its agreements with PARI.

- c. In July 2011, the Company entered into a strategic collaboration agreement with Kedrion Biopharma Inc. (“Kedrion”) for clinical development, marketing, distribution, and sales in the United States of the Company’s rabies immune globulin (Human) under the trade name KEDRAB. The product is manufactured and marketed by the Company in other countries under a different trade name KAMRAB. The Company obtained U.S marketing authorization from the FDA for KEDRAB in August 2017, and the commercial launch of the product in the United States was initiated at the beginning of 2018.

In October 2016, the parties entered into an amendment to the agreement pursuant to which the parties agreed to conduct a required post-marketing-commitment clinical study which was initiated in March 2017 and finalized during 2020. The cost of the study was equally shared between the parties.

In December 2023, the Company entered into a binding memorandum of understanding with Kedrion for the amendment and extension of the distribution agreement between the parties, which represents the largest commercial agreement secured by us to date. In January 2025, we entered into the fifth amendment to the supply and distribution agreement, which memorializes the agreements and undertakings set forth in a binding memorandum of understanding, along with additional terms and conditions. Under these agreements, during the first four years of the eight-year term that began in January 2024, Kedrion committed to purchasing minimum quantities of KEDRAB, with aggregate revenues for us of approximately \$180 million for such four-year period, of which a minimum of approximately \$90.0 million is to be acquired during the remaining two years of such four-year period (i.e., 2026 through 2027).

**Notes to the Consolidated Financial Statements**

---

**NOTE 17: - CONTINGENT LIABILITIES AND COMMITMENTS (CONT.)**

- d. In July 2019, the Company entered into a 7-year Master Clinical Services Agreement with a third party for the provision of certain clinical research services and other tasks to be performed by such third party, in connection with the Company's Phase 3 clinical study for its inhaled AAT product.

Following a decision to discontinue the Inhaled AAT product development, the Company is currently in the process of negotiating the close out activities to be carried out by the third party as well as the termination of the agreement upon completion of such activities.

- e. In December 2019, the Company entered into several agreements with Alvotech ehf. ("Alvotech"), a global biopharmaceutical company, to commercialize Alvotech's portfolio of five biosimilar product candidates in Israel, upon receipt of regulatory approval from the IL MOH. Pursuant to the agreements, the Company was obligated to pay Alvotech certain milestone payments, in advance of the launch of the five biosimilar in Israel. In February 2022, two additional agreements were executed adding two additional biosimilar products to the products portfolio.

- f. On January 14, 2021, the Company entered into an agreement with undisclosed international pharmaceutical companies to commercialize one of the distribution products, in Israel. Pursuant to the agreement the Company is obligated to pay royalties in the amount of 24% out of the net revenue from the sale of the product in the Israeli market.

- g. See Note 13a(1) for of the Company's obligation to pay contingent consideration subject the achievement of sales thresholds.

See Note 13a(2) for the Company's assumed liability for certain of Saol's obligations for the future payment of royalties.

- h. In May 2022, the Company terminated a distribution agreement with a third-party engaged to distribute the Company's propriety 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 June 13, 2023, the Affiliate filed a Statement of Claim with the tribunal of first instance in Geneva, seeking alleged damages in the total amount of \$6.7 million. The Company filed a motion with the tribunal of first instance challenging its jurisdiction over the Affiliate's claims, submitting that such claims should have been brought before an arbitral tribunal, as contractually agreed between the parties.

On April 22, 2025, the tribunal dismissed the Distributer's action and declared it inadmissible due to a lack of jurisdiction in Switzerland. On May 27, 2025, the Distributor challenged the decision rendered by the tribunal of first instance, claiming that the tribunal of first instance wrongly declined jurisdiction. The allegations raised by the Distributer in this appeal are largely reiterations of what it argued in front of the tribunal of first instance. On September 8, 2025, the Company provided its response to the Distributer's appeal. In October and November 2025, two further briefs (one from each party) were exchanged. The Court of Appeals will now decide on the appeal; a ruling on the appeal is expected later in 2026.

To date, it is not possible to assess the prospects of the claim against the Company and any potential liabilities and impact on the Company's business.

## Notes to the Consolidated Financial Statements

## NOTE 18: - GUARANTEES AND CHARGES

- a. The Company provided a bank guarantee in the amount of \$249 thousand mainly in favor of the lessor of its leased office facility in Rehovot, Israel, as guarantee for meeting its obligations under the lease agreement.
- b. The Company provided a bank guarantee in the amount of \$247 thousand as part of the terms and conditions of a tender. In order to obtain the bank guarantee the Company deposited the full amount of the bank guarantee in a collateral account. Refer to Note 7 for further information.
- c. The Company provided a security deposit totaling \$423 thousand in accordance with the terms and conditions of the lease agreements for its Houston and San Antonio plasma collection centers. These deposits serve as a guarantee to ensure compliance with the Company's obligations under these agreements. Pursuant to the Houston center lease agreement, the Company is entitled for an annual partial reimbursement of \$40 thousand of the security deposit for each year of the initial 10-year lease period.

## NOTE 19: - EQUITY

- a. Share capital

|                                    | December 31, 2025 |             | December 31, 2024 |             |
|------------------------------------|-------------------|-------------|-------------------|-------------|
|                                    | Authorized        | Outstanding | Authorized        | Outstanding |
| Ordinary shares of NIS 1 par value | 70,000,000        | 57,686,056  | 70,000,000        | 57,505,031  |

- b. Changes in share capital:

Issued and outstanding share capital:

|                                       | Number of<br>shares |
|---------------------------------------|---------------------|
| Balance as of January 1, 2024         | 57,479,528          |
| Exercise of options into share units  | 23,628              |
| Vesting of restricted shares units    | 1,875               |
| Balance as of December 31, 2024       | 57,505,031          |
| Exercise of options into shares units | 181,025             |
| Balance as of December 31, 2025       | 57,686,056          |

**Notes to the Consolidated Financial Statements**

---

**NOTE 19: - EQUITY (CONT.)**c. Rights attached to Shares

Voting rights at the shareholders general meeting, rights to dividend, rights in case of liquidation of the Company and rights to nominate directors.

d. Share options and restricted shares units

During 2025 and 2024, 756,704 and 189,154 share options, respectively, were exercised, on a net exercise basis, into 181,025 and 23,628 ordinary shares of NIS 1 par value each. The total consideration from such exercises amounted to \$50 thousand and \$7 thousand for 2025 and 2024, respectively.

No restricted share units vested during 2025, while 1,875 restricted share units vested during 2024.

For additional information regarding options and restricted shares units granted to employees and management in 2025, refer to Note 20 below.

e. Capital management in the Company.

The Company's goals in its capital management are to preserve capital ratios that will ensure stability and liquidity to support business activity and create maximum value for shareholders.

f. Issuance of ordinary shares by the Company.

On November 21, 2019, FIMI, the leading private equity firm in Israel acquired from third parties 5,240,956 ordinary shares at a price of \$6.00, representing ownership of approximately 13% of the Company's then outstanding shares.

On February 10, 2020, the Company consummated a private placement with FIMI, pursuant to which the Company issued 4,166,667 ordinary shares at a price of \$6.00 per share, for total gross proceeds of \$25,000 thousand. Upon closing of the private placement, FIMI's aggregate ownership represented approximately 21% of the Company's then outstanding shares.

On September 7, 2023, the Company consummated a private placement with FIMI, pursuant to which the Company issued 12,631,579 ordinary shares at a price of \$4.75 per share (which represented the average closing price of the Company's shares on NASDAQ during the 20 trading days prior to the date of execution of the private placement), for total gross proceeds of \$60,000 thousand. Following the closing of the private placement, FIMI beneficially owned approximately 38% of the Company's outstanding ordinary shares and became a controlling shareholder of the Company, within the meaning of the Israeli Companies Law, 1999.

Concurrently with the execution of the share purchase agreement, the Company entered into an amended and restated registration rights agreement with FIMI pursuant to which, among other things, the Company undertook to file with the U.S. Securities and Exchange Commission a registration statement registering the resale of all of the ordinary shares held by FIMI, per its request, at any time commencing after the lapse of six months following the closing of the private placement.

Ms. Lilach Asher-Topilsky, the Chairman of the Board of Directors, of the Company, and Messrs. Ishay Davidi and Uri Botzer, members of the Company's Board of Directors, are executives of FIMI.

## Notes to the Consolidated Financial Statements

## NOTE 20: - SHARE-BASED PAYMENT

On July 24, 2011, the Company's Board of Directors adopted the 2011 Israeli Share Option Plan. In September 2016, the Company's Board of Directors approved an amendment to the plan, to include the issuance of restricted shares units ("RSU") under the plan and renamed it the Israeli Share Award Plan ("2011 Plan"). In August 2021, the Company's Board of Directors approved a 10-year extension of the 2011 Plan, through August 9, 2031, and adopted a few additional amendments to the 2011 Plan. The 2011 Plan was further amended in October 2022.

Options and RSU's granted under the 2011 Plan, prior to January 2020, generally vest over a four-year period following the date of the grant in 13 installments: 25% on the first anniversary of the grant date and 6.25% at the end of each quarter thereafter. As of 2020, options and RSUs granted under the 2011 Plan generally vest in four equal annual installments of 25% each.

In February 2022, the Company's Board of Directors adopted the U.S. Taxpayer Appendix to the 2011 Plan (the "U.S. Appendix"), which provides for the grant of options and RSU to persons who are subject to U.S. federal income tax. The U.S. Appendix provides for the grant to U.S. employees of options that qualify as incentive stock options ("ISOs") under the U.S. Internal Revenue Code of 1986, as amended. The U.S. Appendix was approved by our shareholders at the annual general meeting held in December 2022.

a. Expense recognized in the financial statements

The share-based compensation expense that was recognized for services received from employees and members of the Company's Board of Directors is presented in the following table:

|                                | For the Year Ended December 31 |               |                 |
|--------------------------------|--------------------------------|---------------|-----------------|
|                                | 2025                           | 2024          | 2023            |
|                                | U.S. Dollar in thousands       |               |                 |
| Cost of revenues               | \$ 213                         | \$ 159        | \$ 249          |
| Research and development       | 102                            | 96            | 167             |
| Selling and marketing          | 175                            | 177           | 238             |
| General and administrative     | 355                            | 435           | 660             |
| Total share-based compensation | <u>\$ 845</u>                  | <u>\$ 867</u> | <u>\$ 1,314</u> |

**Notes to the Consolidated Financial Statements**

---

**NOTE 20: - SHARE-BASED PAYMENT (CONT.)**b. Share options granted:

On February 29, 2024, the Company's Board of Directors approved the grant of options to purchase up to 27,468 ordinary shares of the Company under the 2011 Plan and the US Appendix which were allocated as follows:

Under the Israeli Share Option Plan:

- 20,800 options to purchase the ordinary shares of the Company, at an exercise price of NIS 23.91 (USD 6.67) per share. The fair value of the options calculated on the date of grant using the binomial option valuation model was estimated at \$48 thousands.

Under the US Appendix:

- 6,668 options to purchase the ordinary shares of the Company, at an exercise price of USD 6.62 per share. The fair value of the options calculated on the date of grant using the binomial option valuation model was estimated on the date of grant at \$18 thousands.

On July 21, 2024, the Company's Board of Directors approved the grant of options to purchase up to 15,081 ordinary shares of the Company, under the 2011 Plan and the US Appendix which were allocated as follows:

Under the Israeli Share Option Plan:

- 9,049 options to purchase the ordinary shares of the Company, at an exercise price of NIS 22.01 (USD 6.06) per share. The fair value of the options calculated on the date of grant using the binomial option valuation model was estimated at \$19 thousands.

Under the US Appendix:

- 6,032 options to purchase the ordinary shares of the Company, at an exercise price of USD 6.07 per share. The fair value of the options calculated on the date of grant using the binomial option valuation model was estimated on the date of grant at \$15 thousands.

## Notes to the Consolidated Financial Statements

## NOTE 20: - SHARE-BASED PAYMENT (CONT.)

## b. Share options granted: (cont.)

On October 22, 2025, the Company's Board of Directors approved the grant of up to 1,570,000 options to purchase ordinary shares of the Company, under the 2011 Plan and the US Appendix which were allocated as follows:

Under the Israeli Share Option Plan:

- Up to 1,312,000 options to purchase ordinary shares of the Company were granted at an exercise price of NIS 23.75 (USD 7.20) per share. The fair value of these options, calculated on the date of grant using the binomial option valuation model, was estimated at \$3,249 thousand. The grant included 400 thousand options awarded to the Chief Executive Officer, which were approved by the Annual General Meeting on December 10, 2025.

Under the US Appendix:

- Up to 258,000 options to purchase ordinary shares of the Company were granted at an exercise price of USD 7.14 per share. The fair value of these options, as estimated on the grant date, was \$653 thousands.

c. Change of Awards during the Year

The following table lists the number of share options, the weighted average exercise prices of share options and changes in share options grants during the year:

Under the Israeli Share Option Plan:

|   | 2025              |   | 2024              |   | 2023              |   |
|---|-------------------|---|-------------------|---|-------------------|---|
|   | Number of Options | Weighted Average Exercise Price<br>In NIS | Number of Options | Weighted Average Exercise Price<br>In NIS | Number of Options | Weighted Average Exercise Price<br>In NIS |
| Outstanding at beginning of year                                      | 2,567,488         | 19.81                                     | 3,022,098         | 19.81                                     | 3,022,314         | 19.91                                     |
| Granted   | 1,312,000         | 23.75                                     | 29,849            | 23.33                                     | 321,264           | 18.60                                     |
| Exercised   | (742,654)         | 19.86                                     | (189,154)         | 18.49                                     | (42,175)          | 19.04                                     |
| Forfeited   | (57,839)          | 18.32                                     | (295,305)         | 20.90                                     | (279,305)         | 19.57                                     |
| Outstanding at end of year <sup>(1)</sup>                             | 3,078,995         | 21.53                                     | 2,567,488         | 19.81                                     | 3,022,098         | 19.81                                     |
| Exercisable at end of year <sup>(2)</sup>                             | 1,206,709         | 20.18                                     | 1,518,437         | 20.25                                     | 1,412,709         | 20.40                                     |
| The weighted average remaining contractual life for the share options |                   | 5.88                                      |                   | 3.49                                      |                   | 3.93                                      |

(1) The range of exercise prices for share options outstanding as of December 31, 2025, were NIS 16.53- NIS 29.68. Exercise is by net exercise method.

(2) The weighted average exercise price of the exercisable options at December 31, 2025, 2024 and 2023 translated into U.S. dollars as of the relevant exchange rate on those days is \$6.12, \$5.55, \$5.62, respectively.

Under the US Appendix:

|   | 2025              |   | 2024              |   | 2023              |   |
|---|-------------------|---|-------------------|---|-------------------|---|
|   | Number of Options | Weighted Average Exercise Price<br>In USD | Number of Options | Weighted Average Exercise Price<br>In NIS | Number of Options | Weighted Average Exercise Price<br>In NIS |
| Outstanding at beginning of year                                      | 250,583           | 5.61                                      | 247,883           | 5.56                                      | 225,500           | 5.55                                      |
| Granted   | 258,000           | 7.14                                      | 12,700            | 6.36                                      | 22,383            | 5.64                                      |
| Exercised   | (19,050)          | -   | -                 | -   | -                 | -   |
| Forfeited   | (8,100)           | 5.65U                                     | (10,000)          | 5.36                                      | -                 | -   |
| Outstanding at end of year <sup>(1)</sup>                             | 481,433           | 6.44                                      | 250,583           | 5.61                                      | 247,883           | 5.56                                      |
| Exercisable at end of year  | 153,361           | 5.60                                      | 113,345           | 5.56                                      | 56,375            | 5.55                                      |
| The weighted average remaining contractual life for the share options |                   | 6.46                                      |                   | 4.06                                      |                   | 5.00                                      |

(1) The range of exercise prices for share options outstanding as of December 31, 2024, were USD 4.57- USD 7.14 Exercise is by net exercise method.

## Notes to the Consolidated Financial Statements

## NOTE 20: - SHARE-BASED PAYMENT (CONT.)

- d. The following table lists the number of RSUs and changes in RSUs grants during the year:

|  | Number of RSUs |         |          |
|--|----------------|---------|----------|
|  | 2025           | 2024    | 2023     |
| Outstanding at beginning of year   | -              | 1,875   | 14,705   |
| Granted  | -              | -       | -        |
| End of restriction period  | -              | (1,875) | (12,444) |
| Forfeited  | -              | -       | (386)    |
| Outstanding at end of year   | -              | -       | 1,875    |
| The weighted average remaining contractual life for the restricted share units | -              | -       | 0.25     |

- e. Measurement of the fair value of share options:

The Company uses the binomial model when estimating the grant date fair value of equity-settled share options. The measurement was made at the grant date of equity-settled share options.

The following table lists the inputs to the binomial model used for the fair value measurement of equity-settled share options for the above plan.

|   | 2025      | 2024        | 2023        |
|---|-----------|-------------|-------------|
| Dividend yield (%)                          | -         | -           | -           |
| Expected volatility of the share prices (%) | 32-36     | 29-38       | 26-38       |
| Risk-free interest rate (%)                 | 3.69-4.03 | 3.74-4.87   | 3.76-4.70   |
| Contractual term of up to (years)           | 10        | 6.5         | 6.5         |
| Weighted average share prices (NIS)         | 23.75     | 20.82-22.77 | 16.10-19.46 |
| Expected average forfeiture rate (%)        | 8.5       | 8.5         | 8.5         |

Under the US Appendix:

|   | 2025      | 2024      | 2023      |
|---|-----------|-----------|-----------|
| Dividend yield (%)                          | -         | -         | -         |
| Expected volatility of the share prices (%) | 38-41     | 38-43     | 34-47     |
| Risk-free interest rate (%)                 | 3.44-3.97 | 3.04-6.11 | 3.76-5.03 |
| Contractual term of up to (years)           | 10        | 6.5       | 6.5       |
| Weighted average share prices (USD)         | 7.14      | 5.88-6.30 | 4.22-5.55 |
| Expected average forfeiture rate (%)        | 8.5       | 8.5       | 5-8.5     |

**NOTE 21: - TAXES ON INCOME**a. Tax laws applicable to the Company.Law for the Encouragement of Industry (Taxes), 1969

The Law for the Encouragement of Industry (Taxes), 1969 (the “Encouragement of Industry Law”), provides several tax benefits for “Industrial Companies.” Pursuant to the Encouragement of Industry Law, a company qualifies as an Industrial Company if it is a resident of Israel and at least 90% of its income in any tax year (other than income from certain government loans) is generated from an “Industrial Enterprise” that it owns. An Industrial Enterprise is defined as an enterprise whose principal activity, in a given tax year, is industrial activity.

An Industrial Company is entitled to certain tax benefits, including: (i) a deduction of the cost of purchases of patents, know-how and certain other intangible property rights (other than goodwill) used for development or promotion of the Industrial Enterprise in equal amounts over a period of eight years, beginning from the year in which such rights were first used, (ii) the right to elect to file consolidated tax returns, under certain conditions, with additional Israeli Industrial Companies under its control, and (iii) the right to deduct expenses related to public offerings in equal amounts over a period of three years beginning from the year of the offering.

Eligibility for benefits under the Encouragement of Industry Law is not contingent upon the approval of any governmental authority. The Company believes that it currently qualifies as an industrial company within the definition of the Industry Encouragement Law. The Company cannot confirm that the Israeli tax authorities will agree that the Company qualifies, or, if qualified, that it will continue to qualify as an industrial company or that the benefits described above will be available to the Company in the future.

Law for the Encouragement of Capital Investments, 1959Tax benefits prior to Amendment 60

The Company’s facilities in Israel have been granted Approved Enterprise status under the Law for the Encouragement of Capital Investments, 1959, commonly referred to as the “Investment Law”. The Investment Law provides that capital investments in a production facility (or other eligible assets) may be designated as an Approved Enterprise.

Under the Approved Enterprise programs, a company is eligible for certain benefits such as governmental grants and tax incentives. The benefits period is limited to the earlier of 12 years from completion of the investment or commencement of production (“Year of Operation”), or 14 years from the year in which the certificate of approval was obtained.

The Company’s benefit period under the Approved Enterprise programs ended by the end of 2017.

**Notes to the Consolidated Financial Statements**

---

**NOTE 21: - TAXES ON INCOME (CONT.)**a. Tax laws applicable to the Company (cont.)Tax benefits under Amendment 60

On April 1, 2005, an amendment to the Investment Law was affected (“Amendment 60”). The amendment revised the criteria for investments qualified to receive tax benefits. An eligible investment program under the amendment will qualify for benefits as a Privileged Enterprise (rather than the previous terminology of Approved Enterprise).

In May 2012, the Company received a Tax Ruling from the Israeli Tax Authority that its activity is an industrial activity, and the Company will be eligible for the status of a Privileged Enterprise, provided that it meets the requirements under the ruling. Pursuant to the Tax Ruling, the Year of Election was 2009. The Company also subsequently elected 2012 as a Year of Election. Through December 31, 2023, the Company did not utilize the tax benefits under its Privileged Enterprise and those expired at the end of 2023.

In January 2015, the Company obtained a ruling from the ITA pursuant to which royalties-based income related to GLASSIA will be considered “Privileged Income” (within the meaning of the Investment Law), subject to meeting certain conditions detailed in the ruling.

Amendment 68 to the Encouragement Law:

As of January 1, 2011, new legislation amending the Investment Law was affected. Pursuant to Amendment 68 a new status of “Preferred Company” and “Preferred Enterprise”, replacing the then existing status of “Privileged Company” and “Privileged Enterprise”. A Preferred Company is an industrial company owning a Preferred Enterprise which meets certain conditions (including a minimum threshold of 25% export). However, under this new legislation the requirement for a minimum investment in productive assets was cancelled.

Under Amendment 68, a uniform corporate tax rate will apply to all qualifying income of the Preferred Company, as opposed to the former law, which was limited to income from the Approved Enterprises during the benefits period.

The Company evaluated the effect of the adoption of Amendment 68 on its tax position, and as of the date of the approval of the financial statements, , and while the Company have not yet utilized the benefits under Amendment 68, it may do so in subsequent fiscal years.

Amendment 73 to the Encouragement Law:

Amendment 73 to the Encouragement Law also prescribes special tax tracks for technological enterprises, which became effective in 2017, as follows: Preferred technological enterprise, which is defined in the Encouragement Law as a company that owns the enterprise and is a member of a group whose total consolidated revenues are less than NIS 10 billion in the tax year, will be subject to tax at a rate of 12% on profits deriving from intellectual property (in development area A - a tax rate of 7.5%). Special preferred technological enterprise which is a member of a group whose total consolidated revenues exceed NIS 10 billion in the tax year will be subject to tax at a rate of 6% on preferred income from the enterprise, regardless of the enterprise’s geographical location. Any dividends distributed to “foreign companies”, as defined in the Encouragement Law, deriving from income from the technological enterprises will be subject to tax at a rate of 4%, subject to the conditions prescribed in Section 51Z to the Encouragement Law.

The Company evaluated the effect of the adoption of Amendment 73 on its tax position, and as of the date of the approval of the financial statements, the Company did not apply for the benefits under Amendment 73. The Company may elect to apply for these benefits in the future.

b. Tax rates applicable to the Company (other than the applicable preferred tax)

The Israeli corporate income tax rate was 23% since 2018.

c. Tax assessments

The Company has finalized tax assessments through the end of tax year 2020.

## Notes to the Consolidated Financial Statements

## NOTE 21: - TAXES ON INCOME (CONT.)

d. Taxation of the subsidiaries:

Kamada Inc and Kamada Plasma LLC (“US subsidiaries”) are incorporated in the United States and are subject to U.S. Federal and State tax laws and Franchise Tax. The two subsidiaries file a joint tax return.

On December 22, 2017, the Tax Cuts and Jobs Act (the “Act”) was signed into law. Among other things, the Act reduces the corporate tax rate to 21% from 35%.

On February 16, 2022, the Company incorporated KI Biopharma LLC, as a wholly owned subsidiary of Kamada Ltd. KI Biopharma LLC is a disregarded (tax transparent) entity for U.S. tax purposes.

e. Carry forward losses for tax purposes and other temporary differences

As of December 31, 2025, the Company has estimated carried forward losses in the amount of \$12,124 thousand. Final tax assessments for the years 2021 onwards could have an impact on the balance of carry forward tax losses.

As of December 31, 2025, the US subsidiaries had carried forward losses and other temporary differences in the amount of \$2,003 thousand.

f. Uncertain tax positions

The Company analyzed uncertainties related to income taxes in its financial statements and assessed whether they have any potential impact on the financial statements. As of December 31, 2025 and 2024, the Company recorded tax expenses of \$1.2 million and \$0.2 million, respectively, as a provision for uncertain tax positions in accordance with IFRIC 23.

g. Deferred taxes:

As of December 31, 2025, the Company recorded deferred tax liability, net at an amount of \$1,651 thousand representing utilization of previously unrecognized tax losses and other deductible temporary differences as the Company considered it probable that future taxable profits will be available against which they can be utilized. As a result, the Company recognized deferred tax expense of \$2,009 thousands and \$130 thousands was recognized in equity.

h. Major components of deferred tax assets and deferred tax liabilities:

|   | <u>Year ended<br/>December 31<br/>2025</u> | <u>Year ended<br/>December 31<br/>2024</u> |
|---|--|--|
|   | <u>U.S. Dollars<br/>in thousands</u>       | <u>U.S. Dollars<br/>in thousands</u>       |
| Deferred tax assets:                        |  |  |
| Carryforward tax losses                     | \$ 2,061                                   | \$ 2,281                                   |
| Research and development expenses           | 2,304                                      | 2,511                                      |
| Accrued expenses                            | 692  | 481  |
| Property plant and equipment and lease, net | 791  | 689  |
| Other                                       | -  | 112  |
| Total Deferred tax assets                   | <u>\$ 5,848</u>                            | <u>\$ 6,074</u>                            |
| Deferred tax liability:                     |  |  |
| Intangible assets and goodwill              | (7,350)                                    | (5,567)                                    |
| Other                                       | (147)                                      | (19)                                       |
| Deferred tax liability                      | <u>\$ (7,497)</u>                          | <u>\$ (5,586)</u>                          |
| Deferred tax assets, net                    | <u>\$ (1,651)</u>                          | <u>\$ 488</u>                              |

## Notes to the Consolidated Financial Statements

## NOTE 21: - TAXES ON INCOME (CONT.)

i. Taxes on income

|                               | Year ended December 31,   |                   |               |
|-------------------------------|---------------------------|-------------------|---------------|
|                               | 2025                      | 2024              | 2023          |
|                               | U.S. Dollars in thousands |                   |               |
| Current taxes                 | \$ 1,260                  | \$ 209            | \$ 145        |
| Deferred tax expense (income) | 2,009                     | (1,337)           | -             |
| Taxes on income               | <u>\$ 3,269</u>           | <u>\$ (1,128)</u> | <u>\$ 145</u> |

j. Theoretical tax

2024-2025

The table below represent the reconciliation between the statutory tax rate and the effective tax rate as recorded in profit or loss

|  | Year ended   | Year ended   |
|--|--------------|--------------|
|  | December 31  | December 31  |
|  | 2025         | 2024         |
|  | U.S. Dollars | U.S. Dollars |
|  | in thousands | in thousands |
| Gain before taxes on income                          | 23,467       | \$ 13,334    |
| Statutory tax rate                                   | 23%          | 23%          |
| Tax (tax benefit) computed at the statutory tax rate | 5,397        | 3,067        |

**Increase (decrease) in taxes resulting from permanent differences - the tax effect:**

|  |              |                   |
|--|--------------|-------------------|
| Effect of creating deferred taxes at a rate different from the primary tax rate  | (516)        | 177               |
| Nondeductible expenses for tax purposes  | (845)        | 2,095             |
| Unrecognized temporary differences of foreign subsidiaries   | 918          | 158               |
| Utilization of tax losses and benefits from prior years for which deferred taxes were not created  | (742)        | (4,955)           |
| Effect of change on current and deferred tax assets  | -            | (1,490)           |
| Difference between measurement basis of income/expenses for tax purposes and measurement basis of income/expenses for financial reporting purposes | (91)         | (78)              |
| Recognition of uncertain tax position  | 1,219        | (*) 210           |
| Tax effect of exchange rate differences  | (2,071)      | (*) (312)         |
| Tax (benefit) expense  | <u>3,269</u> | <u>\$ (1,128)</u> |

(\*) Prior period amounts have been recast to conform to the current period presentation.

2023

The reconciliation between the statutory tax rate and the effective tax rate as recorded in profit or loss for the years ended December 31, 2023, does not provide significant information, mainly because the Company did not recognize deferred taxes, and therefore is not presented.

## Notes to the Consolidated Financial Statements

## NOTE 22: - SUPPLEMENTARY INFORMATION TO THE STATEMENTS OF PROFIT AND LOSS

a. Additional information about revenues

|   | Year Ended December 31,   |                  |                  |
|---|---------------------------|------------------|------------------|
|   | 2025                      | 2024             | 2023             |
|   | U.S. Dollars in thousands |                  |                  |
| Revenues from major customers each of whom amount to 10% or more, of total revenues |                           |                  |                  |
| Customer A <sup>(1)</sup>   | \$ 53,649                 | \$ 49,958        | \$ 32,800        |
| Customer B <sup>(2)</sup>   | (*)                       | 16,882           | 16,129           |
|   | <u>\$ 53,649</u>          | <u>\$ 66,840</u> | <u>\$ 48,929</u> |

(\*) In 2025, only Customer A exceeded 10% of total revenues.

(1) Revenue is attributed to the Proprietary segment. Refer to Note 17 (c) for more information.

(2) Revenue is attributed to the Proprietary segment. Refer to Note 17 (a) for more information.

b. Revenues based on the location of the customers, are as follows:

|               | Year Ended December 31,   |                   |                   |
|---------------|---------------------------|-------------------|-------------------|
|               | 2025                      | 2024              | 2023              |
|               | U.S. Dollars in thousands |                   |                   |
| U.S.A         | \$ 99,644                 | \$ 100,504        | \$ 73,741         |
| Israel        | 29,563                    | 25,012            | 31,296            |
| Latin America | 24,223                    | 18,606            | 12,928            |
| Canada        | 10,805                    | 9,457             | 11,162            |
| Europe        | 9,449                     | 4,936             | 7,088             |
| Asia          | 6,720                     | 2,376             | 6,147             |
| Others        | 56                        | 62                | 157               |
| Total Revenue | <u>\$ 180,460</u>         | <u>\$ 160,953</u> | <u>\$ 142,519</u> |

## Notes to the Consolidated Financial Statements

## NOTE 22: - SUPPLEMENTARY INFORMATION TO THE STATEMENTS OF PROFIT AND LOSS (CONT.)

c. Cost of goods sold

|  | Year Ended December 31,   |           |            |
|--|---------------------------|-----------|------------|
|  | 2025                      | 2024      | 2023       |
|  | U.S. Dollars in thousands |           |            |
| Cost of materials <sup>(1)</sup>                 | \$ 62,129                 | \$ 46,673 | \$ 70,308  |
| Salary and related expenses                      | 21,124                    | 17,820    | 16,330     |
| Subcontractors                                   | 11,171                    | 6,302     | 6,354      |
| Depreciation and amortization <sup>(2)</sup>     | 10,829                    | 9,274     | 9,000      |
| Energy   | 1,903                     | 1,390     | 1,383      |
| Other manufacturing expenses                     | 3,025                     | 1,812     | 1,235      |
| Total Cost of goods sold before Inventory change | \$ 110,181                | \$ 83,271 | \$ 104,610 |
| Decrease (increase) in inventories               | (6,128)                   | 7,715     | (17,581)   |
| Total Cost of goods sold                         | \$ 104,053                | \$ 90,986 | \$ 87,029  |

(1) Including cost of finished product acquired and manufacturing services provided by third party contract manufacturing organizations.

(2) Including amortization of intangible assets of \$5,915, \$5,915, and \$5,491 for the years ended December 31, 2025, 2024, and 2023, respectively.

d. Research and development

|  | Year Ended December 31,   |           |           |
|--|---------------------------|-----------|-----------|
|  | 2025                      | 2024      | 2023      |
|  | U.S. Dollars in thousands |           |           |
| Salary and related expenses                | \$ 5,913                  | \$ 5,621  | \$ 5,110  |
| Subcontractors <sup>(1)</sup>              | 3,786                     | 5,354     | 4,677     |
| Materials and allocation of facility costs | 1,622                     | 2,693     | 2,971     |
| Depreciation and amortization              | 749                       | 648       | 586       |
| Others                                     | 925                       | 869       | 589       |
| Total Research and development             | \$ 12,995                 | \$ 15,185 | \$ 13,933 |

(1) On December 8, 2025, the Company announced the discontinuation of its Phase 3 InnovAATe clinical trial of inhaled AAT, following a prespecified interim futility analysis indicating the study was unlikely to meet its primary endpoint.

During the year ended December 31, 2025, prior to conducting the futility analysis, we entered into an exclusivity letter with a third party associated with the potential out-licensing of the distribution rights of the Inhaled AAT product. In consideration of the terms of the exclusivity letter, we received a non-refundable payment of \$3.0 million. Following our decision to discontinue the InnovAATe clinical trial, the exclusivity letter was voided and the payment received was recorded as an offset to the research and development expenses associated with the clinical trial

e. Selling and marketing

|  | Year Ended December 31,   |           |           |
|--|---------------------------|-----------|-----------|
|  | 2025                      | 2024      | 2023      |
|  | U.S. Dollars in thousands |           |           |
| Salary and related expenses                  | \$ 6,685                  | 5,916     | 4,907     |
| Packing, shipping and delivery               | 1,967                     | 1,612     | 1,366     |
| Marketing and advertising                    | 3,753                     | 3,830     | 2,634     |
| Registration and marketing fees              | 3,225                     | 3,705     | 4,362     |
| Depreciation and amortization <sup>(1)</sup> | 2,038                     | 2,085     | 2,090     |
| Others                                       | 787                       | 1,280     | 834       |
| Total Selling and marketing                  | \$ 18,455                 | \$ 18,428 | \$ 16,193 |

(1) Including amortization of intangible assets of \$1,758, \$1,753, and \$1,743 for the years ended December 31, 2025, 2024, and 2023, respectively.



## Notes to the Consolidated Financial Statements

## NOTE 22: - SUPPLEMENTARY INFORMATION TO THE STATEMENTS OF PROFIT AND LOSS (CONT.)

f. General and administrative

|   | Year Ended December 31,   |                  |                  |
|---|---------------------------|------------------|------------------|
|   | 2025                      | 2024             | 2023             |
|   | U.S. Dollars in thousands |                  |                  |
| Salary and related expenses                   | \$ 6,468                  | \$ 5,811         | \$ 5,283         |
| Employees welfare                             | 1,480                     | 1,608            | 1,337            |
| Professional fees and public company expenses | 3,632                     | 3,269*           | 2,994*           |
| Depreciation, amortization and impairment     | 1,300                     | 1,211            | 1,035            |
| Information technology related expenses       | 3,425                     | 1,772            | 1,201            |
| Insurance                                     | 1,387                     | 1,171*           | 1,566*           |
| Others  | 1,032                     | 860*             | 965*             |
| Total General and administrative              | <u>\$ 18,724</u>          | <u>\$ 15,702</u> | <u>\$ 14,381</u> |

\* Reclassified

g. Financial (expense) income

|   | Year Ended December 31,   |                   |                   |
|---|---------------------------|-------------------|-------------------|
|   | 2025                      | 2024              | 2023              |
|   | U.S. Dollars in thousands |                   |                   |
| Financial income  |                           |                   |                   |
| Interest income from cash deposit                             | \$ 1,921                  | \$ 2,118          | \$ 588            |
| Financial expense   |                           |                   |                   |
| Revaluation of long term liabilities                          | (2,652)                   | (8,081)           | (980)             |
| Interest expense on lease liabilities and other finance costs | <u>(864)</u>              | <u>(660)</u>      | <u>(1,298)</u>    |
| Financial income and (expense)                                |                           |                   |                   |
| Derivatives instruments measured at fair value                | (142)                     | (139)             | 149               |
| Translation differences of financial assets and liabilities   | <u>(1,029)</u>            | <u>45</u>         | <u>(94)</u>       |
| Total Financial expense                                       | <u>\$ (2,766)</u>         | <u>\$ (6,717)</u> | <u>\$ (1,635)</u> |

## Notes to the Consolidated Financial Statements

## NOTE 23: - INCOME (LOSS) PER SHARE

- a. Details of the number of shares and income (loss) used in the computation of income (loss) per share

|  | Year Ended December 31,         |  |                                 |  |                                 |  |
|--|---------------------------------|--|---------------------------------|--|---------------------------------|--|
|  | 2025                            |  | 2024                            |  | 2023                            |  |
|  | Weighted<br>Number of<br>Shares | Income<br>Attributed to<br>equity holders<br>of the<br>Company<br>U.S. Dollars<br>in thousands | Weighted<br>Number of<br>Shares | Income<br>Attributed to<br>equity holders<br>of the<br>Company<br>U.S. Dollars<br>in thousands | Weighted<br>Number of<br>Shares | Income<br>Attributed to<br>equity holders<br>of the<br>Company<br>U.S. Dollars<br>in thousands |
| For the computation of basic income (loss)   | 57,646,403                      | 20,198   | 57,487,248                      | 14,462   | 48,830,479                      | \$ 8,284   |
| Effect of potential dilutive ordinary shares | 659,525                         |  | 329,903                         |  | 4,845,035                       | -  |
| For the computation of diluted income (loss) | 58,345,581                      | 20,198   | 57,817,151                      | 14,462   | 53,675,514                      | \$ 8,284   |

- b. The computation of the diluted income per share for the years ending December 31, 2025, 2024 and 2023 considered the options and RSUs due to their dilutive effect.

## NOTE 24: - OPERATING SEGMENTS

- a. General

The operating segments are identified based on information that is reviewed by the chief operating decision makers (“CODM”) to make decisions about resources to be allocated and assess its performance. Accordingly, for management purposes, the Company is organized into operating segments based on the products and services of the business units and has two operating segments as follows:

Proprietary Products Manufacturing, sales and distribution of plasma-derived protein therapeutics and normal source plasma.

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

Segment performance is evaluated based on revenues and gross profit in the financial statements.

The segment results reported to the CODM include items that are allocated directly to the segments and items that can be allocated on a reasonable basis. Items that were not allocated, mainly the Company’s corporate office, research and development costs, sales and marketing costs, general and administrative costs and financial costs (consisting of finance expenses and finance income and including fair value adjustments of financial instruments), are managed on a Company basis.

The segment liabilities do not include loans and financial liabilities as these liabilities are managed on a Company basis. The Company’s CODM does not regularly review asset information by segments and, therefore, the Company does not report asset or liability information by segment.

## Notes to the Consolidated Financial Statements

## NOTE 24: - OPERATING SEGMENTS (CONT.)

b. Reporting on operating segments

|                                 | <u>Proprietary<br/>Products</u>  | <u>Distribution</u> | <u>Total</u>     |
|---------------------------------|----------------------------------|---------------------|------------------|
|                                 | <u>U.S. Dollars in thousands</u> |                     |                  |
| Year Ended December 31, 2025    |                                  |                     |                  |
| Revenues                        | \$ 156,206                       | \$ 24,254           | \$ 180,460       |
| Cost of revenues <sup>(1)</sup> | 83,928                           | 20,125              | 104,053          |
| Gross profit                    | \$ 72,278                        | \$ 4,129            | \$ 76,407        |
| Unallocated corporate expenses  |                                  |                     | (50,174)         |
| Finance expense, net            |                                  |                     | (2,766)          |
| Income before taxes on income   |                                  |                     | <u>\$ 23,467</u> |

|                                 | <u>Proprietary<br/>Products</u>  | <u>Distribution</u> | <u>Total</u>     |
|---------------------------------|----------------------------------|---------------------|------------------|
|                                 | <u>U.S. Dollars in thousands</u> |                     |                  |
| Year Ended December 31, 2024    |                                  |                     |                  |
| Revenues                        | \$ 141,447                       | \$ 19,506           | \$ 160,953       |
| Cost of revenues <sup>(1)</sup> | 73,708                           | 17,278              | 90,986           |
| Gross profit                    | \$ 67,739                        | \$ 2,228            | \$ 69,967        |
| Unallocated corporate expenses  |                                  |                     | (49,916)         |
| Finance expense, net            |                                  |                     | (6,717)          |
| Income before taxes on income   |                                  |                     | <u>\$ 13,334</u> |

|                                 | <u>Proprietary<br/>Products</u> | <u>Distribution</u> | <u>Total</u>    |
|---------------------------------|---------------------------------|---------------------|-----------------|
|                                 | <u>U.S Dollars in thousands</u> |                     |                 |
| Year Ended December 31, 2023    |                                 |                     |                 |
| Revenues                        | \$ 115,458                      | \$ 27,061           | \$ 142,519      |
| Cost of revenues <sup>(1)</sup> | 63,342                          | 23,687              | 87,029          |
| Gross profit                    | \$ 52,116                       | \$ 3,374            | \$ 55,490       |
| Unallocated corporate expenses  |                                 |                     | (45,426)        |
| Finance expense, net            |                                 |                     | (1,635)         |
| Income before taxes on income   |                                 |                     | <u>\$ 8,429</u> |

(1) For amortization expenses included in costs of revenues from proprietary products see Note 22(c); for inventory impairment, included mainly in costs of revenues from proprietary products see Note 8.

## NOTE 25: - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a. Balances with related parties

|                         | <u>December 31,<br/>2025</u>     | <u>December 31,<br/>2024</u> |
|-------------------------|----------------------------------|------------------------------|
|                         | <u>U.S. Dollars in thousands</u> |                              |
| Trade payables          | \$ 102                           | \$ 125                       |
| Other accounts payables | \$ 19                            | \$ 95                        |

## Notes to the Consolidated Financial Statements

## NOTE 25: - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONT.)

b. Transactions with employed/directors that accounts as related parties

|  | Year Ended December 31,   |        |        |
|--|---------------------------|--------|--------|
|  | 2025                      | 2024   | 2023   |
|  | U.S. Dollars in thousands |        |        |
| Remuneration of directors not employed by the Company or on its behalf | \$ 385                    | \$ 400 | \$ 548 |

c. Transactions with key executive personnel (including non-related parties)

|                             | Year Ended December 31,   |          |          |
|-----------------------------|---------------------------|----------|----------|
|                             | 2025                      | 2024     | 2023     |
|                             | U.S. Dollars in thousands |          |          |
| Salary and Related Expenses | \$ 4,133                  | \$ 3,862 | \$ 3,771 |
| Share-based payment         | 486                       | 438      | 728      |
| Total                       | \$ 4,619                  | \$ 4,300 | \$ 4,499 |

d. Transactions with related parties

|                                     | Year Ended December 31,   |        |          |
|-------------------------------------|---------------------------|--------|----------|
|                                     | 2025                      | 2024   | 2023     |
|                                     | U.S. Dollars in thousands |        |          |
| Revenues                            | \$ -                      | \$ -   | \$ 2,676 |
| Cost of Goods Sold                  | \$ 132                    | \$ 29  | \$ 7     |
| General and administrative expenses | \$ 65                     | \$ 159 | \$ 223   |

**Notes to the Consolidated Financial Statements**

---

**NOTE 25: - BALANCES AND TRANSACTIONS WITH RELATED PARTIES (CONT.)**e. Terms of Transactions with Related Parties

Sales to related parties are conducted at market prices. Outstanding trade receivables due from related parties the end of the year bears no interest, and their settlement will be in cash. For the year ended December 31, 2025 the Company recorded no allowance for expected credit losses for trade receivable due from related parties.

1. Tuteur SACIFIA (“Tuteur”), a company registered in Argentina, was formerly controlled by Mr. Ralf Hahn, the former Chairman of the Company’s Board of Directors, and its currently under the control of the Hahn family. Mr. Ralf Hahn’s son, Mr. Jonathan Hahn, currently the President and a director of Tuteur, served as a director of the Company from March 2010 until November 2023.

The Company has a long-standing distribution arrangement with Tuteur for distribution of GLASSIA and KAMRHO(D) in Argentina and several other South American countries. The original agreement was entered into in November 2001 and since was amended, restated several times, including being replaced by a new distribution agreement from May 2020, which was also amended several times since.

Tuteur was considered a related party until November 2023, and upon departure of Mr. Jonathan Hahn from the Company’s Board of Directors it is no longer treated as such.

2. FIMI, the leading private equity firm in Israel, beneficially owns approximately 38% of the Company’s outstanding ordinary shares and is a controlling shareholder of the Company, within the meaning of the Israeli Companies Law, 1999. Refer to Note 19 for further detail.

The following Israeli entities: E&M Computing Ltd, Biolab Ltd and SPIDER SOLUTIONS LTD, which are controlled by or affiliated with the FIMI Funds, are currently engaged by the Company for the provision of certain services relating to its continuous operations in non-material amounts and at market prices.

**NOTE 26: - EVENTS SUBSEQUENT TO THE REPORTING PERIOD**

On March 10, 2026, the Company announced that its Board of Directors has declared a cash dividend of \$0.25 (approximately NIS 0.77) per share on the Company’s common stock (totaling approximately \$14,400 thousands). The cash dividend will be payable on April 6, 2026, to shareholders of record at the close of business on March 23, 2026. The dividend payment is made in accordance with the Company’s dividend policy adopted by the Board of Directors, pursuant to which the Company intends to distribute to its shareholders an annual dividend of at least 50% of its annual net profit, subject to the Board of Directors’ discretion at the time of any such distribution and satisfaction of the applicable dividend distribution tests under the Israeli Companies Law at the time of distribution.

**DESCRIPTION OF SECURITIES**

The descriptions of the securities contained herein summarize the material terms and provisions of the ordinary shares of Kamada Ltd., registered under Section 12 of the Securities Exchange Act of 1934.

**General**

Our authorized and registered share capital is NIS 70,000,000 divided into 70,000,000 ordinary shares, nominal (par) value NIS 1.00 each.

**The Nasdaq Global Select Market**

Our ordinary shares are listed on the Nasdaq Global Select Market and the Tel Aviv Stock Exchange under the symbol "KMDA".

**Memorandum and Articles of Association**

*The following description of our memorandum of association and amended articles of association (the "Amended Articles") are summaries and are qualified in their entirety by reference to the full text of the Memorandum of Association and Amended Articles of Association, filed as Exhibit 1.2 and Exhibit 1.1 to our Annual Report, respectively.*

***Establishment and Purposes of the Company***

We were incorporated under the laws of the State of Israel on December 13, 1990 under the name Kamada Ltd. We are registered with the Israeli Registrar of Companies in Jerusalem. Our registration number is 51-152460-5. Our purpose as set forth in the Amended Articles is to engage in any lawful business.

***Ordinary Shares******Voting***

Holders of our ordinary shares have one vote per ordinary share on all matters submitted to a vote of shareholders at a shareholders' meeting. Shareholders may vote at shareholder meetings either in person, by proxy or, with respect to certain resolutions, by a voting instrument.

Israeli law does not allow public companies to adopt shareholder resolutions by means of written consent in lieu of a shareholder meeting.

***Transfer of Shares***

Fully paid ordinary shares are issued in registered form and may be freely transferred under our articles of association unless the transfer is restricted or prohibited by another instrument, Israeli law or the rules of a stock exchange on which the shares are traded.

---

### ***Election of Directors***

Our ordinary shares do not have cumulative voting rights for the election of directors. Rather, under our articles of association, directors (other than external directors, if any) are elected by the holders of a simple majority of our ordinary shares at a general shareholder meeting (excluding abstentions). As a result, the holders of our ordinary shares that represent more than 50% of the voting power represented at a shareholder meeting and voting thereon (excluding abstentions) have the power to elect any or all of our directors whose positions are being filled at that meeting (subject to the special approval requirements under the Israeli Companies Law, 1999 (the “Companies Law”) for the election of external directors, if any). In addition, under our articles of association, vacancies on our board of directors (other than external director vacancies), including vacancies resulting from there being fewer than the maximum number of directors permitted by our articles of association, may be filled by a vote of a simple majority of the directors then in office, and such appointment shall be valid until the next annual general meeting (or until such director ceases to serve in such capacity, if earlier).

### ***Dividend and Liquidation Rights***

We may declare a dividend to be paid to the holders of our ordinary shares in proportion to their respective shareholdings and may fix the record date for eligibility and the time for payment, subject to the Companies Law. Under the Companies Law, dividend distributions are determined by the board of directors and do not require the approval of the shareholders of a company unless the company’s articles of association provide otherwise. The Amended Articles do not require shareholder approval for a dividend distribution and provide that dividend distributions may be determined by our board of directors. *For additional information, see “Item 8.A. Financial Information — Dividend Policy” in our Annual Report on Form 20-F.*

Pursuant to the Companies Law, unless otherwise approved by a court, we may declare and pay dividends or make other “distributions,” including share repurchases, only out of the greater of our retained earnings or out of our earnings generated over the two years preceding the distribution according to the then last reviewed or audited financial statements (less the amount of previously distributed dividends, if not already reduced from the earnings), provided that the end of the period to which the financial statements relate is not more than six months prior to the date of the distribution (referred to as the “profit test”). If we do not meet the profit test, court approval is required to distribute a dividend. In each case, we are only permitted to distribute a dividend if our board of directors and, if applicable, the court, determines that there is no reasonable concern that the payment of the dividend will prevent us from satisfying our existing and foreseeable obligations as they become due (referred to as the “solvency test”).

Pursuant to regulations promulgated under the Companies Law, in the case of Israeli companies dual listed on the TASE and certain non-Israeli exchanges, including the Nasdaq, or which have offered their shares to the public solely outside of Israel or are listed solely on a non-Israeli exchange, the board of directors may resolve to make a distribution by way of a share repurchase program if it does not meet the profit test without seeking the approval of the court, subject to the following: (i) the company meets the solvency test; and (ii) the company provided a notice to certain creditors regarding its intention to make a distribution by way of a share repurchase program without meeting the profit test and no such creditor submits an objection within 30 days of the notice (otherwise, court approval would be required for such distribution in accordance with the requirements of the Companies Law).

In the event of our liquidation, after satisfaction of liabilities to creditors, our assets legally available for distribution will be distributed to the holders of our ordinary shares in proportion to their shareholdings. This right, as well as the right to receive dividends, may be affected by the grant of preferential dividend or distribution rights to the holders of a class of shares with preferential rights that may be authorized in the future.

### ***Shareholder Meetings***

Under the Companies Law, we are required to convene an annual general meeting of our shareholders at least once every calendar year and within a period of not more than 15 months following the preceding annual general meeting. In addition, the Companies Law provides that our board of directors may convene a special general meeting of our shareholders whenever it sees fit and is required to do so upon the written request of (i) two directors or one quarter of the serving members of our board of directors, or (ii) one or more holders of 5% or more of our outstanding share capital and 1% of our voting power, or the holder or holders of 5% or more of our voting power.

Subject to the provisions of the Companies Law and the regulations promulgated thereunder, shareholders entitled to participate and vote at general meetings are the shareholders of record on a date to be decided by the board of directors, which in the case of an Israeli company whose shares are dual listed on the TASE and on certain exchanges outside of Israel, such as the Nasdaq, may be between four and 60 days prior to the date of the meeting. The Companies Law requires that resolutions regarding the following matters (among others) be approved by our shareholders at a general meeting: amendments to our articles of association; appointment, terms of service and termination of service of our auditors; election of external directors; approval of certain related party transactions; increases or reductions of our authorized share capital; mergers; dissolution of the company by a court, voluntary dissolution or voluntary dissolution in an expedited procedure, and the exercise of our board of director's powers by a general meeting, if our board of directors is unable to exercise its powers and the exercise of any of its powers is essential for our proper management.

The chairman of our board of directors presides over our general meetings. However, if at any general meeting the chairman is not present within 15 minutes after the appointed time or is unwilling to act as chairman of such meeting, then any of the following may preside as chairman of the general meeting (and in the following order): Director, Chief Executive Officer, Chief Financial Officer, Secretary or any person designated by any of the foregoing. If at any such meeting none of the foregoing persons is present or all are unwilling to act as chairman of the general meeting, the shareholders present (in person or by proxy) shall choose a shareholder or its proxy present at the meeting to be chairman of the general meeting.

Israeli law requires that a notice of any annual general meeting or special general meeting be provided to shareholders at least 21 days prior to the meeting and if the agenda of the meeting includes, among other things, the appointment or removal of directors, the approval of transactions with office holders or interested or related parties, an approval of a merger or the approval of the compensation policy, notice must be provided at least 35 days prior to the meeting.

### ***Quorum***

Pursuant to our Amended Articles, the quorum required for a meeting of our shareholders is the presence of two or more shareholders present in person, by proxy or by a voting instrument, who hold at least 25% of our voting power. A meeting adjourned for lack of a quorum is generally adjourned to one week thereafter at the same time and place, or to such other day, time and place, as our board of directors may indicate in the notice of the meeting to the shareholders. Pursuant to our Amended Articles, at the reconvened meeting, the meeting will take place with any number of participants present.

### ***Resolutions***

Under the Companies Law, unless otherwise provided in our Amended Articles or applicable law, all resolutions of the shareholders require a simple majority of the voting rights represented at the meeting, in person, by proxy or, with respect to certain resolutions, by a voting instrument, and voting on the resolution (excluding abstentions). Under Israeli law, a resolution for the voluntary winding up of the company requires the approval by the holders of 75% of the voting rights represented at the meeting, in person or by proxy and voting on the resolution (excluding abstentions). Under our Amended Articles, a merger shall require the approval of a special majority of the shareholders, as described below under "Merger."

### *Access to Corporate Records*

Under the Companies Law, all shareholders generally have the right to review minutes of our general meetings, our shareholder register and register of significant shareholders (as defined in the Companies Law), our Amended Articles, our financial statements and any document we are required by law to file publicly with the Israeli Companies Registrar or the Israel Securities Authority. In addition, any shareholder who specifies the purpose of its request may request to review any document in our possession that relates to: (i) any action or transaction with a related party which requires shareholder approval under the Companies Law; or (ii) the approval, by the board of directors, of an action in which an office holder has a personal interest. We may deny a request to review a document if we determine that the request was not made in good faith, that the document contains a commercial or technological secret or that the document's disclosure may otherwise impair our interests.

### *Acquisitions Under Israeli Law*

#### *Full Tender Offer*

A person wishing to acquire shares of an Israeli public company and who would, as a result, hold over 90% of the target company's issued and outstanding share capital (or over 90% of the issued and outstanding share capital of a certain class of shares) is required by the Companies Law to make a tender offer to all of the company's shareholders (or all of the shareholders who hold shares of the same class) for the purchase of all of the issued and outstanding shares of the company or of a certain class. If the shareholders who do not respond to or accept the offer hold less than 5% of the issued and outstanding share capital of the company or of the applicable class of the shares, and more than half of the shareholders who do not have a personal interest in the offer accept the offer, all of the shares that the acquirer offered to purchase will be transferred to the acquirer by operation of law. However, a tender offer will also be accepted if the shareholders who do not accept it hold less than 2% of the issued and outstanding share capital of the company or of the applicable class of shares.

Upon a successful completion of such a full tender offer, any shareholder that was an offeree in such tender offer, whether such shareholder accepted the tender offer or not, may, within six months from the date of acceptance of the tender offer, petition an Israeli court to determine whether the tender offer was for less than fair value and that the fair value should be paid as determined by the court. However, under certain conditions, the offeror may include in the terms of the tender offer that an offeree who accepted the offer will not be entitled to petition the Israeli court as described above.

If (a) the shareholders who did not respond or accept the tender offer hold at least 5% of the issued and outstanding share capital of the company or of the applicable class or the shareholders who accept the offer constitute less than a majority of the offerees that do not have a personal interest in the acceptance of the tender offer, or (b) the shareholders who did not accept the tender offer hold 2% or more of the issued and outstanding share capital of the company (or of the applicable class), the acquirer may not acquire shares of the company that will increase its holdings to more than 90% of the company's issued and outstanding share capital or of the applicable class from shareholders who accepted the tender offer.

#### *Special Tender Offer*

The Companies Law provides that an acquisition of shares of an Israeli public company must be made by means of a special tender offer if as a result of the acquisition the purchaser would become a holder of 25% or more of the voting rights in the company. This rule does not apply if there is already another holder of 25% or more of the voting rights in the company.

Similarly, the Companies Law provides that an acquisition of shares in a public company must be made by means of a special tender offer if as a result of the acquisition the purchaser would become a holder of more than 45% of the voting rights in the company, provided there is no other shareholder of the company who holds more than 45% of the voting rights in the company.

These requirements do not apply if the acquisition (i) occurs in the context of a private placement that was approved by the company's shareholders and whose purpose is to give the acquirer at least 25% of the voting rights in the company if there is no person who holds 25% or more of the voting rights in the company, or as a private placement whose purpose is to give the acquirer 45% of the voting rights in the company, if there is no person who holds 45% of the voting rights in the company; (ii) was from a shareholder holding 25% or more of the voting rights in the company and resulted in the acquirer becoming a holder of 25% or more of the voting rights in the company; or (iii) was from a holder of more than 45% of the voting rights in the company and resulted in the acquirer becoming a holder of more than 45% of the voting rights in the company.

A special tender offer must be extended to all shareholders of a company. The special tender offer may be consummated only if (i) at least 5% of the voting power attached to the company's outstanding shares will be acquired by the offeror, and (ii) the number of shares tendered in the offer exceeds the number of shares whose holders objected to the offer (excluding controlling shareholders, holders of 25% or more of the voting rights in the company and any person having a personal interest in the acceptance of the tender offer).

In the event that a special tender offer is made, a company's board of directors is required to express its opinion on the advisability of the offer or it may abstain from expressing any opinion if it is unable to do so, provided that it gives the reasons for its abstention.

An office holder in a target company who, in his or her capacity as an office holder, performs an action the purpose of which is to cause the failure of an existing or foreseeable special tender offer or to impair the chances of its acceptance, is liable to the potential purchaser and shareholders for damages resulting from his or her acts, unless such office holder acted in good faith and had reasonable grounds to believe he or she was acting for the benefit of the company. However, office holders of the target company may negotiate with the potential purchaser in order to improve the terms of the special tender offer, and may further negotiate with third parties in order to obtain a competing offer.

If a special tender offer is accepted, then shareholders who did not respond to the special tender offer or had objected to the special tender offer may accept the offer within four days of the last day set for the acceptance of the offer.

In the event that a special tender offer is accepted, then the purchaser or any person or entity controlling it and any corporation controlled by them must refrain from making a subsequent tender offer for the purchase of shares of the target company and may not effect a merger with the target company for a period of one year from the date of the offer, unless the purchaser or such person or entity undertook to effect such an offer or merger in the initial special tender offer.

#### *Merger*

The Companies Law permits merger transactions if approved by each party's board of directors and, unless certain requirements described under the Companies Law are met, a majority of each party's shareholders. Under our Amended Articles, a merger shall require the approval of 66.6% of the voting rights represented at a meeting of our shareholders and voting on the matter, in person or by proxy or voting instrument and voting thereon, and any amendment to such provision shall require the approval of 60% of the voting rights represented at a meeting of our shareholders and voting on the matter, in person or by proxy.

The board of directors of a merging company is required pursuant to the Companies Law to discuss and determine whether in its opinion there exists a reasonable concern that as a result of a proposed merger, the surviving company will not be able to satisfy its obligations towards its creditors, taking into account the financial condition of the merging companies. If the board of directors has determined that such a concern exists, it may not approve a proposed merger. Following the approval of the board of directors of each of the merging companies, the boards of directors must jointly prepare a merger proposal for submission to the Israeli Registrar of Companies.

For purposes of the shareholder vote, unless a court rules otherwise, the merger will not be deemed approved if a majority of the shares voting at the shareholders meeting (excluding abstentions) that are held by parties other than the other party to the merger, any person who holds 25% or more of the outstanding shares or the right to appoint 25% or more of the directors of the other party, or any one on their behalf including their relatives or corporations controlled by any of them, vote against the merger.

In addition, if the non-surviving entity of the merger has more than one class of shares, the merger must be approved by each class of shareholders.

If the transaction would have been approved but for the separate approval of each class of shares or the exclusion of the votes of certain shareholders as provided above, a court may still rule that the company has approved the merger upon the request of holders of at least 25% of the voting rights of a company, if the court holds that the merger is fair and reasonable, taking into account the appraisal of the merging companies' value and the consideration offered to the shareholders.

Under the Companies Law, a merging company must send a copy of the proposed merger plan to its secured creditors no later than three days after the date on which the merger proposal was submitted to the Israeli Companies Registrar. Unsecured creditors are entitled to receive notice of the merger, as provided by the regulations promulgated under the Companies Law. Upon the request of a creditor of a merging company, the court may delay or prevent the merger if it concludes that there exists a reasonable concern that, as a result of the merger, the surviving company will be unable to satisfy the obligations of the target company. The court may also give instructions in order to secure the rights of creditors.

In addition, a merger may not be completed unless at least 50 days have passed from the date that a proposal for approval of the merger was filed with the Israeli Registrar of Companies and 30 days from the date that shareholder approval of both merging companies was obtained.

#### ***Anti-Takeover Measures under Israeli Law***

The Companies Law allows us to create and issue shares having rights different from those attached to our ordinary shares, including shares providing certain preferred or additional rights to voting, distributions or other matters and shares having preemptive rights. We do not have any authorized or issued shares other than ordinary shares. In the future, if we do create and issue a class of shares other than ordinary shares, such class of shares, depending on the specific rights that may be attached to them, may delay or prevent a takeover or otherwise prevent our shareholders from realizing a potential premium over the market value of their ordinary shares. The authorization of a new class of shares will require an amendment to our Amended Articles of association which requires the prior approval of a majority of our shares represented and voting at a general meeting. Shareholders voting at such a meeting will be subject to the restrictions under the Companies Law described above in “— Ordinary Shares — Voting.” Pursuant to the Israeli Securities Law, 5728-1968, a company whose shares are traded on the TASE may not have more than one class of shares except for preferred shares which may have a dividend preference but may not have any voting rights.

#### ***Modification of Class Rights***

The Companies Law and our Amended Articles provide that the rights of a particular class of shares may not be modified without the affirmative vote at a separate meeting of such class of a majority of shares actually participating in such class meeting.

Attn:

□

**Kamada Ltd. (the "Company")**  
**Letter of Exemption from Liability and Undertaking to Indemnify**

**1. General**

1.1. In this letter of exemption from liability and undertaking to indemnify:

“Officers / Directors in the Company” – Including officers and/or directors that serve and/or that shall serve in the future in the Company and/or in subsidiaries and/or affiliated companies of the Company.

(Where it has not been expressly mentioned otherwise, the meaning of the term “officer” in his letter of exemption from liability and undertaking to indemnify shall include - directors).

1.2. The Company shall exempt the officers and directors in the Company from their liability for damage as a result of a breach of a duty of care towards the Company; furthermore the Company shall give such officers and directors an undertaking to indemnify them due to a liability or cost that shall be imposed on them as a result of an action that they committed and/or shall commit by virtue of them being officers and/or directors in it, all as set forth in his letter of exemption from Liability and undertaking to indemnify.

1.3. The terms in the letter of exemption from liability and undertaking to indemnify that were not defined in it shall have the meaning and interpretation given to them in the Companies Law, 5759-1999 (hereinafter the “Law”), unless the context of the matter shall require otherwise.

1.4. This document is worded in the male gender however it is intended for both genders.

**2. Exemption from Liability due to a Breach of the Duty of Care to the Company**

2.1. The Company hereby exempts you from all liability to the Company for any damage that may be caused to it and/or caused to it, whether directly or indirectly, due to a breach of the duty of care owed by you to the Company in your capacity as an officer of the Company and/or its subsidiaries and/or related companies.

2.2. Notwithstanding the foregoing, exemption from liability for any of the following shall not be valid:

2.2.1 Breach of the duty of loyalty.

2.2.2 Breach of the duty of care in connection with a distribution.

- 2.2.3 Breach of the duty of care committed intentionally or recklessly, except where it is committed through negligence alone.
- 2.2.4 Actions performed with intention to derive unlawful personal gain.
- 2.2.5 Fine or penalty imposed upon you.
- 2.2.6 The exemption from liability due to a breach of the duty of care will also not apply in respect of any “counter-claim” of the Company filed against the officer in response to the Officer Holder’s claim filed against the Company, except if the Officer Holder’s claim relates to his or her protected labor law rights under applicable law and/or his or her individual employment agreement with the Company.
- 2.2.7 The exemption from liability due to a breach of the duty of care will also not apply in respect of an action or transaction in which a controlling shareholder of the Company (within the meaning of the Law) or any other officer (including an officer other than you) has a personal interest (within the meaning of the Law).

2.3. Nothing stated in this exemption from liability clause shall derogate from the obligation of the Company to indemnify, as set forth below.

2.4. This exemption reflects the complete and exhaustive arrangement between the Company and you in relation to the matters and subjects set forth herein, and it replaces and supersedes any representation, letter of agreement, offers, summary of discussion, letters of intent and/or of commitment, contract, letter of commitment, written exemption and/or all other document that existed or was replaced, whether written or by oral representation, in relation to the stated matters and subjects between the Company and you, prior to the signing of this exemption letter.

**3. Undertaking to Indemnify.**

The Company hereby undertakes to indemnify you for a liability or expense, as set forth hereafter, that shall be imposed on you and/or that you shall incur as a result of an action that you committed or that you shall commit by virtue of you being an officer in the Company or its representative and at its request, in any other corporation that the Company holds rights in, directly or indirectly, or that has an interest in, subject to the provisions and limits set forth in this letter of indemnify.

**4. Liabilities and Expenses in respect to which the Indemnification shall Apply.**

The indemnification shall apply to liabilities and expenses as follows:

- 4.1. A pecuniary liability that shall be imposed on you in favor of another person according to judgment, including a judgment that was given in settlement and/or an arbitration judgment that was approved by court, provided that the Maximum Indemnity Sum shall not exceed the sum that the board of directors determine is reasonable in the circumstances of the matter, and which is set forth in section 5 hereafter, provided that such pecuniary liability shall be connected to one or more of the events that according to the board of directors are foreseen in light of the companies actual activities when giving his undertaking or any part of them or anything connected to them, and which are set forth in section 6.

- 4.2. Reasonable litigation costs, including legal fees, that you shall expend as a result of an investigation or proceeding that shall be conducted against you by an authority authorized to conduct an investigation or proceeding and which shall end without submitting an indictment against you and without any pecuniary liability being imposed on you as a substitute to a criminal proceeding, or that shall end without submitting an indictment against you however a pecuniary liability shall be imposed on you as a substitute to a criminal proceeding for an offense that does not require proof of criminal intent.

In this paragraph – “end of proceeding without submitting an indictment in a matter in which a criminal investigation was instituted” and “pecuniary liability as a substitute to a criminal proceeding” – in their sense in section 260 of the Law, as shall be amended from time to time.

- 4.3. Reasonable litigation costs including legal fees that you shall expend or that you shall be required to pay by the court, in a proceeding which was submitted against you by the Company or in its name or by another person, or in a criminal charge from which you were acquitted or in a criminal charge in which you were convicted by an offense that does not require proof of criminal intent or other expenses that shall be determined in the law.

In this section: “Another Person” – including in the event of a lawsuit that was filed against the officer by way of a derivative lawsuit.

- 4.4. Such indemnification as mentioned in section 4.1 shall not apply to any action that is:
- 4.4.1. A breach of duty of faith towards the Company or towards its subsidiary or an affiliated Company or any other body, except if you acted in good faith and you had a reasonable basis to assume that the action would not harm the interests of the Company or its subsidiary or its affiliated Company or any other body;
  - 4.4.2. A breach of a duty of care that was willfully or recklessly committed by you, except if it was committed only negligently.
  - 4.4.3. An action that was committed with the intention to unlawfully produce personal profit;
  - 4.4.4. A penalty or forfeit that was imposed on you.
- 4.5. Any other event, occurrence, matter or circumstances under any law with respect to which the Company may, or will be able to, indemnify an Office Holder, as defined in the Law (including, without limitation, in accordance with Section 56h(b)(1) of the Israeli Securities Law 5728-1968, if applicable, and Section 50P(b)(2) of the Israeli Economic Competition Law, 5758-1988), and the regulations promulgated thereunder.

- 4.6. For the sake of avoiding doubt, it is clarified that the Company shall not be required to pay according to this letter of exemption from liability and undertaking to indemnify sums for any event and/or liability and/or cost, insofar as these sums were actually paid to you and/or for you and/or instead of you for this matter, in any manner, from the Company's insurer in the framework of an insurance policy of directors and officers liability and/or by virtue of any indemnification undertaking and/or agreement and/or from anyone else except the Company.
- 4.7. Without derogating from the aforesaid, the Company undertakes to do everything it reasonably can with respect to the insurance market terms in Israel at the relevant time, to purchase and hold directors and officers liability insurance for a period that shall not be less than 7 years after your retirement and provided that they shall not be less than the terms of the policy that shall be in force before your retirement as mentioned.
- 4.8. Upon the occurrence of an event for which you may be entitled to indemnification in accordance with the provisions in letter of exemption from liability and undertaking to indemnify, the Company shall periodically provide you as an advance payment on account of the expenses that you shall be due to you according to this letter of exemption from liability and undertaking to indemnify, sums that shall be estimated by the Company, at the times that shall be determined by the Company for covering expenses and all kinds of other payments that are involved in handling a legal proceeding against you that it connected to that event, and the Company shall provide you securities and/or guarantees that you should be required to provide in the framework of the investigation and/or legal proceeding and/or according to interim decisions, including in arbitration, including for replacing liens that shall be imposed on your assets, in a manner that you shall not be required to pay them or finance them yourself, provided that the total amount of the sums, the securities and guarantees as mentioned shall not exceed the Maximum Indemnity Sum, as defined hereafter, all subject to the terms and provisions set forth in this letter of exemption from liability and undertaking to indemnify.

In the event the Company shall provide you and/or in your place any sums and/or it shall pay you and/or any third party in respect to which you were found liable, a sum in the framework of this letter of exemption from liability and undertaking to indemnify with respect to a proceeding as mentioned above, and afterwards it shall turn out that you are not entitled to indemnification from the Company for these sums, these sums shall be considered as a loan that you were given by the Company, which shall be linked to the consumer price index with additional interest stipulated in the Income Tax Regulations (Determining the Interest Rate), 5743- 1985, as shall be in force from time to time, and you shall be required to return these sums to the Company within 6 months after it turns out that you are not entitled to such indemnification as mentioned, so that it will not constitute a benefit that is liable to tax by the receiver of the loan, and according to the payments arrangement that the Company shall determine or, in accordance with the Company's decision, the Company shall assign within 6 months after the time the charge was cancelled as mentioned, all of your rights to restitution of the sum from the plaintiff in the proceeding and you shall do everything required so that this assignment shall be valid and the Company can realize it.

In the event the Company shall provide you and/or in your place securities and/or guarantees as mentioned above and it shall turn out that you are not entitled to indemnification for the action for which the securities and/or guarantees were given, the Company shall cause them to be cancelled, and you shall assist with cancelling them insofar as you shall be required to do so by the Company, and if they or part of them shall be realized, the sum that shall be realized shall be considered as a loan that was given to you by the Company, which shall be linked to the consumer price index with additional interest set forth in the Income Tax Regulations (Determining the Interest Rate), 5745- 1985 as shall be in force from time to time, and you shall be required to return this sum to the Company within 6 months after the time when it turned out that you are not entitled to indemnification as mentioned, so that it shall not constitute a benefit that is liable to tax by the receiver of the loan, and according to the payments arrangement that the Company shall determine.

## **5. The Maximum Indemnity Sum**

- 5.1. The total and aggregate Maximum Indemnity Sum for which the Company shall be liable towards all the officers in the Company under section 4.1 according to all the Letters of Indemnification that shall be issued to them in the Company from time to time (hereinafter the “Letters of Indemnification”) is limited up to the amount of 25% (twenty five percent) of the Company’s shareholders equity, according to its last audited and reviewed financial statements that were known at the time of paying the indemnification in actual fact (hereinafter: the “Maximum Indemnity Sum”).
- 5.2. In the event the total indemnity sum that the Company shall be required to pay at any time in addition to the total indemnity sums that the Company paid up to that time according to Letters of Indemnification, shall exceed the Maximum Indemnity Sum, the Maximum Indemnity Sum or its balance, respectively, shall be divided between the officers in the Company that shall be entitled to the indemnity sums as mentioned for payment demands that were submitted to the Company according and in accordance with the terms of the Letters of Indemnification and were not paid to them before that time (hereinafter the “Demand Sum”), in a manner that the indemnity sum that each of these officers shall receive in actual fact, shall be calculated according to the ratio between the demand sum of each of these officers and the demand sums of each of these officers in the aggregate, at that time, when it is multiplied by the Maximum Indemnity Sum, or its balance, respectively.

- 5.3. If the Company shall pay indemnity sums to officers in the Company in the sum of the Maximum Indemnity Sum, the Company shall not pay additional indemnity sums unless the additional indemnity sums shall be approved by the Company's organs that shall be authorized to approve this increase according to law at the time of paying the additional indemnity sums and subject to changing the Company's articles of association, if this shall be required according to law.

**6. The Events that the Indemnification shall Apply to**

The undertaking to indemnify under section 4.1 shall be limited to the events set forth hereafter:

- 6.1. Any claim and/or demand with respect to an action that is connected to commerce relationships of the Company and/or its contractual engagements and/or of an affiliated company and/or subsidiary of the Company with others and/or between them, including negotiations and entering into agreements of any type and kind, including their performance and/or termination, between them and/or with external contractors, customers, suppliers, concessionaires, distributors, service providers, manpower contractors or any other third party that maintains any type of business with the Company, or its subsidiaries, its affiliated companies (hereinafter in section 6 jointly and/or separately: the "Company").
- 6.2. Any claim and/or demand with respect with issuing securities of the Company in Israel and/or outside of Israel, including, but without derogating from the generality of the aforesaid, public offerings of securities according to a prospectus, private placement, issuing bonus shares and offering shares to the public.
- 6.3. Any claim and/or demand with respect with a decision and/or action that concerns the management of the Company's business, including, but without derogating from the generality of the aforesaid, any decision and/or action with respect with a transaction or negotiations for entering into a transaction (including an extraordinary transaction) in the sense of section 1 of the Law, whether it is during the ordinary course of business and whether it is not during the ordinary course of business of the Company, and any decision and/or action with respect with purchase offers and/or with performing any investments in the Company and/or the purchase or sale of assets, including the purchase and/or the sale of companies and/or businesses and/or investments in the capital markets and/or other investments.
- 6.4. Any claim and/or demand with respect with a transaction and/or arrangement including the transfer, sale or purchase or lease of assets or undertakings, including, but without derogating from the generality of the aforesaid, goods, land, chattels, securities, or rights or giving or receiving a right in each of those and receiving and/or giving options to sell, lease, transfer or purchase of assets or undertakings as mentioned.

- 6.5. Any claim and/or demand that is submitted by a lender or creditor, including but without derogating from the generality of the aforesaid, a claim and/or demand regarding money that were lent by them and/or debts of the Company towards them.
- 6.6. Any claim and/or demand for defects and/or delays in transporting and/or supplying the Company's products and services and any claim and/or demand with respect with use and/or consumption of the Company's products and its services.
- 6.7. Any claim and/or demand with respect to giving or receiving credit, pledging assets and undertakings and giving or receiving securities including entering into financial contracts with banks and/or other financial bodies for financing transactions or contracts that are being performed, directly and/or indirectly by the Company and any action that is involved in these matters.
- 6.8. Any claim and/or demand with respect to actions of reporting and/or notices to any authorized authority according to any law and/or according to rules or instructions or according to tax laws that apply to the Company, including reports arising from the Company and/or affiliated companies and/or subsidiaries of the Company being public Companies whose securities have been offered to the public and/or which are listed for trade on the stock exchange in Israel and/or abroad, including providing notices and/or statements and/or failing to file statements and/or give notices as mentioned and/or failing to provide information, representations and opinion and/or the non disclosure, directly or indirectly, by omission or not by omission, of any type of information, representations and opinions, as mentioned, at the time required in accordance with the law and/or with respect to the a misleading or flawed disclosure of information, representations and opinions as mentioned to third parties, including to authorized authorities and governmental bodies.
- 6.9. Any claim and/or demand that is submitted directly or indirectly with respect to an omission in full or in part, by the Company and/or officer, managers and/or employees of the Company, with respect to payment, reporting and/or documenting documents, of one of the State's authorities, foreign authority, municipal authority and/or any other payment that is required according to the laws of the State of Israel, including payments of income tax, Company tax, land appreciation tax, transfer taxes, customs, value added tax, national insurance, salaries, and/or detaining employees salaries and/or other detainments, including any type of interest and addition for linkage.
- 6.10. Any claim and/or demand regarding a decision and/or action with respect to employment relationships in the Company, including with respect to employment terms or contracts of the Company's employees with the Company and/or pension plans and/or compensation funds and/or provident funds and/or loans to employees and/or insurance and/or option plans and other bonuses to employees and/or progress plans, including with respect to safety and hygiene conditions at work.

- 6.11. Any claim and/or demand with respect to a decision and/or action regarding a patent, model, trademark or any other intellectual property of and/or by the Company.
- 6.12. Any claim and/or demand with respect to a decision and/or action regarding issues connected directly or indirectly to quality of the environment and issues connected to the protection of health, manufacturing processes, distribution processes, transporting, storage, handling or using dangerous materials, including bodily harm, harm to property and environmental damage.
- 6.13. Any claim and/or demand with respect to a decision and/or action in issues connected directly or indirectly to restraints of trade, including restrictive trade practices, mergers and monopolies.
- 6.14. Any claim and/or demand with respect to a decision and/or action regarding a structural change of the Company or its reorganization, including, but without derogating from the generality of the aforesaid, purchase, merger, split, change in the Company's capital, an arrangement between the Company and its shareholders or between companies under their control, establishing subsidiaries or affiliated companies, their liquidation or sale, issue or distribution.
- 6.15. Any claim and/or demand regarding a decision and/or action with respect to an affiliated Company and/or subsidiary.
- 6.16. Any claim and/or demand for a decision or action with respect to the distribution of dividends in the Company and/or bonus shares and/or the purchase of Company shares and/or of a Company that holds the Company.
- 6.17. Any claim and/or demand for actions and/or decisions connected to submitting offers to tenders and/or issuing and receiving licenses and permits of any type and kind (including business licenses and licenses and approvals required for running the Company's business).
- 6.18. Any claim and/or demand that is submitted for a decision and/or action with respect to approving a transaction with an officer and/or with a controlling shareholder in the Company.
- 6.19. Any claim and/or demand that is submitted by a third party that suffers from a bodily injury or damage to business or personal asset, including loss of the use of it during any action or omission attributed to the Company, including as a result of using the products and tools of the Company and/or as a result of renovation actions in the Company.
- 6.20. Any decision and/or action that caused inappropriate and/or insufficient insurance arrangements to be taken.
- 6.21. Any administrative, public and judicial action including but without derogating from the generality of the aforesaid, orders, judgments, claims, demands, letters of demand, instructions, claims, investigations, proceedings and/or notices of non adherence or breach of an action of a government authority and/or other body that claim that a provision of a law, regulation, order, rule, custom, instruction, license or judgment of the Company and/or of any officer in the Company in the framework of his job in the Company, has not been fulfilled.

- 6.22. Any claim and/or demand that refer, inter alia, to the types of events that are set forth above, with respect to the service as an officer in the Company and/or in another corporation if this was done in the framework of his position as officer and/or as employed in the Company.
- 6.23. Any claim and/or demand that are submitted with respect to the appointment and/or motion to appoint a receiver for the Company's assets and/or any part of the Company's assets and/or a liquidation motion against the Company and/or any process for settlement or arrangement with creditors of the Company.
- 6.24. Any claim and/or demand, including administrative, regulatory, judicial, civil or criminal actions, orders, decrees, suits, demands, demand letters, directives, claims, liens, investigations, proceedings or notices of non-compliance, violation or breach, alleging potential responsibility, liability, loss or damage (including potential responsibility or liability for costs of enforcement, investigation, remediation, property damage, penalties, or for contribution, indemnification, cost recovery, compensation or injunctive relief), whether alleged or claimed by customers, consumers, regulators, shareholders or others, arising out of, based on or related to: (a) cybersecurity incidents, cyber-attacks, data loss or breaches, unauthorized access to information, data or databases (including personally identifiable information or health-related information) and the use or disclosure of information contained therein; (b) circumstances forming the basis of any violation of any law, permit, license, registration or other authorization required under applicable law governing data security, data protection, network security, information systems, privacy or any cyber environment (including users, networks, devices, software, processes, information systems, databases, information in storage or transit, applications, services and systems connected directly or indirectly to networks); (c) failure to implement or monitor an adequate reporting or control system related to data or information security; (d) data destruction, extortion, theft, hacking, denial-of-service attacks, or other cyber incidents; or (e) expenses or liabilities arising from security audits, incident response, public relations, investigation, data-subject notification, credit monitoring, legal costs, regulatory fines, or similar data-breach management activities.

Any provision in this section above regarding the performance of a certain action, shall be interpreted as also referring to the non performance or refraining from performing this action, unless the context of the matter in a certain provision requires that it be interpreted otherwise.

## **7. Terms with Respect to Indemnification**

The indemnification according to this letter of exemption from liability and undertaking to indemnify is subject to the fulfillment of the terms set forth hereafter:

- 7.1. You shall notify the Company of any legal investigation or proceeding that shall be institute against you and/or any other proceeding that shall be instituted against you by an authority authorized to conduct an investigation or proceeding, and any written warning and/or any fear or threat that a legal investigation and/or proceeding and/or any other proceeding as mentioned could be instituted against you, and this is immediately and with the appropriate speed after you first find out about it, and you shall transfer to the Company or to whoever the Company shall notify to you, without delay, any document that shall be given to you with respect to that proceeding and/or investigation and any information that shall reach you regarding the proceeding and/or investigation and its developments. Furthermore, you must routinely inform the Company regarding events for which there is a concern that they shall cause the institution of a legal investigation and/or proceeding against you. The failure to give a notice in accordance with the aforesaid shall not release the Company from its undertakings according to this letter, except in the event that the failure to give such notice as mentioned shall materially harm the rights of the Company to defend itself (in the event that the Company shall also be sued in that proceeding) and/or in your name against the claim.
- 7.2. The Company shall be entitled to take upon itself the handling of this legal investigation and/or proceeding and/or any other proceeding that shall be instituted against it, by an authority authorized to conduct and/or appoint a lawyer, that the Company shall choose for this purpose, to handle the legal investigation and/or proceeding and/or the other proceeding as mentioned.

The Company and/or lawyer as mentioned, shall be entitled to act, in the framework of such handling as mentioned, according to their discretion and they shall be entitled to settle this proceeding and/or to take any means in order to finish this proceeding.

According to the Company's request you shall sign any document that will authorize the Company and/or the lawyer as mentioned, to handle this proceeding in your name and to represent you with respect to this.

For the sake of avoiding doubt, it is clarified that the lawyer that shall be appointed by the Company as mentioned shall act and shall have a duty of faith to the Company and to you, and that the Company and/or lawyer as mentioned shall not be entitled, in the framework of a criminal proceeding, to end the legal proceeding and/or investigations as mentioned by way of settlement and/or arrangement and/or to admit to any of the charges in your name and/or agree to a plea bargain, unless you give your consent to this, provided that you shall not refuse to give this consent unless such refusal is for reasonable reasons.

Furthermore the Company and/or the lawyer shall not be entitled to end the civil proceeding by way of settlement and/or arrangement as a result of which you shall be required to pay sums that you shall not be indemnified for according to this letter of exemption from liability and undertaking to indemnify and for which you shall not be paid in the framework of officers and directors liability insurance that the Company purchased and/or shall purchase and/or to admit, in your name (whether in the framework of a court or arbitration hearing and whether in the framework of a settlement arrangement) by the existence of an event that is not covered in this letter of exemption from liability and undertaking to indemnify and/or in the directors and officers liability insurance that the Company purchased and/or shall purchase unless you have agreed, provided that you shall not refuse to give your consent unless such refusal is for reasonable reasons.

- 7.3. You shall cooperate with the Company and/or with the lawyer as mentioned above and/or the insurer of the directors and officers liability insurance in the Company, in any reasonable manner as shall be required from you by any of them in the framework of their handling this legal proceeding, provided that the Company and/or the insurer shall make sure that all the expenses that shall be involved in this shall be covered and you shall not be required to pay them or finance them yourself.
- 7.4. The Company shall not be required to indemnify you according to this letter of exemption from liability and undertaking to indemnify for any sum that shall be paid by you according to a settlement or arbitration, unless the Company approved the settlement or the existence of this arbitration, respectively, in advance and in writing, and the Company shall not refrain from giving its consent as mentioned unless this is for reasonable reasons.
- 7.5. The Company shall not be required to indemnify you according to this letter of exemption from liability and undertaking to indemnify for any sum that you could receive in the framework of the officers' liability insurance of the Company and/or that any such payment was not paid as a result of your action.
- 7.6. The Company's undertakings to indemnify according to this letter of exemption from liability and undertaking to indemnify are personal towards you only, and this letter of exemption from liability and undertaking to indemnify and/or your rights according to it cannot be assigned and transferred to other(s), except as set forth in section 8 hereafter.
- 7.7. It is hereby agreed that the only court that is authorized to hear disputes and/or disagreements with respect to this letter of exemption from liability and undertaking to indemnify is the competent court in Tel Aviv – Jaffa.
- 7.8. With respect to the Company's undertaking to indemnify for an action that you committed or that you shall committed by virtue of you being an officer and/or employed in a subsidiary of the Company and/or in an affiliated Company of the Company and/or in another corporation (hereinafter jointly and separately: the "Liable Corporation") the following provisions shall apply:

- 7.8.1. The Company shall not be required to pay, according to this letter of exemption from liability and undertaking to indemnify, sums that you shall be entitled to receive and which you shall actually receive from the Liable Corporation in the framework of an insurance policy that was taken out by the Liable Corporation and/or according to an advance undertaking to indemnify or according to a permit to indemnify after the fact that was given by the Liable Corporation
- 7.8.2. If your demand to receive indemnification and/or insurance coverage for an action that you committed by virtue of your job in the Liable Corporation and that could be indemnified according to this letter of exemption from liability and undertaking to indemnify, shall be rejected by the Liable Corporation or the insurance Company of the Liable Corporation, respectively, the Company shall pay you sums according to this letter of exemption from liability and undertaking to indemnify that you shall be entitled to according to this letter of exemption from liability and undertaking to indemnify, if you shall be entitled to these sums and you shall assign your rights to the Company and from receiving them from the Liable Corporation and/or the insurance policy of the Liable Corporation and you shall authorized the Company to collect these sums in your name insofar as such authorization shall be required for performing the provisions of this section. With respect to this matter you undertake to sign any document that shall be required by the Liable Corporation for assigning your rights as mentioned and the consent of the Company to collect these sums in your name.
- 7.8.3. For the sake of avoiding doubt it is clarified that this letter of exemption from liability and undertaking to indemnify cannot grant the Liable Corporation and/or any third party any rights towards the Company, including, but without derogating from the generality of the aforesaid, the right to sue and/or demand any payment from the Company as participation in the indemnification and/or in the insurance coverage that shall be given to you by the Liable Corporation for an action that you did by virtue of your job in the Liable Corporation.

## **8. Applicability**

The exemption from liability and indemnification according to letter of exemption from liability and undertaking to indemnify shall apply starting from the approval of the exemption and undertaking to indemnify by the general meeting for the events set forth above that also occurred before that time. The exemption from liability and indemnification according to this letter shall be available to you even after your service as officer in the Company and/or in subsidiaries and/or in affiliated companies of the Company has ended, provided that actions for which the exemption from liability and indemnification was given were made and/or shall be made during the period of your service as an officer in the Company and/or in subsidiaries and/or in affiliated companies of the Company. The Company's undertakings as mentioned shall also apply to your estate, your heirs and your other substitutes according to law.

**9. Miscellaneous**

- 9.1. The Company’s undertakings according to this letter of exemption from liability and undertaking to indemnify shall be interpreted broadly and in the manner intended for their performance, insofar as permitted according to law, for the purpose for which they were intended. In the event of a contradiction between any provision in this letter of exemption and undertaking to indemnify and the provisions of a law that cannot be changed or added to, the provisions of this law shall prevail however this shall not harm or derogate from the validity of the other provisions in this letter of exemption from liability and undertaking to indemnify.
- 9.2. This letter of exemption from liability and undertaking to indemnify does not derogate from the Company’s right to decide to indemnify after the fact according to the provisions of any law.
- 9.3. This letter of exemption from liability and undertaking to indemnify shall come into force upon your signature on a copy of it in the place intended for this and the delivery of a signed copy to the Company.
- 9.4. The provisions in this letter of exemption from liability and undertaking to indemnify cannot be changed unless such change was signed by the Company and by you. In order to avoid doubt it is hereby stipulated that this letter of exemption from liability and undertaking to indemnify does not constitute a contract in favor of a third party, including any insurer. Furthermore, this undertaking to indemnify cannot be assigned and no insurer shall have the right to demand that the Company participate in any payment which the insurer is required to pay according to an insurance agreement that was made with him, except for a deductible.
- 9.5. This letter of exemption from liability and undertaking to indemnify is subject to the provisions of the third chapter of the sixth part of the Law.

Amir London, CEO

Signature: \_\_\_\_\_

I confirm receiving this letter and I agree to its terms:

[Name]

Signature \_\_\_\_\_

Attn:

**Kamada Ltd. (the "Company")**  
**Letter of Exemption from Liability and Undertaking to Indemnify**

**1. General**

1.1. In this letter of exemption from liability and undertaking to indemnify:

“Officers / Directors in the Company” – Including officers and/or directors that serve and/or that shall serve in the future in the Company and/or in subsidiaries and/or affiliated companies of the Company.

(Where it has not been expressly mentioned otherwise, the meaning of the term “officer” in his letter of exemption from liability and undertaking to indemnify shall include - directors).

- 1.2. The Company shall exempt the officers and directors in the Company from their liability for damage as a result of a breach of a duty of care towards the Company; furthermore the Company shall give such officers and directors an undertaking to indemnify them due to a liability or cost that shall be imposed on them as a result of an action that they committed and/or shall commit by virtue of them being officers and/or directors in it, all as set forth in his letter of exemption from Liability and undertaking to indemnify.
- 1.3. The terms in the letter of exemption from liability and undertaking to indemnify that were not defined in it shall have the meaning and interpretation given to them in the Companies Law, 5759-1999 (hereinafter the “Law”), unless the context of the matter shall require otherwise.
- 1.4. This document is worded in the male gender however it is intended for both genders.

**2. Exemption from Liability due to a Breach of the Duty of Care to the Company**

- 2.1. The Company hereby exempts you from all liability to the Company for any damage that may be caused to it and/or caused to it, whether directly or indirectly, due to a breach of the duty of care owed by you to the Company in your capacity as an officer of the Company and/or its subsidiaries and/or related companies.
- 2.2. Notwithstanding the foregoing, exemption from liability for any of the following shall not be valid:
- 2.2.1 Breach of the duty of loyalty.
- 2.2.2 Breach of the duty of care in connection with a distribution.

- 2.2.3 Breach of the duty of care committed intentionally or recklessly, except where it is committed through negligence alone.
- 2.2.4 Actions performed with intention to derive unlawful personal gain.
- 2.2.5 Fine or penalty imposed upon you.
- 2.2.6 The exemption from liability due to a breach of the duty of care will also not apply in respect of any “counter-claim” of the Company filed against the officer in response to the Officer Holder’s claim filed against the Company, except if the Officer Holder’s claim relates to his or her protected labor law rights under applicable law and/or his or her individual employment agreement with the Company.
- 2.2.7 The exemption from liability due to a breach of the duty of care will also not apply in respect of an action or transaction in which a controlling shareholder of the Company (within the meaning of the Law) or any other officer (including an officer other than you) has a personal interest (within the meaning of the Law).

2.3. Nothing stated in this exemption from liability clause shall derogate from the obligation of the Company to indemnify, as set forth below.

2.4. This exemption reflects the complete and exhaustive arrangement between the Company and you in relation to the matters and subjects set forth herein, and it replaces and supersedes any representation, letter of agreement, offers, summary of discussion, letters of intent and/or of commitment, contract, letter of commitment, written exemption and/or all other document that existed or was replaced, whether written or by oral representation, in relation to the stated matters and subjects between the Company and you, prior to the signing of this exemption letter.

### **3. Undertaking to Indemnify.**

The Company hereby undertakes to indemnify you for a liability or expense, as set forth hereafter, that shall be imposed on you and/or that you shall incur as a result of an action that you committed or that you shall commit by virtue of you being an officer in the Company or its representative and at its request, in any other corporation that the Company holds rights in, directly or indirectly, or that has an interest in, subject to the provisions and limits set forth in this letter of indemnify.

### **4. Liabilities and Expenses in respect to which the Indemnification shall Apply.**

The indemnification shall apply to liabilities and expenses as follows:

- 4.1. A pecuniary liability that shall be imposed on you in favor of another person according to judgment, including a judgment that was given in settlement and/or an arbitration judgment that was approved by court, provided that the Maximum Indemnity Sum shall not exceed the sum that the board of directors determine is reasonable in the circumstances of the matter, and which is set forth in section 5 hereafter, provided that such pecuniary liability shall be connected to one or more of the events that according to the board of directors are foreseen in light of the companies actual activities when giving his undertaking or any part of them or anything connected to them, and which are set forth in section 6.

- 4.2. Reasonable litigation costs, including legal fees, that you shall expend as a result of an investigation or proceeding that shall be conducted against you by an authority authorized to conduct an investigation or proceeding and which shall end without submitting an indictment against you and without any pecuniary liability being imposed on you as a substitute to a criminal proceeding, or that shall end without submitting an indictment against you however a pecuniary liability shall be imposed on you as a substitute to a criminal proceeding for an offense that does not require proof of criminal intent.

In this paragraph – “end of proceeding without submitting an indictment in a matter in which a criminal investigation was instituted” and “pecuniary liability as a substitute to a criminal proceeding” – in their sense in section 260 of the Law, as shall be amended from time to time.

- 4.3. Reasonable litigation costs including legal fees that you shall expend or that you shall be required to pay by the court, in a proceeding which was submitted against you by the Company or in its name or by another person, or in a criminal charge from which you were acquitted or in a criminal charge in which you were convicted by an offense that does not require proof of criminal intent or other expenses that shall be determined in the law.

In this section: “Another Person” – including in the event of a lawsuit that was filed against the officer by way of a derivative lawsuit.

- 4.4. Such indemnification as mentioned in section 4.1 shall not apply to any action that is:
- 4.4.1. A breach of duty of faith towards the Company or towards its subsidiary or an affiliated Company or any other body, except if you acted in good faith and you had a reasonable basis to assume that the action would not harm the interests of the Company or its subsidiary or its affiliated Company or any other body;
  - 4.4.2. A breach of a duty of care that was willfully or recklessly committed by you, except if it was committed only negligently.
  - 4.4.3. An action that was committed with the intention to unlawfully produce personal profit;
  - 4.4.4. A penalty or forfeit that was imposed on you.
- 4.5. Any other event, occurrence, matter or circumstances under any law with respect to which the Company may, or will be able to, indemnify an Office Holder, as defined in the Law (including, without limitation, in accordance with Section 56h(b)(1) of the Israeli Securities Law 5728-1968, if applicable, and Section 50P(b)(2) of the Israeli Economic Competition Law, 5758-1988), and the regulations promulgated thereunder.

- 4.6. For the sake of avoiding doubt, it is clarified that the Company shall not be required to pay according to this letter of exemption from liability and undertaking to indemnify sums for any event and/or liability and/or cost, insofar as these sums were actually paid to you and/or for you and/or instead of you for this matter, in any manner, from the Company's insurer in the framework of an insurance policy of directors and officers liability and/or by virtue of any indemnification undertaking and/or agreement and/or from anyone else except the Company.
- 4.7. Without derogating from the aforesaid, the Company undertakes to do everything it reasonably can with respect to the insurance market terms in Israel at the relevant time, to purchase and hold directors and officers liability insurance for a period that shall not be less than 7 years after your retirement and provided that they shall not be less than the terms of the policy that shall be in force before your retirement as mentioned.
- 4.8. Upon the occurrence of an event for which you may be entitled to indemnification in accordance with the provisions in letter of exemption from liability and undertaking to indemnify, the Company shall periodically provide you as an advance payment on account of the expenses that you shall be due to you according to this letter of exemption from liability and undertaking to indemnify, sums that shall be estimated by the Company, at the times that shall be determined by the Company for covering expenses and all kinds of other payments that are involved in handling a legal proceeding against you that it connected to that event, and the Company shall provide you securities and/or guarantees that you should be required to provide in the framework of the investigation and/or legal proceeding and/or according to interim decisions, including in arbitration, including for replacing liens that shall be imposed on your assets, in a manner that you shall not be required to pay them or finance them yourself, provided that the total amount of the sums, the securities and guarantees as mentioned shall not exceed the Maximum Indemnity Sum, as defined hereafter, all subject to the terms and provisions set forth in this letter of exemption from liability and undertaking to indemnify.

In the event the Company shall provide you and/or in your place any sums and/or it shall pay you and/or any third party in respect to which you were found liable, a sum in the framework of this letter of exemption from liability and undertaking to indemnify with respect to a proceeding as mentioned above, and afterwards it shall turn out that you are not entitled to indemnification from the Company for these sums, these sums shall be considered as a loan that you were given by the Company, which shall be linked to the consumer price index with additional interest stipulated in the Income Tax Regulations (Determining the Interest Rate), 5743- 1985, as shall be in force from time to time, and you shall be required to return these sums to the Company within 6 months after it turns out that you are not entitled to such indemnification as mentioned, so that it will not constitute a benefit that is liable to tax by the receiver of the loan, and according to the payments arrangement that the Company shall determine or, in accordance with the Company's decision, the Company shall assign within 6 months after the time the charge was cancelled as mentioned, all of your rights to restitution of the sum from the plaintiff in the proceeding and you shall do everything required so that this assignment shall be valid and the Company can realize it.

In the event the Company shall provide you and/or in your place securities and/or guarantees as mentioned above and it shall turn out that you are not entitled to indemnification for the action for which the securities and/or guarantees were given, the Company shall cause them to be cancelled, and you shall assist with cancelling them insofar as you shall be required to do so by the Company, and if they or part of them shall be realized, the sum that shall be realized shall be considered as a loan that was given to you by the Company, which shall be linked to the consumer price index with additional interest set forth in the Income Tax Regulations (Determining the Interest Rate), 5745- 1985 as shall be in force from time to time, and you shall be required to return this sum to the Company within 6 months after the time when it turned out that you are not entitled to indemnification as mentioned, so that it shall not constitute a benefit that is liable to tax by the receiver of the loan, and according to the payments arrangement that the Company shall determine.

## **5. The Maximum Indemnity Sum**

- 5.1. The total and aggregate Maximum Indemnity Sum for which the Company shall be liable towards all the officers in the Company under section 4.1 according to all the Letters of Indemnification that shall be issued to them in the Company from time to time (hereinafter the “Letters of Indemnification”) is limited up to the amount of: A. a sum equal to – 30% (thirty percent) of the Company’s shareholders equity, according to its last audited and reviewed financial statements that were known at the time of paying the indemnification in actual fact, or B. 20,000,000 (twenty million) NIS (hereinafter: the “Maximum Indemnity Sum”).
- 5.2. In the event the total indemnity sum that the Company shall be required to pay at any time in addition to the total indemnity sums that the Company paid up to that time according to Letters of Indemnification, shall exceed the Maximum Indemnity Sum, the Maximum Indemnity Sum or its balance, respectively, shall be divided between the officers in the Company that shall be entitled to the indemnity sums as mentioned for payment demands that were submitted to the Company according and in accordance with the terms of the Letters of Indemnification and were not paid to them before that time (hereinafter the “Demand Sum”), in a manner that the indemnity sum that each of these officers shall receive in actual fact, shall be calculated according to the ratio between the demand sum of each of these officers and the demand sums of each of these officers in the aggregate, at that time, when it is multiplied by the Maximum Indemnity Sum, or its balance, respectively.

- 5.3. If the Company shall pay indemnity sums to officers in the Company in the sum of the Maximum Indemnity Sum, the Company shall not pay additional indemnity sums unless the additional indemnity sums shall be approved by the Company's organs that shall be authorized to approve this increase according to law at the time of paying the additional indemnity sums and subject to changing the Company's articles of association, if this shall be required according to law.

**6. The Events that the Indemnification shall Apply to**

The undertaking to indemnify under section 4.1 shall be limited to the events set forth hereafter:

- 6.1. Any claim and/or demand with respect to an action that is connected to commerce relationships of the Company and/or its contractual engagements and/or of an affiliated company and/or subsidiary of the Company with others and/or between them, including negotiations and entering into agreements of any type and kind, including their performance and/or termination, between them and/or with external contractors, customers, suppliers, concessionaires, distributors, service providers, manpower contractors or any other third party that maintains any type of business with the Company, or its subsidiaries, its affiliated companies (hereinafter in section 6 jointly and/or separately: the "Company").
- 6.2. Any claim and/or demand with respect with issuing securities of the Company in Israel and/or outside of Israel, including, but without derogating from the generality of the aforesaid, public offerings of securities according to a prospectus, private placement, issuing bonus shares and offering shares to the public.
- 6.3. Any claim and/or demand with respect with a decision and/or action that concerns the management of the Company's business, including, but without derogating from the generality of the aforesaid, any decision and/or action with respect with a transaction or negotiations for entering into a transaction (including an extraordinary transaction) in the sense of section 1 of the Law, whether it is during the ordinary course of business and whether it is not during the ordinary course of business of the Company, and any decision and/or action with respect with purchase offers and/or with performing any investments in the Company and/or the purchase or sale of assets, including the purchase and/or the sale of companies and/or businesses and/or investments in the capital markets and/or other investments.
- 6.4. Any claim and/or demand with respect with a transaction and/or arrangement including the transfer, sale or purchase or lease of assets or undertakings, including, but without derogating from the generality of the aforesaid, goods, land, chattels, securities, or rights or giving or receiving a right in each of those and receiving and/or giving options to sell, lease, transfer or purchase of assets or undertakings as mentioned.

- 6.5. Any claim and/or demand that is submitted by a lender or creditor, including but without derogating from the generality of the aforesaid, a claim and/or demand regarding money that were lent by them and/or debts of the Company towards them.
- 6.6. Any claim and/or demand for defects and/or delays in transporting and/or supplying the Company's products and services and any claim and/or demand with respect with use and/or consumption of the Company's products and its services.
- 6.7. Any claim and/or demand with respect to giving or receiving credit, pledging assets and undertakings and giving or receiving securities including entering into financial contracts with banks and/or other financial bodies for financing transactions or contracts that are being performed, directly and/or indirectly by the Company and any action that is involved in these matters.
- 6.8. Any claim and/or demand with respect to actions of reporting and/or notices to any authorized authority according to any law and/or according to rules or instructions or according to tax laws that apply to the Company, including reports arising from the Company and/or affiliated companies and/or subsidiaries of the Company being public Companies whose securities have been offered to the public and/or which are listed for trade on the stock exchange in Israel and/or abroad, including providing notices and/or statements and/or failing to file statements and/or give notices as mentioned and/or failing to provide information, representations and opinion and/or the non disclosure, directly or indirectly, by omission or not by omission, of any type of information, representations and opinions, as mentioned, at the time required in accordance with the law and/or with respect to the a misleading or flawed disclosure of information, representations and opinions as mentioned to third parties, including to authorized authorities and governmental bodies.
- 6.9. Any claim and/or demand that is submitted directly or indirectly with respect to an omission in full or in part, by the Company and/or officer, managers and/or employees of the Company, with respect to payment, reporting and/or documenting documents, of one of the State's authorities, foreign authority, municipal authority and/or any other payment that is required according to the laws of the State of Israel, including payments of income tax, Company tax, land appreciation tax, transfer taxes, customs, value added tax, national insurance, salaries, and/or detaining employees salaries and/or other detentions, including any type of interest and addition for linkage.
- 6.10. Any claim and/or demand regarding a decision and/or action with respect to employment relationships in the Company, including with respect to employment terms or contracts of the Company's employees with the Company and/or pension plans and/or compensation funds and/or provident funds and/or loans to employees and/or insurance and/or option plans and other bonuses to employees and/or progress plans, including with respect to safety and hygiene conditions at work.

- 6.11. Any claim and/or demand with respect to a decision and/or action regarding a patent, model, trademark or any other intellectual property of and/or by the Company.
- 6.12. Any claim and/or demand with respect to a decision and/or action regarding issues connected directly or indirectly to quality of the environment and issues connected to the protection of health, manufacturing processes, distribution processes, transporting, storage, handling or using dangerous materials, including bodily harm, harm to property and environmental damage.
- 6.13. Any claim and/or demand with respect to a decision and/or action in issues connected directly or indirectly to restraints of trade, including restrictive trade practices, mergers and monopolies.
- 6.14. Any claim and/or demand with respect to a decision and/or action regarding a structural change of the Company or its reorganization, including, but without derogating from the generality of the aforesaid, purchase, merger, split, change in the Company's capital, an arrangement between the Company and its shareholders or between companies under their control, establishing subsidiaries or affiliated companies, their liquidation or sale, issue or distribution.
- 6.15. Any claim and/or demand regarding a decision and/or action with respect to an affiliated Company and/or subsidiary.
- 6.16. Any claim and/or demand for a decision or action with respect to the distribution of dividends in the Company and/or bonus shares and/or the purchase of Company shares and/or of a Company that holds the Company.
- 6.17. Any claim and/or demand for actions and/or decisions connected to submitting offers to tenders and/or issuing and receiving licenses and permits of any type and kind (including business licenses and licenses and approvals required for running the Company's business).
- 6.18. Any claim and/or demand that is submitted for a decision and/or action with respect to approving a transaction with an officer and/or with a controlling shareholder in the Company.
- 6.19. Any claim and/or demand that is submitted by a third party that suffers from a bodily injury or damage to business or personal asset, including loss of the use of it during any action or omission attributed to the Company, including as a result of using the products and tools of the Company and/or as a result of renovation actions in the Company.
- 6.20. Any decision and/or action that caused inappropriate and/or insufficient insurance arrangements to be taken.
- 6.21. Any administrative, public and judicial action including but without derogating from the generality of the aforesaid, orders, judgments, claims, demands, letters of demand, instructions, claims, investigations, proceedings and/or notices of non adherence or breach of an action of a government authority and/or other body that claim that a provision of a law, regulation, order, rule, custom, instruction, license or judgment of the Company and/or of any officer in the Company in the framework of his job in the Company, has not been fulfilled.

- 6.22. Any claim and/or demand that refer, inter alia, to the types of events that are set forth above, with respect to the service as an officer in the Company and/or in another corporation if this was done in the framework of his position as officer and/or as employed in the Company.
- 6.23. Any claim and/or demand that are submitted with respect to the appointment and/or motion to appoint a receiver for the Company's assets and/or any part of the Company's assets and/or a liquidation motion against the Company and/or any process for settlement or arrangement with creditors of the Company.
- 6.24. Any claim and/or demand, including administrative, regulatory, judicial, civil or criminal actions, orders, decrees, suits, demands, demand letters, directives, claims, liens, investigations, proceedings or notices of non-compliance, violation or breach, alleging potential responsibility, liability, loss or damage (including potential responsibility or liability for costs of enforcement, investigation, remediation, property damage, penalties, or for contribution, indemnification, cost recovery, compensation or injunctive relief), whether alleged or claimed by customers, consumers, regulators, shareholders or others, arising out of, based on or related to: (a) cybersecurity incidents, cyber-attacks, data loss or breaches, unauthorized access to information, data or databases (including personally identifiable information or health-related information) and the use or disclosure of information contained therein; (b) circumstances forming the basis of any violation of any law, permit, license, registration or other authorization required under applicable law governing data security, data protection, network security, information systems, privacy or any cyber environment (including users, networks, devices, software, processes, information systems, databases, information in storage or transit, applications, services and systems connected directly or indirectly to networks); (c) failure to implement or monitor an adequate reporting or control system related to data or information security; (d) data destruction, extortion, theft, hacking, denial-of-service attacks, or other cyber incidents; or (e) expenses or liabilities arising from security audits, incident response, public relations, investigation, data-subject notification, credit monitoring, legal costs, regulatory fines, or similar data-breach management activities.

Any provision in this section above regarding the performance of a certain action, shall be interpreted as also referring to the non performance or refraining from performing this action, unless the context of the matter in a certain provision requires that it be interpreted otherwise.

## 7. Terms with Respect to Indemnification

The indemnification according to this letter of exemption from liability and undertaking to indemnify is subject to the fulfillment of the terms set forth hereafter:

- 7.1. You shall notify the Company of any legal investigation or proceeding that shall be institute against you and/or any other proceeding that shall be instituted against you by an authority authorized to conduct an investigation or proceeding, and any written warning and/or any fear or threat that a legal investigation and/or proceeding and/or any other proceeding as mentioned could be instituted against you, and this is immediately and with the appropriate speed after you first find out about it, and you shall transfer to the Company or to whoever the Company shall notify to you, without delay, any document that shall be given to you with respect to that proceeding and/or investigation and any information that shall reach you regarding the proceeding and/or investigation and its developments. Furthermore, you must routinely inform the Company regarding events for which there is a concern that they shall cause the institution of a legal investigation and/or proceeding against you. The failure to give a notice in accordance with the aforesaid shall not release the Company from its undertakings according to this letter, except in the event that the failure to give such notice as mentioned shall materially harm the rights of the Company to defend itself (in the event that the Company shall also be sued in that proceeding) and/or in your name against the claim.
- 7.2. The Company shall be entitled to take upon itself the handling of this legal investigation and/or proceeding and/or any other proceeding that shall be instituted against it, by an authority authorized to conduct and/or appoint a lawyer, that the Company shall choose for this purpose, to handle the legal investigation and/or proceeding and/or the other proceeding as mentioned.

The Company and/or lawyer as mentioned, shall be entitled to act, in the framework of such handling as mentioned, according to their discretion and they shall be entitled to settle this proceeding and/or to take any means in order to finish this proceeding.

According to the Company's request you shall sign any document that will authorize the Company and/or the lawyer as mentioned, to handle this proceeding in your name and to represent you with respect to this.

For the sake of avoiding doubt, it is clarified that the lawyer that shall be appointed by the Company as mentioned shall act and shall have a duty of faith to the Company and to you, and that the Company and/or lawyer as mentioned shall not be entitled, in the framework of a criminal proceeding, to end the legal proceeding and/or investigations as mentioned by way of settlement and/or arrangement and/or to admit to any of the charges in your name and/or agree to a plea bargain, unless you give your consent to this, provided that you shall not refuse to give this consent unless such refusal is for reasonable reasons.

Furthermore the Company and/or the lawyer shall not be entitled to end the civil proceeding by way of settlement and/or arrangement as a result of which you shall be required to pay sums that you shall not be indemnified for according to this letter of exemption from liability and undertaking to indemnify and for which you shall not be paid in the framework of officers and directors liability insurance that the Company purchased and/or shall purchase and/or to admit, in your name (whether in the framework of a court or arbitration hearing and whether in the framework of a settlement arrangement) by the existence of an event that is not covered in this letter of exemption from liability and undertaking to indemnify and/or in the directors and officers liability insurance that the Company purchased and/or shall purchase unless you have agreed, provided that you shall not refuse to give your consent unless such refusal is for reasonable reasons.

- 7.3. You shall cooperate with the Company and/or with the lawyer as mentioned above and/or the insurer of the directors and officers liability insurance in the Company, in any reasonable manner as shall be required from you by any of them in the framework of their handling this legal proceeding, provided that the Company and/or the insurer shall make sure that all the expenses that shall be involved in this shall be covered and you shall not be required to pay them or finance them yourself.
- 7.4. The Company shall not be required to indemnify you according to this letter of exemption from liability and undertaking to indemnify for any sum that shall be paid by you according to a settlement or arbitration, unless the Company approved the settlement or the existence of this arbitration, respectively, in advance and in writing, and the Company shall not refrain from giving its consent as mentioned unless this is for reasonable reasons.
- 7.5. The Company shall not be required to indemnify you according to this letter of exemption from liability and undertaking to indemnify for any sum that you could receive in the framework of the officers' liability insurance of the Company and/or that any such payment was not paid as a result of your action.
- 7.6. The Company's undertakings to indemnify according to this letter of exemption from liability and undertaking to indemnify are personal towards you only, and this letter of exemption from liability and undertaking to indemnify and/or your rights according to it cannot be assigned and transferred to other(s), except as set forth in section 8 hereafter.
- 7.7. It is hereby agreed that the only court that is authorized to hear disputes and/or disagreements with respect to this letter of exemption from liability and undertaking to indemnify is the competent court in Tel Aviv – Jaffa.
- 7.8. With respect to the Company's undertaking to indemnify for an action that you committed or that you shall committed by virtue of you being an officer and/or employed in a subsidiary of the Company and/or in an affiliated Company of the Company and/or in another corporation (hereinafter jointly and separately: the "Liable Corporation") the following provisions shall apply:

- 7.8.1. The Company shall not be required to pay, according to this letter of exemption from liability and undertaking to indemnify, sums that you shall be entitled to receive and which you shall actually receive from the Liable Corporation in the framework of an insurance policy that was taken out by the Liable Corporation and/or according to an advance undertaking to indemnify or according to a permit to indemnify after the fact that was given by the Liable Corporation
- 7.8.2. If your demand to receive indemnification and/or insurance coverage for an action that you committed by virtue of your job in the Liable Corporation and that could be indemnified according to this letter of exemption from liability and undertaking to indemnify, shall be rejected by the Liable Corporation or the insurance Company of the Liable Corporation, respectively, the Company shall pay you sums according to this letter of exemption from liability and undertaking to indemnify that you shall be entitled to according to this letter of exemption from liability and undertaking to indemnify, if you shall be entitled to these sums and you shall assign your rights to the Company and from receiving them from the Liable Corporation and/or the insurance policy of the Liable Corporation and you shall authorized the Company to collect these sums in your name insofar as such authorization shall be required for performing the provisions of this section. With respect to this matter you undertake to sign any document that shall be required by the Liable Corporation for assigning your rights as mentioned and the consent of the Company to collect these sums in your name.
- 7.8.3. For the sake of avoiding doubt it is clarified that this letter of exemption from liability and undertaking to indemnify cannot grant the Liable Corporation and/or any third party any rights towards the Company, including, but without derogating from the generality of the aforesaid, the right to sue and/or demand any payment from the Company as participation in the indemnification and/or in the insurance coverage that shall be given to you by the Liable Corporation for an action that you did by virtue of your job in the Liable Corporation.

## **8. Applicability**

The exemption from liability and indemnification according to letter of exemption from liability and undertaking to indemnify shall apply starting from the approval of the exemption and undertaking to indemnify by the general meeting for the events set forth above that also occurred before that time. The exemption from liability and indemnification according to this letter shall be available to you even after your service as officer in the Company and/or in subsidiaries and/or in affiliated companies of the Company has ended, provided that actions for which the exemption from liability and indemnification was given were made and/or shall be made during the period of your service as an officer in the Company and/or in subsidiaries and/or in affiliated companies of the Company. The Company's undertakings as mentioned shall also apply to your estate, your heirs and your other substitutes according to law.

**9. Miscellaneous**

- 9.1. The Company’s undertakings according to this letter of exemption from liability and undertaking to indemnify shall be interpreted broadly and in the manner intended for their performance, insofar as permitted according to law, for the purpose for which they were intended. In the event of a contradiction between any provision in this letter of exemption and undertaking to indemnify and the provisions of a law that cannot be changed or added to, the provisions of this law shall prevail however this shall not harm or derogate from the validity of the other provisions in this letter of exemption from liability and undertaking to indemnify.
- 9.2. This letter of exemption from liability and undertaking to indemnify does not derogate from the Company’s right to decide to indemnify after the fact according to the provisions of any law.
- 9.3. This letter of exemption from liability and undertaking to indemnify shall come into force upon your signature on a copy of it in the place intended for this and the delivery of a signed copy to the Company.
- 9.4. The provisions in this letter of exemption from liability and undertaking to indemnify cannot be changed unless such change was signed by the Company and by you. In order to avoid doubt it is hereby stipulated that this letter of exemption from liability and undertaking to indemnify does not constitute a contract in favor of a third party, including any insurer. Furthermore, this undertaking to indemnify cannot be assigned and no insurer shall have the right to demand that the Company participate in any payment which the insurer is required to pay according to an insurance agreement that was made with him, except for a deductible.
- 9.5. This letter of exemption from liability and undertaking to indemnify is subject to the provisions of the third chapter of the sixth part of the Law.

Amir London, CEO

Signature: \_\_\_\_\_

I confirm receiving this letter and I agree to its terms:

[Name]

Signature \_\_\_\_\_

**ISRAELI SHARE AWARD PLAN**

---

**KAMADA LTD.**

**THE 2011 ISRAELI SHARE AWARD PLAN**

**(\*In compliance with Amendment No. 132 of the Israeli Tax Ordinance, 2002)**

This plan, as amended from time to time, shall be known as Kamada Ltd. 2011 Israeli Share Award Plan (the “ISAP”).

**1. PURPOSE OF THE ISAP**

The ISAP is intended to provide an incentive to retain, in the employ of the Company and its Affiliates (as defined below), persons of training, experience, and ability, to attract new employees, directors, consultants, service providers and any other entity which the Board (as defined below) shall decide their services are considered valuable to the Company, to encourage the sense of proprietorship of such persons, and to stimulate the active interest of such persons in the development and financial success of the Company by providing them with opportunities to purchase Shares in the Company, pursuant to the ISAP.

**2. DEFINITIONS**

For purposes of the ISAP and related documents, including the Award Agreement, the following definitions shall apply:

- 2.1 “**Affiliate**” means any Employing Company.
- 2.2 “**Approved 102 Award**” means an Award granted pursuant to Section 102(b) of the Ordinance and held in trust by a Trustee for the benefit of the Grantee.
- 2.3 “**Award**” means, individually or collectively, a grant under the ISAP of Options or Restricted Shares or any combination thereof.
- 2.4 “**Board**” means the Board of Directors of the Company.
- 2.5 “**Capital Gain Award (CGA)**” as defined in Section 5.4 below.
- 2.6 “**Cause**” means, (i) conviction of any felony involving moral turpitude or affecting the Company; (ii) any refusal to carry out a reasonable directive of the chief executive officer, the Board or the Grantee’s direct supervisor, which involves the business of the Company or its Affiliates and was capable of being lawfully performed; (iii) embezzlement of funds of the Company or its Affiliates; (iv) any breach of the Grantee’s fiduciary duties or duties of care towards the Company; including without limitation disclosure of confidential information of the Company; and (v) any conduct (other than conduct in good faith) reasonably determined by the Board to be materially detrimental to the Company.
- 2.7 “**Chairman**” means the chairman of the Committee.
- 2.8 “**Committee**” means the Company’s compensation committee appointed by the Board, which shall consist of no fewer than two members of the Board.

- 2.9 **“Company”** means Kamada Ltd., an Israeli company.
- 2.10 **“Companies Law”** means the Israeli Companies Law 5759-1999.
- 2.11 **“Controlling Shareholder”** shall have the meaning ascribed to it in Section 32(9) of the Ordinance.
- 2.12 **“Date of Grant”** means, the date of grant of an Award, as set forth in the Grantee’s Award Agreement, in accordance with the Board’s resolution.
- 2.13 **“Employee”** means a person who is employed by the Company or its Affiliates, including an individual who is serving as a director or an office holder, but excluding a Controlling Shareholder.
- 2.14 **“Employing Company”** shall have the meaning ascribed to it in Section 102(a) of the Ordinance.
- 2.15 **“Expiration Date”** means the date upon which an Award shall expire, as set forth in Section 10.2 of the ISAP.
- 2.16 **“Fair Market Value”** means as of any date, the value of a Share determined as follows:
- (i) If the Shares are listed on any established stock exchange or a national market system, including without limitation the Tel-Aviv Stock Exchange, NASDAQ National Market system, or the NASDAQ SmallCap Market of the NASDAQ Stock Market, the Fair Market Value shall be the closing sales price for such Shares (or the closing bid, if no sales were reported), as quoted on such exchange or system for the last market trading day prior to time of determination, as reported in the Wall Street Journal, or such other source as the Board deems reliable. Without derogating from the above, solely for the purpose of determining the tax liability pursuant to Section 102(b)(3) of the Ordinance, if at the Date of Grant the Shares are listed on any established stock exchange or a national market system or if the Shares will be registered for trading within ninety (90) days following the Date of Grant, the Fair Market Value of a Share at the Date of Grant shall be determined in accordance with the average value of a Share on the thirty (30) trading days preceding the Date of Grant or on the thirty (30) trading days following the date of registration for trading, as the case may be;
  - (ii) If the Shares are regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value shall be the mean between the high bid and low asked prices for the Shares on the last market trading day prior to the day of determination, or;
  - (iii) In the absence of an established market for the Shares, the Fair Market Value thereof shall be determined in good faith by the Board.
- 2.17 **“Grantee”** means a person who receives or holds an Award under the ISAP.
- 2.18 **“ISAP”** means this 2011 Israeli Share Award Plan as may be amended from time to time.

- 2.19 “**ITA**” means the Israeli Tax Authorities.
- 2.20 “**Non-Employee**” means a consultant, adviser, service provider, Controlling Shareholder or any other person who is not an Employee.
- 2.21 “**Ordinary Income Award (OIA)**” as defined in Section 5.5 below.
- 2.22 “**Option**” means an option to purchase one or more Shares of the Company pursuant to the ISAP.
- 2.23 “**102 Award**” means any Award granted to Employees pursuant to Section 102 of the Ordinance.
- 2.24 “**3(i) Award**” means any Award granted pursuant to Section 3(i) of the Ordinance to any person who is Non- Employee.
- 2.25 “**Award Agreement**” means the signed written agreement between the Company and a Grantee that sets out the terms and conditions of an Award.
- 2.26 “**Ordinance**” means the Israeli Income Tax Ordinance [New Version] 1961 as now in effect or as hereafter amended.
- 2.27 “**Purchase Price**” means the price for each Share subject to an Option.
- 2.28 “**Restricted Share**” means Shares subject to certain restrictions granted to a Grantee under the ISAP.
- 2.29 “**Restricted Period**” shall have the meaning ascribed to it in Section 5A.3 below.
- 2.30 “**Section 102**” means section 102 of the Ordinance as now in effect or as hereafter amended.
- 2.31 “**Share(s)**” means an ordinary share, NIS 1.00 par value, of the Company.
- 2.32 “**Successor Company**” means any entity the Company is merged to or is acquired by, in which the Company is not the surviving entity.
- 2.33 “**Transaction**” means (i) acquisition (including an exchange) of more than 50% of the share capital of the Company by non-Affiliate holder, or a sale (including an exchange) of all or substantially all of the shares of the Company to any person, or a purchase by a shareholder of the Company or by an Affiliate of such shareholder of all the shares of the Company held by all or substantially all other shareholders or by other shareholders who are not Affiliated with such acquiring party; (ii) a sale of all or substantially all of the assets of the Company; (iii) a merger (including, a reverse merger and a reverse triangular merger), consolidation amalgamation or like transaction of the Company with or into another corporation, and (iv) such other transaction or set of circumstances that is determined by the Board, in its discretion, to be a Transaction.

- 2.34 “Trustee” means any individual appointed by the Company to serve as a trustee and approved by the ITA, all in accordance with the provisions of Section 102(a) of the Ordinance.
- 2.35 “Unapproved 102 Award” means an Award granted pursuant to Section 102(c) of the Ordinance and not held in trust by a Trustee.
- 2.36 “Vested Award” means any Award, which has already been vested according to the Vesting Dates.
- 2.37 “Vesting Dates” means, as determined by the Board or by the Committee, the date as of which the Grantee shall be entitled to exercise the Options or part of the Options, as set forth in section 12 of the ISAP or the date on which the Restricted Period with respect to a Restricted Share shall elapse.

### 3. ADMINISTRATION OF THE ISAP

- 3.1 The Board shall have the power to administer the ISAP either directly or upon the recommendation of the Committee, all as provided by applicable law and in the Company’s Articles of Association. Notwithstanding the above, the Board shall automatically have residual authority if no Committee shall be constituted or if such Committee does not exercise any of the powers granted to it hereunder or if such Committee shall cease to operate for any reason.
- 3.2 The Committee shall select one of its members as its Chairman and shall hold its meetings at such times and places as the Chairman shall determine. The Committee shall keep records of its meetings and shall make such rules and regulations for the conduct of its business as it shall deem advisable.
- 3.3 The Committee shall have the power to recommend to the Board and the Board shall have the full power and authority to: (i) designate participants; (ii) determine the terms and provisions of the respective Award Agreements, including, but not limited to, the type and number of Awards to be granted to each Grantee, including the number of Shares to be covered by each Option or the number of Restricted Shares to be covered by each Award of Restricted Shares, provisions concerning the time and the extent to which the Options may be exercised or concerning the Restricted Period and the nature and duration of restrictions as to the transferability or restrictions constituting substantial risk of forfeiture and to cancel or suspend awards, as necessary; (iii) determine the Fair Market Value of the Shares covered by each Award; (iv) make an election as to the type of Approved 102 Award; and (v) designate the type of Awards.

Subject to applicable law, the Committee shall have full power and authority to :(i) grant Awards to the Grantees and to issue Restricted Shares and Shares underlying Options duly exercised pursuant to the provisions herein, in accordance with section 288(b) of the Companies Law; (ii) alter any restrictions and conditions of any Options or Shares subject to any Awards (iii); interpret the provisions and supervise the administration of the ISAP; (iv) accelerate the right of a Grantee to exercise in whole or in part, any previously granted Option; (v) determine the Purchase Price of the Option; (vi) prescribe, amend and rescind rules and regulations relating to the ISAP; and (vii) make all other determinations deemed necessary or advisable for the administration of the ISAP, including, without limitation, to adjust the terms of the ISAP or any Award Agreement so as to reflect (a) changes in applicable laws and (b) the laws of other jurisdictions within which the Company wishes to grant Awards.

- 3.4 Notwithstanding the above, the Committee shall not be entitled to grant Awards to persons who are not Employees, however, it will be authorized to issue Shares underlying Options which have been granted by the Board and duly exercised pursuant to the provisions herein in accordance with section 112(a)(5) of the Companies Law.
- 3.5 The Board shall have the authority to grant, at its discretion, to the holder of an outstanding Option, whether or not such holder is an Employee, in exchange for the surrender and cancellation of such Option, a new Option having a purchase price equal to, lower than or higher than the Purchase Price of the original Option so surrendered and canceled and containing such other terms and conditions as the Committee may prescribe in accordance with the provisions of the ISAP. The Committee shall have the same authority solely with respect to holders of outstanding Options who are Employees.
- 3.6 Subject to the Company's Articles of Association, all decisions and selections made by the Board or the Committee pursuant to the provisions of the ISAP shall be made by a majority of its members except that no member of the Board or the Committee shall vote on, or be counted for quorum purposes, with respect to any proposed action of the Board or the Committee relating to any Award to be granted to that member, unless permitted under applicable law and in accordance therewith. Any decision reduced to writing shall be executed in accordance with the provisions of the Company's Articles of Association, as the same may be in effect from time to time.
- 3.7 The interpretation and construction by the Committee of any provision of the ISAP or of any Award Agreement thereunder shall be final and conclusive unless otherwise determined by the Board.
- 3.8 Subject to the Company's Articles of Association and the Company's decision, and to all approvals legally required, including, but not limited to the provisions of the Companies Law, each member of the Board or the Committee shall be indemnified and held harmless by the Company against any cost or expense (including counsel fees) reasonably incurred by him/her, or any liability (including any sum paid in settlement of a claim with the approval of the Company) arising out of any act or omission to act in connection with the ISAP, unless arising out of such member's own fraud or bad faith, to the extent permitted by applicable law. Such indemnification shall be in addition to any rights of indemnification the member may have as a director or otherwise under the Company's Articles of Association, any agreement, any vote of shareholders or disinterested directors, insurance policy or otherwise.

#### **4. DESIGNATION OF PARTICIPANTS**

- 4.1 The persons eligible for participation in the ISAP as Grantees shall include any Employees and/or Non-Employees of the Company or of any Affiliate; provided, however, that (i) Employees may only be granted 102 Awards; (ii) Non-Employees may only be granted 3(i) Awards; and (iii) Controlling Shareholders may only be granted 3(i) Awards.

- 4.2 The grant of an Award hereunder shall neither entitle the Grantee to participate nor disqualify the Grantee from participating in, any other grant of Awards pursuant to the ISAP or any other option or share plan of the Company or any of its Affiliates.
- 4.3 Anything in the ISAP to the contrary notwithstanding, all grants of Awards to directors and office holders shall be authorized and implemented in accordance with the provisions of the Companies Law or any successor act or regulation, as in effect from time to time.

**5. DESIGNATION OF AWARDS PURSUANT TO SECTION 102**

- 5.1 The Company may designate Awards granted to Employees pursuant to Section 102 as Unapproved 102 Awards or Approved 102 Awards.
- 5.2 The grant of Approved 102 Awards shall be made under this ISAP adopted by the Board as described in Section 15 below, as may be amended by the Board from time to time, and shall be conditioned upon the approval of this ISAP by the ITA.
- 5.3 Approved 102 Awards may either be classified as an Capital Gain Award (“CGA”) or Ordinary Income Award (“OIA”).
- 5.4 Approved 102 Awards elected and designated by the Company to qualify under the capital gain tax treatment in accordance with the provisions of Section 102(b)(2) shall be referred to herein as “CGA”.
- 5.5 Approved 102 Awards elected and designated by the Company to qualify under the ordinary income tax treatment in accordance with the provisions of Section 102(b)(1) shall be referred to herein as “OIA”.
- 5.6 The Company’s election of the type of Approved 102 Awards as CGA or OIA granted to Employees (the “Election”), shall be appropriately filed with the ITA before the Date of Grant of an Approved 102 Award. Such Election shall become effective beginning the first Date of Grant of an Approved 102 Award under this ISAP and shall remain in effect until the end of the year following the year during which the Company first granted Approved 102 Awards. The Election shall obligate the Company to grant *only* the type of Approved 102 Awards it has elected, and shall apply to all Grantees who were granted Approved 102 Awards during the period indicated herein, all in accordance with the provisions of Section 102(g) of the Ordinance. For the avoidance of doubt, such Election shall not prevent the Company from granting Unapproved 102 Awards or 3(i) Awards simultaneously.
- 5.7 All Approved 102 Awards must be held in trust by a Trustee, as described in Section 6 below.
- 5.8 For the avoidance of doubt, the designation of Unapproved 102 Awards and Approved 102 Awards shall be subject to the terms and conditions set forth in Section 102 of the Ordinance and the regulations promulgated thereunder, as may be amended from time to time.

## 5A RESTRICTED SHARES

- 5A.1 Award of Restricted Shares. Awards of Restricted Shares may be issued either alone or in addition to other Awards granted under the ISAP. Subject to the terms and conditions of the ISAP, the Board or the Committee, at any time and from time to time, may grant Awards of Restricted Shares to Grantees and may determine, at its sole discretion, the Grantees to whom, and the time or times at which, Awards of Restricted Shares will be made, the number of Restricted Shares to be awarded, the Restricted Period and all other conditions of the Awards of Restricted Shares.
- 5A2. Restricted Shares Award Agreement and Certificates. Each Award of Restricted Shares will be evidenced by an Award Agreement that will specify the number of Restricted Shares covered by the Award, the Restricted Period with respect to a Restricted Share and such other terms and conditions as the Board or the Committee, in its sole discretion, will determine. The Company may elect to cause Restricted Shares to be held through the Trustee until the restrictions on such Restricted Shares have lapsed.
- 5A3. Transferability. Except as provided in this Section 5A or the Award Agreement governing any such Award, Restricted Shares may not be sold, transferred, pledged, assigned, or otherwise alienated, hypothecated or disposed of, until the end of the applicable vesting period (the “**Restricted Period**”).
- 5A4. Other Restrictions. The Board or the Committee, in its sole discretion, may impose such other restrictions on Restricted Shares as it may deem advisable or appropriate. The Board or the Committee may set restrictions based upon continued employment or service, the achievement of specific performance objectives (Company-wide, departmental, divisional, business unit, or individual), applicable federal or state securities laws, or any other basis determined by the Board or the Committee, in its discretion.
- 5A5. Removal of Restrictions. Except as otherwise provided in this Section 5A, Restricted Shares awarded under the ISAP will be released from trust (or from other applicable restrictions hereunder) as soon as practicable after the last day of the Restriction Period or at such other time as the Board or the Committee may determine. The Committee may, in its discretion, reduce or waive any vesting criteria and may accelerate the time at which any restrictions will lapse or be removed. The Board or the Committee, in its discretion, may establish procedures regarding the release of Restricted Shares from trust, as necessary or appropriate to minimize administrative burdens on the Company.
- 5A6. Voting Rights. Once the Grantee has been issued a certificate or certificates for Restricted Shares or the Restricted Shares have been issued in the Grantee’s name by book-entry registration, during the Restricted Period, Grantees holding Restricted Shares granted hereunder may exercise full voting rights (either directly or by way of pass-through voting arrangements with the Trustee holding the Restricted Shares) with respect to those Restricted Shares, unless the Committee determines otherwise.

- 5A7. Dividends and Other Distributions. During the Restricted Period dividends and other distributions shall be payable with respect to Restricted Shares (either directly or by way of pass-through arrangements with the Trustee holding the Restricted Shares), unless the Board or the Committee determines otherwise and subject to applicable law, provided that any such dividends and other distributions shall only be paid or distributed to the Grantee at the end of the Restriction Period and a Grantee shall not be entitled to interest with respect to any such dividends or distributions subjected to the Restricted Period. During the Restricted Period, any such dividends or distributions shall be subject to the same restrictions on transferability and forfeitability as the Restricted Shares, with respect to which they were paid, unless otherwise provided in the Award Agreement. Unless otherwise determined by the Board or the Committee at any time subject to applicable law, any distributions or dividends paid in the form of securities with respect to Restricted Shares will be subject to the same terms and conditions as the Restricted Shares with respect to which they were paid, including, without limitation, the same Restriction Period.
- 5A8. Forfeiture of Restricted Shares. On the date set forth in the Award Agreement or in any termination event specified in such Award Agreement, the Restricted Shares, for which restrictions, including the Restriction Period, have not lapsed at such time, and any associated dividends, if any, that then remain subject to forfeiture will then be forfeited automatically and will become available for grant under the ISAP. Upon forfeiture of Restricted Shares, the Grantee shall have no further rights with respect to such Restricted Shares
- 5A9. 102 Award of Restricted Shares. In the event that Awards of Restricted Shares to Employees are designated as 102 Awards, such Awards of Restricted Shares shall be subject to Section 102 of the Ordinance and the provisions set forth in this ISAP relating to 102 Awards.

**6. 3(i) AWARDS**

- 6.1 Awards granted pursuant to this Section are intended to constitute 3(i) Awards and are subject to the provisions of Section 3(i) of the Ordinance and the general terms and conditions specified in the ISAP, except for provisions of the ISAP applying to Options granted under a different tax law or regulations.
- 6.2 3(i) Awards may be granted only to Non-Employees.
- 6.3 3(i) Awards that shall be granted pursuant to the ISAP may be issued directly to the Non- Employee or to a Trustee. In the event that the Board or the Committee determines that 3(i) Awards or Shares issued upon the exercise Options that are 3(i) Awards shall be deposited with a Trustee, the provisions of Section 7 hereof shall apply, mutatis mutandis.

## 7. TRUSTEE

- 7.1 Approved 102 Awards which shall be granted under the ISAP and/or any Shares allocated or issued upon exercise of such Approved 102 Awards and/or other shares received subsequently following any realization of rights, including without limitation bonus shares, shall be allocated or issued to the Trustee and held for the benefit of the Grantees for such period of time as required by Section 102 or any regulations, rules or orders or procedures promulgated thereunder (the “**Holding Period**”). In the case the requirements for Approved 102 Options are not met, then the Approved 102 Awards may be treated as Unapproved 102 Awards, all in accordance with the provisions of Section 102 and regulations promulgated thereunder.
- 7.2 Notwithstanding anything to the contrary, the Trustee shall not release any Approved 102 Award and/or Shares allocated or issued upon exercise of Approved 102 Awards prior to the full payment of the Grantee’s tax liabilities arising from Approved 102 Awards, which were granted to him/her.
- 7.3 With respect to any Approved 102 Awards, subject to the provisions of Section 102 and any rules or regulation or orders or procedures promulgated thereunder, a Grantee shall not sell or release from trust any Approved 102 Award or any Share received upon the exercise of an Approved 102 Award and/or any share received subsequently following any realization of rights, including without limitation, bonus shares, until the lapse of the Holding Period required under Section 102 of the Ordinance. Notwithstanding the above, if any such sale or release occurs during the Holding Period, the sanctions under Section 102 of the Ordinance and under any rules or regulation or orders or procedures promulgated thereunder shall apply to and shall be borne by such Grantee.
- 7.4 Upon receipt of Approved 102 Award and if required by the Company and/or the Trustee, the Grantee will sign an undertaking to release the Trustee from any liability in respect of any action or decision duly taken and bona fide executed in relation with the ISAP, or any Approved 102 Award or Share granted to him/her thereunder, except in the event of negligence or willful misconduct on part of the Trustee.

## 8. SHARES RESERVED FOR THE ISAP; RESTRICTION THEREON

- 8.1 The Company has initially reserved 900,000 (nine hundred thousand) authorized but unissued Shares, for the purposes of the ISAP and for the purposes of any other share- based compensation plans which may be adopted by the Company in the future, subject to adjustment as set forth in Section 10 below or any increase in such amount of reserved Shares, as may be determined by the Board according to the terms hereof and subject to applicable law. Any Shares which remain unissued and which are not subject to the outstanding Awards at the termination of the ISAP shall cease to be reserved for the purpose of the ISAP, but until termination of the ISAP the Company shall, at all times reserve sufficient number of Shares to meet the requirements of the ISAP. Should any Award, for any reason expire, terminate or be canceled or forfeited prior to its exercise or relinquishment in full, or prior to the lapse of its restrictions according to the applicable Award Agreement, the Shares subject to such Award may, subject to applicable law, again be subjected to an Award under the ISAP or under the Company’s other share- based compensation plans.

- 8.2 Each Award granted pursuant to the ISAP, shall be evidenced by a written Award Agreement between the Company and the Grantee, in such form as the Board or the Committee shall from time to time approve. Each Award Agreement shall state, among other matters, the type and number of Awards granted, the type of Award granted thereunder (e.g., CGA, OIA, Unapproved 102 Award or a 3(i) Award, etc.), the Vesting Dates, the Purchase Price for Shares subject to an Option, the Expiration Date and such other terms and conditions as the Committee or the Board in its discretion may prescribe, provided that they are consistent with this ISAP and applicable law.

## **9. PURCHASE PRICE OF OPTIONS**

- 9.1 The Purchase Price of each Share subject to Options shall be determined by the Committee in its sole and absolute discretion in accordance with applicable law, subject to any guidelines as may be determined by the Board from time to time. Each Award Agreement will contain the Purchase Price determined for each Grantee of Options.
- 9.2 The Purchase Price for Shares subject to an Option shall be payable upon the exercise of an Option in a form satisfactory to the Committee, including without limitation, by cash or check. The Committee shall have the authority to postpone the date of payment on such terms as it may determine. Notwithstanding the foregoing, the Board may determine that the exercise of any Option(s) granted under this ISAP shall be made according to a method of exercise known as “cashless exercise”, according to which method the Grantee is not required to pay the Purchase Price when exercising the Options, but simply receives such number of Shares, which total Fair Market Value equal to the total net amount of the increase in the Fair Market Value of the Shares covered under such Options Award above the Purchase Price, in Shares, according to a formula to be determined by the Board. In such event the Board, at its sole discretion and subject to applicable law, may exempt the Grantee from the payment of the par value of the Shares actually issued to him/her as a result of such exercise of Options.
- 9.3 The Purchase Price shall be denominated in the currency of the primary economic environment of, either the Company or the Grantee (that is the functional currency of the Company or the currency in which the Grantee is paid) as determined by the Company.

## **10. ADJUSTMENTS**

Upon the occurrence of any of the following described events, Awards granted under the ISAP shall be adjusted as hereafter provided:

- 10.1 Without derogating from the Board or the Committee’s general authority and power under this ISAP, in the event of a Transaction the Board or the Committee may take any one or more of the following actions with respect to the then outstanding Awards, without the Grantees’ consent and action and without any prior notice requirement: (i) provide for the assumption or substitution of any Award for an appropriate number of shares or other securities of the Successor Company (or a parent or subsidiary of the Successor Company), under such terms and conditions as determined by the Board or the Committee; (ii) provide for the acceleration of vesting of such Award, as to all or part of those portions of the Award which would not otherwise be exercisable or vested, under such terms and conditions as the Board or the Committee shall determine in their sole and absolute discretion; (iii) provide for the cancellation of any Award without any consideration, if the Fair Market Value per Share on the date of the Transaction does not exceed the Purchase Price of any such Award or if such Award would not otherwise be exercisable or vested, even in the event that the Fair Market Value per Share on the date of the Transaction, exceeds the Purchase Price of any such Award.

- 10.2 Notwithstanding the above and subject to any applicable law, the Board or the Committee shall have full power and authority to determine that in certain Award Agreements there shall be a clause instructing that, if in any such Transaction as described in section 9.1 above, the Successor Company (or parent or subsidiary of the Successor Company) does not agree to assume or substitute the Awards, the Vesting Dates shall be accelerated so that any unvested Award or any portion thereof shall be immediately vested as of the date which is ten (10) days prior to the effective date of the Transaction.
- 10.3 For the purposes of section 10.1(i) above, an Award shall be considered assumed or substituted if, following the Transaction, the Awards confers the right to purchase or receive, for each Share underlying an Award immediately prior to the Transaction, the consideration (whether shares, options, cash, or other securities or property) received in the Transaction by holders of Shares held on the effective date of the Transaction (and if such holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Transaction is not solely ordinary shares (or their equivalent) of the Successor Company or its parent or subsidiary, the Committee may, with the consent of the Successor Company, provide for the consideration to be received upon the exercise of an Option subject to an Award to be solely ordinary shares (or their equivalent) of the Successor Company or its parent or subsidiary equal in Fair Market Value to the per Share consideration received by holders of a majority of the outstanding Shares in the Transaction; and provided further that the Committee may determine, in its discretion, that in lieu of such assumption or substitution of Options for options of the Successor Company or its parent or subsidiary, such Options will be substituted for any other type of asset or property including cash which is fair under the circumstances.
- 10.4 If the Company is voluntarily liquidated or dissolved (i) while unexercised Options subject to an Award remain outstanding under the ISAP, the Company shall immediately notify all unexercised Option holders of such liquidation, and the Option holders shall then have ten (10) days to exercise any unexercised Vested Option held by them at that time, in accordance with the exercise procedure set forth herein. Upon the expiration of such ten- days period, all remaining outstanding Options will terminate immediately; and (ii) all Restricted Shares subject to an Award, for which restrictions, including the Restriction Period, have not lapsed at such time, and any associated dividends (if any) that then remain subject to forfeiture will then be forfeited automatically prior to the consummation of such liquidation or dissolution.
- 10.5 If the outstanding Shares of the Company shall at any time be changed or exchanged by declaration of a share dividend (bonus shares), share split, combination or exchange of shares, recapitalization, or any other like event by or of the Company, and as often as the same shall occur, then the number, class and kind of the Shares subject to the ISAP or subject to any Awards therefore granted, and the Purchase Prices of Options, shall be appropriately and equitably adjusted so as to maintain the proportionate number of Shares without changing the aggregate Purchase Price of Options, provided, however, that no adjustment shall be made by reason of the distribution of subscription rights (rights offering) on outstanding Shares. Without derogating from the foregoing, upon happening of any of the foregoing, the class and aggregate number of Shares issuable pursuant to the ISAP (as set forth in Section 8 hereof), in respect of which Options subject to Awards have not yet been exercised, shall be appropriately adjusted, all as will be determined by the Board whose determination shall be final.

- 10.6 The Grantee acknowledges that in the event that the Shares shall be registered for trading in any public market, Grantee's rights to sell the Shares may be subject to certain limitations (including a lock-up period), as will be requested by the Company or its underwriters, and the Grantee unconditionally agrees and accepts any such limitations.
- 10.7 Notwithstanding anything to the contrary included herein, and subject to applicable law and the applicable accounting standards, in the event of a distribution of a cash dividend by the Company to all holders of outstanding Shares, then unless the Committee determines otherwise, the Purchase Price of any Option that is outstanding and unexercised on the record date of such distribution shall be reduced by an amount equal to the amount distributed by the Company upon or in respect of each outstanding Share, but to not less than the par value of a Share (if such Shares bear a par value). The application of this section 10.7 with respect to any Approved 102 Awards shall be subject to obtaining a ruling from the ITA, to the extent required by applicable law and/or the ITA in order to maintain Section 102 beneficial tax treatment and subject to the terms and conditions of any such ruling.

## 11. TERM AND EXERCISE OF OPTIONS

- 11.1 Options shall be exercised by the Grantee by giving written notice to the Company and/or to any third party designated by the Company (the "**Representative**"), in such form and method as may be determined by the Company and when applicable, by the Trustee in accordance with the requirements of Section 102, which exercise shall be effective upon receipt of such notice by the Company and/or the Representative and the payment of the Purchase Price, or, in the event of cashless exercise (as described in Section 9.2 above), the surrender of portion of the Shares, at the Company's or the Representative's principal office. The notice shall specify the number of Options being exercised.
- 11.2 Options, to the extent not previously exercised, shall expire forthwith upon the earlier of:
- (i) the date set forth in the Award Agreement; and (ii) the expiration of any extended period in any of the events set forth in section 11.4 below.
- 11.3 The Options may be exercised by the Grantee in whole at any time or in part from time to time, to the extent that the Options become vested and exercisable, prior to the Expiration Date, and provided that, subject to the provisions of section 11.4 below, the Grantee is employed by or providing services (including directorship services) to the Company or any of its Affiliates, at all times during the period beginning on the Date of Grant and ending upon the later of: (a) the date of exercise; or (b) the applicable term specified in section 11.4 below.

Subject to the provisions of section 11.4 below, in the event of termination of Grantee's employment or services, with the Company or any of its Affiliates, all Options granted to such Grantee will immediately expire. A notice of termination of employment or service shall be deemed to constitute termination of employment or service. For the avoidance of doubt, in case of such termination of employment or service, the unvested portion of the Grantee's Options shall not vest and shall not become exercisable. For the sake of clarification and avoidance of doubt, the transition from an Employee of the Company and/or its Affiliates to a Non-Employee who is a consultant, adviser or service provider of the Company and/or its Affiliates prior to the Expiration Date (or vice versa) shall not be deemed to constitute termination of the Grantee's employment or service with the Company or any of its Affiliates for purposes of this ISAP and the Award Agreement, such that in such case, the Grantee's Options shall continue to vest and become exercisable according to the applicable Vesting Dates, provided that the Grantee is employed by or providing services (including directorship services) to the Company or any of its Affiliates at all times until the applicable Vesting Dates.

11.4 Notwithstanding anything to the contrary hereinabove and unless otherwise determined in the Grantee's Award Agreement, an Option may be exercised after the date of termination of Grantee's employment or service with the Company or any Affiliates during an additional period of time beyond the date of such termination, but only with respect to the number of Vested Options at the time of such termination according to the Vesting Dates, if:

- (i) termination is due to Grantee's resignation, other than in the circumstances described in paragraph (iii) below, in which event any Vested Option still in force and unexpired may be exercised within a period of ninety (90) days after the effective date of such termination, provided that to the extent that upon termination of such ninety (90) days' period there is a lasting blackout period preventing the Grantee from exercising his/her Options, the Company's CEO or CFO may extend such ninety (90) days' period for additional limited periods until the lapse of such blackout period; or-
- (ii) termination is initiated by the Company without Cause, in which event any Vested Award still in force and unexpired may be exercised within a period of ninety (90) days after the effective date of such termination; or-
- (iii) termination is due to Grantee's retirement, in which event any Vested Award still in force and unexpired may be exercised within a period of ninety (90) days after the effective date of such termination; or-
- (iv) termination is the result of death or disability of the Grantee, in which event any Vested Award still in force and unexpired may be exercised within a period of twelve (12) months after the effective date of such termination; or –
- (v) prior to the date of such termination, the Committee shall authorize an extension of the terms of all or part of the Vested Awards beyond the date of such termination for a period not to exceed the period during which the Options by their terms would otherwise have been exercisable.

For avoidance of any doubt, if termination of employment or service is for Cause, any outstanding unexercised Option (whether vested or non-vested), will immediately expire and terminate, and the Grantee shall not have any right in connection to such outstanding Options.

- 11.4A Notwithstanding anything to the contrary herein, and unless otherwise determined in the Grantee's Award Agreement, if the Expiration Date of an Option is within a Blackout Period (as defined in the Company's Insider Trading Policy), preventing the Grantee from exercising his or her Option prior to the expiration thereof, the Expiration Date of the Option will automatically extend until the date that is five (5) trading days following the expiration of the Blackout Period (or such longer period of time as may be determined by the Board, in its discretion).
- 11.5 To avoid doubt, the Grantees shall not have any of the rights or privileges of shareholders of the Company in respect of any Shares purchasable upon the exercise of any Option, nor shall they be deemed to be a class of shareholders or creditors of the Company for purpose of the operation of sections 350 and 351 of the Companies Law or any successor to such section, until registration of the Grantee as holder of such Shares in the Company's register of shareholders upon exercise of the Option in accordance with the provisions of the ISAP, but in case of Options and Shares held by the Trustee, subject to the provisions of Section 6 of the ISAP.
- 11.6 Any form of Award Agreement may contain such other provisions as the Committee may, from time to time, deem advisable.
- 11.7 With respect to Unapproved 102 Awards that are Options, if the Grantee ceases to be employed by the Company or any Affiliate, the Grantee shall extend to the Company and/or its Affiliate a security or guarantee for the payment of tax due at the time of sale of Shares, all in accordance with the provisions of Section 102 and the rules, regulation or orders promulgated thereunder.

## **12. VESTING OF OPTIONS**

- 12.1 Subject to the provisions of the ISAP, each Option subject to an Award shall vest following the Vesting Dates and for the number of Shares as shall be provided in the Award Agreement. However, no Option shall be exercisable after the Expiration Date.
- 12.2 An Option may be subject to such other terms and conditions on the time or times when it may be exercised, as the Committee may deem appropriate. The vesting provisions of individual Options may vary.

## **13. NO RIGHT OF FIRST REFUSAL**

Notwithstanding anything to the contrary in the Articles of Association of the Company, none of the Grantees shall have a right of first refusal in relation with any sale of Shares in the Company.

## **14. DIVIDENDS**

Subject to the provisions of Section 5A.7 with respect to Restricted Shares, with respect to all Shares issued under the ISAP (but excluding, for avoidance of any doubt, any unexercised Options), the Grantee shall be entitled to receive dividends in accordance with the quantity of such Shares, subject to applicable law and the provisions of the Company's Articles of Association (and all amendments thereto) and subject to any applicable taxation on distribution of dividends, and when applicable subject to the provisions of Section 102 and the rules, regulations or orders promulgated thereunder.

**15. RESTRICTIONS ON ASSIGNABILITY AND SALE OF OPTIONS**

15.1 No Option or any right with respect thereto, purchasable hereunder, whether fully paid or not, shall be assignable, transferable or given as collateral or any right with respect to it given to any third party whatsoever, except as specifically allowed under the ISAP, and during the lifetime of the Grantee each and all of such Grantee's rights to purchase Shares hereunder shall be exercisable only by the Grantee.

Any such action made directly or indirectly, for an immediate validation or for a future one, shall be void.

15.2 As long as the Shares are held by the Trustee on behalf of the Grantee, all rights of the Grantee over the Shares are personal, cannot be transferred, assigned, pledged or mortgaged, other than by will or pursuant to the laws of descent and distribution.

**16. EFFECTIVE DATE AND DURATION OF THE ISAP**

The ISAP shall be effective as of the day it was adopted by the Board and shall terminate on August 9, 2031.

The Company shall obtain the approval of the Company's shareholders for the adoption of this ISAP or for any amendment to this ISAP, if shareholders' approval is necessary or desirable to comply with any applicable law including without limitation the US securities law or the securities laws of other jurisdiction applicable to Awards granted to Grantees under this ISAP, or if shareholders' approval is required by any authority or by any governmental agencies or national securities exchanges including, without limitation, the US Securities and Exchange Commission.

**17. AMENDMENTS OR TERMINATION**

The Board may at any time, and when applicable after consultation with the Trustee, amend, alter, suspend or terminate the ISAP. No amendment, alteration, suspension or termination of the ISAP shall impair the rights of any Grantee, unless mutually agreed otherwise between the Grantee and the Company, which agreement must be in writing and signed by the Grantee and the Company. Termination of the ISAP shall not affect the Committee's ability to exercise the powers granted to it hereunder with respect to Awards granted under the ISAP prior to the date of such termination.

**18. GOVERNMENT REGULATIONS**

The ISAP, and the granting and exercise of Awards hereunder, and the obligation of the Company to sell and deliver Shares under Options subject to Awards, shall be subject to all applicable laws, rules, and regulations, whether of the State of Israel or of the United States or any other State having jurisdiction over the Company and the Grantee, including the registration of the Shares under the United States Securities Act of 1933, and the Ordinance and to such approvals by any governmental agencies or national securities exchanges as may be required. Nothing herein shall be deemed to require the Company to register the Shares under the securities laws of any jurisdiction.

**19. CONTINUANCE OF EMPLOYMENT OR HIRED SERVICES**

Neither the ISAP nor the Award Agreement with the Grantee shall impose any obligation on the Company or an Affiliate thereof, to continue any Grantee in its employ or service, and nothing in the ISAP or in any Award granted pursuant thereto shall confer upon any Grantee any right to continue in the employ or service of the Company or an Affiliate thereof or restrict the right of the Company or an Affiliate thereof to terminate such employment or service at any time.

**20. GOVERNING LAW & JURISDICTION**

The ISAP shall be governed by and construed and enforced in accordance with the laws of the State of Israel applicable to contracts made and to be performed therein, without giving effect to the principles of conflict of laws. The competent courts of Tel-Aviv, Israel shall have sole jurisdiction in any matters pertaining to the ISAP.

---

<sup>1</sup> In order to comply with ISO requirements, this date should not be more than 10 years from the date of the board resolution approving the plan.

**21. TAX CONSEQUENCES**

- 21.1 Any tax consequences arising from the grant or exercise of any Award, from the payment for Shares covered thereby or from any other event or act (of the Company and/or its Affiliates, the Trustee or the Grantee), hereunder, shall be borne solely by the Grantee. The Company and/or its Affiliates and/or the Trustee shall withhold taxes according to the requirements under the applicable laws, rules, and regulations, including withholding taxes at source. Furthermore, the Grantee shall agree to indemnify the Company and/or its Affiliates and/or the Trustee and hold them harmless against and from any and all liability for any such tax or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Grantee.
- 21.2 The Company and/or, when applicable, the Trustee shall not be required to release any Share certificate to a Grantee until all required payments have been fully made.

**22. NON-EXCLUSIVITY OF THE ISAP**

The adoption of the ISAP by the Board shall not be construed as amending, modifying or rescinding any previously approved incentive arrangements or as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of Awards otherwise than under the ISAP, and such arrangements may be either applicable generally or only in specific cases.

For the avoidance of doubt, prior grant of Awards to Grantees of the Company under their employment agreements, and not in the framework of any previous option plan, shall not be deemed an approved incentive arrangement for the purpose of this Section.

**23. MULTIPLE AGREEMENTS**

The terms of each Award may differ from other Awards granted under the ISAP at the same time, or at any other time. The Board may also grant more than one Award to a given Grantee during the term of the ISAP, either in addition to, or in substitution for, one or more Awards previously granted to that Grantee.

**SIGNIFICANT SUBSIDIARIES**

Our significant subsidiaries are set forth below, all of which are either 100% owned by us or controlled by us.

|                           |  |
|---------------------------|--|
| KI Biopharma LLC          | Delaware                               |
| Kamada Inc.               | Delaware                               |
| Kamada Plasma LLC         | Delaware (wholly owned by Kamada Inc.) |
| Kamada Assets (2001) Ltd. | Israel                                 |
| Kamada Ireland Limited    | Ireland                                |

I, Amir London, certify that:

1. I have reviewed this annual report on Form 20-F of Kamada Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 11, 2026

/s/ Amir London  
Amir London  
Chief Executive Officer

I, Chaime Orlev, certify that:

1. I have reviewed this annual report on Form 20-F of Kamada Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: March 11, 2026

/s/ Chaime Orlev  
Chaime Orlev  
Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Kamada Ltd. (the “Company”) on Form 20-F for the period ended December 31, 2025 as filed with the Securities and Exchange Commission (the “Report”), I, Amir London, Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 11, 2026

/s/ Amir London  
Amir London  
Chief Executive Officer

In connection with the Annual Report of Kamada Ltd. (the “Company”) on Form 20-F for the period ended December 31, 2025 as filed with the Securities and Exchange Commission (the “Report”), I, Chaime Orlev, Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) the Report fully complies with the requirements of section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 11, 2026

/s/ Chaime Orlev  
Chaime Orlev  
Chief Financial Officer

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form F-3 No. 333-274443) of Kamada Ltd,
- (2) Registration Statement (Form S-8 No. 333-192720) pertaining to the Kamada Ltd. 2005 Israeli Share Option Plan and the Kamada Ltd. 2011 Israeli Share Award Plan of Kamada Ltd,
- (3) Registration Statement (Form S-8 Nos. 333-207933, 333-215983, 333-222891, and 333-233267) pertaining to the Kamada Ltd. 2011 Israeli Share Award Plan of Kamada Ltd, and
- (4) Registration Statement (Form S-8 No. 333-265866) pertaining to the Kamada Ltd. 2011 Israeli Share Award Plan of Kamada Ltd and the Kamada Ltd. 2011 Israeli Share Award Plan Appendix – U.S. Taxpayer;

of our reports dated March 11, 2026, with respect to the consolidated financial statements of Kamada Ltd. and the effectiveness of internal control over financial reporting of Kamada Ltd. included in this Annual Report (Form 20-F) of Kamada Ltd. for the year ended December 31, 2025.

/s/ KOST FORER GABBAY & KASIERER

KOST FORER GABBAY & KASIERER

A MEMBER OF EY Global

March 11, 2026  
Tel Aviv, Israel