
FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

Date of Report: June 23, 2020
Commission File No.: 000-29992

OPTIBASE LTD.

(Translation of registrant's name into English)

**8 Hamenofim Street
Herzliya 4672559, Israel
+972-73-7073700**

(Address of principal executive offices)

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

Form 20-F Form 40-F

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

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

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

Yes No

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

Attached hereto and incorporated by way of reference herein is a press release issued by the Registrant and entitled "Optibase Ltd. Announces First Quarter Results".

Signatures

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

OPTIBASE LTD.
(the "Registrant")

By: */s/ Amir Philips*

Amir Philips
Chief Executive Officer

Date: June 23, 2020

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OPTIBASE LTD. ANNOUNCES FIRST QUARTER RESULTS

HERZLIYA, Israel, June 23, 2020 – Optibase Ltd. (NASDAQ: OBAS) (the "Company") today announces financial results for the first quarter ended March 31, 2020.

Revenues from fixed income real estate totaled \$4.1 million for the quarter ended March 31, 2020 compared to revenues of \$4.1 million for the first quarter of 2019.

Net Income attributable to Optibase Ltd shareholders for the quarter ended March 31, 2020 was \$117,000 or \$0.02 per basic and diluted share compared to net loss of \$191,000 or \$0.04 per basic and diluted share for the first quarter of 2019.

Weighted average shares outstanding used in the calculation for the periods were approximately 5.2 million basic and diluted shares for each period.

As of March 31, 2020, we had cash and cash equivalents of \$12.5 million, and shareholders' equity of \$73.5 million, compared with \$12.6 million, and \$71.8 million, respectively, as of December 31, 2019.

The Company further updates that to date, the Company has received almost in full the consideration for the Company's retail portfolio in Germany. The closing of the transaction is still expected to occur by the end of second quarter of 2020.

Amir Philips, Chief Executive Officer of Optibase commented on the first quarter results: "This quarter and given the COVID-19 pandemic we managed maintaining our fixed income real estate of \$4.1 million compared to \$4.1 million for the first quarter of 2019. This quarter we had a net income of \$117,000 compared to net loss of \$191,000 for the first quarter of 2019. Our net income is mostly attributed to a tax benefit as a result of a deferred tax liability remeasurement. For the first quarter of 2020, we generated an NOI of \$3.4 million compared to \$3.4 million for the first quarter of 2019. For the first quarter of 2020, our Recurring FFO showed a moderate increase to \$1.5 million compared to Recurring FFO of \$1.3 million for the first quarter of 2019. Mr. Philips concluded: "The continued uncertainty and disruption from COVID-19 is still unclear and we will continue our efforts to maintain our basic parameters and our financial stability as we progress through 2020."

ACCOUNTING AND OTHER DISCLOSURES

Non-GAAP Net Operating Income, or NOI, is a non-GAAP financial measure. The most directly comparable GAAP financial measure is operating income, which, to calculate NOI, is adjusted to add back real estate depreciation, and amortization, general and administrative expenses and other operation expenses less gain on sale of operating properties. We use NOI internally as a performance measure and believe that NOI (when combined with the primary GAAP presentations) provides useful information to investors regarding our financial condition and results of operations because it reflects only those income and expense item that are incurred at the property level.

We consider the NOI to be an appropriate supplemental non-GAAP measure to operating income because it assists management, and thereby investors, to understand the core property operations prior to depreciation and amortization expenses and general and administrative costs. In addition, because prospective buyers of real estate have different overhead structures, with varying marginal impact to overhead by acquiring real estate, we consider the NOI to be a useful measure for determining the value of a real estate asset or groups of assets.

The metric NOI should only be considered as supplemental to the metric operating income as a measure of our performance. NOI should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends or make distributions. NOI should also not be used as a supplement to, or substitute for, cash flow from operating activities (computed in accordance with generally accepted accounting principles in the United States).

Non-GAAP Funds from operation, or FFO, is a non-GAAP financial measure. The most directly comparable GAAP financial measure is net income, which, to calculate FFO, is adjusted to add back depreciation and amortization and after adjustments for unconsolidated associates. We make certain adjustments to FFO, which it refers to as Non-GAAP recurring FFO or recurring FFO, to account for items we do not believe are representative of ongoing operating results, including transaction costs associated with acquisitions. We use FFO internally as a performance measure and we believe FFO (when combined with the primary GAAP presentations) is a useful, supplemental measure of our operating performance as it's a recognized metric used extensively by the real estate industry. We also believe that Recurring FFO is a useful, supplemental measure of our core operating performance. The company believes that financial analysts, investors and shareholders are better served by the presentation of operating results generated from its FFO and Recurring FFO measures.

We consider the FFO and Recurring FFO to be an appropriate supplemental non-GAAP measure to operating income because it assists management, and thereby investors, in analyzing our operating performance.

The metric's FFO and Recurring FFO should only be considered as supplemental to the metric net income as a measure of our performance. FFO (i) does not represent cash flow from operations as defined by GAAP, (ii) is not indicative of cash available to fund all cash flow needs, including the ability to make distributions, (iii) is not an alternative to cash flow as a measure of liquidity, and (iv) should not be considered as an alternative to net income (which is determined in accordance with GAAP) for purposes of evaluating our operating performance.

Reconciliation of GAAP to Non-GAAP (Unaudited) Supplemental Financial Data

A reconciliation of operating income to NOI is as follows:

	Three months ended	
	March 31 2020 \$ Unaudited	March 31 2019 \$ Unaudited
GAAP Operating income	1,709	1,539
Adjustments:		
Real estate depreciation and amortization	871	1,078
General and administrative	800	693
Non-GAAP Net Operating Income NOI	3,380	3,310

A reconciliation of net income to FFO and Recurring FFO is as follows:

	Three months ended	
	March 31 2020 \$ Unaudited	March 31 2019 \$ Unaudited
GAAP Net income (loss) attributable to Optibase LTD	117	(191)
Adjustments :		
Real estate depreciation and amortization	871	1,078
Pro-rata share of real estate depreciation and amortization from unconsolidated associates	827	707
Non-controlling interests share in the above adjustments	(295)	(290)
Non-GAAP Fund From Operation (FFO)	1,520	1,304
Non-GAAP Recurring Fund From Operation (Recurring FFO)	1,520	1,304

Amounts in thousands

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About Optibase

Optibase invests in the fixed-income real estate field and currently holds properties and beneficial interest in real-estate assets and projects in Switzerland, Germany, Texas, Philadelphia, PA, Miami, FL, and in Chicago, IL, USA and is currently looking for additional real estate investment opportunities. Optibase was previously engaged in the field of digital video technologies until the sale of its video solutions business to Optibase Technologies Ltd., a wholly owned subsidiary of VITEC Multimedia in July 2010. For further information, please visit www.optibase-holdings.com.

This press release contains forward-looking statements concerning our marketing and operations plans. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. All forward-looking statements in this press release are made based on management's current expectations which involve risks, uncertainties and other factors that could cause results to differ materially from those expressed in forward-looking statements. These statements involve a number of risks and uncertainties including, but not limited to, difficulties in finding suitable real-estate properties for investment, availability of financing for the acquisition of real-estate, difficulties in leasing of real-estate properties, insolvency of tenants, difficulties in the disposition of real-estate projects, risk relating to collaborative arrangements with our partners relating to our real-estate properties, risks relating to the full consummation of the transaction for the sale of our video solutions business, general economic conditions and other risk factors. For a more detailed discussion of these and other risks that may cause actual results to differ from the forward looking statements in this press release, please refer to Optibase's most recent annual report on Form 20-F. The Company does not undertake any obligation to update forward-looking statements made herein.

Optibase Ltd.
Condensed Consolidated Statement of Operations
For the Period Ended March 31, 2020

	Three months ended	
	March 31 2020 \$ <u>Unaudited</u>	March 31 2019 \$ <u>Unaudited</u>
Fixed income real estate rent	4,107	4,080
Cost and expenses:		
Cost of real estate operation	727	770
Real estate depreciation and amortization	871	1,078
General and administrative	800	693
Total cost and expenses	2,398	2,541
Operating income	1,709	1,539
Other Income	-	320
Financial expenses, net	601	705
Income before taxes on income	1,108	1,154
Taxes on income (tax benefit)	(342)	343
Equity share in losses of associates, net	407	461
Net income	1,043	350
Net income attributable to non-controlling interests	926	541
Net income (loss) attributable to Optibase LTD	117	(191)
Net income (loss) per share :		
Basic and Diluted	\$ 0.02	\$ (0.04)
Number of shares used in computing earnings losses per share		
Basic	5,186	5,186
Diluted	5,186	5,186

Amounts in thousands

Condensed Consolidated Balance Sheets

	March 31, 2020 \$ Unaudited	December 31, 2019 \$ Audited
Assets		
Current Assets:		
Cash and cash equivalents	12,519	12,564
Restricted cash	823	32
Trade receivables, net	582	536
Other accounts receivables and prepaid expenses	1,021	628
Property held for sale	31,659	29,727
Total current assets	46,604	43,487
Long term investments:		
Other long term deposits and other assets	2,465	2,678
Right-of-use assets	345	376
Investments in companies and associates	11,150	11,657
Total Long term investments	13,960	14,711
Real estate properties, net	180,826	181,109
Total assets	241,390	239,307
Liabilities and shareholders' equity		
Current Liabilities:		
Current maturities of long term loans and bonds	30,610	28,803
Other accounts payable and accrued expenses	5,926	5,170
Liabilities attributed to discontinued operations	2,061	2,061
Total current liabilities	38,597	36,034
Long term liabilities:		
Deferred tax liabilities	13,377	13,801
Land lease liability, net	6,172	6,110
Operating lease liabilities	219	257
Long term loans, net of current maturities	106,797	108,406
Long term bonds, net of current maturities	2,768	2,845
Total long term liabilities	129,333	131,419
Shareholders' equity:		
Shareholders' equity of Optibase Ltd	52,222	51,844
Non-controlling interests	21,238	20,010
Total shareholders' equity	73,460	71,854
Total liabilities and shareholders' equity	241,390	239,307

Amounts in thousands