

## Q222 Results Conference Call Script

### OFER HAVIV

---

#### INTRODUCTION

Thank you for joining us today, for our second quarter 2022 conference call.

We are very happy to have you with us and review the important recent events that took place at the Evogene group: the first patient dosed in the Phase I clinical trial announced by Biomica and the announcement on the strategic collaboration and the \$10 million investment of ICL in Lavie Bio.

We are very pleased with these developments which we believe provides evidence to the value that Lavie Bio and Biomica have, and continue to create, and I will cover this shortly.

Today, joining me on the call is Russ Putland, EVP Commercial and General Manager of Lavie Bio Inc., to provide some additional color on their activities and go over some of the upcoming milestones we should expect.

The financial results themselves can be found in today's press release and Yaron Eldad, our CFO, will provide a short summary.

Following that we will all be happy to take your questions.

## Q222 Results Conference Call Script

### MANAGEMENT ADDITIONS TO EVOGENE

Before I start to review the recent events, I want to emphasize that we continue to strengthen Evogene's management team. As I discussed last quarter, we made a number of changes to expand Evogene's management and I am very happy to announce the latest addition to our team.

In June, we added Eyal Ronen, as Executive Vice President of Business Development. Eyal brings us over 20 years of extensive business development experience with biotech companies.

Eyal's focus is to create and bring us additional value by building new partnerships or forming new subsidiaries, leveraging our technology engines and expanding our activities into new areas. Evogene has significant untapped potential held within its technology engines, and Eyal's focus is to realize some of that value.

I congratulate Eyal and trust he will be a key asset to Evogene. We are already seeing some of his positive impact.

I would like to now discuss the two important events that took place in the last few months:

### BIOMICA

The first **event** was reported on **July 26** by Biomica, our subsidiary focusing on developing drugs based on human microbiome.

### **Q222 Results Conference Call Script**

The Company announced that the first patient was dosed in its Phase I clinical trial taking place in Rambam Health Care Campus, a hospital in the North of Israel, in Haifa. The trial is designed primarily to evaluate the safety and tolerability of Biomica's microbiome-based immuno-oncology drug candidate, BMC128, in combination with immune checkpoint inhibitor in patients with either non-small cell lung cancer, melanoma or renal cell carcinoma.

The drug candidate is a consortium of microbes, which we identified and selected through a detailed functional microbiome analysis using the PRISM tool, a high-resolution microbiome analysis platform which is powered by Evogene's 'MicroBoost AI' tech engine.

As the trial is open-label, we expect preliminary results and a first data point readout in early 2023, as the first patients conclude their treatment programs. We are targeting to complete in the second half of 2023.

This development demonstrates that our tech engines can be leveraged across multiple industries.

While Evogene is traditionally leveraging its tech engines to agriculture, Biomica's latest achievement is a proof that there is a huge market of human health that we are uniquely positioned for playing an important role.

## Q222 Results Conference Call Script

### LAVIE BIO

The second important event was announced on August 17 - A strategic collaboration and a \$10 million investment by ICL in Lavie Bio, focusing on developing Ag Biologicals.

I would like to provide you some color on the collaboration and investment.

Lavie Bio and ICL engaged in a multi-year strategic collaboration to develop novel bio stimulants.

For those of you who are less familiar with ICL: ICL Group is a leading global specialty minerals company listed on the New York Stock Exchange and in Tel Aviv, with a \$13bn market cap. The company creates solutions for the global food, agriculture and industrial markets via its global resources of bromine, potash and phosphate. It is highly focused on technological innovation to create impactful solutions for sustainability challenges in the global food and agriculture markets.

Especially in a time of food scarcity, high prices and macroeconomic uncertainty, Lavie Bio and ICL's shared vision is to enhance global food quality, agricultural sustainability and increased productivity.

The goal of the strategic collaboration is to combine Lavie Bio's ag-biologicals expertise and Microboost AI-powered technology, with ICL's fertilizer experience, enabling the development of new and innovative products for agriculture.

### **Q222 Results Conference Call Script**

As part of this collaboration, ICL has made a \$10 million investment in Lavie Bio. The investment was structured under a SAFE, a simple agreement for future equity.

The \$10 million investment, that has already been received, allows Lavie Bio to build a pipeline of products focused on developing novel bio-stimulant products to enrich fertilizer efficiency.

ICL, will join as a shareholder of Lavie Bio to Evogene & Corteva, a New York listed, \$44bn, major agricultural company. I am very proud that these two agricultural giants have shown a strong interest in what Lavie Bio has to offer.

I believe Lavie Bio is now well set on a path for significant achievements and success over the coming years.

From the Evogene standpoint, this investment in our Lavie Bio, is an additional key milestone that demonstrates the power of our business model, whereby we are leveraging the value of our tech engines through dedicated subsidiaries.

It shows that our hard work in building, investing in and strengthening our subsidiaries, all of which are leveraging our underlying computational predictive biological tech engines, is the right strategy and bears fruit.

The \$10 million investment in Lavie Bio will also allow its activities to power ahead, while lowering the need for Evogene's financial resources. This will

**Q222 Results Conference Call Script**

enable Evogene to advance other new promising activities, while ensuring that Lavie Bio is moving ahead at full speed.

I want to hand over to Russ Putland, EVP at Lavie Bio, who will go into some more details on their recent activities and progress.

Russ – please go ahead.

## Q222 Results Conference Call Script

### RUSS PUTLAND

---

Thank you Ofer.

I am very happy to have been asked to participate on the Evogene analyst call today. It is the first time I've participated in such a call and given that, I'd like to introduce myself.

As Ofer mentioned, my name is Russ Putland, and I am Lavie Bio's Executive Vice President of Commercial and General Manager of Lavie Bio's US Subsidiary.

I joined Lavie Bio in May of 2021 and have previous experience in commercial leadership and strategy with FMC, DuPont and Cargill spanning over 30 years. I am excited to be able to share Lavie Bio's progress and direction with you today.

I'll start at a high level and then we can work down into some of the detail.

The world's population continues to grow, and consumer sophistication is increasing. We are faced with a challenge of producing food not only sustainably but also profitably for farmers. We at Lavie Bio have accepted this challenge and are well positioned to lead agriculture in the biological segment.

Lavie Bio uses Micro-Biome selection naturally occurring microbes that create positive effects in plants. Lavie Bio uses these microbes to establish

### **Q222 Results Conference Call Script**

living factories in our chosen crops, surpassing the efficacy, consistency, and stability of not only of other existing biological competing products, but measuring up to current synthetic commercial products.

We are fortunate to be blessed with the strong proven partners in Corteva Agriscience, a global leader in crop protection and in seeds, and now ICL, and our new collaboration agreement, focusing on novel bio-stimulant products that will enrich and improve fertilizer efficiency.

When you have the access to leverage Corteva and ICL's successful organizations and couple them with Evogene, our parent company's core competency of computational biology, this is where unique and breakthrough products are born.

In early 2022, we sold out of our planned production of Thrivus inoculant – (the new brand name for our product) - for use in wheat crops in the US as part of our first product soft launch. It was relatively a small amount, and our intended purpose was to demonstrate our launch capability in the areas that include production, marketing, and sales, all in preparation for a significant accelerated growth in 2023.

I want to add that we recently made the decision to change our bioinoculant's name from "Result" to "Thrivus", as we believe that the new name Thrivus strongly represents our brand and its expected performance.

Thrivus, our inoculant for use in Spring Wheat, was launched in the market at exactly the right time, when you consider increasing global supply



### **Q222 Results Conference Call Script**

shortages, resulting from unfavorable environmental conditions in key growing geographies.

Also, we need to highlight the Russia-Ukraine war, as these are two of the world's largest wheat exporters. This further supports the immediate need for increasing wheat yields globally.

We have chosen to distribute our products through two distinct routes to the market. Direct, as was the case in 2022 with United Agronomy, and indirect, in the future.

It is important that farmers have the necessary access to purchase Thrivus and realize the benefit of increased root development, biomass and ultimately 3-4 bushels of additional yield (per acre), representing an average of 4-6% increased yield.

As our strategy marches toward 2023, we are finalizing expanded production for next year's growing season. Our increased production will fuel expansion in North Dakota, Montana, and Minnesota, the spring wheat-belt of the United States.

We are also on track with our plans to launch in Western Canada for the 2024 growing season and in parallel, we are also continuing our plans to further expand Thrivus into new geographies, namely Europe and Israel from 2025 onwards, with partners around the globe.

### **Q222 Results Conference Call Script**

Additionally, we will be working to advance and broaden the crop use label with additional intended crops such as Durum, Oats, Barley, Soybeans and Canola and we will update you as we have news to report.

Moving to our bio-pesticides pipeline, our bio-fungicide fruit rot program is progressing as we would expect, and we continue to see exciting initial results in our field trials conducted in vineyards. Prior to the end of 2022, we expect to submit a regulatory dossier with the federal U.S. EPA for our leading candidate, LAV311. The standard timeline registration tends to take 18 months and we will continue to update you as we progress. Our intent is to soft launch for the 2024 growing season pending regulatory approvals.

It is important for me to emphasize, that this significant progress I described, could not be achieved without the fruitful activity between the R&D group of Lavie Bio and Evogene, and more specifically: the MicroBoost tech-engine to boost our pipeline.

I want to thank Ofer and all the Evogene staff for their ongoing support of our activities at Lavie Bio.

Thank you for your spending this time with Lavie Bio.

We look forward to speaking with you again as we continue to hit our goals and achieve our milestones.

With that, I will turn things back to Ofer.

Back to you Ofer.

## Q222 Results Conference Call Script

### OFER HAVIV

---

#### SUMMARY

Thank you, Russ.

In summary, Evogene today is at a key inflection point, whereby we are meeting critical milestones and the inherent value of our subsidiaries is becoming increasingly obvious.

Evogene's goal in the near term is to continue to be to bring high value-adding partners and investors at the subsidiary level, who understand and can value the potential from the products that our subsidiaries are developing. This we believe will demonstrate in a very public way, the significant untapped value contained within our activities.

We continue our discussions with potential strategic and financial investors, towards potential fundraising and partnering at the subsidiary level, and, to the extent permissible under securities laws, we intend to provide updates.

Our target is that each subsidiary will have its own financial resources to support its activities until its success, while at Evogene – in addition to being a major shareholder, continue to play a major role in maintaining and building their competitive advantages through our tech-engines.

In parallel, and maybe even more importantly, we are targeting and exploring the potential to establish new activities that can benefit from our

**Q222 Results Conference Call Script**

technology. This is Eyal Ronen's, our new EVP of Business Development, main mission, and I aim to elaborate on it more during our next quarterly analyst call.

Over to Yaron for the financial review:

Yaron?

## Q222 Results Conference Call Script

### YARON ELDAD

---

Thank you Ofer.

I will now provide the financial summary.

#### FINANCIAL SUMMARY

Evogene continues to maintain a solid financial position for its activities with approximately \$35.3 million in consolidated cash, cash related accounts, bank deposits and marketable securities as of June 30, 2022.

Approximately \$3.6 million of Evogene's consolidated cash is appropriated to its subsidiary, Lavie Bio. We do not have any bank debt.

These amounts do not include the \$10 million investment of ICL in Lavie Bio, which was completed during the third quarter.

During the second quarter of 2022, the consolidated cash usage was approximately \$9.3 million, or approximately \$6.4 million excluding Lavie Bio.

Out of the \$9.3 million, \$1.7 million is a non-cash charge related to foreign exchange expenses due to US Dollar and Shekel exchange rate differences and a decrease in the market value of marketable securities on our balance sheet.

As we have previously discussed, our full year net burn rate, excluding exchange rate impacts in 2022, is expected to be in the range of \$26-28

### **Q222 Results Conference Call Script**

million dollars including Lavie Bio and \$18-20 million dollars excluding Lavie Bio, which manages its own cash position.

I would like now to highlight some specific items on the P&L:

Revenues for the second quarter were \$312 thousand, in comparison to \$135 thousand in the same period the previous year. Revenues were primarily due to the initial sales of Lavie Bio's Thrivus product and sales of Canonic products in the Israeli market.

R&D expenses for the quarter, which are reported net of non-refundable grants received, were \$5.4 million, in comparison to \$5.0 million in the same period the previous year. The increase in R&D expenses were primarily due to the increase in Lavie Bio's R&D activities and Biomica's recent start to its phase I trial.

Business and Development expenses were approximately \$1.0 million for the second quarter of 2022, in comparison to \$700 thousand in the same period the previous year. The increase in the Business and Development expenses was primarily due to recruitment of business development personnel.

General and Administrative expenses remained stable, and for the second quarter of 2022 were \$1.7 million, in comparison to \$1.8 million in the same period in the previous year.

### **Q222 Results Conference Call Script**

Operating loss: Operating loss for the second quarter of 2022 was \$8.0 million in comparison to \$7.4 million in the same period in the previous year.

Financing expenses for the second quarter of 2022 were \$1.7 million in comparison to financing income of \$600 thousand in the same period in the previous year.

The increase in financing expense was mainly due to the US Dollar and Shekel exchange rate differences between periods and a decrease in marketable securities value, as I mentioned earlier.

The net loss for the second quarter of 2022 was \$9.8 million in comparison to a net loss of \$6.9 million in the same period in the previous year.

### **SAFE DETAILS**

As Ofer mentioned earlier, ICL invested the \$10 million in Lavie Bio via a SAFE mechanism. For those of you who are less familiar with a SAFE investment I would like to elaborate.

SAFE stands for a Simple Agreement for Future Equity, and today has become a common investment agreement tool due to its simplicity. It is an agreement between a company and an investor whereby the investor transfers the funds into the company immediately, which will convert automatically to equity at the next fund raising at a discount from the share price, to be determined in this future round.

### **Q222 Results Conference Call Script**

The ICL investment into Lavie Bio was concluded in mid-August, and it enables Lavie Bio to continue further development, growth and increased value prior to completing its next financial round.

As Ofer mentioned, we continue to pursue strategies to strengthen Evogene's group cash position ensuring our subsidiaries are well capitalized and also have value-adding investors and partners to advance their goals.

Finally, in the near-term, while the capital markets remain volatile, we are looking to lower expenses by reducing activities with distant milestones.

With that, both Ofer and I would now like to open the call for any questions you may have.

Operator?