Veidan Part

***Ladies and gentlemen, thank you for standing by. The conference will begin shortly.**

Evogene

Veidan Conference Coordinator:

Ladies and gentlemen, thank you for standing by.

Welcome to **Evogene's 2nd quarter 2023 results** conference call. All participants are at present in listen-only mode. Following management's formal presentation, instructions will be given for the question-and-answer session. For operator assistance during the conference, please press *0. As a reminder, this conference is being recorded on **August 17th, 2023.**

Before we begin, I would like to caution that certain statements made during this earnings conference call by Evogene's management will constitute forward-looking statements that relate to future events, risks and uncertainties regarding business strategy, operations and future performance and results of Evogene. I encourage you to review Evogene's filings with the US Securities and Exchange Commission and read the note regarding forward-looking statements in today's earnings release, which states that statements made in the earnings release (and, in a similar way, on this earnings conference call) that are not historical facts may be deemed forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995.

For example, Evogene is using forward-looking statement in this call when it discusses the establishment of collaboration agreements with leading companies in new domains of activity, *TargetSelector* ability to identify novel target proteins for innovative products, the *BMC426* and *BMC427* for IBS treatment effectiveness in reducing visceral pain and related studies and trials, future milestone payments and royalties from Corteva's sales of Lavie Bio's products, the resources needed to execute the company's plans effectively and in a timely fashion, return on investment for farmers who use *Thrivus*™, and the enhancement of AgPlenus' ability to identify new pesticide mechanisms due to the use of Evogene's *TargetSelector* applications.

All forward-looking statements made herein speak only as of the date of the announcement of results. Many of the factors that impact whether forward-looking

statements will come true are beyond the control of Evogene and may cause actual results to differ materially from anticipated results.

Evogene is under no obligation to update publicly or alter our forward-looking statements, whether as a result of new information, future events or otherwise, except as otherwise required by law. We expressly disclaim any obligation to do so. More detailed information about the risk factors potentially adversely impacting our performance can be found in our reports filed with the US Securities and Exchange Commission.

Starting the call today is the President and CEO of Evogene, Ofer Haviv. Joined by:

- Evogene's CFO, Yaron Eldad.
- CEO of Casterra, Eyal Ronen.
- CEO of Lavie Bio, Amit Noam.

That said, I would now like to turn over the call **to Ofer Haviv, President and CEO of Evogene.**

Mr. Haviv, please go ahead.

Ofer Haviv, Evogene CEO

Thank you & Good day to everyone.

Today, I will review Evogene's activities and recent achievements and provide you with an update on Evogene's potential catalysts expected in the near future.

I will also discuss some of our subsidiaries' recent accomplishments, which leverage Evogene's AI-driven tech-engines as their main competitive advantage and demonstrate the power of our technology underlying their product development process. I will end my part reviewing Evogene's recent fundraising, and how it improves our financial stability.

I would like to state that the 2nd quarter of 2023 has been a remarkable one – we made significant achievements on all fronts, and I hope that you will share this view at the end of the call.

As we have many new listeners on today's call, I would like to briefly review Evogene's core technology. Evogene has been using its Computational Predictive

Biology platform, the CPB, to direct and accelerate the discovery and development of life-science-based products. The CPB is the foundation of our three tech-engines:

● *MicroBoost AI* - supports the discovery and development of microbe-based products.
● *GeneRator AI* – supports products based on genetic elements, and
● *ChemPass AI* - supports small-molecule-based products.

Our AI-driven tech-engines aim to tackle the main challenges in life-science product development: identifying winning candidates from a vast number of prospects and meeting complex criteria for successful commercial products. Our AI-driven tech-engines efficiently find the needle in a haystack, therefore increasing the probability for success within a competitive timeframe and in a cost-efficient manner.

In July, we unveiled the latest enhancement to our *ChemPass AI* tech-engine: *TargetSelector*, a groundbreaking application designed to streamline target-protein discovery, using predictive machine learning algorithms and genomic data. With this new technology, researchers across various industries can efficiently identify novel target proteins for innovative products, while significantly reducing research and development time and resources and increasing the likelihood of success.

Proteins are crucial for developing therapeutics and life science solutions and play a pivotal role in biological processes across pharmaceuticals, agriculture, and environmental applications.

As mentioned, *ChemPass AI* tech-engine is a cutting-edge platform for the identification of small molecules. The addition of the *TargetSelector* application now enables a broader scope of finding the optimal target-protein for these molecules. Our subsidiary AgPlenus, which focuses on developing ag chemicals, is the first to benefit from this new improvement, applying it to identify novel mechanisms of action for pesticides.

We consider this significant advancement in Evogene's *ChemPass AI* tech-engine, to strongly position us to forge strategic partnerships with industry leaders, expediting product development, and delivering novel solutions to pressing global needs such as developing sustainable new pesticides and therapeutics.

Evogene's business model is to establish a product development ecosystem around each tech-engine, through two main business structures:

- independent subsidiaries, focusing on specific life science market segments with a license to use Evogene’s tech-engines for product development, or
- Joint development with leading companies for defined products utilizing Evogene’s tech-engines. Typically, partner leads later-stage development and product commercialization.

In recent years, our focus has been on the establishment of various subsidiaries that nowadays show impressive results, which I will soon discuss. This year, Evogene increased its efforts to establish collaborations with leading companies in new areas of activity, not covered by our subsidiaries, for product development leveraging our tech-engines. Though just recently initiated, the responses we received to our unique offering are positive, and we hope some of these discussions will materialize into collaboration agreements, in the near future.

With respect to our subsidiaries, they have accomplished multiple achievements and have several upcoming milestones of significant potential value creation:

Biomica

I would like to start my review with Biomica, a subsidiary of Evogene that is developing microbiome-based therapeutics for human health. Biomica leverages Evogene's *MicroBoost AI* tech-engine to identify and characterize microbes with therapeutic potential.

In April 2023 Biomica completed a $20 million financing round, led by a $10 million investment from Shanghai Healthcare Capital. The deal was done at a post-money valuation of $50 million. This external and independent endorsement of Biomica validates our belief in Biomica's long-term potential.

Biomica's leading product candidate *BMC128*, is for the treatment of immune-oncology patients, now in phase 1 clinical trial. The trial, conducted in Israel at the Rambam Health Care Campus, aims to evaluate *BMC128*'s safety and tolerability alongside (Bristol Myers Squibb's) BMS Opdivo® immunotherapy for refractory patients with NSCLC, melanoma, or RCC. The trial is planned to include 10-12 patients, and until now 6 have enrolled.

In August, Biomica opened a second site in Israel at The Davidoff Cancer Center, to open the trial to additional potential patients.

In addition, this quarter Biomica reported positive interim results from its IBS program's pre-clinical studies. The studies were performed in collaboration with the lab of Prof. Kara Gross Margolis at NYU, and demonstrated the efficacy of Biomica's live bacterial consortia, *BMC426* and *BMC427*, in reducing visceral pain, a major IBS symptom. Given the limited options for IBS treatment and the significant unmet need, these findings present promising new treatment possibilities. Biomica intends to further assess *BMC426* and *BMC427*'s efficacy in additional pre-clinical studies in the near future in preparation for its clinical trials for IBS.

Lavie Bio

The second subsidiary, which is also using Evogene's *MicroBoost AI* tech-engine, is Lavie Bio - developing next-generation ag-biological products.

In addition to Evogene's majority ownership, we are happy to emphasize that Lavie Bio has 2 additional major shareholders: Corteva a public multinational ag-tech giant and ICL, a public global minerals & an ag-tech company, which, last year, made a $10 million investment into Lavie Bio under a SAFE agreement.

In addition to equity investment, Corteva and ICL are also collaborating with Lavie Bio on the development of novel ag biologicals.

In July Lavie Bio announced that it entered into another licensing agreement with Corteva. The agreement grants Corteva exclusive rights to further develop and commercialize two of Lavie Bio's lead bio-fungicide product candidates – *LAV311* and *LAV312* - targeting fruit rots. The agreement follows two years of independent field validation trials conducted by both companies.

Lavie Bio is set to receive an initial payment of approximately $5 million, in 2 installments, and will also be eligible for additional future milestone payments, and royalties from Corteva's sales of these future products.

Stay tuned to hear directly from Lavie Bio's CEO, Amit Noam, as he shares in-depth insights into this remarkable achievement and other ongoing activities.

AgPlenus

Now I would like to review AgPlenus, our subsidiary leveraging the *ChemPass AI* tech-engine. AgPlunus aims to discover next-generation innovative crop protection products, including herbicides, insecticides, and fungicides and commercialize them through collaboration with world leading partners.

Major ag-chemical companies such as BASF, Bayer, Corteva, and Syngenta dominate today's crop protection industry. Still, they look to smaller ag-tech companies like AgPlenus to discover new target proteins and small molecules that inhibit such target proteins – serving as the active ingredient in commercial crop protection products. AgPlenus is exactly the company that addresses this need, and it explores partnerships with these major industry players.

The need for new crop protection products is enormous due to the growing resistance of pests and weeds to existing commercial solutions. Herbicide-resistant weeds today are flourishing and there has not been a new commercial herbicide with a novel mode of action for over 30 years - AgPlenus looks to change that.

There is growing interest in AgPlenus's product pipeline, especially in the company's lead target protein *APTH1*, and the small molecules that bind to this protein, as candidates for a novel herbicide with a broad weed control spectrum. We hope to update in the future on strategic collaboration based on *APTH1*.

As I mentioned earlier, the new application, *TargetSelector*, that is now part of our *ChemPass AI* tech-engine, which serves as the infrastructure of AgPlenus's technology platform, will allow the company to accelerate and improve the identification of novel mechanisms of action for pesticides. I expect that this significant advancement will better position AgPlenus to forge strategic partnerships with industry leaders.

Lastly, I would like to congratulate **Dr. Adrian Percy** on joining the AgPlenus Board of Directors. Dr. Percy is a highly accomplished agricultural scientist with over 20 years of experience in the industry. Dr. Percy also serves as a member of Evogene's board of directors since 2019. We wish all of us good luck!

Before I move on, I would like to encourage you to review AgPlenus's new presentation available on AgPlenus's and Evogene'e web sites.

CASTERRA

I will now review the activities of Casterra and Canonic, the subsidiaries that utilize Evogene's *GeneRator AI* tech-engine as their main technological advantage.

Starting with Casterra, which reached major milestones in the last quarter. Casterra focuses on developing an integrated solution to enable large-scale commercial cultivation of castor beans, through its unique elite seed varieties. The goal of Casterra is to address the global demand for a stable castor oil supply, mainly for the biodiesel industry.

The past few months were pivotal for Casterra. Our vision of becoming a major player in the biodiesel industry progresses, with seed orders from a world leading energy and gas company totaling $11.3M for castor cultivation in Africa, to support the growing demand for biodiesel. This is just the beginning…

For more details on Casterra's activity and its impressive achievements, we will later hear from Casterra's CEO, Eyal Ronen.

CANONIC

Moving on to Canonic, which focuses on developing best-in-class medical cannabis products using Evogene's *GeneRator AI* tech-engine.

As we disclosed in our previous analyst call, Canonic's main targets for the near term are to grow its cannabis sales in Israel, benefiting from its elite unique strains, while significantly reducing Canonic's expenses.

As Canonic's go-to-market strategy includes out-licensing to third party the commercial growth of the cannabis strains toward the final product, it is crucial to select subcontractors that have the right skills and expertise to maximize the genetic value of Canonic's strains, meeting the premium market criteria. To this end, during the past months the company has been evaluating and negotiating with various subcontractors, including growers outside Israel, and in-door growth facilities. We

hope to update on this matter in the coming months.

I would now like to address the successful completion of Evogene's latest capital raise. in July 17, we raised total gross proceeds of 8.5 million dollars through a registered direct offering from institutional investors, including: SilverArc Capital Management, Altium Capital Management, LP, and CVI Investments.
While within the whole Evogene group we do have a substantial amount of funds, a significant portion is assigned to the subsidiaries. The additional funds raised for Evogene itself will allow more financial flexibility, strengthen our position and will ensure continued growth, as planned.

For more details on Evogene's financials, we will later hear from Evogene's CFO, Yaron Eldad.

To wrap-up, the second quarter of 2023 has been an exceptional period of achievements in the Evogene group, and in my view it is a pivotal point in the transformation Evogene is going through, which started with the creation of our three AI tech-engines. Announcing purchase orders in the accumulated amount of $11.3M for Casterra's castor seeds; licensing agreement between Lavie Bio and Corteva, which includes an upfront payment of $5M, milestones and royalties; closing a financial round for Biomica on the amount of $20M; and last but not least, receiving the trust of high-quality investors, demonstrated by purchasing 8,500,000 ordinary Evogene shares in our recent financing round - All happening in a relatively short time, signals a clear message that Evogene is on the right path of success.

I will now hand over to Amit Noam, Lavie Bio's CEO, who will be followed by Eyal Ronen, Casterra's CEO, and finally Yaron Eldad, Evogene's CFO who will elaborate on the latest Evogene fundraising and our financial results for the 2nd quarter.

Amit…

Amit Noam, Lavie Bio CEO

Hello everyone,

I am delighted to be joining Evogene's earnings call for the first time. It has been an incredible journey over the past three months since I joined Lavie Bio as the company's CEO. I have had the pleasure of meeting a remarkable group of people

and talents, and I am confident that together we will drive Lavie Bio to new heights in our business endeavors. I want to express my gratitude to Evogene's CEO, Ofer, his management team, and the entire Lavie Bio Board of directors for their warm welcome and unwavering professionalism. Thank you all for your support.

I would like to update you on 3 of Lavie Bio's main achievements in the last quarter, and provide some insights into our future plans:

1. The commercial progress of our first product *Thrivus*™
2. The licensing agreement with Corteva for 2 of our leading bio-fungicide candidates, and
3. The advancement in our product pipeline

Back in May, the company updated that it had received regulatory approval from the Canadian Food Inspection Agency (CFIA) for its bio-inoculant seed treatment, *Thrivus*™, this approval triples the product's sales territory, expanding its global reach. *Thrivus*™, which increases Hard Red Spring Wheat production by enhancing soil nutrient availability and efficiency while mitigating environmental stresses, has already demonstrated its efficacy in the USA with an average 3-4 bushels per acre yield increases, providing a 4X return on investment for farmers.

Lavie Bio plans to extend *Thrivus*™ application to other crops in the future. The product, developed using Lavie Bio's BDD platform powered by Evogene's *MicroBoost AI* tech-engine, exemplifies the company's commitment to sustainable agriculture and enhancing productivity for farmers worldwide.

Recently, we announced that Lavie Bio has successfully entered into a strategic licensing agreement with Corteva. This significant agreement grants Corteva exclusive rights, subject to reaching certain commercial milestones, to further develop and commercialize *LAV311* and *LAV312*, our promising lead bio-fungicide candidates, which target fruit rots. These candidates were originally discovered and developed by Lavie Bio, showcasing our commitment to innovative solutions in the ag-biological industry.

As Ofer mentioned, in the frame of this collaboration, Lavie Bio is set to receive an initial payment of approximately $5 million. In addition, we are eligible for additional milestone payments in the future based on achieving certain patent rights and regulatory approvals. Most importantly, this mutually beneficial agreement also allows us to receive royalties from Corteva's sales of these future products.

We are thrilled about this strategic partnership and confident that Corteva's proven capabilities in the ag-biological space will help propel our lead bio-fungicides, *LAV311* and *LAV312*, towards commercial success. This agreement aligns perfectly with Lavie Bio's vision to provide farmers with environmentally friendly and sustainable tools that effectively combat fruit rots, a highly destructive disease causing substantial annual losses in the agricultural sector.

In the second quarter we continued to advance 6 (!) additional programs in our pipeline, showing satisfactory progress. We also refined the company's strategy of being a leading ag-biological product development company with the goal of consistently and repeatedly bringing high quality, commercially viable ag-biological products to the market that are competitive in performance to the synthetic chemical solutions but superior in their sustainability benefits.

These product programs will support our 2 go-to-market strategies: direct sales by Lavie Bio, like with *Thrivus*™, and licensing agreement and collaboration, like the one with Corteva.

I am excited about the future for Lavie Bio and our commitment to supporting farmers worldwide with cutting-edge solutions. Thank you for your continued support, and I look forward to updating you on our progress in the future.

Thank you all, and now Eyal Ronen, Casterra's CEO, and Evogene's EVP business development, will provide his update.

Eyal Ronen, Casterra CEO

Hello everyone,

Thank you, Amit.
I am delighted to join the call today and provide a brief overview of Casterra's recent activities and our plans for the future.

Our mission is clear - to transform the castor-oil industry by providing an integrated holistic solution for industrialized cultivation, ensuring a consistent supply of high-quality grains for the industry's value chain. Through our profound knowledge of genetics and innovative agro and technical solutions, we are committed to creating a continuous, single season industrialized solution for the best castor crop performance.

Let's review last quarter's activities:

In the second quarter of 2023, Casterra achieved significant milestones with purchase orders totaling $11.3 million for the supply of our high-yield, high-oil, proprietary castor seeds for the cultivation of castor plants to produce oil for sustainable biofuel.

I would like to elaborate on this achievement:

In June, we announced the signing of a framework agreement with a prominent oil and gas company, securing initial purchase orders worth $9.1 million for the supply of our castor seeds to be cultivated in specific African territories.

Additionally, in July, we unveiled one more purchase order, valued at $2.2 million, for additional territories in Africa.

Now, I would like to give a short review of the biodiesel market and its value to Casterra :

The biodiesel market per Precedence Research site, was valued at $92 billion in 2021 (9% of global diesel) and is expected to reach $190 billion by 2030. Biodiesel currently consists of 93-95% fossil oil and 5-7% non-fossil oil from plants or other sources. The demand for non-fossil oil in biodiesel could rise due to the biodiesel segment's growth or an increase in non-fossil components. Castor is a standout non-fossil oil candidate with carbon-neutral properties, thriving in marginal lands without competing with edible crops. Spear-heading this development is Casterra, using advanced computational biology technologies to develop high-yield castor varieties.

I would like to note that we are thrilled to receive these significant purchase orders, which confirm our value proposition for the sustainable biodiesel industry. As we eagerly hope to secure more orders in the future, these accomplishments reinforce our ongoing commitment to delivering exceptional, eco-friendly solutions to meet the ever-growing global demand for renewable energy.

Casterra plans to increase its global span and address more companies in the oil and gas space. Additionally, in its R&D it targets to expand its activity to the Sustainable Aviation Fuel (SAF) market and develop virtually-free Ricin varieties for animal feed.

After more than a decade of hard work and an investment of millions of dollars in developing our unique varieties and underlying technology, we are proud that Casterra is now a trusted and reliable supplier in this growing market.

Thank you for your attention, and I look forward to addressing any questions you may have. And now I want to pass the mic to my colleague, Yaron Eldad, Evogene's CFO.

Yaron…

Yaron Eldad, Evogene CFO

Thank you, Eyal,

As previously mentioned by Ofer, in July we successfully concluded a fundraising round, securing total gross proceeds of $8.5 million. I must emphasize that the securities issued in this round were common stock only and it did not include any warrant coverage.

As of June 30, 2023, Evogene had consolidated cash, cash equivalents and short-term bank deposits of approximately $33.9 million. Of this sum, Biomica accounted for $16.8 million, and Lavie Bio holds $7.1 million. Evogene, together with Casterra, Canonic, and AgPlenus, possessed an aggregate of $10.0 million in cash. The injection of funds from this last round in July strengthens Evogene's financial position and provides us with the resources needed to execute our future plans effectively and in a timely fashion. An example of such a financial need is the significant increase in the required working capital of our wholly owned subsidiary, Casterra, in order to produce the castor seeds needed to fulfill the purchase orders received in the last months, totaling $11.3 million.

It is important to note that the $10 million reflected in the cash balance of Evogene together with Casterra, Canonic and AgPlenus, do not include funds raised by Evogene in July and any amount due to the purchase orders received by Casterra in the last few months, which are expected to be supplied during the second half of the year and at the beginning of next year. Further note, that the $7.1 million reflected in the cash balance of Lavie Bio, does not include the $5 million expected to be received as the upfront payment from the licensing agreement with Corteva that was announced in July.

During the second quarter, the consolidated cash usage was approximately $5.6 million or approximately $2.8 million, excluding Lavie Bio and Biomica.

Now I will review the P&L main items.

Revenues for the second quarter of 2023 were approximately $654 thousand compared to approximately $312 thousand in the same period the previous year. The revenue increase was primarily due to revenues recognized per the collaboration

agreement of Evogene's subsidiary AgPlenus with Corteva and from sales of Lavie Bio's *Thrivus*™ product.

R&D expenses for the second quarter of 2023, which are reported net of non-refundable grants received were approximately $5.4 million and remained stable as compared to approximately $5.4 million in the same period in the previous year.

Sales and marketing expenses were approximately $928 thousand for the second quarter of 2023 and slightly decreased as compared to approximately $962 thousand in the same period the previous year. The main contributor to this decrease in expense was a reduction in personnel expenses at Canonic.

General and administrative expenses were approximately $1.8 million in the second quarter of 2023, compared to approximately $1.7 million in the same period in the previous year. The increase is mainly due to expenses related to share-based compensation .

Operating loss for the second quarter of 2023 was approximately $7.9 million compared to an operating loss of approximately $8.0 million in the same period in the previous year.

Financing income, net of financing expenses, for the second quarter of 2023 was $0.1 million in comparison to financing expenses, net of financing income, of $1.7 million in the same period in the previous year. This difference was mainly due to the U.S. Dollar and Shekel exchange rate differences between periods, a decrease in marketable securities value in the second quarter of 2022 and an increase in interest income during the second quarter of 2023.

Net loss for the second quarter of 2023 was approximately $7.8 million compared to a net loss of approximately $9.8 million in the same period in the previous year, mainly due to the financing expenses (income) differences as mentioned above.

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

Operator?

Operator: Thank you. Ladies and gentlemen, at this time, we will begin the question-and-answer session. If you have a question, please press star-one. If you wish to cancel your request, please press star-two. If you are using speaker equipment, kindly lift the handset before pressing the numbers. Your questions will be polled in the order they are received. Please stand by while we poll for your questions.

[pause] The first question is from Ben Klieve of Lake Street Capital Market. Please go ahead.

Ben Klieve: All right. Thank you for taking my questions here. I have a few. I'd like to start with a couple on Casterra. For this initial 11 million dollar order that is under way, can you clarify how much of that order is going to be filled by seed inventory that you already had on hand, versus contract production that is out now to satisfy the – that order?

Ofer Haviv: Hi, Ben, this is Ofer. I will ask Eyal to address this question.

Eyal Ronen: Hi, Ben, basically, the amounts that we received as an order are substantial amounts. So, we are producing and continue producing the extra capacity which is required to submit for that – these orders. It's not something that we had in inventory. The inventory was mainly used to supply the common demand that exists in the markets. The additional orders were requiring us to add more in our production, this is exactly what we are doing now, and will continue in the coming months to accomplish all the quantity required for that deal.

Ben Klieve: Okay. Okay, great. Thanks. And so, this is – I think, you know, clearly in excess of what I certainly was expecting would be possible here in year one. And so – which is fantastic to see. I'm wondering if you can help us understand, kind of, your outlook for next year. And specifically, do you know what, kind of a limiting factor will be for Casterra revenue next year? Is it going to be, you know, capacity for your biofuel partners? Is it going to be access to farmers to actually plant the seed? Is it going to be available inventory? I mean, what – what do you think the limiting factor is going to be for Casterra in the second year?

Ofer Haviv: [pause] Eyal, can you continue?

Eyal Ronen: Yes. Based on the estimations that we received from the clients and based on the preparations required in terms of land, I do not see at the moment any limitation that will be restricting us from producing the substantial amounts that are required. The main – main challenge, I believe, in having those capacities shifted to the client is a logistic one. So, we are improving and preparing all kind of adjustment over there to attend the supply itself. From production perspective, we don't see any limitations, land is quite available. Whether you produce this amount or another amount, the additions that are required are not something which is beyond our reach. I see it mainly as a challenge in the logistics that we need to shift substantial amounts

from one place to another. Production-wise, we are settled down, and whether they will be increasing dramatically, we are able to supply the quantities.

Ofer Haviv: I – I would prefer to be a little bit more conservative. And I will say that based on what we know could be the orders for next year, so we believe that we are in a good position to support it. Still, it will need to strength our infrastructure, as an example. So, we will need to have additional dehulling machine, additional harvester, and we need to prepare more land. But I think this is things that we – we can handle. Of course, if it will be a dramatic increase in the – in the demand, which is something that we currently – not expected, something that's, you know, 10 times more, I think then probably it will be more difficult to address it …[successfully??]. So what we know now, yes, we're expecting to see increase in demand, and we believe that we will be able to address this increase. And we are working very, very hard, in some cases even day and night, in order to be able to address this challenge.

Ben Klieve: Great. Great, thank you. One last one on Casterra, and then I have a quick one on Lavie. So, for Casterra, I heard your comment about ambitions in the world of sustainable aviation fuel. I'm curious if your unnamed partner in this space is, you know, going to be your expected partner in this, you know, for this end market? Or if you're looking to strike additional collaborations with other energy players in the world of sustainable aviation fuel?

Ofer Haviv: So, maybe I will take this – this question. It's very interesting because I think, maybe 10 years ago, Casterra had an ongoing relationship with – actually with NASA, from the US, and with an aviation company where we evaluate the probability of converting biofuel into – converting castor oil into jet fuel. And we succeed to demonstrate that it's really working. The – this project didn't move forward because, again, there was a decline in the oil price during 2014 and on, so it put some – and it's a little bit reduce the motivation of the big companies to move into this direction. So, we already have – we already in the past have had a collaboration with one of the big airplane manufacturing, and NASA, and we demonstrate that it can really work. Now, we are talking with new companies, new partners. We can't, of course, disclose the names, but I think that, hopefully, next year, we will advance – maybe even before, but we will advance a little bit faster, and maybe there's something that we can disclose. But we already have a nice experience in this field. In a way, we are – we are now continuing what we did in the past, and what we stop. And now, I think we are really in good position to see nice results pretty soon

Ben Klieve: [pause] Okay, great. Thanks, Ofer. One more on Lavie, and then I'll get back in queue. I'm wondering if you can comment about the Thrivus performance so far this year, kind of, what your expectations were for this product when you entered the year, versus – versus how it's shaking out? And then, kind of, what you're doing to really accelerate Thrivus revenues in 2024?

Ofer Haviv: Thank you for this question. I will ask Amit to address – Amit, the CEO of Lavie Bio, to address this question.

Amit Noam: Hi, yes. So, Thrivus sales in 2023, again, we're just in the beginning of entering the market, but we saw this year two main things. One is, we've continued the growth compared to last year, but we've encountered some production challenges that limited the amount of – of product that we were able to produce this year. We fixed it for next year. Next year, we're supposed to be able to produce a lot more than we did this year, to be able to grow the sales. Second thing we're doing is that we got regulatory approval for Canada. So, next year, we will – we will sell also in Canada, which triples the land area that is addressable for us to sell. Canada is twice the size of the US in our relevant crops. And the second thing that we're doing, is that we're advancing to additional crops. We're currently running field trials in different crops, like durum and barley and oats and others. And hopefully, next year, we'll be able to – to – in addition to adding another country, add additional crops, and that will enable us to accelerate the sales.

Ben Klieve: Great. Great, very helpful. Thank you, and congratulations on all the progress year-to-date. Thanks for taking the questions, and I'll get back in queue.

Ofer Haviv: Thank you.

Operator: [pause] The next question is from Brett Reiss from Janney Montgomery Scott. Please go ahead.

Brett Reiss: Good morning, gentlemen. Thanks for the opportunity to ask a question or two. First question, I just want to understand the flow of – the cash management on the castor seed part of the business. If you get, you know, continued large orders, you have to lay out capital to the entities producing the seeds. And then, once the seeds are delivered, you know, to the customer, we get paid and – and reimbursed, you know. What – what is the timing on all of that?

Ofer Haviv: Okay. Eyal, can you take this question?

Eyal Ronen: Yes. Basically, there are many pathways to conduct those businesses or those deals. We normally take the responsibility to produce the seeds and bring them to the port. And from that port, whether it's used in Latin America or in Africa, the client is responsible for dispatching and taking the goods on his behalf. In terms of – of recognition of the revenue and the income, some of it is obviously paid in advance in order to support the production, especially if we talk about substantial production. And later on, once the goods are arriving the port of the client, we are receiving the – the final – and completion – completion of the payment. So that's in terms of the support of capital to provide the cultivation of this – of the castor.

Ofer Haviv: Maybe I will add a little bit more. We have three different sites where we are producing the seed, which this is, you know, the product that's Casterra is selling to its partner. One is – the smallest one is in Israel. Then we have one in Africa, and the other one is in South America. When we collect the purchase order from our partners, then we are instruct our subcontractors how much we would like them to grow, and produce for us seeds, to support the purchase orders. In some cases, yes, we have in already some gr– seeds in the inventory, but especially when there is such a significant increase in demand, like that we have been exposed this year, so of course, we can't support such a quantity based on existing inventory. So, we ask our subcontractors in – in all of these locations to start to grow the seeds that we are going to distribute to our partners. And of course, they are using our genomics, they are using our protocols, and we are – networking our subcontractors during the growing seasons. And after four months, we have the seeds, and then, you know, our subcontractor doing the harvesting, the dehulling, coating the seeds, packaging them, and then they are ready to shipped to our partners. And when the seeds are on the way, so then, of course, we – there is a certain portion of the money that we receive the day we tra– we transfer the good at the harbor. And the rest, we receive it, you know, when – when the seed arrives to our customers. So, there is a gap between the amount of money that we pay to our subcontractors to produce the seeds, and then we get our rewards with all the margins from our partners after we supply the seeds. So, this is how it's depends. And the purchase order that we receive, they are – it's not something that they – that our partners can cancel. So, in a way, it's like, there is a guarantee that we're going to receive the money based on the supply of the seeds in a certain period of time. So, this is why we feel comfortable to invest in – in growing the seed. And sometimes, we will support our subcontractors to strengthen infrastructure in order to support the high-quality seeds to our partners. And then, in a

way, we have like a guaranteed that we receive the money from our partners when they will receive the seeds .

Brett Reiss: [pause] That was – that helpful. But in the future, I mean, we're all looking and hopeful that seed orders are really going to – to explode. Do you have enough existing working capital? You know, since there's a lag between the time you get the order and you get paid, to, you know, support this robust sales growth that, you know, we're all hopeful is going to come?

Ofer Haviv: So, for this year, one of the reason that we raised money, it was also to support this growing demand in working capital. According to our estimation, after we will go through this round with the 11 million dollar seed supply, and with current financial position of Evogene, I don't think that we will need additional capital. And maybe if we'll do so, based on purchase order that, you know, we might even can – if needed, we can take a loan from the bank's credit, or – in order to support the seeds production. I think that this year, we – we felt that maybe the right thing is to raise money in order to do so. In the future, I intend to believe that or that we will have enough from our internal resources or that if we need to receive some credit from the bank, I believe that this is another option in order to fund the working capital needed.

Brett Reiss: Great. Thank you for that answer. A different question. The collaborations you're working on with companies in areas not covered by your subsidiaries, do you have – could you share with us? Do you have a kind of template of what the structure of these potential deals and collaborations will look like?

Ofer Haviv: Since – yes. I can give you two examples. One ongoing discussion that we have, which is advancing nicely, is actually in the area of food tech. And here, we are talking about producing a protein in plant, protein that today, we all consume through, you know, through eating meat. So, we would like to produce, to – there is a specific investors and companies that are interesting in this field of protein production in plant, to replace – mammalian protein that we are all consuming. So, this is one field. And here, you can imagine that we can use our GeneRator AI technology, and also maybe in certain way, also ChemPass AI, in order to identify the genes, the genomic mechanism that you would like to improve in order to produce those proteins. Another example, it's related to MicroBoost. You know, animals such as chickens and maybe others, they also suffer from different type of problems that you can treat them using microbes, and we might enter to some relationship in the field that we are using our microbiome AI tech engine in order to identify microbes that can improve animal's health. So this is another example. But there are many other opportunity. You know,

this is just – was just few that currently are under discussion, but, there is much more that we are now pushing forward.

Brett Reiss: Great. Thank you very much for the opportunity to ask questions. And, carry – carry on, sir.

Ofer Haviv: Thank you very much. I appreciate.

Operator: [pause] If there are any additional questions, please press star-one. If you wish to cancel your request, please press star-two. Please stand by while we poll for more questions. [pause] There are no further questions at this time. Before I ask Mr. Ofer Haviv to go ahead with his closing statement, I would like to remind participants that a replay of this call is scheduled to begin two hours after the conference. In the US, please call 1-888-326-9310. In Israel, please call 03-9255-901. Internationally, please call 9723-9255-901. Mr. Haviv, would you like to make your concluding statement?

Ofer Haviv: Yes, thank you. So, thank you all for joining the call today. It was really tremendous quarter. We all look forward to updating you on our progress in our next call. Thank you.

Operator: Thank you. This concludes Evogene's second quarter 2023 results conference call. Thank you for your participation. You may go ahead and disconnect.

]End of conference call[