

**EVOGENE LTD. AND ITS SUBSIDIARIES**  
**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF SEPTEMBER 30, 2023**  
**U.S. DOLLARS IN THOUSANDS**  
**UNAUDITED**

**INDEX**

	<u>Page</u>
<b>Consolidated Interim Statements of Financial Position</b>	<b>2</b>
<b>Consolidated Interim Statements of Profit or Loss</b>	<b>3</b>
<b>Consolidated Interim Statements of Cash Flows</b>	<b>4-5</b>

**CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

U.S. dollars in thousands

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 27,331	\$ 28,980
Marketable securities	-	6,375
Short-term bank deposits	9,896	-
Trade receivables	1,345	348
Other receivables and prepaid expenses	1,870	1,482
Inventories	113	566
	<u>40,555</u>	<u>37,751</u>
<b>LONG-TERM ASSETS:</b>		
Other receivables	106	74
Deferred taxes	10	94
Right-of-use-assets	1,126	1,568
Property, plant and equipment, net	2,535	2,499
Intangible assets, net	13,414	14,140
	<u>17,191</u>	<u>18,375</u>
	<u>\$ 57,746</u>	<u>\$ 56,126</u>
<b>CURRENT LIABILITIES:</b>		
Trade payables	\$ 1,176	\$ 1,036
Employees and payroll accruals	2,059	1,987
Lease liability	854	884
Liabilities in respect of government grants	634	79
Deferred revenues and other advances	739	22
Other payables	1,022	1,617
	<u>6,484</u>	<u>5,625</u>
<b>LONG-TERM LIABILITIES:</b>		
Lease liability	387	932
Liabilities in respect of government grants	4,227	4,665
Other advances	494	-
Convertible SAFE	10,291	10,114
	<u>15,399</u>	<u>15,711</u>
<b>SHAREHOLDERS' EQUITY:</b>		
Ordinary shares of NIS 0.02 par value:		
Authorized – 150,000,000 ordinary shares; Issued and outstanding – 50,549,812 shares as of September 30, 2023 and 41,260,439 shares as of December 31, 2022	286	235
Share premium and other capital reserve	269,209	261,402
Accumulated deficit	(250,985)	(233,707)
Equity attributable to equity holders of the Company	<u>18,510</u>	<u>27,930</u>
Non-controlling interests	<u>17,353</u>	<u>6,860</u>
Total equity	<u>35,863</u>	<u>34,790</u>
	<u>\$ 57,746</u>	<u>\$ 56,126</u>

**CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS**

U.S. dollars in thousands (except share and per share amounts)

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2023	2022	2023	2022	2022
	Unaudited				Audited
Revenues	\$ 5,062	\$ 1,015	\$ 3,767	\$ 466	\$ 1,675
Cost of revenues	1,294	545	511	120	909
Gross profit	3,768	470	3,256	346	766
Operating expenses (income):					
Research and development, net	15,232	16,039	5,063	4,996	20,792
Sales and marketing	2,578	2,765	850	895	3,933
General and administrative	4,838	4,825	1,526	1,552	6,482
Other income	-	-	-	-	(3,500)
Total operating expenses, net	22,648	23,629	7,439	7,443	27,707
Operating loss	(18,880)	(23,159)	(4,183)	(7,097)	(26,941)
Financing income	1,128	679	429	194	516
Financing expenses	(894)	(3,498)	(109)	(255)	(3,329)
Financing income (expenses), net	234	(2,819)	320	(61)	(2,813)
Loss before taxes on income	(18,646)	(25,978)	(3,863)	(7,158)	(29,754)
Taxes on income (tax benefit)	(29)	45	(5)	5	90
Loss	\$ (18,617)	\$ (26,023)	\$ (3,858)	\$ (7,163)	\$ (29,844)
Attributable to:					
Equity holders of the Company	(17,278)	(23,640)	(3,984)	(6,544)	(26,638)
Non-controlling interests	(1,339)	(2,383)	126	(619)	(3,206)
	\$ (18,617)	\$ (26,023)	\$ (3,858)	\$ (7,163)	\$ (29,844)
Basic and diluted loss per share, attributable to equity holders of the Company	\$ (0.39)	\$ (0.57)	\$ (0.08)	\$ (0.16)	\$ (0.65)
Weighted average number of shares used in computing basic and diluted loss per share	44,028,642	41,202,049	48,922,553	41,215,944	41,210,184

## CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2023	2022	2023	2022	2022
	Unaudited				Audited
<u>Cash flows from operating activities:</u>					
Loss	\$ (18,617)	\$ (26,023)	\$ (3,858)	\$ (7,163)	\$ (29,844)
Adjustments to reconcile loss to net cash used in operating activities:					
Adjustments to the profit or loss items:					
Depreciation	1,223	1,117	416	400	1,513
Amortization of intangible assets	726	822	245	245	1,067
Share-based compensation	1,764	895	545	65	1,186
Increase (decrease) in convertible SAFE	177	-	(43)	-	114
Net financing expenses (income)	(206)	3,128	(212)	(11)	2,979
Decrease in accrued bank interest	-	7	-	-	7
Gain from sale of property, plant and equipment	(26)	-	-	-	-
Taxes on income (tax benefit)	(29)	45	(5)	5	90
	<u>3,629</u>	<u>6,014</u>	<u>946</u>	<u>704</u>	<u>6,956</u>
Changes in asset and liability items:					
Increase in trade receivables	(997)	(171)	(1,167)	(341)	(67)
Decrease (increase) in other receivables	(420)	443	(504)	(20)	1,113
Decrease (increase) in inventories	453	(73)	136	(3)	(474)
Increase in deferred taxes	-	-	-	-	(94)
Increase (decrease) in trade payables	179	(600)	153	(428)	(469)
Increase (decrease) in employees and payroll accruals	72	(338)	(100)	(60)	(675)
Increase (decrease) in other payables	(467)	(586)	(305)	7	48
Increase (decrease) in deferred revenues and other advances	190	185	263	344	(153)
	<u>(990)</u>	<u>(1,140)</u>	<u>(1,524)</u>	<u>(501)</u>	<u>(771)</u>
Cash received (paid) during the period for:					
Interest received	433	118	150	38	186
Interest paid	(92)	(356)	(26)	(129)	(165)
Tax paid	(15)	(34)	(5)	(5)	(40)
Net cash used in operating activities	<u>\$ (15,652)</u>	<u>\$ (21,421)</u>	<u>\$ (4,317)</u>	<u>\$ (7,056)</u>	<u>\$ (23,678)</u>

**CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

**U.S. dollars in thousands**

	Nine months ended September 30,		Three months ended September 30,		Year ended December 31,
	2023	2022	2023	2022	2022
	Unaudited				Audited
<u>Cash flows from investing activities:</u>					
Purchase of property, plant and equipment	\$ (699)	\$ (972)	\$ (216)	\$ (225)	\$ (1,171)
Proceeds from sale of marketable securities	6,924	12,352	-	203	12,356
Purchase of marketable securities	(503)	(659)	-	-	(911)
Proceeds from sale of property, plant and equipment	26	-	-	-	-
Withdrawal from (investment in) bank deposits	(9,700)	3,000	3,860	-	3,000
Net cash provided by (used in) investing activities	(3,952)	13,721	3,644	(22)	13,274
<u>Cash flows from financing activities:</u>					
Issuance of a subsidiary preferred shares to non-controlling interests	9,523	-	-	-	-
Proceeds from issuance of ordinary shares, net of issuance expenses	8,404	-	8,068	-	21
Proceeds from issuance of convertible SAFE	-	10,000	-	10,000	10,000
Proceeds from exercise of options	-	7	-	-	7
Repayment of lease liability	(624)	(366)	(211)	126	(803)
Proceeds from government grants	1,069	89	(20)	59	149
Repayment of government grants	(73)	(31)	(38)	(17)	(31)
Net cash provided by financing activities	18,299	9,699	7,799	10,168	9,343
Exchange rate differences - cash and cash equivalent balances	(344)	(2,464)	(28)	(97)	(2,284)
Increase (decrease) in cash and cash equivalents	(1,649)	(465)	7,098	2,993	(3,345)
Cash and cash equivalents, beginning of the period	28,980	32,325	20,233	28,867	32,325
Cash and cash equivalents, end of the period	<u>\$ 27,331</u>	<u>\$ 31,860</u>	<u>\$ 27,331</u>	<u>\$ 31,860</u>	<u>\$ 28,980</u>
<u>Significant non-cash activities:</u>					
Acquisition of property, plant and equipment, net	<u>\$ 35</u>	<u>\$ 146</u>	<u>\$ 35</u>	<u>\$ 80</u>	<u>\$ 74</u>
Increase (decrease) of right-of-use asset recognized with corresponding lease liability	<u>\$ 135</u>	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ (11)</u>	<u>\$ 90</u>