



**EVOGENE LTD. AND ITS SUBSIDIARIES**  
**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**AS OF SEPTEMBER 30, 2024**  
**U.S. DOLLARS IN THOUSANDS**  
**UNAUDITED**

**INDEX**

|  | <b><u>Page</u></b> |
|--|--------------------|
| <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,<br/>2024</b> | <b>December 31,<br/>2023</b> |
|--|-------------------------------|------------------------------|
|  | <b>Unaudited</b>              |                              |
| <b>CURRENT ASSETS:</b>   |                               |                              |
| Cash and cash equivalents  | \$ 11,317                     | \$ 20,772                    |
| Short-term bank deposits   | 8,636                         | 10,291                       |
| Trade receivables  | 1,590                         | 357                          |
| Other receivables and prepaid expenses   | 2,360                         | 2,973                        |
| Inventories  | 1,456                         | 76                           |
|  | <u>25,359</u>                 | <u>34,469</u>                |
| <b>LONG-TERM ASSETS:</b>   |                               |                              |
| Long-term deposits and other receivables   | 39                            | 28                           |
| Investment accounted for using the equity method   | 95                            | -                            |
| Right-of-use-assets  | 619                           | 980                          |
| Property, plant and equipment, net   | 1,562                         | 2,455                        |
| Intangible assets, net   | 12,440                        | 13,169                       |
|  | <u>14,755</u>                 | <u>16,632</u>                |
|  | <u>\$ 40,114</u>              | <u>\$ 51,101</u>             |
| <b>CURRENT LIABILITIES:</b>  |                               |                              |
| Trade payables   | \$ 1,198                      | \$ 1,785                     |
| Employees and payroll accruals   | 2,289                         | 2,537                        |
| Lease liability  | 417                           | 853                          |
| Liabilities in respect of government grants  | 782                           | 388                          |
| Deferred revenues and other advances   | 742                           | 362                          |
| Warrants and pre-funded warrants liability, net  | 6,382                         | -                            |
| Convertible SAFE   | 10,320                        | -                            |
| Other payables   | 1,158                         | 1,019                        |
|  | <u>23,288</u>                 | <u>6,944</u>                 |
| <b>LONG-TERM LIABILITIES:</b>  |                               |                              |
| Lease liability  | 269                           | 285                          |
| Liabilities in respect of government grants  | 4,148                         | 4,426                        |
| Deferred revenues and other advances   | 171                           | 393                          |
| Convertible SAFE   | -                             | 10,368                       |
|  | <u>4,588</u>                  | <u>15,472</u>                |
| <b>SHAREHOLDERS' EQUITY:</b>   |                               |                              |
| Ordinary shares of NIS 0.2 par value:  |                               |                              |
| Authorized – 15,000,000 ordinary shares; Issued and<br>outstanding – 6,792,746 shares as of September 30, 2024<br>and 5,079,313 (*) shares as of December 31, 2023 | 301                           | 286                          |
| Share premium and other capital reserve  | 269,854                       | 269,353                      |
| Accumulated deficit  | (274,498)                     | (257,586)                    |
| Equity attributable to equity holders of the Company   | (4,343)                       | 12,053                       |
| Non-controlling interests  | <u>16,581</u>                 | <u>16,632</u>                |
| Total equity   | <u>12,238</u>                 | <u>28,685</u>                |
|  | <u>\$ 40,114</u>              | <u>\$ 51,101</u>             |

(\*) Shares and per shares amounts have been retroactively adjusted to reflect the reverse stock split.

## CONSOLIDATED INRERIM STATEMENTS OF PROFIT OR LOSS

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

|  | Nine months ended<br>September 30, |             | Three months ended<br>September 30, |            | Year ended<br>December 31, |
|--|------------------------------------|-------------|-------------------------------------|------------|----------------------------|
|  | 2024                               | 2023        | 2024                                | 2023       | 2023                       |
|  | Unaudited                          |             |                                     |            |                            |
| Revenues   | \$ 6,900                           | \$ 5,062    | \$ 1,796                            | \$ 3,767   | \$ 5,640                   |
| Cost of revenues   | 1,928                              | 1,294       | 1,081                               | 511        | 1,692                      |
| Gross profit   | 4,972                              | 3,768       | 715                                 | 3,256      | 3,948                      |
| Operating expenses:  |                                    |             |                                     |            |                            |
| Research and development, net  | 13,247                             | 15,232      | 4,430                               | 5,063      | 20,777                     |
| Sales and marketing  | 2,775                              | 2,578       | 855                                 | 850        | 3,611                      |
| General and administrative   | 6,069                              | 4,838       | 2,885                               | 1,526      | 6,068                      |
| Other expenses   | 524                                | -           | -                                   | -          | -                          |
| Total operating expenses, net  | 22,615                             | 22,648      | 8,170                               | 7,439      | 30,456                     |
| Operating loss   | (17,643)                           | (18,880)    | (7,455)                             | (4,183)    | (26,508)                   |
| Financing income   | 2,820                              | 1,128       | 2,153                               | 429        | 1,486                      |
| Financing expenses   | (3,198)                            | (894)       | (2,910)                             | (109)      | (965)                      |
| Financing income (expenses), net   | (378)                              | 234         | (757)                               | 320        | 521                        |
| Share of loss of an associate  | (26)                               | -           | (6)                                 | -          | -                          |
| Loss before taxes on income  | (18,047)                           | (18,646)    | (8,218)                             | (3,863)    | (25,987)                   |
| Taxes on income (tax benefit)  | 2                                  | (29)        | 1                                   | (5)        | (33)                       |
| Loss   | \$ (18,049)                        | \$ (18,617) | \$ (8,219)                          | \$ (3,858) | \$ (25,954)                |
| Attributable to:   |                                    |             |                                     |            |                            |
| Equity holders of the Company  | (16,912)                           | (17,278)    | (7,630)                             | (3,984)    | (23,879)                   |
| Non-controlling interests  | (1,137)                            | (1,339)     | (589)                               | 126        | (2,075)                    |
|  | \$ (18,049)                        | \$ (18,617) | \$ (8,219)                          | \$ (3,858) | \$ (25,954)                |
| Basic and diluted loss per share,<br>attributable to equity holders of the<br>Company (*)      | \$ (3.17)                          | \$ (3.91)   | \$ (1.31)                           | \$ (0.81)  | \$ (5.20)                  |
| Weighted average number of shares<br>used in computing basic and diluted<br>loss per share (*) | 5,327,078                          | 4,423,661   | 5,807,128                           | 4,913,052  | 4,589,386                  |

(\*) Shares and per shares amounts have been retroactively adjusted to reflect the reverse stock split

## CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

|   | Nine months ended<br>September 30, |                    | Three months ended<br>September 30, |                   | Year ended<br>December 31, |
|---|------------------------------------|--------------------|-------------------------------------|-------------------|----------------------------|
|   | 2024                               | 2023               | 2024                                | 2023              | 2023                       |
|   | Unaudited                          |                    |                                     |                   |                            |
| <u>Cash flows from operating activities:</u>                                  |                                    |                    |                                     |                   |                            |
| Loss  | \$ (18,049)                        | \$ (18,617)        | \$ (8,219)                          | \$ (3,858)        | \$ (25,954)                |
| Adjustments to reconcile loss to net cash used in operating activities:       |                                    |                    |                                     |                   |                            |
| Adjustments to the profit or loss items:                                      |                                    |                    |                                     |                   |                            |
| Depreciation  | 1,182                              | 1,223              | 382                                 | 416               | 1,641                      |
| Amortization of intangible assets   | 729                                | 726                | 245                                 | 245               | 971                        |
| Share-based compensation  | 1,478                              | 1,764              | 479                                 | 545               | 1,877                      |
| Remeasurement of pre-funded warrants and warrants                             | (1,940)                            | -                  | (1,940)                             | -                 | -                          |
| Revaluation of convertible SAFE   | (48)                               | 177                | (72)                                | (43)              | 254                        |
| Net financing expenses (income)   | 943                                | (206)              | 1,165                               | (212)             | (666)                      |
| Loss (gain) from sale of property, plant and equipment                        | 524                                | (26)               | -                                   | -                 | (26)                       |
| Excess of initial fair value of pre-funded warrants over transaction proceeds | 2,684                              | -                  | 2,684                               | -                 | -                          |
| Amortization of deferred expenses related to issuance of warrants             | 137                                | -                  | 137                                 | -                 | -                          |
| Share of loss of an associate   | 26                                 | -                  | 6                                   | -                 | -                          |
| Taxes on income (tax benefit)   | 2                                  | (29)               | 1                                   | (5)               | (33)                       |
|   | <u>5,717</u>                       | <u>3,629</u>       | <u>3,087</u>                        | <u>946</u>        | <u>4,018</u>               |
| Changes in asset and liability items:   |                                    |                    |                                     |                   |                            |
| Increase in trade receivables   | (1,233)                            | (997)              | (1,214)                             | (1,167)           | (9)                        |
| Decrease (increase) in other receivables                                      | 601                                | (420)              | 1,326                               | (504)             | (1,445)                    |
| Decrease (increase) in inventories  | (1,380)                            | 453                | (662)                               | 136               | 490                        |
| Decrease in deferred taxes  | -                                  | -                  | -                                   | -                 | 94                         |
| Increase (decrease) in trade payables   | (534)                              | 179                | 228                                 | 153               | 742                        |
| Increase (decrease) in employees and payroll accruals                         | (248)                              | 72                 | (44)                                | (100)             | 550                        |
| Increase (decrease) in other payables   | 139                                | (467)              | 353                                 | (305)             | (534)                      |
| Increase (decrease) in deferred revenues and other advances                   | (96)                               | 190                | (12)                                | 263               | (288)                      |
|   | <u>(2,751)</u>                     | <u>(990)</u>       | <u>(25)</u>                         | <u>(1,524)</u>    | <u>(400)</u>               |
| Cash received (paid) during the period for:                                   |                                    |                    |                                     |                   |                            |
| Interest received   | 646                                | 433                | 244                                 | 150               | 905                        |
| Interest paid   | (56)                               | (92)               | (15)                                | (26)              | (115)                      |
| Tax paid  | -                                  | (15)               | -                                   | (5)               | (31)                       |
|   | <u>-</u>                           | <u>(107)</u>       | <u>(15)</u>                         | <u>(31)</u>       | <u>(145)</u>               |
| Net cash used in operating activities   | <u>\$ (14,493)</u>                 | <u>\$ (15,652)</u> | <u>\$ (4,928)</u>                   | <u>\$ (4,317)</u> | <u>\$ (21,577)</u>         |

## CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

|   | Nine months ended<br>September 30, |                  | Three months ended<br>September 30, |                  | Year ended<br>December 31, |
|---|------------------------------------|------------------|-------------------------------------|------------------|----------------------------|
|   | 2024                               | 2023             | 2024                                | 2023             | 2023                       |
|   | <b>Unaudited</b>                   |                  |                                     |                  |                            |
| <u>Cash flows from investing activities:</u>  |                                    |                  |                                     |                  |                            |
| Purchase of property, plant and equipment   | \$ (304)                           | \$ (699)         | \$ (132)                            | \$ (216)         | \$ (785)                   |
| Proceeds from sale of marketable securities   | -                                  | 6,924            | -                                   | -                | 6,924                      |
| Purchase of marketable securities   | -                                  | (503)            | -                                   | -                | (503)                      |
| Proceeds from sale of property, plant and equipment   | 58                                 | 26               | 48                                  | -                | 26                         |
| Investment in short term bank deposits, net   | 1,110                              | (9,700)          | 2,100                               | 3,860            | (10,200)                   |
| Net cash provided by (used in) investing activities   | 864                                | (3,952)          | 2,016                               | 3,644            | (4,538)                    |
| <u>Cash flows from financing activities:</u>  |                                    |                  |                                     |                  |                            |
| Issuance of a subsidiary preferred shares to non-controlling interests                                | -                                  | 9,523            | -                                   | -                | 9,523                      |
| Proceeds from issuance of ordinary shares, pre-funded warrants and warrants, net of issuance expenses | 4,854                              | -                | 4,854                               | -                | -                          |
| Proceeds from issuance of ordinary shares, net of issuance expenses                                   | 123                                | 8,404            | 37                                  | 8,068            | 8,449                      |
| Repayment of lease liability  | (695)                              | (624)            | (233)                               | (211)            | (836)                      |
| Proceeds from government grants   | 232                                | 1,069            | 232                                 | (20)             | 1,089                      |
| Repayment of government grants  | (298)                              | (73)             | (156)                               | (38)             | (73)                       |
| Net cash provided by financing activities   | 4,216                              | 18,299           | 4,734                               | 7,799            | 18,152                     |
| Exchange rate differences - cash and cash equivalent balances   | (42)                               | (344)            | 11                                  | (28)             | (245)                      |
| Increase (decrease) in cash and cash equivalents  | (9,455)                            | (1,649)          | 1,833                               | 7,098            | (8,208)                    |
| Cash and cash equivalents beginning of the period   | 20,772                             | 28,980           | 9,484                               | 20,233           | 28,980                     |
| Cash and cash equivalents end of the period   | <u>\$ 11,317</u>                   | <u>\$ 27,331</u> | <u>\$ 11,317</u>                    | <u>\$ 27,331</u> | <u>\$ 20,772</u>           |
| <u>Significant non-cash activities:</u>   |                                    |                  |                                     |                  |                            |
| Acquisition of property, plant and equipment, net   | \$ 28                              | \$ 35            | \$ 28                               | \$ 35            | \$ 81                      |
| Increase of right-of-use asset recognized with corresponding lease liability                          | \$ 279                             | \$ 135           | \$ 95                               | \$ -             | \$ 194                     |
| Investment in affiliated Company with corresponding deferred revenues                                 | \$ 120                             | \$ -             | \$ -                                | \$ -             | \$ -                       |