



Evogene Ltd.

Consolidated Financial Statements as of
March 31, 2016

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of March 31,		As of December 31,
	2016	2015	2015
	Unaudited		Audited
CURRENT ASSETS:			
Cash and cash equivalents	\$ 3,985	\$ 10,066	\$ 10,221
Restricted cash	47	1,000	47
Marketable securities	74,187	78,916	71,807
Short-term bank deposits	20,603	23,186	18,603
Trade receivables	625	816	2,675
Other receivables	1,852	751	1,023
	<u>101,299</u>	<u>114,735</u>	<u>104,376</u>
LONG-TERM ASSETS:			
Long-term deposits	16	20	22
Property, plant and equipment, net	7,716	8,307	8,197
Long-term investment	-	382	-
	<u>7,732</u>	<u>8,709</u>	<u>8,219</u>
	<u>\$ 109,031</u>	<u>\$ 123,444</u>	<u>\$ 112,595</u>
CURRENT LIABILITIES:			
Trade payables	\$ 1,161	\$ 1,181	\$ 1,771
Other payables	2,335	2,564	3,049
Liabilities in respect of government grants	252	553	259
Deferred revenues and other advances	816	1,499	560
	<u>4,564</u>	<u>5,797</u>	<u>5,639</u>
LONG-TERM LIABILITIES:			
Liabilities in respect of government grants	2,944	2,937	2,880
Deferred revenues and other advances	161	995	298
Severance pay liability, net	26	27	26
	<u>3,131</u>	<u>3,959</u>	<u>3,204</u>
SHAREHOLDERS' EQUITY:			
Ordinary shares of NIS 0.02 par value:			
Authorized – 150,000,000 ordinary shares; Issued and outstanding – 25,436,862, 25,359,704 and 25,404,362 shares at March 31, 2016 and 2015 and December 31, 2015, respectively	140	140	140
Share premium and other capital reserve	181,170	176,437	180,214
Accumulated other comprehensive loss	-	(91)	-
Accumulated deficit	(79,974)	(62,798)	(76,602)
	<u>101,336</u>	<u>113,688</u>	<u>103,752</u>
	<u>\$ 109,031</u>	<u>\$ 123,444</u>	<u>\$ 112,595</u>

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (LOSS)

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

	Three Months Ended March, 31		Year ended December 31,
	2016	2015	2015
	Unaudited		Audited
Revenues	\$ 2,016	\$ 2,701	\$ 11,129
Cost of revenues	1,515	1,830	8,255
Gross profit	501	871	2,874
Operating expenses:			
Research and development, net	3,725	3,539	14,449
Business development	362	497	1,964
General and administrative	998	963	4,382
Total operating expenses	5,085	4,999	20,795
Operating loss	(4,584)	(4,128)	(17,921)
Financing income	1,334	946	2,571
Financing expenses	(122)	(227)	(1,863)
Net loss	<u>\$ (3,372)</u>	<u>\$ (3,409)</u>	<u>\$ (17,213)</u>
Other comprehensive income (loss):			
Loss from cash flow hedges	\$ -	\$ (64)	\$ (45)
Amounts transferred to the statement of profit or loss for cash flow hedges	-	195	267
Total comprehensive loss	<u>\$ (3,372)</u>	<u>\$ (3,278)</u>	<u>\$ (16,991)</u>
Basic and diluted net loss per share	<u>\$ (0.13)</u>	<u>\$ (0.13)</u>	<u>\$ (0.68)</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

U.S. dollars in thousands

	Share Capital	Share Premium and other capital reserve	Accumulated Deficit	Total
	(Unaudited)			
Balance as of January 1, 2016 (audited)	\$ 140	\$ 180,214	\$ (76,602)	\$ 103,752
Net and comprehensive loss	-	-	(3,372)	(3,372)
Exercise of options	*) -	85	-	85
Share-based compensation	-	871	-	871
	-	871	-	871
Balance as of March 31, 2016	\$ 140	\$ 181,170	\$ (79,974)	\$ 101,336

*) Represents an amount lower than \$1 thousand

	Share Capital	Share Premium and other capital reserve	Accumulated other comprehensive income (loss)	Accumulated Deficit	Total
	(Unaudited)				
Balance as of January 1, 2015 (audited)	\$ 140	\$ 175,553	\$ (222)	\$ (59,389)	\$ 116,082
Net loss	-	-	-	(3,409)	(3,409)
Exercise of options	*) -	74	-	-	74
Other comprehensive income	-	-	131	-	131
Share-based compensation	-	810	-	-	810
	-	810	-	-	810
Balance as of March 31, 2015	\$ 140	\$ 176,437	\$ (91)	\$ (62,798)	\$ 113,688

*) Represents an amount lower than \$1 thousand

	Share Capital	Share Premium and other capital reserve	Accumulated other comprehensive income (loss)	Accumulated Deficit	Total
	(Audited)				
Balance as of January 1, 2015	\$ 140	\$ 175,553	\$ (222)	\$ (59,389)	\$ 116,082
Net loss	-	-	-	(17,213)	(17,213)
Exercise of options	*) -	296	-	-	296
Other comprehensive income	-	-	222	-	222
Share-based compensation	-	4,365	-	-	4,365
	-	4,365	-	-	4,365
Balance as of December 31, 2015	\$ 140	\$ 180,214	\$ -	\$ (76,602)	\$ 103,752

*) Represents an amount lower than \$1 thousand

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Three Months ended		Year ended December 31, 2015
	March, 31		
	2016	2015	
	Unaudited		Audited
<u>Cash Flows from Operating Activities:</u>			
Net loss	\$ (3,372)	\$ (3,409)	\$ (17,213)
Adjustments to reconcile net loss to net cash used in operating activities:			
Adjustments to the profit or loss items:			
Depreciation and amortization	591	654	2,433
Share-based compensation	871	810	4,365
Financing income, net	(1,294)	(691)	(845)
	<u>168</u>	<u>773</u>	<u>5,953</u>
Changes in asset and liability items:			
Decrease (increase) in trade receivables	2,050	367	(1,492)
Increase in other receivables	(768)	(4)	(293)
Decrease (increase) in long term deposits	6	1	(1)
Decrease in trade payables	(295)	(394)	(68)
Decrease in other payables	(756)	(1,255)	(640)
Decrease in severance pay liability, net	-	(2)	(3)
Increase (decrease) in deferred revenues and other advances	119	530	(1,055)
Increase (decrease) in liabilities in respect of government grants	<u>115</u>	<u>-</u>	<u>(284)</u>
	<u>471</u>	<u>(757)</u>	<u>(3,836)</u>
Cash received during the period for:			
Interest received	<u>679</u>	<u>821</u>	<u>2,689</u>
Net cash used in operating activities	<u>(2,054)</u>	<u>(2,572)</u>	<u>(12,407)</u>
<u>Cash Flows from Investing Activities:</u>			
Purchase of property, plant and equipment	(383)	(553)	(2,005)
Proceeds from sale of marketable securities	3,490	7,838	38,164
Purchase of marketable securities	(5,285)	(6,481)	(31,168)
Proceeds from (investment in) bank deposits, net	(2,000)	6,860	11,443
Decrease in restricted cash	<u>-</u>	<u>-</u>	<u>953</u>
Net cash provided by (used in) investing activities	<u>(4,178)</u>	<u>7,664</u>	<u>17,387</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Three Months ended March, 31		Year ended December 31,
	2016	2015	2015
	Unaudited		Audited
<u>Cash Flows from Financing Activities:</u>			
Proceeds from exercise of options	85	74	296
Proceeds from government grants	108	-	167
Repayment of government grants	(199)	(233)	(418)
Net cash provided by (used in) financing activities	(6)	(159)	45
Exchange rate differences - cash and cash equivalent balances	2	(80)	(17)
Increase (decrease) in cash and cash equivalents	(6,236)	4,853	5,008
Cash and cash equivalents, beginning of the period	10,221	5,213	5,213
Cash and cash equivalents, end of the period	<u>\$ 3,985</u>	<u>\$ 10,066</u>	<u>\$ 10,221</u>
<u>Significant non-cash transactions</u>			
Acquisition of property, plant and equipment	<u>\$ 76</u>	<u>\$ 132</u>	<u>\$ 349</u>