



# **Evogene Ltd.**

Consolidated Financial Statements as of  
March 31, 2017



## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of March 31,		As of
	2017	2016	December 31,
	Unaudited		Audited
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 3,290	\$ 3,985	\$ 3,236
Restricted cash	47	47	47
Marketable securities	68,014	74,187	71,738
Short-term bank deposits	12,017	20,603	13,137
Trade receivables	625	625	169
Other receivables	1,886	1,852	1,163
	<u>85,879</u>	<u>101,299</u>	<u>89,490</u>
<b>LONG-TERM ASSETS:</b>			
Long-term deposits	4	16	13
Property, plant and equipment, net	6,017	7,716	6,483
	<u>6,021</u>	<u>7,732</u>	<u>6,496</u>
	<u>\$ 91,900</u>	<u>\$ 109,031</u>	<u>\$ 95,986</u>
<b>CURRENT LIABILITIES:</b>			
Trade payables	\$ 778	\$ 1,161	\$ 1,330
Other payables	3,161	2,335	2,803
Liabilities in respect of government grants	696	252	125
Deferred revenues and other advances	1,033	816	967
	<u>5,668</u>	<u>4,564</u>	<u>5,225</u>
<b>LONG-TERM LIABILITIES:</b>			
Liabilities in respect of government grants	2,766	2,944	3,303
Deferred revenues and other advances	128	161	138
Severance pay liability, net	32	26	31
	<u>2,926</u>	<u>3,131</u>	<u>3,472</u>
<b>SHAREHOLDERS' EQUITY:</b>			
Ordinary shares of NIS 0.02 par value:			
Authorized – 150,000,000 ordinary shares; Issued and outstanding – 25,626,809, 25,436,862 and 25,480,809 shares at March 31, 2017 and 2016 and December 31, 2016, respectively	141	140	141
Share premium and other capital reserve	184,206	181,170	183,342
Accumulated deficit	(101,041)	(79,974)	(96,194)
	<u>83,306</u>	<u>101,336</u>	<u>87,289</u>
	<u>\$ 91,900</u>	<u>\$ 109,031</u>	<u>\$ 95,986</u>

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

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

	<b>Three Months Ended March, 31</b>		<b>Year ended December 31,</b>
	<b>2017</b>	<b>2016</b>	<b>2016</b>
	<b>Unaudited</b>		<b>Audited</b>
Revenues	\$ 721	\$ 2,016	\$ 6,540
Cost of revenues	<u>647</u>	<u>1,515</u>	<u>5,639</u>
Gross profit	<u>74</u>	<u>501</u>	<u>901</u>
Operating expenses:			
Research and development, net	4,004	3,725	16,405
Business development	451	362	1,696
General and administrative	<u>878</u>	<u>998</u>	<u>3,889</u>
Total operating expenses	<u>5,333</u>	<u>5,085</u>	<u>21,990</u>
Operating loss	(5,259)	(4,584)	(21,089)
Financing income	722	1,334	2,424
Financing expenses	<u>(302)</u>	<u>(122)</u>	<u>(891)</u>
Loss before taxes on income	(4,839)	(3,372)	(19,556)
Taxes on income	<u>8</u>	<u>-</u>	<u>36</u>
Net loss	<u>\$ (4,847)</u>	<u>\$ (3,372)</u>	<u>\$ (19,592)</u>
Basic and diluted net loss per share	<u>\$ (0.19)</u>	<u>\$ (0.13)</u>	<u>\$ (0.77)</u>

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

U.S. dollars in thousands

	<u>Share capital</u>	<u>Share premium and other capital reserve</u>	<u>Accumulated deficit</u>	<u>Total</u>
	<b>(Unaudited)</b>			
Balance as of January 1, 2017 (audited)	\$ 141	\$ 183,342	\$ (96,194)	\$ 87,289
Net loss	-	-	(4,847)	(4,847)
Exercise of options	*) -	348	-	348
Share-based compensation	-	516	-	516
Balance as of March 31, 2017	<u>\$ 141</u>	<u>\$ 184,206</u>	<u>\$ (101,041)</u>	<u>\$ 83,306</u>

\*) Represents an amount lower than \$1

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

\*) Represents an amount lower than \$1

	<u>Share capital</u>	<u>Share premium and other capital reserve</u>	<u>Accumulated deficit</u>	<u>Total</u>
	<b>(Audited)</b>			
Balance as of January 1, 2016	\$ 140	\$ 180,214	\$ (76,602)	\$ 103,752
Net loss	-	-	(19,592)	(19,592)
Exercise of options	1	185	-	186
Share-based compensation	-	2,943	-	2,943
Balance as of December 31, 2016	<u>\$ 141</u>	<u>\$ 183,342</u>	<u>\$ (96,194)</u>	<u>\$ 87,289</u>

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

U.S. dollars in thousands

	Three Months ended		Year ended
	March, 31		December 31,
	2017	2016	2016
	Unaudited		Audited
<u>Cash flows from operating activities:</u>			
Net loss	\$ (4,847)	\$ (3,372)	\$ (19,592)
Adjustments to reconcile net loss to net cash used in operating activities:			
Adjustments to the profit or loss items:			
Depreciation	545	591	2,279
Share-based compensation	516	871	2,943
Net financing income	(565)	(1,294)	(1,688)
Loss from sale of property, plant and equipment	-	-	39
Taxes on income	8	-	36
	<u>504</u>	<u>168</u>	<u>3,609</u>
Changes in asset and liability items:			
Decrease (increase) in trade receivables	(456)	2,050	2,506
Increase in other receivables	(720)	(768)	(100)
Decrease in long-term deposits	9	6	9
Decrease in trade payables	(429)	(295)	(215)
Increase (decrease) in other payables	357	(756)	(303)
Increase in severance pay liability, net	1	-	5
Increase (decrease) in deferred revenues and other advances	56	119	(81)
Increase in liabilities in respect of government grants	-	115	115
	<u>(1,182)</u>	<u>471</u>	<u>1,936</u>
Cash received (paid) during the period for:			
Interest received	671	679	2,360
Taxes paid	(11)	-	(6)
Net cash used in operating activities	<u>(4,865)</u>	<u>(2,054)</u>	<u>(11,693)</u>
<u>Cash flows from investing activities:</u>			
Purchase of property, plant and equipment	(198)	(383)	(808)
Proceeds from sale of marketable securities	6,286	3,490	23,926
Purchase of marketable securities	(2,704)	(5,285)	(24,561)
Proceeds from (investment in) bank deposits, net	1,120	(2,000)	5,466
Proceeds from sale of property, plant and equipment	-	-	5
Net cash provided by (used in) investing activities	<u>4,504</u>	<u>(4,178)</u>	<u>4,028</u>

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

U.S. dollars in thousands

	<b>Three Months ended March, 31</b>		<b>Year ended December 31,</b>
	<b>2017</b>	<b>2016</b>	<b>2016</b>
	<b>Unaudited</b>		<b>Audited</b>
<u>Cash flows from financing activities:</u>			
Proceeds from exercise of options	348	85	186
Proceeds from government grants	101	108	802
Repayment of government grants	<u>(94)</u>	<u>(199)</u>	<u>(333)</u>
Net cash provided by (used in) financing activities	<u>355</u>	<u>(6)</u>	<u>655</u>
Exchange rate differences - cash and cash equivalent balances	<u>60</u>	<u>2</u>	<u>25</u>
Increase (decrease) in cash and cash equivalents	54	(6,236)	(6,985)
Cash and cash equivalents, beginning of the period	<u>3,236</u>	<u>10,221</u>	<u>10,221</u>
Cash and cash equivalents, end of the period	<u>\$ 3,290</u>	<u>\$ 3,985</u>	<u>\$ 3,236</u>
<u>Significant non-cash transactions</u>			
Acquisition of property, plant and equipment	<u>\$ 56</u>	<u>\$ 76</u>	<u>\$ 150</u>