
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the month of **September 2022**

Commission File Number: **001-36187**

EVOGENE LTD.

(Translation of Registrant's Name into English)

**13 Gad Feinstein Street
Park Rehovot P.O.B 2100
Rehovot 7612002 Israel**

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ____

CONTENTS

This Report of Foreign Private Issuer on Form 6-K, or Form 6-K, is being furnished by Evogene Ltd., or Evogene, to the Securities and Exchange Commission, or SEC, for the sole purpose of: (i) furnishing, as Exhibit 99.1 to this Form 6-K, unaudited condensed consolidated financial statements of Evogene as of and for the six-month period ended June 30, 2022; and (ii) furnishing, as Exhibit 99.2 to this Form 6-K, Management's Discussion and Analysis of Financial Condition and Results of Operations, which discusses and analyzes Evogene's financial condition and results of operations as of and for the six-month period ended June 30, 2022.

Exhibits 99.1 and 99.2 to this Form 6-K are incorporated by reference in the registration statements on Form F-3 (SEC File No. 333-253300), and Form S-8 (SEC File Nos. 333-193788, 333-201443, 333-203856 and 333-259215) of Evogene, and will be a part thereof from the date on which this Form 6-K is submitted, to the extent not superseded by documents or reports subsequently filed or furnished.

EXHIBIT INDEX

Exhibit No.	Description
<u>99.1</u>	<u>Unaudited Condensed Consolidated Financial Statements for the Six Months Ended June 30, 2022.</u>
<u>99.2</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations for the six-month period ended June 30, 2022.</u>
101	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) Consolidated Interim Statements of Financial Position, (ii) Consolidated Interim Statements of Profit or Loss, (iii) Consolidated Interim Statements of Changes in Equity; (iv) Consolidated Interim Statements of Cash Flows, and (v) Notes to Interim Consolidated Financial Statements.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EVOGENE LTD.
(Registrant)

Date: September 7, 2022

By: /s/ Yaron Eldad
Yaron Eldad
Chief Financial Officer

EVOGENE LTD. AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2022

U.S. DOLLARS IN THOUSANDS

UNAUDITED

INDEX

	<u>Page</u>
<u>Consolidated Statements of Financial Position</u>	F - 2
<u>Consolidated Statements of Profit or Loss</u>	F - 3
<u>Consolidated Statements of Changes in Equity</u>	F - 4
<u>Consolidated Statements of Cash Flows</u>	F - 5 - F - 6
<u>Notes to Consolidated Financial Statements</u>	F - 7 - F - 15

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

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

	June 30, 2022	December 31, 2021
	<u>Unaudited</u>	<u>Audited</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 28,867	\$ 32,325
Short-term bank deposits	-	3,000
Marketable securities	6,383	18,541
Trade receivables	111	281
Inventories	162	92
Other receivables and prepaid expenses	<u>2,182</u>	<u>2,651</u>
	<u>37,705</u>	<u>56,890</u>
LONG-TERM ASSETS:		
Long-term deposits	24	25
Right-of-use-assets	1,808	2,109
Property, plant and equipment, net	2,495	2,073
Intangible assets, net	<u>14,630</u>	<u>15,207</u>
	<u>18,957</u>	<u>19,414</u>
	<u>\$ 56,662</u>	<u>\$ 76,304</u>
CURRENT LIABILITIES:		
Trade payables	\$ 1,324	\$ 1,463
Employees and payroll accruals	2,384	2,662
Lease liability	754	974
Liabilities in respect of government grants	126	89
Deferred revenues and other advances	16	175
Other payables	<u>937</u>	<u>1,519</u>
	<u>5,541</u>	<u>6,882</u>
LONG-TERM LIABILITIES:		
Lease liability	1,367	1,695
Liabilities in respect of government grants	<u>4,357</u>	<u>4,307</u>
	<u>5,724</u>	<u>6,002</u>
SHAREHOLDERS' EQUITY:		
Ordinary shares of NIS 0.02 par value:		
Authorized – 150,000,000 ordinary shares; Issued and outstanding – 41,202,018 shares as of June 30, 2022 and 41,170,168 shares as of December 31, 2021	234	234
Share premium and other capital reserve	260,880	260,488
Accumulated deficit	<u>(224,165)</u>	<u>(207,069)</u>
Equity attributable to equity holders of the Company	36,949	53,653
Non-controlling interests	<u>8,448</u>	<u>9,767</u>
Total equity	<u>45,397</u>	<u>63,420</u>
	<u>\$ 56,662</u>	<u>\$ 76,304</u>

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

U.S. dollars in thousands

	Six months ended	
	June 30,	
	2022	2021
	Unaudited	
Revenues	\$ 549	\$ 468
Cost of revenues	425	399
Gross profit	124	69
Operating expenses:		
Research and development, net	11,043	9,283
Business development	1,870	1,242
General and administrative	3,273	3,249
Total operating expenses	16,186	13,774
Operating loss	(16,062)	(13,705)
Financing income	485	617
Financing expenses	(3,243)	(919)
Financing expenses, net	(2,758)	(302)
Loss before taxes on income	(18,820)	(14,007)
Taxes on income	40	11
Loss	\$ (18,860)	\$ (14,018)
Attributable to:		
Equity holders of the Company	\$ (17,096)	\$ (12,812)
Non-controlling interests	(1,764)	(1,206)
	\$ (18,860)	\$ (14,018)
Basic and diluted loss per share, attributable to equity holders of the Company	\$ (0.42)	\$ (0.32)
Weighted average number of ordinary shares used in computing basic and diluted loss per share	41,195,024	39,778,174

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

U.S. dollars in thousands

	Attributable to equity holders of the Company				Non-controlling interests	Total equity
	Share capital	Share premium and other capital reserves	Accumulated deficit	Total		
Unaudited						
Balance as of January 1, 2021	\$ 200	\$ 225,121	\$ (179,276)	\$ 46,045	\$ 10,837	\$ 56,882
Loss	-	-	(12,812)	(12,812)	(1,206)	(14,018)
Issuance of ordinary shares	24	27,898	-	27,922	-	27,922
Exercise of pre-funded warrants	6	4,359	-	4,365	-	4,365
Forfeiture of non-controlling interests regarding share-based compensation	-	186	-	186	(186)	-
Benefit to non-controlling interests regarding share-based compensation	-	(13)	-	(13)	13	-
Exercise of options	1	402	-	403	-	403
Share-based compensation	-	305	-	305	784	1,089
Balance as of June 30, 2021	<u>\$ 231</u>	<u>\$ 258,258</u>	<u>\$ (192,088)</u>	<u>\$ 66,401</u>	<u>\$ 10,242</u>	<u>\$ 76,643</u>
	Attributable to equity holders of the Company				Non-controlling interests	Total equity
	Share capital	Share premium and other capital reserves	Accumulated deficit	Total		
Unaudited						
Balance as of January 1, 2022	\$ 234	\$ 260,488	\$ (207,069)	\$ 53,653	\$ 9,767	\$ 63,420
Loss	-	-	(17,096)	(17,096)	(1,764)	(18,860)
Forfeiture of non-controlling interests regarding share-based compensation	-	60	-	60	(60)	-
Benefit to non-controlling interests regarding share-based compensation	-	(2)	-	(2)	2	-
Exercise of subsidiary options	-	*)	-	*)	*)	*)
Exercise of options	-	7	-	7	-	7
Restricted stock units (“RSUs”) vested	*)	*)	-	-	-	-
Share-based compensation	-	327	-	327	503	830
Balance as of June 30, 2022	<u>\$ 234</u>	<u>\$ 260,880</u>	<u>\$ (224,165)</u>	<u>\$ 36,949</u>	<u>\$ 8,448</u>	<u>\$ 45,397</u>

*) Represents an amount lower than \$1.

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended	
	June 30,	
	2022	2021
	Unaudited	
Cash flows from operating activities		
Loss	\$ (18,860)	\$ (14,018)
Adjustments to reconcile loss to net cash used in operating activities:		
Adjustments to the profit or loss items:		
Depreciation	717	672
Amortization of intangible assets	577	462
Share-based compensation	830	1,089
Net financing expenses (income)	3,139	(7)
Decrease in accrued bank interest	7	-
Pre-funded warrants issuance expenses	-	212
Taxes on income	40	11
	5,310	2,439
Changes in asset and liability items:		
Decrease in trade receivables	170	14
Decrease in other receivables	463	1,007
Increase in inventories	(70)	-
Increase (decrease) in trade payables	(172)	355
Decrease in employees and payroll accruals	(278)	(318)
Decrease in other payables	(593)	(278)
Decrease in deferred revenues and other advances	(159)	(21)
	(639)	759
Cash received (paid) during the period for:		
Interest received	80	145
Interest paid	(227)	(138)
Taxes paid	(29)	(11)
Net cash used in operating activities	\$ (14,365)	\$ (10,824)

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended	
	June 30,	
	2022	2021
	Unaudited	
<u>Cash flows from investing activities:</u>		
Purchase of property, plant and equipment	(747)	(407)
Proceeds from sale of marketable securities	12,149	406
Purchase of marketable securities	(659)	(20,990)
Withdrawal from bank deposits	3,000	-
Net cash provided by (used in) investing activities	\$ 13,743	\$ (20,991)
<u>Cash flows from financing activities:</u>		
Proceeds from issuance of ordinary shares, net of issuance expenses	-	27,922
Proceeds from exercise of options	7	460
Repayment of lease liability	(492)	(316)
Proceeds from government grants	30	380
Repayment of government grants	(14)	(20)
Net cash provided by (used in) financing activities	(469)	28,426
Exchange rate differences - cash and cash equivalent balances	(2,367)	(85)
Decrease in cash and cash equivalents	(3,458)	(3,474)
Cash and cash equivalents, beginning of the period	32,325	46,229
Cash and cash equivalents, end of the period	\$ 28,867	\$ 42,755
<u>Significant non-cash activities</u>		
Acquisition of property, plant and equipment	\$ 66	\$ 42
Increase of right-of-use asset recognized with corresponding lease liability	\$ 30	\$ 317
Exercise of pre-funded warrants	\$ -	\$ 4,365

The accompanying notes are an integral part of the consolidated financial statements.

U.S. dollars in thousands

NOTE 1: - GENERAL

- a. Evogene Ltd. (“Evogene” and together with its subsidiaries, the “Company”) was founded on October 10, 1999, as Agro Leads Ltd., a division of Compugen Ltd. In 2002, the Company was spun-off as an independent corporation under the laws of the State of Israel, and changed its name to Evogene Ltd.

The Company is a leading computational biology company focused on revolutionizing product discovery and development in multiple life-science based industries, including human health, and agriculture through the use of its broadly applicable Computational Predictive Biology (“CPB”) platform. The CPB platform, incorporating a deep understanding of biology leveraged through the power of Big Data and Artificial Intelligence, has been designed to computationally discover and uniquely guide the development of life-science products based on microbes, small molecules and genetic elements. Utilizing the CPB platform, Evogene and its subsidiaries are now advancing product pipelines for human microbiome-based therapeutics through Biomica Ltd., medical cannabis through Canonic Ltd., ag-biologicals through Lavie Bio Ltd., ag-chemicals through AgPlenus Ltd., and ag-solutions for castor oil production through Casterra Ag Ltd.

The Company has a history of losses and incurred operating losses of \$16,062 and \$13,705 during the six months periods ended June 30, 2022 and 2021, respectively.

Furthermore, the Company intends to continue to finance its operating activities by raising capital and seeking collaborations with multinational companies in the industry.

The Company's management and board of directors are of the opinion that the Company's current financial resources will be sufficient to continue the development of the Company's products in the foreseeable future.

- b. The Company principally derives its revenues from collaboration arrangements. See Note 3. For revenues from major customers see Note 7d.
- c. The Company has the following subsidiaries: Casterra Ag Ltd. (formerly Evofuel Ltd.), Evogene Inc., Biomica Ltd., AgPlenus Ltd., AgPlenus Inc., Lavie Bio Ltd., Lavie Bio Inc., Lavie Bio Tech Inc., Taxon Biosciences, Inc. and Canonic Ltd.

Casterra Ag Ltd. was incorporated on January 1, 2012 and is currently focusing on the development of improved castor bean seeds for industrial uses.

Evogene Inc. was incorporated in Delaware, United States on September 22, 2006. From 2015 to 2019, Evogene Inc. was engaged in research and development in the field of insect control and located in the Bio-Research and Development Growth (BRDG) Park, in St. Louis, Missouri, United States.

Biomica Ltd. was incorporated on March 2, 2017, with the mission of discovering and developing human microbiome-based therapeutics.

AgPlenus Ltd. was incorporated on June 10, 2018, with the mission to design effective and sustainable crop protection ag-chemicals products by leveraging predictive biology.

On August 27, 2020, AgPlenus Ltd. incorporated a wholly owned U.S. subsidiary, AgPlenus Inc.

NOTE 1: - GENERAL (Cont.)

Lavie Bio Ltd. was incorporated on January 21, 2019, with the mission to improve food quality and sustainability through the introduction of microbiome-based ag-biologicals products. In 2019, Lavie Bio Ltd. incorporated two wholly owned subsidiaries, Lavie Bio Inc., located in the Bio-Research and Development Growth (BRDG) Park, in St. Louis, Missouri, United States, and Lavie Bio Tech Inc. Lavie Bio Tech Inc. wholly owns as a subsidiary Taxon Biosciences, Inc. (see item d below).

Canonic Ltd. was incorporated on March 25, 2019, with the mission to develop next-generation medical cannabis products.

- d. On August 6, 2019, Corteva Inc. ("Corteva") invested in the Company's agriculture biologicals subsidiary, Lavie Bio Ltd., which included a cash investment of \$10,000 and the contribution of all shares of Corteva's wholly owned subsidiary Taxon Biosciences, Inc. for 27.84% of Lavie Bio Ltd.'s shares. As part of the foregoing transaction, the parties entered into a commercial arrangement with respect to the commercialization by Corteva of Lavie Bio Ltd.'s products, mainly in corn and soybean.
- e. On September 2, 2020, the Company issued 5,882,353 ordinary shares in a registered direct offering, for gross proceeds of \$10,000 and on November 2, 2020, the Company issued 3,920,000 ordinary shares and 883,534 pre-funded warrants in a second registered direct offering, for gross proceeds of \$12,000. On January 4, 2021, 883,534 pre-funded warrants were exercised into 883,534 of the Company's ordinary shares at an exercise price of \$0.01 per pre-funded warrant for a total amount of \$9.
- f. On January 2021, the Company entered into a Controlled Equity Offering Sales Agreement (the "January 2021 Sales Agreement"). In January and February 2021, pursuant to the January 2021 Sales Agreement, in an "at the market" ("ATM") offering, the Company issued an aggregate of 3,803,594 ordinary shares with a weighted average selling price of \$7.36 per share, resulting in gross proceeds of approximately \$28,000.

On February 19, 2021, the Company entered into a new Controlled Equity Offering Sales Agreement, having an aggregate offering price of up to \$50,000, pursuant to which the Company issued 726,832 ordinary shares during April through September 2021, in an ATM offering, with a weighted average selling price of \$3.64 per share, resulting in gross proceeds of approximately \$2,600.

- g. The Company's subsidiaries and divisions are split into three operating segments: (1) Agriculture - Evogene seed traits division, Lavie Bio Ltd. and Ag Plenus Ltd.; (2) Human – Biomica Ltd. and Canonic Ltd.; and (3) Industrial – Castera Ag Ltd. (see also Note 7).
- h. The duration, scope and effects of the ongoing COVID-19 pandemic, government and other third-party responses to it, and the related macroeconomic effects, and the extent of its impact on the Company's operational and financial performance will depend on certain developments. The Company considered the impact of COVID-19 on the estimates and assumptions and determined that there were no material adverse impacts on the consolidated financial statements for the period ended June 30, 2022. As events continue to evolve and additional information becomes available, the Company's estimates and assumptions may change in future periods.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the interim consolidated financial statements:

The interim consolidated financial statements for the six months ended June 30, 2022 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting."

The accompanying unaudited interim financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2021, included in the Company's Annual Report on Form 20-F filed with the Securities and Exchange Commission (the "SEC") on March 31, 2022.

The accompanying consolidated balance sheet as of June 30, 2022, the consolidated statements of profit or loss, the statement of changes in shareholders' equity and the consolidated statements of cash flows for the six months ended June 30, 2022 and 2021 are unaudited. These unaudited interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and applicable rules and regulations of the SEC regarding interim financial reporting. In management's opinion, the unaudited interim consolidated financial statements include all adjustments of a normal recurring nature necessary for the fair presentation of the Company's financial position as of June 30, 2022, as well as its results of operations and cash flows for the six months ended June 30, 2022 and 2021. The results of operations for the six months ended June 30, 2022 are not necessarily indicative of the results that may be expected for the year ending December 31, 2022.

The significant accounting policies applied in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the 2021 annual consolidated financial statements.

NOTE 3: - COLLABORATION AND RESEARCH AGREEMENTS-

During the six months ended June 30, 2022, the Company did not enter into any new collaboration agreements which amount to 10% or more of its total revenues for the period.

NOTE 4: - MARKETABLE SECURITIES

	June 30, 2022	December 31, 2021
	Unaudited	Audited
Financial assets measured at fair value through profit or loss:		
Corporate bonds and government treasury notes – Level 1	6,383	18,541
	<u>\$ 6,383</u>	<u>\$ 18,541</u>

During 2022 and 2021, there were no transfers due to the fair value measurement of any financial instrument to or from Levels 1, 2 and 3.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 5: - LIABILITIES IN RESPECT OF GOVERNMENT GRANTS

	June 30, 2022	December 31, 2021
	<u>Unaudited</u>	<u>Audited</u>
Balance at January 1,	\$ 4,396	\$ 3,766
Grants received	30	824
Royalties paid	(14)	(34)
Amounts recorded in profit or loss	71	(160)
	<u>\$ 4,483</u>	<u>\$ 4,396</u>

The Company received research and development grants from the Israel Innovation Authority (“IIA”) and undertook to pay royalties of 3% of revenues derived from research and development projects that were financed by the IIA, of up to 100% of the grants received. As of June 30, 2022, the Company received grants amounting to \$8,710 (including accrued interest), of which \$3,516 were repaid to date.

NOTE 6: - SHARE- BASED COMPENSATION

a. Expenses recognized in the financial statements:

The expense recognized in the Company's financial statements for services provided by employees and service-providers is as follows:

	Six months ended June 30,	
	2022	2021
	<u>Unaudited</u>	
Share-based compensation - Attributable to equity holders of the Company	\$ 327	\$ 305
Share-based compensation - Attributable to non-controlling interests	503	784
	<u>\$ 830</u>	<u>\$ 1,089</u>

Evogene Ltd. maintains two share option and equity incentive plans: the Evogene Ltd. 2013 Share Option Plan and the Evogene Ltd. 2021 Share Incentive Plan. All such option and incentive plans provide for the grant of options to purchase the Company's ordinary shares and generally expire 10 years from the grant date.

U.S. dollars in thousands

NOTE 6: - SHARE- BASED COMPENSATION (Cont.)

b. Evogene Ltd. share-based payment plan for employees, directors and consultants:

During the six months ended June 30, 2022 and 2021, the board of directors of Evogene Ltd. approved to grant its employees, directors and consultants an aggregate of 302,000 and 217,500 options, respectively. The fair value of the options determined at their grant date using the binomial model was approximately \$181 and \$356, respectively.

c. Evogene Ltd. share options activity:

The following table summarizes the number of share options, the weighted average exercise price, and the changes under to options under the applicable plans to employees, consultants and directors of Evogene Ltd. as of June 30, 2022 and June 30, 2021 and during the periods then ended:

	2022		2021	
	Number of options	Weighted average exercise prices (\$)	Number of options	Weighted average exercise prices (\$)
Outstanding on January 1,	4,233,950	5.54	4,030,702	6.24
Granted	302,000	1.17	217,500	6.27
Exercised	(5,624)	1.09	(136,383)	2.96
Forfeited	(344,241)	5.04	(360,980)	10.50
Outstanding on June 30,	4,186,085	4.66	3,750,839	6.42
Exercisable at June 30,	2,749,667	6.05	2,417,326	7.67

d. Evogene Ltd. RSUs activity:

The 2021 Plan also provides for the grant of restricted shares and RSUs. During the six months ended June 30, 2022, the board of directors of the Company approved to grant its employees, consultants and directors an aggregate of 25,200 RSUs. The fair value of the RSUs granted in 2022, determined at their grant date using the binomial model, was approximately \$25. There were no RSUs granted during the six months ended June 30, 2021.

The following table summarizes the number of RSUs, the weighted average grant date and the changes to RSUs under the 2021 Plan to employees, consultants and directors of the Company as of June 30, 2022 and during the period then ended:

	Number of RSUs	Weighted average grant date fair value
Outstanding on January 1, 2022	247,775	2.28
Granted	25,200	1.26
Vested	(26,226)	2.41
Forfeited	(32,751)	1.91
Outstanding on June 30, 2022	213,998	2.20

U.S. dollars in thousands

NOTE 6: - SHARE- BASED COMPENSATION (Cont.)

- e. The Company's subsidiaries maintain share option and incentive plans with similar terms and conditions. During the six months ended June 30, 2022 and 2021, the Company's subsidiaries approved to grant their employees, directors and consultants 297,523 and 431,851 options, respectively. The fair value of the options determined at their grant date using the binomial model was approximately \$908 and \$1,311, respectively. The fair value was estimated using the binomial model.

The following table summarizes the number of share options, the weighted average exercise price, and the changes to options under the subsidiary option plans to employees, consultants and directors of the Company's subsidiaries as of June 30, 2022 and June 30, 2021 and during the periods then ended:

	2022		2021	
	Number of options	Weighted average exercise prices (\$)	Number of options	Weighted average exercise prices (\$)
Outstanding on January 1,	1,901,992	1.39	1,798,780	0.90
Granted	297,523	0.56	431,851	4.71
Exercised	(8,270)	0.20	-	-
Forfeited	(141,145)	7.95	(16,485)	0.20
Outstanding on June 30,	2,050,100	1.24	2,214,146	1.65
Exercisable at June 30,	1,209,005	1.02	1,007,821	0.63

- f. The total compensation cost related to all of the Company's equity-based awards, recognized during the presented periods was comprised as follows:

	Six months ended June 30,	
	2022	2021
	Unaudited	
Research and development, net	\$ 502	\$ 532
Business development	206	269
General and administrative	122	288
	<u>\$ 830</u>	<u>\$ 1,089</u>

U.S. dollars in thousands

NOTE 7: - OPERATING SEGMENTS

a. General:

The Company operates in three segments, Agriculture, Industry and Human. The Agriculture segment consists of the parent company, Evogene, and two of Evogene's subsidiaries, Lavie Bio Ltd. and AgPlenus Ltd. The Human segment consists of Evogene's subsidiaries, Biomica Ltd. and Canonic Ltd. The Industry segment consists of Evogene's subsidiary Casterra Ag Ltd. The segments were determined on the basis of information considered by the Chief Operating Decision-Maker ("CODM") for purposes of decision-making on the allocation of resources and evaluation of performance. The following Company's segments are engaged in business activities for which they earn revenues and incur expenses, their results are reviewed by the CODM and discrete financial information is available:

- Agriculture segment - Develops seed traits, ag-chemical products, and ag-biological products to improve plant performance.
- Industry segment - Develops improved castor bean seeds to serve as a feedstock source for other industrial uses.
- Human segment - Discovery and development of human microbiome-based therapeutics and cannabis activity.
- Unallocated - Other corporate expenses and general development of enabling technologies for optimization.

Each segment's performance is determined based on operating loss reported in the financial statements. The results of a segment reported to the CODM include items attributed directly to a segment, as well as other items, which are indirectly attributed using reasonable assumptions and exclude share-based compensation charges as they are not considered in the internal operating plans and measurement of the segment's financial performance.

b. The following table presents the Company's revenues and operating loss by segments:

	<u>Agriculture</u>	<u>Industry</u>	<u>Human</u> <u>Unaudited</u>	<u>Unallocated</u>	<u>Total</u>
For the six months ended June 30, 2022					
Revenues	\$ 274	\$ -	\$ 196	\$ 79	\$ 549
Operating loss	\$ (7,314)	\$ (94)	\$ (4,358)	\$ (4,296)	\$ (16,062)
Net financing expense					\$ (2,758)
Loss before taxes on income					\$ (18,820)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 7: - OPERATING SEGMENTS (Cont.)

- c. The following table presents the Company's revenues and operating loss by segments:

	<u>Agriculture</u>	<u>Industry</u>	<u>Human</u> <u>Unaudited</u>	<u>Unallocated</u>	<u>Total</u>
For the six months ended June 30, 2021					
Revenues	\$ 396	\$ -	\$ 25	\$ 47	\$ 468
Operating loss	\$ (5,144)	\$ (73)	\$ (3,257)	\$ (5,231)	\$ (13,705)
Net financing expenses					\$ (302)
Loss before taxes on income					\$ (14,007)

- d. Major customers:

Detailed below are revenues from major customers each of whom amounts to 10% or more, of total revenues. The revenues from major customers detailed below were recorded in the Agriculture segment:

	<u>Six months ended</u> <u>June 30,</u>	
	<u>2022</u>	<u>2021</u>
	<u>Unaudited</u>	
Customer A (subsidiary shareholder)	31%	34%
Customer B	-	40%
Customer C	3%	13%
Customer D	36%	-
Customer E	13%	-

- e. Geographical information:

Revenues based on the location of the customers, are as follows:

	<u>Six months ended</u> <u>June 30,</u>	
	<u>2022</u>	<u>2021</u>
	<u>Unaudited</u>	
United States	45%	73%
Israel	55%	24%
Brazil	-	3%
	100%	100%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands**NOTE 7: - OPERATING SEGMENTS (Cont.)**

The carrying amounts of non-current assets (property, plant and equipment property and intangible assets) in Evogene's country of domicile (Israel) and in the United States based on the location of the assets, are as follows:

	June 30, 2022	December 31, 2021
	<u>Unaudited</u>	<u>Audited</u>
United States	79%	81%
Israel	21%	19%
	<u>100%</u>	<u>100%</u>

NOTE 8: - SUBSEQUENT EVENT

On August 11, 2022, Lavie Bio Ltd. entered into a multi-year, strategic, collaboration agreement with ICL Group ("collaboration agreement"). As part of the collaboration agreement, ICL made a \$10 million investment in Lavie Bio Ltd. under a SAFE (simple agreement for future equity). The investment amount will be allocated to a multi-year collaboration focused on developing novel bio-stimulant products to enrich fertilizer efficiency.

Management's Discussion and Analysis of Financial Condition and Results of Operation

The following discussion and analysis of our financial condition and results of operations provides information that we believe to be relevant to an assessment and understanding of our results of operations and financial condition for the periods described. This discussion should be read in conjunction with our consolidated interim financial statements and the notes to the financial statements, which are included in this Report on Form 6-K. In addition, this information should also be read in conjunction with the information contained in our Annual Report on Form 20-F for the year ended December 31, 2021, filed with the Securities and Exchange Commission, or SEC, on March 31, 2022, or the Annual Report, including the consolidated annual financial statements as of December 31, 2021, and their accompanying notes included therein, and the information under "Item 5. Operating and Financial Review and Prospects."

Forward Looking Statements

This Report on Form 6-K contains historical information and forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995 with respect to the business, financial condition and results of operations of Evogene. Forward-looking statements can be identified based on our use of forward-looking words such as "believe," "expect," "intend," "plan," "may," "should," "anticipate," "could," "might," "seek," "target," "will," "project," "forecast," "continue" or their negatives or variations of these words or other comparable words, or by the fact that these statements do not relate strictly to historical matters. Forward-looking statements relate to anticipated or expected events, activities, trends or results as of the date they are made. Because forward-looking statements relate to matters that have not yet occurred, these statements are inherently subject to risks and uncertainties that could cause our actual results to differ materially from any future results expressed or implied by the forward-looking statements. Many factors could cause our actual activities or results to differ materially from the activities and results anticipated in forward-looking statements.

We believe that our forward-looking statements are reasonable; however, these statements are only current predictions and are subject to known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from those anticipated by the forward-looking statements. We describe and/or refer to many of these risks in greater detail under the heading "Risk Factors" in our Annual Report.

All forward-looking statements contained in this Report on Form 6-K speak only as of the date of this document and are expressly qualified in their entirety as described herein and by the cautionary statements contained within the "Risk Factors" section of the Annual Report. We do not undertake to update or revise forward-looking statements to reflect events or circumstances that arise after the date on which such statements are made or to reflect the occurrence of unanticipated events, except as required by law. In evaluating forward-looking statements, you should consider these risks and uncertainties and not place undue reliance on our forward-looking statements.

The terms "Evogene," "we," "us," "our," "our company" and "the company" in this Report on Form 6-K refer to Evogene Ltd. and its consolidated subsidiaries, consisting of Ag Plenus Ltd., Biomica Ltd., Canonic Ltd., Casterra Ag Ltd., Evogene Inc., Lavie Bio Ltd., and their consolidated subsidiaries, unless the context otherwise requires.

General

Evogene is a computational biology company aiming to revolutionize the development of life-science based products by utilizing cutting edge technologies to increase probability of success while reducing development time and cost. Evogene established three unique technological engines - MicroBoost AI, ChemPass AI and GeneRator AI – leveraging Big Data and Artificial Intelligence and incorporating deep multidisciplinary understanding in life sciences. Each technological engine is focused on the discovery and development of products based on one of the following core components: microbes (MicroBoost AI), small molecules (ChemPass AI), and genetic elements (GeneRator AI). Evogene uses its technological engines to develop products through subsidiaries and with strategic partners. Currently, Evogene's main subsidiaries utilize the technological engines to develop human microbiome-based therapeutics by Biomica Ltd., medical cannabis products by Canonic Ltd., ag-chemicals by Ag Plenus Ltd. and ag-biologicals by Lavie Bio Ltd.

The impact of the COVID-19 pandemic on Evogene's operations during the period ended June 30, 2022 has been minimal. There were no material adverse impacts on the consolidated financial statements for the period ended June 30, 2022. The duration, scope and effects of the ongoing COVID-19 pandemic, government and other third-party responses to it, the related macroeconomic effects, and the extent of its impact on the Company's operational and financial performance will depend on future developments. As events continue to evolve and additional information becomes available, the Company's estimates and assumptions may change in future periods.

Recent Developments

On July 11, 2022, we announced that our subsidiary, Biomica Ltd. successfully enrolled a first patient in its Phase I Study of Microbiome-Based Immuno-Oncology Drug.

On July 26, 2022, Biomica Ltd. announced that it had dosed the first patient in its Phase I study of its Microbiome-Based Immuno-Oncology Drug.

On August 16, 2022, we announced that our subsidiary, Lavie Bio Ltd., and ICL Group Ltd., or ICL, entered into a strategic collaboration to develop novel bio-stimulant products. As part of the collaboration, a subsidiary of ICL will invest \$10 million in Lavie Bio Ltd.

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021

Revenues

Our total revenues of \$0.5 million for the six-month period ended June 30, 2022 remained stable as compared to the six-month period ended June 30, 2021.

Cost of Revenues

Cost of revenues of \$0.4 million for the six-month period ended June 30, 2022 remained stable as compared to the six-month period ended June 30, 2021. Cost of revenues were primarily due to the initial sales of Lavie Bio Ltd.'s Thrivus product (previously branded as Result) and sales of Canonic Ltd.'s products in the Israeli market.

Gross Profit

Gross profit of \$0.1 million for the six-month period ended June 30, 2022 remained stable as compared to the six-month period ended June 30, 2021.

Operating Expenses

Research and Development Expenses, Net. Research and development expenses, net increased by \$1.7 million, or 18%, to \$11.0 million for the six-month period ended June 30, 2022, from \$9.3 million for the six-month period ended June 30, 2021. This increase is mainly attributable to Biomica Ltd.'s ongoing phase I trial of its first-in-human proof-of-concept study in its immuno-oncology program and to Lavie Bio Ltd.'s activities supporting the production and commercialization of its Thrivus product.

Business Development Expenses. Business development expenses increased by \$0.7 million, or 58%, to \$1.9 million for the six-month period ended June 30, 2022, from \$1.2 million for the six-month period ended June 30, 2021. This increase is mainly due to recruitment of business development personnel supporting the commercialization activities of Evogene's subsidiaries.

General and Administrative Expenses. General and administrative expenses increased slightly by \$0.1 million, or 3%, to \$3.3 million for the six-month period ended June 30, 2022, from \$3.2 million for the six-month period ended June 30, 2021. The increase in general and administrative expenses is mainly attributed to an increase in salary and benefits related costs.

Financing Income and Expenses

Financing Income. Financing income decreased slightly to \$0.5 million for the six-month period ended June 30, 2022 from \$0.6 million for the six-month period ended June 30, 2021. Financing income primarily consists of (a) exchange rate differences between the U.S. dollar and the New Israeli Shekel, as well as (b) interest income.

Financing Expenses. Financing expenses increased by \$2.3 million, or 256%, to \$3.2 million for the six-month period ended June 30, 2022, from \$0.9 million for the six-month period ended June 30, 2021. This increase was mainly due to exchange rate differences between the U.S. dollar and the New Israeli Shekel and the decrease in value of marketable securities.

Taxes on Income

For the six-month periods ended June 30, 2022 and 2021, we recorded insignificant amounts for taxes on income in Israel due to advances on excess expenses and an insignificant amount of taxes with respect to Ag Plenus Inc. and Lavie Bio Inc.

Loss

The amount of our overall loss increased by \$4.9 million, or 35%, to \$18.9 million for the six-month period ended June 30, 2022, from \$14.0 million for the six-month period ended June 30, 2021. The increase reflects the cumulative effect of all the above-described line items from our consolidated interim statements of profit or loss.

Liquidity and Capital Resources

Our working capital requirements generally reflect the growth in our business and have historically been provided by cash raised from our investors, payments from our collaborators and government grants. As of June 30, 2022, we had cash and cash equivalents and marketable securities of \$35.3 million and working capital of \$32.2 million, which is calculated by subtracting our current liabilities from our current assets. As of June 30, 2022 we had \$4.4 million of outstanding long-term indebtedness related to government grants.

On January 14, 2021 and February 19, 2021, we entered into Controlled Equity OfferingSM Sales Agreements, or the January Sales Agreement and February Sales Agreement, respectively, with Cantor Fitzgerald & Co., or the Agent, pursuant to which the Company could offer and sell, from time to time, its ordinary shares, through the Agent in an “at-the-market”, or ATM, offering, as defined in Rule 415(a)(4) promulgated under the Securities Act of 1933, as amended, for an aggregate offering price of up to \$28.0 million and \$50.0 million, respectively. In February 2021, we completed the sales of ordinary shares under the January Sales Agreement and issued 3,803,594 ordinary shares, with a weighted average selling price of \$7.36 per share, resulting in gross proceeds of approximately \$28 million. Subsequently, we entered into the February Sales Agreement. As of June 30, 2022, we had sold 726,832 ordinary shares under the February Sales Agreement, with a weighted average selling price of \$3.64 per share, resulting in gross proceeds of approximately \$2.6 million. We are not obligated to make any sales of ordinary shares under the February Sales Agreement and no assurance can be given that we will sell any additional ordinary shares under such agreement, or, if we do, as to the price or number of such shares that we will sell or the dates on which any such sales will take place.

On February 19, 2021, we filed a shelf registration statement on Form F-3 with the SEC under which we may offer and sell from time to time in one or more offerings, our ordinary shares, rights, warrants and units having an aggregate offering price of up to \$200 million. This amount included up to \$50 million in connection with the February Sales Agreement. We may seek additional capital or strategic considerations, even if we believe we have sufficient funds for our current or future operating plans.

On August 16, 2022, as noted above, we announced the entrance into a multi-year, strategic, collaboration agreement between ICL and Lavie Bio Ltd. As part of the collaboration, ICL will make a \$10 million investment in Lavie Bio Ltd. under a SAFE (simple agreement for future equity). The collaboration will focus on developing novel bio-stimulant products to enrich fertilizer efficiency.

We expect that our sources of liquidity for the remainder of 2022 will include proceeds raised from the public offering of our ordinary shares under the February Sales Agreement and the exercise of options, proceeds from collaboration agreements, revenues from the selling of medical cannabis products, revenues from selling the Thrivus product, cash held in our bank accounts and marketable securities, proceeds from grants and financing transactions.

In the future, we may use cash to effecting M&A transactions in order to achieve inorganic growth in our different segments of operation. We believe that our existing cash as of June 30, 2022 will be sufficient to meet our projected cash requirements for at least 12 months. Nevertheless, in order to accelerate our subsidiaries growth and to strengthen their position as independent companies, we may engage in discussions of potential fundraisings at the subsidiary level. For example, on August 16, 2022, we announced that ICL invested \$10 million in Lavie Bio Ltd. as part of a strategic collaboration.

Although we have sufficient cash, cash equivalents and marketable securities that we believe will enable us to fund our operations during the next 12-month period at our current level of annual expenditures, our ability to fund our capital needs depends on our ongoing ability to generate cash from existing and future collaborations, our revenues, and from our ability to raise additional funds. To the extent that existing cash, cash equivalents and marketable securities are insufficient to fund our future activities, we may need to raise additional funding through debt and equity financing. Additional funds may not be available when we need them on terms that are acceptable to us, or at all.

If adequate funds are not available to us on a timely basis, we may be required to delay, limit, scale back or cease our research and development activities, establishment and maintenance of sales and marketing capabilities or other activities that may be necessary to commercialize our product candidates.

Cash Flows

The following table presents the major components of net cash flows used in or provided by (as applicable) operating, investing and financing activities for the periods presented. For a discussion of our net cash flows for the year ended December 31, 2021, please see “Item 5. Operating and Financial Review and Prospects— B. Liquidity and Capital Resources— Cash Flows” in our Annual Report:

	Six Months Ended June 30,	
	2022	2021
	(U.S. dollars, in thousands)	
Net cash used in operating activities	\$ (14,365)	\$ (10,824)
Net cash provided (used in) by investing activities	13,743	(20,991)
Net cash provided by (used in) financing activities	(469)	28,426
Exchange rate differences - cash and cash equivalents	(2,367)	(85)
Decrease in cash and cash equivalents	\$ (3,458)	\$ (3,474)

Cash Used in Operating Activities

Cash used in operating activities for the six-month period ended June 30, 2022 was \$14.4 million and primarily reflects our overall loss of \$18.9 million. The cash used in operating activities was reduced mainly by the elimination of certain non-cash items that were taken into account in calculating, and that increased, our overall loss, including \$3.1 million of net financing expenses, \$0.7 million of depreciation expenses, \$0.8 million of share-based compensation expenses and \$0.6 million amortization of intangible assets.

Cash used in operating activities for the six-month period ended June 30, 2021 was \$10.8 million and primarily reflects our overall loss of \$14.0 million. The cash used in operating activities was reduced mainly by the elimination of certain non-cash items that were taken into account in calculating, and that increased, our overall loss, including \$0.7 million of depreciation expenses, \$1.1 million of share-based compensation expenses and \$0.5 million amortization of intangible assets, and by the movement in balance sheet items, that were taken into account in the calculations, including a decrease in other receivables and prepaid expenses of \$1.0 million.

Cash Used in Investing Activities

Cash provided in investing activities was \$13.7 million for the six-month period ended June 30, 2022. That primarily reflects \$11.5 million of net cash provided by the proceeds from sale of marketable securities and \$3.0 million of cash provided from withdrawal from bank deposits, partially offset by \$0.7 million of cash used for the purchase of property, plant and equipment.

Cash used in investing activities was \$21.0 million for the six-month period ended June 30, 2021. That primarily reflects \$20.6 million of net cash used for the purchase of marketable securities and \$0.4 million of cash used for the purchase of property, plant and equipment.

Cash Provided by Financing Activities

Cash used in financing activities was \$0.5 million for the six-month period ended June 30, 2022, which was primarily attributable to \$0.5 million repayment of operating lease liability.

Cash provided by financing activities was \$28.4 million for the six-month period ended June 30, 2021, which was primarily attributable to \$27.9 million from the issuance of ordinary shares raised under the January Sales Agreement and the February Sales Agreement, net of issuance expenses, \$0.5 million of proceeds from the exercise of options and \$0.4 million from the proceeds of government grants, net, partially offset by \$0.3 million for the repayment of operating lease liability.

Government Grants

During the six months ended June 30, 2022 we received governmental grants in the amount of \$0.03 million and repaid \$0.01 million in respect of refundable projects. For a discussion of our existing government grants related to our research and development efforts, please see “Item 5. Operating and Financial Review and Prospects— B. Liquidity and Capital Resources— Government Grants” in our Annual Report.

Trend Information

D&O insurance

In recent years we experienced an increase in the cost we incur for procuring D&O liability insurance, resulting from a general increase in the cost of D&O liability insurance for smaller, dual-listed public companies such as us. This general increase has been tied to perceived heightened levels of risk for D&O insurers. Insurers have been increasing their level of compensation, in the form of premiums, which they believe have not been commensurate with the risk being taken by them. In parallel, there has been an increase in the amounts of the deductibles payable by public companies in situations in which an insurable event occurs. If this trend continues, it will increase our operational expenses and have a negative effect on our financial results.

Exchange rate

A significant portion of our expenses is denominated in currencies other than the U.S. dollar. The Company is therefore subject to non-U.S. currency risks and non-U.S. exchange exposure, especially the NIS. Exchange rates can be volatile and a substantial change of foreign currencies against the U.S. dollar could increase or reduce the Company’s expenses and net loss and impact the comparability of results from period to period. The appreciation of the U.S. dollar against the NIS was 12.5% and 1.4% in the six-month periods ended June 30, 2022 and 2021, respectively. For example, for the six-month period ended June 30, 2022, assuming a 10% devaluation of the U.S. dollar against the NIS, we would have experienced a decrease in our net loss of approximately \$1.0 million, while assuming a 10% appreciation of the U.S. dollar against the NIS, we would experience an increase in our net loss of approximately \$1.0 million.

Other than as described immediately above or disclosed elsewhere in our Annual Report, we are not aware of any trends, uncertainties, demands, commitments or events during our current fiscal year that are reasonably likely to have a material effect on our net revenue, income, profitability, liquidity or capital resources, or that would cause the financial information included in our Annual Report to be not necessarily indicative of our future operating results or financial condition.

Critical Accounting Policies

The preparation of financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, obligations, income and expenses during the reporting periods. A comprehensive discussion of our critical accounting policies is included in “Item 5. Operating and Financial Review and Prospects” section in our Annual Report.