



**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 2023**

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 ☐

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, 2023; 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, 2023.

The contents of 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333-259215) of Evogene, and will be a part thereof from the date on which this Form 6-K is submitted, to the extent not superseded by documents or reports subsequently filed or furnished.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 interim Financial Statements for the Six Months Ended June 30, 2023.</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, 2023.</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 13, 2023

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

EVOGENE LTD. AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2023

U.S. DOLLARS IN THOUSANDS

UNAUDITED

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CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

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

	June 30, 2023	December 31, 2022
	Unaudited	Audited
CURRENT ASSETS:		
Cash and cash equivalents	\$ 20,233	\$ 28,980
Marketable securities	-	6,375
Short-term bank deposits	13,641	-
Trade receivables	178	348
Other receivables and prepaid expenses	1,419	1,482
Inventories	249	566
	<u>35,720</u>	<u>37,751</u>
LONG-TERM ASSETS:		
Long-term deposits and other receivables	53	74
Deferred taxes	-	94
Right-of-use-assets	1,319	1,568
Property, plant and equipment, net	2,589	2,499
Intangible assets, net	13,659	14,140
	<u>17,620</u>	<u>18,375</u>
	<u>\$ 53,340</u>	<u>\$ 56,126</u>
CURRENT LIABILITIES:		
Trade payables	\$ 1,078	\$ 1,036
Employees and payroll accruals	2,159	1,987
Lease liability	894	884
Liabilities in respect of government grants	541	79
Deferred revenues and other advances	392	22
Other payables	1,327	1,617
	<u>6,391</u>	<u>5,625</u>
LONG-TERM LIABILITIES:		
Lease liability	585	932
Liabilities in respect of government grants	4,343	4,665
Other advances	578	-
Convertible SAFE	10,334	10,114
	<u>15,840</u>	<u>15,711</u>
SHAREHOLDERS' EQUITY:		
Ordinary shares of NIS 0.02 par value:		
Authorized – 150,000,000 ordinary shares; Issued and outstanding – 41,724,467 shares as of June 30, 2023 and 41,260,439 shares as of December 31, 2022	237	235
Share premium and other capital reserve	261,052	261,402
Accumulated deficit	(247,001)	(233,707)
Equity attributable to equity holders of the Company	14,288	27,930
Non-controlling interests	16,821	6,860
Total equity	<u>31,109</u>	<u>34,790</u>
	<u>\$ 53,340</u>	<u>\$ 56,126</u>

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

CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS

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

	Six months ended	
	June 30,	
	2023	2022
	Unaudited	
Revenues	\$ 1,295	\$ 549
Cost of revenues	783	425
Gross profit	512	124
Operating expenses:		
Research and development, net	10,169	11,043
Sales and marketing	1,728	1,870
General and administrative	3,312	3,273
Total operating expenses	15,209	16,186
Operating loss	(14,697)	(16,062)
Financing income	699	485
Financing expenses	(785)	(3,243)
Financing expenses, net	(86)	(2,758)
Loss before taxes on income	(14,783)	(18,820)
Taxes on income (tax benefit)	(24)	40
Loss	\$ (14,759)	\$ (18,860)
Attributable to:		
Equity holders of the Company	\$ (13,294)	\$ (17,096)
Non-controlling interests	(1,465)	(1,764)
	\$ (14,759)	\$ (18,860)
Basic and diluted loss per share, attributable to equity holders of the Company	\$ (0.32)	\$ (0.42)
Weighted average number of ordinary shares used in computing basic and diluted loss per share	41,567,298	41,195,024

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

CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

U.S. dollars in thousands

	Attributable to equity holders of the Company						
	Share capital	Share premium and other capital reserves	Accumulated deficit	Total	Non-controlling interests	Total equity	
	Unaudited						
Balance as of January 1, 2023	\$ 235	\$ 261,402	\$ (233,707)	\$ 27,930	\$ 6,860	\$ 34,790	
Loss	-	-	(13,294)	(13,294)	(1,465)	(14,759)	
Issuance of ordinary shares, net	2	334	-	336	-	336	
Forfeiture of non-controlling interests regarding share-based compensation	-	69	-	69	(69)	-	
Issuance of a subsidiary ordinary shares to the Company	-	(809)	-	(809)	809	-	
Issuance of a subsidiary preferred shares to non-controlling interests	-	(238)	-	(238)	9,761	9,523	
Restricted stock units (“RSUs”) vested	*)	*)	-	-	-	-	
Share-based compensation and RSUs	-	294	-	294	925	1,219	
Balance as of June 30, 2023	\$ 237	\$ 261,052	\$ (247,001)	\$ 14,288	\$ 16,821	\$ 31,109	

*) Represents an amount lower than \$1.

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

CONSOLIDATED INTERIM 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, 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
RSUs vested	*)	*)	-	-	-	-
Share-based compensation	-	327	-	327	503	830
Balance as of June 30, 2022	\$ 234	\$ 260,880	\$ (224,165)	\$ 36,949	\$ 8,448	\$ 45,397

*) Represents an amount lower than \$1.

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

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended	
	June 30,	
	2023	2022
	Unaudited	
Cash flows from operating activities		
Loss	\$ (14,759)	\$ (18,860)
Adjustments to reconcile loss to net cash used in operating activities:		
Adjustments to the profit or loss items:		
Depreciation	807	717
Amortization of intangible assets	481	577
Share-based compensation	1,219	830
Increase in Convertible SAFE	220	-
Net financing expenses	6	3,146
Loss from sale of property, plant and equipment	(26)	-
Taxes on income (tax benefit)	(24)	40
	2,683	5,310
Changes in asset and liability items:		
Decrease in trade receivables	170	170
Decrease in other receivables	84	463
Decrease (increase) in inventories	317	(70)
Increase (decrease) in trade payables	26	(172)
Increase (decrease) in employees and payroll accruals	172	(278)
Decrease in other payables	(162)	(593)
Increase (decrease) in deferred revenues and other advances	(73)	(159)
	534	(639)
Cash received (paid) during the period for:		
Interest received	283	80
Interest paid	(66)	(227)
Taxes paid	(10)	(29)
Net cash used in operating activities	\$ (11,335)	\$ (14,365)

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

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Six months ended	
	June 30,	
	2023	2022
	Unaudited	
Cash flows from investing activities:		
Purchase of property, plant and equipment	(483)	(747)
Proceeds from sale of marketable securities	6,924	12,149
Purchase of marketable securities	(503)	(659)
Proceeds from sale of property, plant and equipment	26	-
Withdrawal from (investment in) short term bank deposits, net	(13,560)	3,000
Net cash provided by (used in) investing activities	\$ (7,596)	\$ 13,743
Cash flows from financing activities:		
Issuance of a subsidiary preferred shares to non-controlling interests	9,523	-
Proceeds from issuance of ordinary shares, net of issuance expenses	336	-
Proceeds from exercise of options	-	7
Repayment of lease liability	(413)	(492)
Proceeds from government and other grants	1,089	30
Repayment of government grants	(35)	(14)
Net cash provided by (used in) financing activities	10,500	(469)
Exchange rate differences - cash and cash equivalent balances	(316)	(2,367)
Decrease in cash and cash equivalents	(8,747)	(3,458)
Cash and cash equivalents, beginning of the period	28,980	32,325
Cash and cash equivalents, end of the period	\$ 20,233	\$ 28,867
Significant non-cash activities		
Acquisition of property, plant and equipment, net	\$ 90	\$ 66
Increase of right-of-use asset recognized with corresponding lease liability	\$ 135	\$ 30

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

NOTES TO CONSOLIDATED INTERIM 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 \$14,697 and \$16,062 during the six months periods ended June 30, 2023 and 2022, 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. 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. ("Biomica") 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.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

U.S. dollars in thousands

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.

In August 2022, an affiliate company of ICL and Lavie Bio Ltd. entered a multi-year collaboration agreement for developing novel bio-stimulant products to enrich fertilizer efficiency. As part of the collaboration, ICL invested through an affiliate company in Lavie Bio Ltd. \$10,000 under a SAFE agreement (simple agreement for future equity).

On December 21, 2022, Biomica, signed a definitive agreement for a \$20,000 financing round, led by Shanghai Healthcare Capital ("SHC"), out of which \$10,000 shall be invested by the Company in Biomica preferred shares. As a result, the Company recorded a negative capital reserve and an increase of non-controlling interest in the amounts of \$238 and \$9,761, respectively. In addition, certain convertible loans in total amount of \$10,000 were converted by the Company to Biomica's ordinary shares. As a result, the Company recorded an adjustment to capital reserve and non-controlling interest in amount of \$809. Following the closing of the transaction on April 25, 2023, the Company was diluted to approximately 67% of the share capital of Biomica, on a fully diluted basis, while SHC is holding approximately 20%, on a fully diluted basis.

In June 2023, Casterra Ag Ltd. signed a framework agreement with a leading oil and gas energy company for the sale of castor varieties at a commercial scale for biofuel production ("the agreement"). Under the framework of the agreement, during June 2023, Casterra Ag Ltd. received an order totalling \$9,100. In addition, during June 2023 Casterra Ag Ltd. received an additional order totalling approximately \$2,200 to supply castor seeds.

- e. 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.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

U.S. dollars in thousands

NOTE 1: - GENERAL (Cont.)

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 (subsequently reduced to \$19,450), 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. During December 2022, 28,507 ordinary shares were issued through the ATM offering, with a weighted selling price of \$0.77 per share, resulting in gross proceeds of approximately \$22. During January through June 2023, 432,500 ordinary shares were issued through the ATM offering, with a weighted selling price of \$0.80 per share, resulting in gross proceeds of approximately \$347.

- f. 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 – Casterra Ag Ltd. (see also Note 7).

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, 2023 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting."

The accompanying unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2022, included in the Company's Annual Report on Form 20-F filed with the Securities and Exchange Commission (the "SEC") on March 30, 2023.

The accompanying consolidated balance sheet as of June 30, 2023, 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, 2023 and 2022 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, 2023 and December 31, 2022, as well as its results of operations and cash flows for the six months ended June 30, 2023 and 2022. The results of operations for the six months ended June 30, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023.

The significant accounting policies applied in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the 2022 annual consolidated financial statements.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

U.S. dollars in thousands**NOTE 3: - COLLABORATION AND RESEARCH AGREEMENTS**

During the six months ended June 30, 2023, 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

Financial assets measured at fair value through profit or loss:

	June 30, 2023	December 31, 2022
	Unaudited	Audited
Corporate bonds and government treasury notes	-	6,375
	<u>\$ -</u>	<u>\$ 6,375</u>

NOTE 5: - LIABILITIES IN RESPECT OF GOVERNMENT GRANTS

	June 30, 2023	December 31, 2022
	Unaudited	Audited
Balance at January 1,	4,744	\$ 4,396
Grants received	68	212
Royalties paid	(35)	(31)
Amounts recorded in profit or loss	107	167
	<u>4,884</u>	<u>\$ 4,744</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, 2023, the Company received accumulative grants amounting to \$9,018 (including accrued interest), of which \$3,562 were repaid to date.

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

U.S. dollars in thousands

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,	
	2023	2022
	Unaudited	
Share-based compensation - Attributable to equity holders of the Company	\$ 294	\$ 327
Share-based compensation - Attributable to non-controlling interests	925	503
	<u>\$ 1,219</u>	<u>\$ 830</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 (the "2021 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.

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

During the six months ended June 30, 2023 and 2022, the board of directors of Evogene Ltd. approved to grant its employees, directors and consultants an aggregate of 471,000 and 302,000 options, respectively. The fair value of the options determined at their grant date using the binomial model was approximately \$153 and \$181, 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, 2023 and June 30, 2022 and during the periods then ended:

	2023		2022	
	Number of options	Weighted average exercise prices (\$)	Number of options	Weighted average exercise prices (\$)
Outstanding on January 1,	4,036,024	4.17	4,233,950	5.54
Granted	471,000	0.71	302,000	1.17
Exercised	-	-	(5,624)	1.09
Forfeited	(362,111)	4.24	(344,241)	5.04
Outstanding on June 30,	<u>4,144,913</u>	<u>3.57</u>	<u>4,186,085</u>	<u>4.66</u>
Exercisable at June 30,	<u>2,757,698</u>	<u>4.68</u>	<u>2,749,667</u>	<u>6.05</u>

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

U.S. dollars in thousands

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

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, 2023 and 2022, the board of directors of the Company approved to grant its employees, consultants and directors an aggregate of 332,600 and 25,200 RSUs, respectively. The fair value of the RSUs granted during the six months ended June 30, 2023 and 2022, was approximately \$249 and \$25, respectively, determined at their grant date according to the Company's share price at the time of their grant since the RSUs were granted at a zero exercise price and no dividends were expected to be distributed during their vesting period.

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, 2023 and June 30, 2022 and during the periods then ended:

	2023		2022	
	Number of RSUs	Weighted average grant date fair value	Number of RSUs	Weighted average grant date fair value
Outstanding on January 1,	196,580	2.55	247,775	2.28
Granted	332,600	0.75	25,200	1.26
Vested	(31,528)	2.61	(26,226)	2.41
Forfeited	(12,000)	3.04	(32,751)	1.91
Outstanding on June 30,	485,652	1.3	213,998	2.20

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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, 2023 and 2022, the Company's subsidiaries approved to grant their employees, directors and consultants 546,839 and 297,523 options, respectively. The fair value of the options determined at their grant date using the binomial model was approximately \$1,601 and \$908, 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, 2023 and June 30, 2022 and during the periods then ended:

	2023		2022	
	Number of options	Weighted average exercise prices (\$)	Number of options	Weighted average exercise prices (\$)
Outstanding on January 1,	2,273,489	1.72	1,901,992	1.39
Granted	546,839	1.87	297,523	0.56
Exercised	-	-	(8,270)	0.20
Forfeited	(473,932)	3.15	(141,145)	7.95
Outstanding on June 30,	2,346,396	1.46	2,050,100	1.24
Exercisable at June 30,	1,390,561	0.94	1,209,005	1.02

- 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	\$ 469	\$ 502
Sales and marketing	297	206
General and administrative	453	122
	\$ 1,219	\$ 830

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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, 2023					
Revenues	\$ 819	\$ 28	\$ 300	\$ 148	\$ 1,295
Operating loss	\$ (5,751)	\$ (156)	\$ (4,795)	\$ (3,995)	\$ (14,697)
Net financing expenses					\$ (86)
Loss before taxes on income					\$ (14,783)

NOTES TO CONSOLIDATED INTERIM 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, 2022					
Revenues	\$ 274	\$ -	\$ 196	\$ 79	\$ 549
Operating loss	\$ (7,314)	\$ (94)	\$ (4,358)	\$ (4,296)	\$ (16,062)
Net financing expenses					\$ (2,758)
Loss before taxes on income					\$ (18,820)

- 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>2023</u>	<u>2022</u>
	<u>Unaudited</u>	
Customer A (shareholder of a subsidiary)	49%	31%
Customer B	22%	36%
Customer C	12%	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>2023</u>	<u>2022</u>
	<u>Unaudited</u>	
United States	62%	45%
Israel	36%	55%
Africa	2%	-
	100%	100%

NOTES TO CONSOLIDATED INTERIM 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:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	<u>Unaudited</u>	<u>Audited</u>
United States	79%	79%
Israel	21%	21%
	<u>100%</u>	<u>100%</u>

NOTE 8: - SUBSEQUENT EVENTS

- a. On July 17, 2023, Lavie Bio Ltd. announced that it has entered into a licensing agreement with Corteva Agriscience LLC, ("Corteva LLC"), for bio fungicide lead candidates. This agreement grants Corteva perpetual, exclusive rights (subject to reaching certain commercial milestones) to further develop and commercialize the lead bio fungicide candidates targeting fruit rots and powdery mildew, which were discovered and developed by Lavie Bio Ltd. According to the agreement, Lavie Bio Ltd. is set to receive an initial payment of approximately \$5,000 and will be eligible for additional future milestone payments based on obtaining certain patent rights and regulatory approvals, and will be eligible to receive royalties from Corteva LLC's sales of these future products, subject to certain conditions as stipulated in the agreement.
- b. On July 17 2023, Evogene Ltd. entered into securities purchase agreements with institutional investors for the sale of 8,500,000 ordinary shares in a registered direct offering at a purchase price of \$1.00 per ordinary share (the "offering"). The gross proceeds from the offering amounted to approximately \$8,500, before deducting placement agent fees and other offering expenses.

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, 2022, filed with the Securities and Exchange Commission, or SEC, on March 30, 2023, or the Annual Report, including the consolidated annual financial statements as of December 31, 2022, 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., ag-biologicals by Lavie Bio Ltd. and castor varieties for the biofuel and other industries, by Casterra.

Recent Developments

On April 27, 2023, we announced the closing of a \$20 million financing round by our subsidiary, Biomica Ltd. or Biomica, led by Shanghai Healthcare Capital.

On June 21, 2023 we announced that our subsidiary, Casterra Ag Ltd., or Casterra, signed a framework agreement with a world leading oil and gas company to sell its castor seeds for sustainable biofuel production, with initial purchase orders of \$9.1 million.

On July 3, 2023, we announced that our subsidiary Casterra, received additional \$2.2 million of purchase orders to supply castor seeds for new African territories.

On July 17, 2023, we announced that our subsidiary, Lavie Bio Ltd., or Lavie Bio, entered into a licensing agreement with Corteva Agriscience LLC, or Corteva, for bio fungicide lead candidates. The agreement grants Corteva perpetual, exclusive rights (subject to reaching certain commercial milestones) to further develop and commercialize the lead bio-fungicide candidates targeting fruit rots and powdery mildew, which were discovered and developed by Lavie Bio. According to the agreement, Lavie Bio is set to receive an initial payment worth approximately \$5 million, in two installments, will be eligible for additional future milestone payments based on obtaining certain patent rights and regulatory approvals, and will be eligible to receive royalties from Corteva's sales of these future products, subject to certain conditions set forth therein.

On July 17, 2023, we entered into a definitive securities purchase agreement, or the Securities Purchase Agreement, with certain institutional investors (including SilverArc Capital Management, Altium Capital Management, LP and CVI Investments, Inc.), pursuant to which we issued and sold to such investors in a registered direct offering, or the Offering, 8,500,000 ordinary shares, par value NIS 0.02 per share, at a purchase price of \$1.00 per share. Our total gross proceeds from the Offering were approximately \$8,500,000.

On July 17, 2023 we announced the receipt of a formal notification from The Nasdaq Stock Market LLC or Nasdaq, that we regained compliance with Listing Rule 5550(a)(2), which requires our ordinary shares to maintain a minimum bid price of \$1.00 per share.

Six Months Ended June 30, 2023 Compared to Six Months Ended June 30, 2022

Revenues

Our total revenues for the six-month period ended June 30, 2023 were approximately \$1.3 million compared to approximately \$0.5 million in the six-month period ended June 30, 2022. The increase in revenue was primarily due to revenues recognized per the collaboration agreement of AgPlenus with Corteva, from sales of Canonic's products in the Israeli market and from sales of Lavie Bio's Thrivus product.

Cost of Revenues

Cost of revenues for the six-month period ended June 30, 2023 was approximately \$0.8 million compared to approximately \$0.4 million in the six-month period ended June 30, 2022. The increase in the cost of revenues was primarily due to sales of Canonic's products in the Israeli market, sales of Lavie Bio's Thrivus product and cost of the collaboration agreement of AgPlenus with Corteva.

Gross Profit

Gross profit for the six-month period ended June 30, 2023 was approximately \$0.5 million compared to approximately \$0.1 million in the six-month period ended June 30, 2022. The increase in gross profit was primarily due to the collaboration agreement of AgPlenus with Corteva.

Operating Expenses

Research and Development Expenses, Net. Research and development expenses, net decreased by approximately \$0.8 million, or 7.3%, to approximately \$10.2 million for the six-month period ended June 30, 2023, from approximately \$11.0 million for the six-month period ended June 30, 2022. This decrease is mainly attributable to Lavie Bio's and Canonic's activities, offset by increase in Biomica's activities.

Sales and marketing Expenses. Sales and marketing expenses decreased by approximately \$0.2 million, or 10.5%, to approximately \$1.7 million for the six-month period ended June 30, 2023, from \$1.9 million for the six-month period ended June 30, 2022. This decrease is mainly due to the reduction of Canonic's personnel.

General and Administrative Expenses. General and administrative expenses were approximately \$3.3 million for the six-month period ended June 30, 2023, and remained stable compared to approximately \$3.3 million for the six-month period ended June 30, 2022.

Financing Income and Expenses

Financing Income. Financing income increased to approximately \$0.7 million for the six-month period ended June 30, 2023 from approximately \$0.5 million for the six-month period ended June 30, 2022.

Financing Expenses. Financing expenses decreased by approximately \$2.4 million, or 75%, to approximately \$0.8 million for the six-month period ended June 30, 2023, from approximately \$3.2 million for the six-month period ended June 30, 2022.

This decrease of financing expenses, net was mainly due to exchange rate differences between the U.S. dollar and the New Israeli Shekel, decrease in value of marketable securities during the six-month period ended June 30, 2022 and an increase in interest income during the six-month period ended June 30, 2023.

Taxes on Income

For the six-month periods ended June 30, 2023 and 2022, we recorded insignificant amounts for taxes on income.

Loss

The amount of our overall loss decreased by approximately \$4.1 million, or 21.7%, to approximately \$14.8 million for the six-month period ended June 30, 2023, from approximately \$18.9 million for the six-month period ended June 30, 2022. The increase reflects the cumulative effect of all the above-described 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, 2023, we had cash and cash equivalents and short term bank deposits of approximately \$33.9 million and working capital of approximately \$29.3 million, which is calculated by subtracting our current liabilities from our current assets. As of June 30, 2023, we had approximately \$4.9 million of outstanding indebtedness related to government grants.

On January 14, 2021 and February 19, 2021, we entered into a 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 may 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 (subsequently reduced to approximately \$19.5 million). 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, 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 \$2.6 million. During December 2022, 28,507 ordinary shares were issued through the ATM offering, with a selling price of \$0.77 per share, resulting in gross proceeds of approximately \$22 thousand. During January through June 2023, 432,500 ordinary shares were issued through the ATM offering, with a weighted average selling price of \$0.80 per share, resulting in gross proceeds of approximately \$347 thousand. 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 (subsequently reduced to approximately \$19.5 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.

We expect that our sources of liquidity for the remainder of 2023 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 the selling of castor seeds, cash held in our bank accounts and proceeds from grants and financing transactions.

In the future, we may use cash to pursue 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, 2023, together with the amount raised in July 2023, 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 April 27, 2023, we announced the closing of a \$20 million financing round by our subsidiary, Biomica, led by Shanghai Healthcare Capital.

Although we have sufficient cash, cash equivalents and short-term bank deposits 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 short-term bank deposits 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, 2022, 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,	
	2023	2022
	(U.S. dollars, in thousands)	
Net cash used in operating activities	\$ (11,335)	\$ (14,365)
Net cash provided by (used in) by investing activities	(7,596)	13,743
Net cash provided by (used in) financing activities	10,500	(469)
Exchange rate differences - cash and cash equivalents	(316)	(2,367)
Decrease in cash and cash equivalents	\$ (8,747)	\$ (3,458)

Cash Used in Operating Activities

Cash used in operating activities for the six-month period ended June 30, 2023 was approximately \$11.3 million and primarily reflects our overall loss of approximately \$14.8 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, approximately \$1.2 million of share-based compensation expenses, approximately \$0.8 million of depreciation expenses and approximately \$0.5 million amortization of intangible assets.

Cash used in operating activities for the six-month period ended June 30, 2022 was approximately \$14.4 million and primarily reflects our overall loss of approximately \$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 approximately \$3.1 million of net financing expenses, approximately \$0.8 million of share-based compensation expenses, approximately \$0.7 million of depreciation expenses, and approximately \$0.6 million amortization of intangible assets.

Cash Provided by (Used in) Investing Activities

Cash used in investing activities was approximately \$7.6 million for the six-month period ended June 30, 2023. This primarily reflects approximately \$13.6 million of investment in short term bank deposits, net, approximately \$0.5 million of cash used for the purchase of property, plant and equipment, partially offset by approximately \$6.4 million of net cash provided by the proceeds from sale of marketable securities.

Cash provided in investing activities was approximately \$13.7 million for the six-month period ended June 30, 2022. That primarily reflects approximately \$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 short term bank deposits, net, partially offset by approximately \$0.7 million of cash used for the purchase of property, plant and equipment.

Cash Provided by (Used in) Financing Activities

Cash provided by financing activities was approximately \$10.5 million for the six-month period ended June 30, 2023, which was primarily attributable to approximately \$9.5 million from the issuance of preferred shares by Biomica, net of issuance expenses, proceeds of approximately \$1.0 million related to the Horizon project, approximately \$0.3 million of proceeds from issuance of Company's ordinary shares, net of issuance expenses, partially offset by approximately \$0.4 million for the repayment of lease liability.

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

Government Grants

During the six months ended June 30, 2023, we received grants from the Israeli government in the amount of approximately \$0.07 million and repaid approximately \$0.04 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

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 5.1% and 12.5% in the six-month periods ended June 30, 2023 and 2022, respectively. For example, for the six-month period ended June 30, 2023, assuming a 10% devaluation of the U.S. dollar against the NIS, we would have experienced an increase 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 a decrease 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.