UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 001-36187

EVOGENE LTD.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Israel

(Jurisdiction of incorporation or organization)

13 Gad Feinstein Street, Park Rehovot, Rehovot 7638517, Israel

(Address of principal executive offices)

Ofer Haviv
President and Chief Executive Officer
Telephone: +972-8-931-1900
Facsimile: +972-8-946-6724
Email: legal@evogene.com
13 Gad Feinstein Street, Park Rehovot, Rehovot
7638517, Israel
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Ordinary shares, par value NIS 0.02 per share	**EVGN**	**Nasdaq Global Market**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None.**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None.**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: **As of December 31, 2023, the registrant had outstanding 50,584,588 ordinary shares, par value NIS 0.02 per share.**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐
Non-accelerated filer ☒ Emerging Growth Company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

FORM 20-F
ANNUAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

TABLE OF CONTENTS

CERTAIN TERMS AND CONVENTIONS

In this Annual Report, unless otherwise specifically stated or the context otherwise requires:

- references to "Evogene," "we," "us," "our," "our company" and "the company" refer to Evogene Ltd. and its consolidated subsidiaries, consisting of AgPlenus Ltd., or AgPlenus, Biomica Ltd., or Biomica, Canonic Ltd., or Canonic, Casterra Ag Ltd., or Casterra, Evogene Inc., Lavie Bio Ltd., or Lavie Bio, and their consolidated subsidiaries;
- references to "U.S. dollars," "USD," "$" or "dollars" are to United States dollars;
- references to "NIS" or "shekels" are to New Israeli Shekels;
- references to the "U.S." are to the United States;
- references to "ordinary shares," "our shares" and similar expressions refer to our Ordinary Shares, par value NIS 0.02 per share;
- references to the "articles of association" are to our Amended and Restated Articles of Association, which became effective upon the closing of the U.S. initial public offering, as subsequently amended;
- references to the "Companies Law" are to the Israeli Companies Law, 5759-1999, as amended;
- references to the "Securities Act" are to the Securities Act of 1933, as amended;
- references to the "Exchange Act" are to the Securities Exchange Act of 1934, as amended;
- references to the "NYSE" are to the New York Stock Exchange;
- references to the "Nasdaq" are to the Nasdaq Stock Market LLC or the Nasdaq Global Market;
- references to the "TASE" are to the Tel Aviv Stock Exchange; and
- references to the "SEC" are to the United States Securities and Exchange Commission.

Unless derived from our financial statements or otherwise noted, amounts presented in this Annual Report are translated at the rate of NIS 3.627 = USD 1.00, the exchange rate between the NIS and the U.S. dollar reported by the Bank of Israel as of December 31, 2023.

This Annual Report includes other statistical, market and industry data and forecasts which we obtained from publicly available information and independent industry publications and reports that we believe to be reliable sources. Some data is also based on our good faith estimates, which are derived from management's knowledge of the industry and independent sources. These publicly available industry publications and reports generally state that they obtain their information from sources that they believe to be reliable, but they do not guarantee the accuracy or completeness of the information. Although we believe that these sources are reliable and are not aware of any misstatements regarding the industry data presented in this Annual Report, we have not independently verified the information contained in such publications. Certain estimates and forecasts involve uncertainties and risks and are subject to change based on various factors, including those discussed under the headings "—Special Note Regarding Forward-Looking Statements" and "Item 3. Risk Factors—D. Risk Factors" in this Annual Report. For the avoidance of doubt, no material on our website forms any part of this Annual Report. References in this Annual Report to documents on our website or any other website are included as an aid to the location of such documents and such documents are not incorporated by reference herein.

Throughout this Annual Report, we refer to various trademarks, service marks and trade names that we use in our business. The "Evogene" design logo, "Evogene" and other trademarks or service marks of Evogene Ltd. and its subsidiaries appearing in this Annual Report are the property of Evogene Ltd. or of its subsidiaries, as applicable. We have several other registered trademarks, service marks and pending applications relating to our computational technologies. Other trademarks and service marks appearing in this Annual Report are the property of their respective holders. Solely for convenience, the trademarks and trade names in this Annual Report are referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend the use or display of other companies' trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

In addition to historical facts, this Annual Report contains forward-looking statements within the meaning of Section 27A of the Securities Act, Section 21E of the Exchange Act, and the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. We have based these forward-looking statements on our current expectations and projections about future events. Forward-looking statements include information concerning our possible or assumed future results of our business, financial condition, results of operations, liquidity, anticipated growth strategies, anticipated trends in our industry, market size, our potential growth opportunities, plans and objectives. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as "anticipates," "believes," "could," "seeks," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would" or similar expressions that convey uncertainty of future events or outcomes and the negatives of those terms.

These forward-looking statements may include, but are not limited to, statements relating to our objectives, plans and strategies, statements that contain projections of results of operations or of financial condition and all statements (other than statements of historical facts) that address activities, events or developments that we expect, project, believe, anticipate, intend or project will or may occur in the future. The statements that we make regarding the following matters are forward-looking by their nature:

- our expectations regarding our revenue, expenses and other operating results;
- whether we or our subsidiaries are able to raise capital on commercially reasonable terms to sustain the financial condition of each respective entity;
- our potential strategic alternatives with respect to Canonic, including a potential transfer of Canonic to a third party;
- the extent to which we continue to maintain our holdings in our subsidiary companies;
- the extent to which our discoveries and product candidates will have the desired effect so as to reach the stage of commercialization;
- whether we are able to achieve commercialization of our product candidates;
- whether we and our collaborators are able to allocate the resources needed to develop commercial products from our discoveries and product candidates;
- the length and degree of complexity of the process of our developing commercial products based on our discoveries and product candidates and the probability of our success, and the success of our collaborators, in developing such products;
- whether we are able to efficiently produce and scale up the production of our products, whether ourselves or through third party contractors, to achieve our commercialization targets;
- the degree of success of third parties upon whom we rely to conduct certain activities, such as field-trials and pre-clinical studies;
- whether we and our subsidiaries are able to comply with applicable law and the associated regulatory requirements that currently apply or become applicable to each respective business;
- the extent of the future growth of the agriculture, human health and industrial application industries in which we operate;
- whether we can maintain our current business models;
- the actual commercial value of our key product candidates;

- whether we or our collaborators receive regulatory approvals for the product candidates developed by us or our collaborators;
- whether milestones are met by us or by our collaborators with respect to our product candidates that generate revenues and whether products containing or based on our discoveries are commercialized and generate revenues or royalties;
- whether we are able to recruit, retain and develop knowledgeable or specialized personnel to perform our research and development work;
- the degree of our success at adapting to the continuous technological changes in our industries;
- whether we can maintain our collaboration agreements with our current collaborators or enter into new collaboration agreements and expand our research and development to new fields;
- whether we can improve our existing, or develop and launch new, computational technologies and screening and validation systems;
- whether we can patent our discoveries and protect our trade secrets and proprietary know-how; and
- the current war between Israel and Hamas and any worsening of the situation in Israel such as further mobilizations or escalation in the northern border of Israel.

The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. The forward-looking statements are based on our beliefs, assumptions and expectations of future performance, taking into account the information currently available to us. These statements are only predictions based upon our current expectations and projections about future events. There are important factors that could cause our actual results, levels of activity, performance or achievements to differ materially from the results, levels of activity, performance or achievements expressed or implied by the forward-looking statements. In particular, you should consider the risks described in "Item 3.D. Risk Factors" and the additional information contained in "Item 4. Information on the Company" and "Item 5. Operating and Financial Review and Prospects."

The forward-looking statements made in this Annual Report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Annual Report to reflect events or circumstances after the date of this Annual Report or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments.

SUMMARY RISK FACTORS

The risk factors described below are a summary of the principal risk factors associated with an investment in us. These are not the only risks we face. You should carefully consider these risk factors, together with the risk factors set forth in Item 3.D of this Annual Report and the other reports and documents filed by us with the SEC.

- We have a history of operating losses and negative cash flow, and may never achieve or maintain profitability. Various factors may delay, hinder, or prevent achievement of research and development milestones and commercialization of our product candidates. Moreover, we may experience difficulties in collecting royalties or never receive them, potentially resulting in costly litigation and loss of reputation.
- We may need substantial additional capital in the future which may dilute our shareholders. Additionally, subsidiary financings have diluted, and may continue to dilute, our equity holdings in our subsidiary companies, which will likely negatively impact and/or decrease our results of operations, including revenues, and the benefits of the value that may be created in such subsidiary companies. Additionally, we may need to finance the cost of the development of our independent product candidates ourselves.
- Our discoveries and product candidates may not result in commercially viable products. In addition, our product development cycle is lengthy and uncertain and various factors may delay or prevent commercialization of our product candidates. We may never sell or earn royalties on the sale of commercial products based on our discoveries.
- If we are unable to maintain our Computational Predictive Biology, or CPB, platform and its technological engines, our research and development activities may be substantially reduced.
- Failure to efficiently produce and scale our products, whether in-house or through contractors, could hinder our commercialization goals. Furthermore, we or our collaborators may fail to meet obligations under the collaboration agreements.
- We depend on a few collaborators to develop and commercialize product candidates. A reduction in research spending by key companies in our target markets could threaten our collaborations, affecting their continuation or expansion and hindering our ability to form new collaborations.
- We are operating in multiple industries, each of which consists of multiple companies with much greater resources than us. If we are unable to compete effectively, our financial resources will be diluted and our financial results will suffer.
- Our efforts to develop and commercialize any of our products may be unsuccessful.
- If Lavie Bio is unable to establish successful marketing distribution and/or retail channels for the commercialization of its products, it will not be able to meet its commercialization plans.
- We may fail to attract, recruit, retain and develop qualified employees, which could materially and adversely impact our business, financial condition and results of operations.
- Our business is regulated by government agencies. Failure to obtain necessary approvals could halt our operations. Changes in laws and regulations may raise costs, reduce revenues, and disrupt operations. Dual reporting requirements in Israel and the U.S. may increase compliance costs and distract management.
- Disruption to our information technology and systems could adversely affect our reputation and future demand for our products or collaborative relationships.
- We currently need, and in the future we may need, to obtain licenses of third-party technology that may not be available to us or are available only on commercially unreasonable terms.
- Our licenses granted to our collaborators may limit our opportunities to enter into additional licensing or other arrangements.
- We might face significant liabilities from product liability, warrant liability or personal injury claims and litigation. Our involvement in the medical cannabis sector brings legal and reputational risks. Additionally, our operations involve health and environmental hazards due to handling toxic materials.
- Ending leases, altering terms, or being locked into long-term leases may threaten our operations and significantly impact our financial status or performance.
- Lavie Bio's research and development, or R&D, facility in the U.S., our contracts with foreign businesses and any other current or future operations outside of Israel expose us to additional market and operational risks.

- Growing cycles and adverse weather conditions may decrease our results from operations.
- Our success depends on our ability to protect our intellectual property and our proprietary technologies. Any change to the patent laws in applicable jurisdictions may impair our ability to protect our product candidates.
- If we or one of our collaborators are sued for infringing the intellectual property rights of a third party, such litigation could be costly and time consuming and could prevent us or our collaborators from developing or commercializing our product candidates.
- We may be required to pay royalties to employees who develop inventions that have been or will be commercialized by us.
- Our agreements with our employees and with third parties may not adequately prevent disclosure of trade secrets, know-how and other proprietary information. In addition, we may not be able to fully enforce covenants not to compete with our key employees.
- Conditions in Israel could adversely affect our business, including (i) the recent attack by Hamas and other terrorist organizations from the Gaza Strip and elsewhere in the region and Israel's war against them as well as the war's potential impact on our business and operations and (ii) the military hostilities with the Hezbollah organization in the Northern border of Israel.
- Exchange rate fluctuations between the U.S. dollar and the NIS may negatively affect our financial results and interest rate fluctuations may negatively affect our financial results, financial condition, or investments.
- The terms of our Israeli government grants may require us to satisfy specified conditions in order to manufacture products and transfer technologies supported by such grants outside of Israel.
- Your rights and responsibilities as a shareholder are under Israeli law, potentially differing from those of U.S. corporations. Israeli law might hinder or discourage acquisitions of our shares or assets.
- The price of our ordinary shares may fluctuate significantly. Further, there is no guarantee of a continuing public market to resell our ordinary shares. In addition, our ordinary shares are traded on more than one market and this may result in price variations.
- The requirements of being a public company in the U.S. and Israel may strain our resources and distract our management, which could make it difficult to manage our business.
- U.S. shareholders owning at least 10% of our ordinary shares may face adverse federal income tax consequences. We were a passive foreign investment company, or PFIC, for U.S. tax purposes in 2023, and there is a risk of being classified as a PFIC in 2024, potentially leading to adverse tax consequences for U.S. shareholders.
- Any inability to meet the Nasdaq listing requirements may have an adverse effect on our share price and lead to our delisting from Nasdaq.
- If we fail to maintain effective internal control over financial reporting, the price of our ordinary shares may be adversely affected.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Our business faces significant risks. You should carefully consider all of the information set forth in this Annual Report and in our other filings with the SEC, including the following risk factors which we face and which are faced by the industries in which we operate. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. This report also contains forward-looking statements that involve risks and uncertainties. Our results could materially differ from those anticipated in those forward-looking statements, as a result of certain factors, including the risks described below and elsewhere in this report and our other SEC filings. See "Special Note Regarding Forward-Looking Statements" on page 5.

Risks Related to Our Business and Industry

We have a history of operating losses and negative cash flow, and we may never achieve or maintain profitability.

We have a history of losses, and incurred operating losses of approximately $26.5 million , $26.9 million and $31.0 million for the years ended December 31, 2023, 2022 and 2021, respectively. There is no assurance that our efforts in developing our product candidates will result in commercially successful products. We expect to continue to incur losses in future periods, until we begin earning significant revenues or royalties on our products, the product candidates we are currently developing or any new product candidates we develop in the future, if at all. Because we will incur significant costs and expenses for these efforts before we obtain any incremental revenues from them, our losses in future periods could be significant. In addition, we may find that these efforts are more expensive than we anticipate or that they do not result in profitability in the time period we anticipate, which would further increase our losses. For example, if we are unable to adequately control the costs associated with operating our business, including our costs of development and sales, we may deplete our cash resources and may be unable to continue to finance our business from our existing cash resources, and, our business, financial condition, operating results and prospects will suffer. For more information concerning our cash resources, please see "Liquidity and Capital Resources" in Item 5.B below. Additionally, due to market conditions over the course of 2023, and as part of an overall review of our organizational structure and its associated costs and expenses, we have implemented certain cost-cutting measures, including a structural change and a reduction in force during the year ended December 31, 2023, and may implement other cost-cutting measures in the future. As part of our overall assessment of our organizational structure, we have decided to cease our activity in the medical cannabis field through Canonic, cancelled its licenses to conduct R&D and cultivation activities, reduced its workforce and plan to transfer its operations to a third party. However, the completion and terms of such a transfer remain uncertain. Reductions in force may yield unintended consequences and costs, including additional attrition beyond the amount of force reduction, distraction to our employees, reduced employee morale and adverse effects on our reputation as an employer. Such reductions in force may also make it more difficult for us to hire new employees in the future and may limit the anticipated benefits from the reduction in force.

We, and our subsidiaries, may need substantial additional capital in the future, which may cause dilution to our existing shareholders, restrict our operations or require us to relinquish rights to our product candidates or intellectual property. If additional capital is not available, we may have to delay, reduce or cease operations.

We and our subsidiaries may seek additional funding in the future, which may consist of equity offerings, collaborations, licensing arrangements or any other means to develop our product candidates (including through our subsidiaries and collaborators), fund research and data surveys, or other general corporate purposes. To the extent that we raise additional capital through, for example, the sale of equity or convertible debt securities, our existing shareholders' ownership interest will be further diluted, and the terms may include liquidation or other preferences that adversely affect our shareholders' rights. The incurrence of indebtedness or the issuance of certain equity securities could result in increased fixed payment obligations and could also result in certain restrictive covenants, such as limitations on our ability to incur additional debt or to issue additional equity, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. In addition, the issuance of additional equity securities by us, or the possibility of such issuance, may cause the market price of our ordinary shares to decline. Securing additional financing may also divert our management's attention from our day-to-day activities, which may adversely affect our ability to develop and commercialize our product candidates.

Additional funding may not be available to us on acceptable terms, or at all. In the event that we enter into collaborations or licensing arrangements in order to raise capital, we may be required to accept unfavorable terms, including relinquishing or licensing to a third party on unfavorable terms our rights to product candidates or intellectual property that we otherwise would seek to develop or commercialize ourselves or reserve for future potential arrangements when we might be able to achieve more favorable terms.

If we, or our subsidiaries, are unable to raise additional capital when required or on acceptable terms, we may be required to:

- delay, scale back or discontinue the development, manufacturing scale-up or commercialization of our or our subsidiaries' product candidate;
- accept for one or more of our or our subsidiaries' product candidates terms that are less favorable than might otherwise be available; or
- relinquish or license to additional parties, on unfavorable terms, our rights to our or our subsidiaries' product candidates that we or our subsidiaries otherwise would seek to develop or commercialize ourselves.

Any such consequence will have a material adverse effect on our business, operating results and prospects and on our ability to develop our or our subsidiaries' product candidates ourselves or through collaborators.

The dilution of our equity holdings in our subsidiary companies will likely negatively impact and/or decrease our results of operations, including revenues, and the benefits recognized by our shareholders from value that may be created in such subsidiary companies.

We initiated a corporate strategy and structure at the beginning of 2018, with the intent to make product development and go-to-market more efficient and to better reflect the individual value of each of our market focused business units. Under our corporate structure, we operate with Evogene acting as a technology hub and, below it, a growing group of divisions and subsidiaries that benefit from the unique capabilities of Evogene's Computational Predictive Biology, or CPB platform and its technological engines, ChemPass AI, GeneRator AI and MicroBoost AI. Each such subsidiary is responsible for advancing its product development and pipeline, establishing its "go-to-market" strategy via direct sales or through existing and new collaborations, and securing additional financial resources, if and when required. Due to our limited financial resources and other investment considerations, our subsidiaries are permitted to obtain financing from external sources and have therefore raised additional capital and may continue to raise capital in the future. Such financings can have a dilutive impact on our ownership interest in the particular subsidiary. For example, Lavie Bio entered into a SAFE agreement with an affiliate of ICL Group Ltd., or ICL, and Biomica entered into a Share Purchase Agreement with Shanghai Healthcare Capital, or SHC. For more information see "Item 4.B. Information on the Company—Business Overview—Market Segments—Agriculture—Lavie Bio Ltd.—Overview" and "Item 4.B. Information on the Company—Business Overview—Market Segments—Human Health—Biomica Ltd.—Overview". Such external financings have therefore resulted, and may continue to result, in the decrease of our ownership percentage in one or more of our subsidiaries, which, in turn, will likely negatively impact and/or reduce our operational results (including revenues), financial condition, long-term growth strategy, the value of our shares, and the benefits we (and, indirectly, our shareholders) recognize from value established in any such subsidiary.

Our discoveries and product candidates may not achieve the desired effect required in order to create commercially-viable products.

Our success depends on our ability to develop products that have the desired effects: in our agriculture activity, on plants, in our human health activity, on humans, and in our industrial applications activity, on the relevant industrial inputs. Research and development in these industries entails considerable uncertainty. We may spend many years developing product candidates that will never be commercialized. The science underlying the development of our product candidates is highly complex and, although we use innovative approaches, there is no certainty that our discoveries will result in product candidates that satisfy market requirements. Except for our products in our medical cannabis, ag-biologicals activities, and in our castor oil activity, none of our discoveries and product candidates has completed the development process and become commercially available so far and such anticipated products may never reach commercialization. If our discoveries and product candidates will not have the desired effects, we and our collaborators may not develop commercial products that are based on them, which could materially and adversely affect our results of operations and our long-term growth strategy.

If we are unable to maintain our CPB platform and its technological engines, ChemPass AI, GeneRator AI and MicroBoost AI, our research and development activities and those of our subsidiary companies may be substantially reduced.

We and our subsidiary companies depend significantly on our CPB platform and its technological engines in research and development activities. In particular, Evogene relies on CPB and its technological engines to provide computational biology services to our subsidiaries and to support the research and development activities of our Ag-Seeds division. If we are unable to maintain our CPB and technological engines, due to cost, technical failure or otherwise, we could experience adverse consequences, including but not limited to loss of data, interruptions in research and development activities, loss of business and revenues.

Our subsidiary companies rely on our CPB and its technological engines to, among others, capture laboratory data, maintain clinical trial data and perform data analysis. Therefore, if we are unable to maintain our CPB and technological engines, due to cost, technical failure or otherwise, our subsidiaries could experience adverse consequences, including but not limited to loss of data (including clinical trial data) or damage to the integrity of that data, interruptions in their research and development activities and other similar harms. Such surrounding circumstances may interrupt our subsidiaries' clinical trials, reduce demand for our subsidiaries' product candidates, and delay or negatively impact the development and commercialization of our subsidiaries' product candidates and ability to grow and operate their business.

Various factors may delay, hinder, or prevent achievement of research and development milestones and the commercialization of our product candidates.

Our success depends in part on our ability to identify discoveries that will improve crop performance, in our agriculture activity, obtain clinical benefits, in our human health activity, or improve industrial inputs, in our industrial applications activity. To develop these discoveries and product candidates into commercial products, we either license them to collaborators or develop them independently through our subsidiaries or our Ag-Seeds division. Certain of our agreements with our collaborators in our agriculture activity entitle us to upfront fees, research and development payments and milestone payments once certain specified milestones are met. If we or our collaborators are not successful in reaching the established milestones in our agreements, we may not receive the referenced research and development payments and milestone payments.

In addition, pursuant to our collaboration agreements in our agriculture activity, we are usually entitled, subject to certain conditions, to receive royalties on products that are based on, or integrate, these discoveries. Except for Casterra's castor seed varieties and our first products in our medical cannabis and ag-biologicals activities, none of our product candidates has completed the development process and become commercially available. Therefore, we currently do not earn royalties and we do not derive significant sales revenues from the sale of products based on our discoveries and product candidates. Thus, while our long-term growth strategy is based in large part on the expectation that such royalties and revenues from product sales will comprise a significant portion of our revenues in the future, we can provide no guarantee that any of our current or future product candidates will ever reach commercialization that would result in royalty payments to us.

The manner in which we and our collaborators develop our product candidates in our various fields of activity affects the period that will pass until such products are commercialized, if ever. Product candidates based on our discoveries may never become commercialized for any of the following reasons:

- our discoveries and product candidates may not be successfully validated or may not have the desired effect required in order to become, or to be incorporated into, commercial products;
- the process of developing product candidates based on our discoveries is lengthy and expensive, and we or our collaborators may not be able to allocate the resources needed to complete such development within the desired timeline;
- we or our collaborators may decide to discontinue, pause, reduce, or alter the scope of the development efforts for our product candidates;

- we may fail to satisfy, in a timely manner or at all, relevant milestones under our agreements with our collaborators;
- regulatory conditions related to our product candidates may change in different territories, thus negatively affecting the relevant development processes and extending their length or limiting the commercialization of such product candidates;
- we or our collaborators may be unable to obtain the requisite regulatory approvals for product candidates based on our discoveries;
- our competitors may launch competing or more effective products;
- we or our collaborators may be unable to fully develop and commercialize product candidates containing our discoveries or may decide, for whatever reason, not to commercialize, or to delay the commercialization of, such product candidates;
- a market may not exist for products containing our discoveries or such products may not be commercially successful or relevant;
- we may be unable to protect the intellectual property underlying our discoveries in the necessary jurisdictions; and
- we may encounter production and scale-up challenges with respect to our product candidates that hinder their commercialization.

Thus, if our collaborators are not successful in reaching the established milestones in our agreements or if we or our collaborators are not successful in commercializing products based on our discoveries, we will not realize revenues from such products and we may not earn a profit on our discoveries, which could materially and adversely affect the results of operations, financial condition and our long-term growth strategy, which may ultimately cause us to cease operations.

Our product development cycle is lengthy and uncertain, and we may never sell or earn royalties on the sale of commercial products based on our discoveries.

Research and development in our fields of activity is expensive and prolonged and entails considerable uncertainty. We may spend many years and dedicate significant financial and other resources developing product candidates that will never be commercialized. The process of discovering, developing and commercializing ag-chemicals, ag-biologicals, seed traits, human microbiome-based therapeutics, medical cannabis products or castor varieties involves several phases and a long development period. The timelines for development of product candidates by us or by our collaborators may extend beyond our expectations for many reasons, such as:

- we or our collaborators may not be able to allocate the resources needed to develop product candidates based on our discoveries;
- we or our collaborators may revise the process of product development or make other decisions regarding the product development pipelines that may extend the development period;
- we or our collaborators may prioritize other development activities ahead of development activities with respect to the product candidates on which we collaborate;
- our discoveries may not be successfully validated or may not have the desired effect sought by us or by our collaborators; and
- we or our collaborators may be unable to obtain the requisite regulatory approvals for the product candidates based on our discoveries within expected timelines or at all.

Most of the product candidates we or our collaborators are developing are in early development stages. We have little to no certainty as to which and when, if any, any of these product candidates will eventually reach commercialization. Because of the long product development cycle and the complexities and uncertainties associated with research in our fields of activity, there is significant uncertainty as to whether we will ever generate significant revenues or royalties, if any, from the product candidates that we or our collaborators are developing. For more information on the product development cycle of the product candidates we develop and a description of the phases of development, see the ‘Product Development Cycle’ paragraph under the description of each of our activity divisions and subsidiaries in “Item 4. Information on the Company—B. Business Overview”.

If we are unable to efficiently produce and scale up the production of our products, whether ourselves or through third party contractors, we may be unable to achieve our commercialization targets.

When we introduce a product to the market, and in certain cases even in later stages of product development, we need to establish efficient production capabilities for our products. In most cases, our products are, or are expected to be, produced by third party producers with whom we contract for such purpose. The production of our products, and the scale up of such production, are complicated processes that require expertise. The production of all of our subsidiaries' current commercial products (mainly being castor beans of Casterra and bio-inoculant of Lavie Bio) relies, in all or in part, on third-party contractors. Failure to establish a long-term relationship with a manufacturer with sufficient capacity, relevant cost of goods sold and sufficient quality, will affect our subsidiaries' ability to meet demand for their products. If we or our third party contractors are unable to efficiently produce and scale up production as needed to meet the demand for our products, we may be unable to achieve our commercialization targets, which may, in turn, materially and adversely affect our future results of operations.

Due to mergers and consolidations, there is a reduced number of companies in the agriculture industry with which we might establish strategic partnerships, and we rely on a limited number of collaborators to develop and commercialize product candidates containing our seed trait, ag-chemical and ag-biological product candidates.

The agriculture markets are highly consolidated and dominated by a relatively small number of large companies. In our agriculture operations, we are currently undertaking collaborations with several of these companies to develop improved seed traits, ag-chemical and ag-biological product candidates. Due to the small number of major companies in this industry, there are limited opportunities for us to grow our business with new collaborators. In addition, if we fail to develop or maintain our relationships with any of our current collaborators, we could not only lose our opportunity to work with that collaborator, but we could also suffer a reputational risk that could impact our relationships with other collaborators in what is a relatively small industry community.

In our agriculture operations, we are currently working either with collaborators or on independent projects to research and develop our different seed trait, ag-chemical and ag-biological product candidates. While we seek to expand our portfolio of product candidates in the future, the research and development required to discover and develop new product candidates is costly, time-intensive and requires significant infrastructure resources. If we are unable to enter into new collaborations, or if we do not have the resources to develop the capabilities or resources necessary to discover and develop such product candidates independently, we may not be able to expand our portfolio of these product candidates, which could have a material adverse effect on our business prospects.

A decrease in research expenditures by the major companies in our target markets may jeopardize the continuation, or scope, of our collaborations with such companies and adversely impact our ability to continue or extend existing collaborations or enter into new collaborations on favorable financial terms.

The research and development expenditures of our existing and potential collaborators in the agriculture, human health, and industrial applications markets we operate in may be reduced for reasons beyond our control. For example, a global crisis or economic recession, a decrease in the prices of agricultural commodities, or the consolidation trend in the seeds and ag-chemicals industries may result in decreased research and development expenditures in the markets relevant for our seed trait, ag-biological and ag-chemical product candidates. Such developments may, in turn, adversely impact our ability to maintain or extend our existing collaborations or enter into new collaborations on favorable financial terms. For example, we may not be able to enter into new collaborations under which our collaborators cover our expenses through research and development payments.

We or our collaborators may fail to perform obligations under the collaboration agreements.

We are obligated under our collaboration agreements to perform research activities over a particular period of time. If we fail to perform our obligations under these agreements, in some cases our collaborators may terminate our agreements with them and in other cases our collaborators' obligations may be reduced, which may decrease our overall revenues. More specifically, in the event that a collaborator terminates our agreement (or reduces its obligations thereunder), the research and development costs from the particular project, which were previously covered by such collaborator, may be borne by us. Our overall revenues will therefore be reduced by the addition of such R&D costs. In addition, any of our collaborators may fail to perform their obligations, which may hinder development and commercialization of products containing the product candidates we develop and materially and adversely affect our future results of operations. Furthermore, the various payments we receive from our collaborators are currently our primary source of revenues. If our collaborators do not make these payments, either due to financial hardship, disagreement under the relevant collaboration agreement or for any other reason, our results of operations and business would be materially and adversely affected. If disagreements with a collaborator arise, any dispute with such collaborator may negatively affect our relationship with one or more of our other collaborators and may hinder our ability to enter into future collaboration agreements, each of which could negatively impact our business and results of operations.

We are operating in multiple industries, each of which consists of multiple companies with much greater resources than us. Competition in our industries is intense and requires continuous technological development. If we are unable to compete effectively, our financial resources will be diluted and our financial results will suffer.

We currently face significant competition in the markets in which we operate. The agriculture, human health and industrial applications markets in which we operate are intensely competitive and rapidly changing. Many companies engage in research and development of products in such markets, and being efficient in getting a new product candidate to market can be a significant competitive advantage. In most segments of our operations, the number of products available to the consumer is steadily increasing as new products are introduced by our competitors. We may be unable to compete successfully against our current and future competitors, which may result in lower prices and margins than previously anticipated and the inability to achieve market acceptance for our products. In addition, many of our competitors have substantially greater financial, marketing, sales, distribution and technical resources than us. While the current market is centralized and tight, we anticipate that there may be increased competition in the future as new companies enter these markets and new technologies become available. Our technologies may be rendered obsolete or uneconomical by technological advances or entirely different approaches developed by one or more of our competitors or collaborators, which will prevent or limit our ability to receive any associated research and development payments or generate revenues from the commercialization of our product candidates.

We are working to develop and commercialize novel ag-biological products, and our efforts may be unsuccessful.

Our majority-owned subsidiary, Lavie Bio, is developing ag-biological product candidates, currently focused mainly on microbial-based bio-stimulants and bio-pesticides, through a novel approach, focused on plant-microbiome relationship. In certain of its ag-biological product programs, Lavie Bio funds its early stages of research and development efforts, while in others it funds the entire development program towards launch of a commercial product. Lavie Bio's efforts to develop and commercialize novel ag-biological product candidates may fail for a variety of reasons, including:

- failure to establish the requisite infrastructure to enable the discovery and development of microbial bio-stimulants;
- failure to identify and develop microbial candidates that enhance plant performance at the desired efficacy and stability;
- failure to successfully complete development of microorganisms to achieve cost-effective and commercially viable products;
- failure to obtain and maintain patent and trade secret protection for its product candidates;
- failure to operate without infringing or violating the valid and enforceable patents or other intellectual property rights of third parties;
- inability to obtain sufficient funding to fully execute its business plan;
- failure to meet regulatory requirements;
- failure to establish efficient and reliable production and scale up capabilities of Lavie Bio's products through third party contractors; and
- failure to establish cost-effective go-to-market models for selling its products.

If Lavie Bio's efforts to develop and commercialize ag-biological product candidates are unsuccessful, our results of operations could be negatively impacted.

We are working to develop and commercialize novel ag-chemical products, and our efforts may be unsuccessful.

Our subsidiary, AgPlenus, is currently developing solutions for crop protection through chemistry, or ag-chemistry. AgPlenus is developing these product candidates through a novel approach, focused on biologically significant proteins called "targets". AgPlenus' efforts to develop novel ag-chemical product candidates may fail for a variety of reasons, including:

- failure of its relatively novel target-based approach to lead to an effective product candidate or failure to identify chemical compounds that will display required level of performance;
- failure to establish cost-effective production of AgPlenus' product candidates;
- failure to obtain and maintain patent and trade secret protection for its product candidates;
- failure to operate without infringing or violating the valid and enforceable patents or other intellectual property rights of third parties;
- inability to obtain sufficient funding to fully execute its ag-chemical business plan;
- one of our main research molecules suppliers is located in Ukraine, and has had, and may have in the future, limitations in access to molecules since the war in Ukraine, although such supplier has an alternative production site, and it is not our only supplier for research molecules;
- failure to meet regulatory requirements; and
- increase in regulatory requirements and limitations of use in various geographies on the use of ag-chemicals might decrease the potential market size for AgPlenus ag-chemical candidates for products.

If AgPlenus' efforts to develop ag-chemical product candidates are unsuccessful, our results of operations could be negatively impacted.

We are working to develop and commercialize seed-trait products, and our efforts may be unsuccessful.

We are developing seed-trait and insect control product candidates in our internal Ag-Seeds division. Our efforts to develop novel product candidates may fail for a variety of reasons, including:

- failure to identify and develop candidate genomic elements having the desired effect on the target trait in the plant of interest;
- failure to identify and develop toxin candidates having the desired effect on the target insects when inserted into the plants of interest;
- failure to obtain and maintain patent and trade secret protection for our product candidates;
- failure to operate without infringing or violating the valid and enforceable patents or other intellectual property rights of third parties;
- inability to obtain sufficient funding to fully execute the business plan;
- failure to successfully complete development of our seed trait product candidates; and
- our failure to meet regulatory requirements for seed trait and pest control product candidates.

Furthermore, even if we are able to discover and begin to develop effective product candidates, we may not be successful if we are unable to find collaborators for further development and commercialization of the product candidates. If our efforts to develop seed trait product candidates are unsuccessful, our results of operations could be negatively impacted.

We are working to develop human microbiome-based therapeutic product candidates, and our efforts may be unsuccessful.

Our subsidiary, Biomica, is developing microbiome-based therapeutic product candidates and is heavily dependent on the success of such product candidates, which are in pre-clinical and clinical development stages. If Biomica is unable to advance its current or future product candidates through clinical trials, obtain marketing approval and ultimately commercialize any product candidates it develops, or experiences significant delays in doing so, our business will be materially harmed. Biomica's product development efforts may be unsuccessful for a variety of reasons, including the following:

- failure to complete pre-clinical studies and clinical trials with positive results in which the FDA agrees with the design, endpoints or implementation;
- failure to receive regulatory approvals or authorizations for conducting our planned clinical trials or future clinical trials;
- failure to obtain sufficient financing for the development and commercialization of its product candidates;
- failure to obtain and maintain patent and trade secret protection and regulatory exclusivity for its product candidates;
- interruption of, or delays in receiving, supplies of our product candidates from our contract manufacturing organizations due to staffing shortages, production slowdowns or stoppages and disruptions in delivery systems;
- failure to launch commercial sales of its products, if and when approved, whether alone or in collaboration with others;
- failure to enter into new collaborations throughout the development process as appropriate, from pre-clinical studies through to commercialization;
- failure to achieve acceptance of its products, if and when approved, by patients, the medical community and third-party payors;
- failure to effectively compete with companies developing and commercializing other therapies for the indications that Biomica's product candidates target;
- failure to obtain and maintain coverage and adequate reimbursement by third-party payors, including government payors, for its products, if approved;
- failure to protect its rights in its intellectual property portfolio;
- failure to operate without infringing or violating the valid and enforceable patents or other intellectual property rights of third parties;
- failure to maintain a continued acceptable safety profile of the products following approval; and
- failure to maintain and develop an organization of scientists and business people who can develop and commercialize its products and technology.

If Biomica's efforts to develop microbiome-based human therapeutics are unsuccessful, our results of operations could be negatively impacted.

We are working to develop and commercialize castor seeds for industrial applications, and our efforts may be unsuccessful in achieving a commercial presence in this market.

Our subsidiary, Casterra, is developing improved, high-yield castor bean seeds for use as a source of non-edible feedstock for industrial uses of castor oil. The supply chain in the market of castor oil for industrial uses is not well established and is evolving. In order for Casterra's castor bean seeds to be an attractive feedstock for oil for industrial uses, it will need to demonstrate on a commercial scale that its castor beans can reliably be used as a cost-efficient feedstock for castor oil production. Casterra's efforts to develop castor been seeds for industrial uses may fail for a variety of reasons, including:

- failure to reach desired yields of its castor seed varieties on a commercial scale to secure economic viability as bio-based oil feedstock;
- failure to establish an efficient mechanical harvest solution;
- failure to establish a cost-effective production of castor bean grains, allowing grower profitability;
- failure to reach large scale adoption of castor by growers, including the successful management of diseases and pests;
- failure to address the health and environmental risks posed by castor bean seeds, which contain ricin, a naturally occurring poison;
- failure to comply with any regulatory requirement related to sales of castor beans, and in particular those related to the import of such beans and the potential effects of ricin;
- Our cultivation and agro-technical support activities in Africa and South America may be materially and adversely affected by an economic slowdown, uncertainties with respect to the legal system and violent crime or terrorism in these regions; and
- failure to establish efficient and reliable production and scale up capabilities of castor seeds, independently or through third party contractors.

Casterra is operating in a new industry, with limited understanding of the dynamics involved in producing and selling castor seeds. Casterra has made initial commercial sales of castor seeds; however, we are unable to foresee as to when significant sales will commence. If Casterra is unable to adequately address any of these challenges, we may not find a market for our castor bean seeds and our results of operations could be materially and adversely affected.

If Lavie Bio is unable to establish successful distribution and retail channels for the commercialization of its products, it will not be able to meet its commercialization plans.

Our majority-owned subsidiary, Lavie Bio, intends to commercialize part of its future ag-biological product portfolio through distribution and retail channels. Lavie Bio has little experience in establishing such channels and may be unsuccessful in doing so. In addition, Lavie Bio will be dependent on its distributers in introducing its products to the market. If Lavie Bio or its distributors are unsuccessful in their efforts to penetrate the market, our revenues and financial results will be adversely affected.

Biomica's product candidates are based on microbiome therapeutics, which is an unproven approach to therapeutic intervention.

Biomica's product candidates are based on microbiome therapy, a therapeutic approach that is designed to treat disease by restoring the function of a dysbiotic microbiome. To our knowledge, VOWST (by Seres Therapeutics, Inc.) is the first oral product based on this approach to receive FDA approval in April 2023. We cannot be certain that our approach will lead to the development of additional approvable or marketable products. In addition, the FDA or other regulatory agencies may lack experience in evaluating the safety and efficacy of products based on microbiome therapeutics, which could result in a longer than expected regulatory review process or evolving FDA standards and guidance, increase Biomica's expected development costs and delay or prevent commercialization of its product candidates. Regulatory requirements governing microbiome therapies are still developing and may change in the future, which may lengthen the regulatory review process, require us to perform additional preclinical studies or clinical trials, increase our development costs, delay or prevent approval and commercialization of our current or future product candidates or lead to significant post-approval limitations or restrictions.

Even if we are entitled to royalties from our collaborators, we may not actually receive these royalties, or we may experience difficulties in collecting the royalties that we believe we are entitled to, potentially resulting in costly litigation and loss of reputation.

If and when our collaborators launch commercial products containing our licensed discoveries, we will rely on our collaborators to report to us the sales they earn from these products and to accurately calculate the royalties we are entitled to, a process that will involve complicated calculations. Although we seek to address these concerns in our collaboration agreements, such provisions may not be effective. Additionally, we may not be able to achieve our long-term goal of generating revenues from royalties, and in the coming years our revenues will be entirely dependent on fees we earn for our research and development services and milestone payments from our collaborators.

In addition, our ability to generate royalty payments from our collaboration agreements depends on our ability to clearly delineate our intellectual property rights under those agreements. We often license patented discoveries and product candidates to our collaborators, who use them to develop and commercialize products. However, a collaborator may use our intellectual property without our permission, dispute our ownership of certain intellectual property rights or argue that our intellectual property does not cover their marketed product. If a dispute arises, it may result in costly litigation, and our collaborator may refuse to pay us royalty payments while the dispute is ongoing. Furthermore, regardless of any resort to legal action, a dispute with a collaborator over intellectual property rights may damage our relationship with that collaborator, and may also harm our reputation in the industry.

Competition for highly skilled scientific, technical and other personnel is intense, and as a result we may fail to attract, recruit, retain and develop qualified employees, which could materially and adversely impact our business, financial condition and results of operations.

We compete for personnel in a research and development market characterized by rapidly changing technologies and an evolving competitive landscape. In order for us to successfully compete and grow, we must attract, recruit, retain and develop personnel with requisite qualifications to provide expertise across a range of disciplines, including biology, chemistry, plant genetics, agronomics, mathematics, computer science and other fields relevant to our operations.

The number of qualified and highly educated personnel in the fields upon which our business focuses in Israel, where most of our operations are located, is limited and competition for the services of such persons is intense. Although we have employment agreements with all of our employees, most of these agreements may be terminated on short notice by such employees, which may create an immediate strain on our activities.

Historically and as of today, there has been intense competition for qualified human resources in the Israeli high-tech and bio-tech industries. Although during 2023 there was a slight shift in the attrition level and we were able to attract more candidates to each open position (mainly due to the financial slowdown in Israel), we are still facing significant and intense competition in recruiting for our research and development positions.

Many of the companies with which we compete for qualified personnel have significant resources, and we may not succeed in recruiting additional experienced or professional personnel, retaining personnel or effectively replacing current personnel who may depart with qualified or effective successors. In addition, our employees may be increasingly targeted for recruitment by competitors and other companies in the bio-tech industry, which may make it more difficult for us to retain employees and may increase retention costs. Training of new employees with limited or no prior relevant experience could be time-consuming, expensive and require significant resources.

In addition, as a result of the competition for qualified human resources, the high-tech and bio-tech markets have also experienced and may continue to experience significant wage inflation. Accordingly, our efforts to attract, retain and develop personnel may also result in significant additional expenses, which could adversely affect our profitability. Furthermore, in making employment decisions, particularly in the high-tech and bio-tech industries, job candidates often consider the value of the equity they are to receive in connection with their employment, which may force us to increase the amount of equity awards we grant in order to recruit and retain talent.

In light of the foregoing, there can be no assurance that qualified employees will remain in our employ or that we will be able to attract and retain qualified personnel in the future. Failure to retain or attract qualified personnel could have a material adverse effect on our business, financial condition and results of operations.

We develop certain discoveries independent of our collaborators, and we may need to finance the cost of the development of such product candidates ourselves.

We develop certain discoveries and product candidates independent of our collaborators, with a goal of making such discoveries available to collaborators in later phases or developing and commercializing end products. While we believe this will allow us to obtain more favorable license or commercialization terms with respect to such discoveries, product candidates and products, the up-front cost to us of developing programs without a collaborator (and therefore without external funding for the research and development expenditures we incur) in these early phases involves higher risks, since we need to fund the research and development of such programs ourselves. If we are unsuccessful in discovering promising product candidates after having invested significant funds, or if we are unable to find collaborators who are interested in such results and willing to fund subsequent phases of development and commercialization, such failures could have a material and adverse effect on our business, financial condition and results of operations. Regardless of the outcome of our research and development efforts, traditional financing sources such as bank financing or public debt or equity financing, if available to us, could carry with them certain drawbacks, such as imposition of covenants restricting our ability to operate, or substantial dilution to our existing shareholders.

Our business (including each of the businesses of our respective subsidiaries) and that of our collaborators' are subject to various government regulations and, if we or our collaborators are unable to comply with the relevant respective law and regulations and/or obtain the necessary regulatory approvals, we may not be able to continue our operations.

Our business is generally subject to two types of regulations: regulations that apply to our operations and regulations that apply to our product candidates and products. We and/or our collaborators may fail to comply with all currently applicable regulations, and we and/or our collaborators may become subject to new or revised regulations or approvals in the future. Furthermore, any violation of these regulations by us and/or our collaborators may expose us to civil and criminal penalties.

Specifically, our operations are carried out mainly in Israel and accordingly we are regulated by the Israeli Ministry of Agriculture and Rural Development, or ISARD, and more specifically by the ISARD's Plants Protection and Inspection Services and the National Committee for Transgenic Plants. The regulation by ISARD addresses, among other things, the import of agricultural materials into Israel, environmental protection requirements for our experiments and working with transgenic plants.

Additionally, our research and development activities use chemicals and produce waste materials, which require us to hold business licenses that may include conditions set by the Israeli Ministry of Environmental Protection for the operations of such facilities.

Our operations in the human health sector, namely the clinical trials by our subsidiary Biomica and the marketing activities by our subsidiary Canonic, are regulated by various laws, regulations, orders and procedures by the Israeli Ministry of Health. In particular, our clinical trials require a permit for a research plan (protocol) by the Helsinki Committee, operating under the Public Health Regulations (Clinical Trials in Humans), 1980 and are also regulated by the Israeli Public Health Ordinance, 1940. In addition, cannabis is subject to the regulations of the Israeli Medical Cannabis Agency, or IMCA, which require that we will obtain a license to cultivate cannabis products.

If we fail to comply with any of the above-mentioned laws and/or regulations, we may be subject to fines and other civil, administrative or criminal sanctions (i.e., imprisonment), including the revocation of our toxin permits, business permits, or other permits and licenses necessary to continue our business activities, including our cannabis activities.

Once we develop a commercialized product(s), we further anticipate that we, our subsidiaries, and/or our collaborators, will need to apply for regulatory approval of certain products and may also become subject to additional regulatory regimes in the sale of such products. Such laws may include laws that govern which product(s) may be sold in a particular jurisdiction along with the manner of sales and marketing permitted in that particular jurisdiction. Such laws may be onerous to comply with and may vary from jurisdiction to jurisdiction. For example, in the United States, the regulation of biotechnology is divided among the United States Environmental Protection Agency, or EPA, which regulates activity related to the invention of plant pesticides and herbicides, the United States Department of Agriculture, which regulates the import, field testing and interstate movement of specific technologies that may be used in the creation of transgenic plants, and the United States Food and Drug Administration, or the FDA, which regulates foods derived from new plant varieties. As a result, certain of our products may have to be approved for sale by separate agencies that may regulate a different aspect of one or more of our future products.

In addition, with respect to our product candidates in the human health sector, the time required to obtain approval by the FDA and comparable foreign regulatory authorities is unpredictable but typically takes many years following the commencement of clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, laws or regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. It is possible that none of our existing product candidates or any product candidates that we may seek to develop in the future will ever obtain regulatory approval. This lengthy approval process as well as the unpredictability of future clinical trial results may result in the failure to obtain regulatory approval to market any of our product candidates as part of our collaborator products, which would significantly harm our underlying businesses, financial condition and results of operations. The FDA and comparable foreign regulatory authorities have substantial discretion in the approval process, and determining when or whether regulatory approval will be obtained for any of our product candidates. Prior to obtaining approval to commercialize a product candidate in the United States or elsewhere, we or our collaborators must demonstrate with substantial evidence from well-controlled clinical trials, and to the satisfaction of the FDA or comparable foreign regulatory agencies, that such product candidates are safe and effective for their intended uses. Results from nonclinical studies and clinical trials can be interpreted in different ways. Even if we believe the data collected from clinical trials of our product candidates is promising, such data may not be sufficient to support approval by the FDA or comparable foreign regulatory authorities.

If we, our subsidiary(ies), or our collaborators are unable to obtain the requisite regulatory approvals or there is a delay in obtaining such approvals as a result of negative market perception or heightened regulatory standards, such product candidates will not be commercialized, which would negatively impact our business and results of operations.

Our medical cannabis activity exposes us to legal and reputational risks associated with the cannabis industry.

Our involvement in cannabis-related activity through our subsidiary may expose us to legal and reputational risks. Such risks include:

- enhanced regulation in Israel with respect to our cannabis-related activities. In particular, Israeli regulation requires that we obtain a specific permit for each of the following activities: research, propagation, cultivation, production, marketing and distribution and use;
- a lack of clarity with respect to the regulation of cannabis products for medical use purposes in Israel. The current regulatory requirements in Israel may be subject to differing interpretations. This creates a risk of differing enforcement policies by the Israeli authorities, which may change with or without notice. If the Israeli authorities begin to enforce laws relating to cannabis in a manner that differs from the current interpretation of such laws, the Company's business, results of operations, financial condition and prospects and the Company generally may be materially adversely affected. Similarly, any changes in laws, regulations, guidelines, enforcement policies, and/or interpretations by the relevant government authorities in jurisdictions where the Company may market and/or sell its cannabis products in the future, may likewise result in significant additional compliance costs for us or limit our ability to operate in certain jurisdictions;
- certain banks will not accept deposits from or provide other bank services to businesses involved with cannabis;
- third parties with whom we do business may perceive that they are exposed to reputational risk as a result of our cannabis-related business activities and may ultimately elect not to do business with us;
- certain investors or investment banks are reluctant to work with companies affiliated with activity in the cannabis industry;
- future sales of medical cannabis products may expose us to consumer complaints or legal claims with respect to product quality or activity; and
- increased premiums under our D&O liability insurance policies.

Any of the foregoing factors could adversely affect our business and results of operations.

The cost we incur in procuring a D&O liability insurance has substantially increased during previous years (until 2022). If this trend continues, it will have an adverse effect on our results of operations.

D&O liability insurance is intended to cover the liability of the individuals serving as our directors and management, from losses incurred as a result of such service, our liability to indemnify such individuals for such losses and to protect us from certain securities claims. Although during 2022 and 2023 there was a decrease in the cost of D&O insurance, during recent years, there has been a significant increase in these costs for smaller, dual-listed public companies such as our Company. These increases have 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 has 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. In addition, several insurers are restricted from writing policies for companies active in the area of cannabis, which restricts the number of insurers that can provide us with a D&O liability insurance and limits our ability to negotiate the terms of such insurance. If these trends continue, it will increase our operational expenses and have a negative effect on our financial results.

Disruption to our information technology and systems, or those of our subsidiaries, including a security breach or unauthorized access to our data, our customer's data, or our platform, could adversely affect our reputation and future demand for our products or collaborative relationships, which may have a material adverse effect on our business and results of operations.

Our computational technologies rely on our information technology, or IT, system to collect and analyze the biological and chemical data, which includes several petabytes of data that we produce, review, and store. Our IT is also involved with the collection, storage, processing, transmission and other use of data, including certain confidential, sensitive, and personal information, including those relating to our research, studies, and participants. More generally, in the ordinary course of our business, we collect, store, transmit and otherwise process large amounts of sensitive corporate, personal and other information, including intellectual property, proprietary business information, and other confidential information. Any security breach, data loss, or other compromise, including those resulting from a cybersecurity attack, phishing attack, or any unauthorized access, unauthorized usage, virus or similar breach or disruption could result in the loss or destruction of or unauthorized access to, or use, alteration, disclosure, or acquisition of, data, damage to our reputation, loss of intellectual property protection, claims and litigation, regulatory investigations, or other liabilities. For example, we may become the target of cyber-attacks by third parties seeking unauthorized access to our or our customers' data or to disrupt our ability to provide our services. These attacks may come from individual hackers, criminal groups, and state-sponsored organizations. Ransomware attacks, including those from organized criminal threat actors, nation-states, and nation-state supported actors, are becoming increasingly prevalent and severe, and can lead to significant interruptions in our operations, loss of data and income, reputational loss, diversion of funds, and may result in fines, litigation and unwanted media attention. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting payments. Additionally, companies have, in general, experienced an increase in phishing, social engineering and other attacks from third parties, and the increase in remote working further increases these and other security threats. While we are constantly subject to common cyber-attacks including phishing, hacking, encryption, viruses, man/monkey in the middle, etc. from time-to-time, as of the date of this Annual Report, we have not reasonably identified any breach of our systems and therefore do not believe that any such attacks have individually or in the aggregate led to costs or consequences which have materially impacted our operations or business. If our security measures are breached as a result of third-party action, employee error or negligence, a defect or bug in our offerings or those of our third-party service providers, malfeasance or otherwise and, as a result, someone obtains unauthorized access to any data, including our confidential, sensitive, or personal information or the confidential, sensitive, or personal information of our customers, or other persons, or any of these types of information is lost, destroyed, or used, altered, disclosed, or acquired without authorization, or if any of the foregoing is perceived to have occurred, our reputation may be damaged, our business may suffer, and we could incur significant liability, including under applicable data privacy and security laws and regulations.

Even the perception of inadequate security may damage our reputation and market position, negatively impacting our ability to win new customers and retain and receive timely payments from existing customers. Further, we could be required to expend significant capital and other resources to protect against and address any data security incident or breach, which may not be covered or fully covered by our insurance, and which may involve payments for investigations, forensic analyses, regulatory compliance, breach notification, legal advice, public relations advice, system repair or replacement, or other services. We and our collaborators, subsidiaries, and service providers also may face difficulties or delays in identifying or responding to, and remediating and otherwise responding to, cyberattacks and other security breaches and incidents. We have made significant efforts to protect against and address potential impacts of security breaches and incidents (such as applying fire walls and segregation of networks), and anticipate doing so in the future. Additionally, we may be required to notify such breaches to regulators and/or individuals and operate to mitigate damages, which may result in us incurring additional costs.

Our subsidiaries, collaborators, and other service providers store and otherwise process our data, including personal, confidential, sensitive, and other information about individuals and ongoing research projects. Such entities may also be the targets of cyberattacks, malicious software, phishing schemes, and fraud. Our ability to monitor the data security of such entities is limited, and, in any event, bad actors may be able to circumvent such security measures, resulting in the unauthorized access to, misuse, acquisition, disclosure, loss, alteration, or destruction of our data, including confidential, sensitive, and other information about individuals and our ongoing research.

Techniques used to sabotage or obtain unauthorized access to systems or networks are constantly evolving and, in some instances, are not identified until after they have been launched against a target. We, our subsidiaries, collaborators, and our service providers may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventative and mitigating measures. If we are unable to efficiently and effectively maintain and upgrade our system safeguards, we may incur unexpected costs and certain of our systems may become more vulnerable to unauthorized access or disruption. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, market position, and reputation.

We have established an internal information security committee, that meets from time to time to provide guidelines and address security issues, but we can provide no assurance that our current IT system is fully protected against third-party intrusions, viruses, hacker attacks, information or data theft or other similar threats. Disruption or failure of our IT system due to technical reasons, cyberattacks, natural disasters or other unanticipated catastrophic events, including power interruptions, storms, fires, floods, earthquakes, terrorist attacks and wars could significantly impair our internal development efforts. We maintain an off-site data recovery system that is used for the retention of critical data to enable a potential recovery in case of any of the described disasters (however, this system is not designated to create seamless continuity operation).

As we continue to develop our computational technologies and expand our datasets, we may need to update our IT system and storage capabilities. However, if our existing or future IT system does not function properly, or if the IT system proves incompatible with our new technologies, we could experience interruptions in data transmissions and slow response times, preventing us from completing routine research and business activities, which could adversely affect our business and results of operations.

Development of our product candidates, particularly during our validation and testing activities, may be adversely affected by circumstances caused by us or those beyond our control.

The industries we are engaged in are subject to various factors that make our operations relatively unpredictable from period to period. For example, the testing of our product candidates may be adversely affected by circumstances both caused by us and those that are beyond our control. Factors caused by us include any failure by us or our collaborators to follow proper agronomic practice or suggested protocols for conducting our experiments, and failure to successfully complete such experiments. Factors beyond our control include weather and climatic variations, such as droughts or heat stress, or other factors we are unable to identify. For example, if there was prolonged or permanent disruption to the electricity, climate control or water supply operating systems in our greenhouses or laboratories, the plants and pests on which we test our discoveries and product candidates and the samples we store in freezers, both of which are essential to our research and development activities, would be severely damaged or destroyed, adversely affecting our research and development activities and thereby our business and results of operations. We have experienced these kinds of failures in the past for unknown reasons, causing delays in our achievement of milestones and delivery of results, and necessitating that we re-start the trials. Any test failure we may experience is not covered by our insurance policy, and therefore could result in increased cost of the trials and development of our product candidates, which may negatively impact our business and results of operations.

Our business could be disrupted by catastrophic events.

The occurrence of unforeseen or catastrophic events such as terrorist attacks and war (as further detailed below in the section titled “Risks Relating to Our Incorporation and Location in Israel”), extreme terrestrial or solar weather events or other natural disasters, emergence of a pandemic, or other widespread health emergencies (or concerns over the possibility of such an emergency), could create economic and financial disruptions, and could lead to operational difficulties that could impair our ability to manage our business.

Consumer and government resistance to genetically modified organisms, or GMOs, may negatively affect our public image and reduce potential sales of plants containing our traits.

A certain part of our seed traits activity includes research and development of genetically modified, or GM, seeds. Foods made from such seeds are not accepted by many consumers and in certain countries production of certain GM crops is effectively prohibited, including throughout the European Union, or EU, due to concerns over such products' effects on food safety and the environment. Other jurisdictions and governmental authorities, including in South America and Asia, are increasingly taking an interest in regulating agricultural products of biotechnology. Regulatory approaches vary by jurisdiction as a result of the existing public health frameworks and phytosanitary laws, as well as other less tangible factors such as cultural and religious norms that may have an impact on individual country risk assessments and decision-making. Each jurisdiction may have its own regulatory framework, which may include restrictions and regulations on planting and growing genetically engineered plants, import of grain and other plant products, and in the consumption and labeling of feed and foods derived from such novel plants, and which may apply to future products containing our traits. The high public profile of biotechnology agriculture, especially in food production, and lack of consumer acceptance of products to which we have devoted substantial resources could negatively affect our public image and results of operations. For example, the prohibition on the production of certain GM crops in select countries and the current resistance from consumer groups, particularly in Europe, to GM crops not only limits our access to such markets but also has the potential to spread to and influence the acceptance of products developed through biotechnology in other regions of the world and may also influence regulators in other countries to limit or ban production of GM crops, which could limit the commercial opportunities to exploit biotechnology. Moreover, regulation of all genetically engineered plants in the EU is far more stringent than in the U.S. and Canada. U.S. and Canadian regulators have determined that genome edited plants pose fewer risks than traditional biotechnology-derived plants subjected to modification through the insertion of recombinant DNA. In contrast, a recent EU legal ruling indicated that the existing EU regulations for genetically engineered plants modified by the insertion of recombinant DNA, which were already more stringent than corresponding U.S. and Canadian regulations, should be strictly applied to genome edited plants as well. As a result, there is a sharp distinction between how EU and U.S. and Canadian regulatory agencies oversee novel seed traits, and in particular those that are generated using the more modern techniques of genome editing.

Although we are not currently targeting EU markets for the development or commercialization of future products containing our traits, emerging oversight regimes for genetically engineered products in other jurisdictions may follow the EU approach and impose similarly strict requirements for the release of such products into the environment and their incorporation into human food or other consumer products. Such jurisdictions may also elect to regulate genetically engineered plants without distinguishing between traditional biotechnology-derived plants modified with recombinant DNA and genome edited plants. There is no guarantee that countries for which we may have or may develop future marketing plans would not take a stricter legal and regulatory approach to controlling genetically engineered plants similar to that of the EU, which could increase regulatory costs and delay, prevent or limit our or our future collaborators' ability to market our traits in such jurisdictions.

GM crops are grown principally in the United States, Brazil and Argentina where there are fewer restrictions on the production of GM crops. If these or other countries where GM crops are grown enact laws or regulations that ban the production of such crops or make regulations more stringent, we could experience a longer product development cycle for our product candidates and may even have to abandon projects related to certain crops or geographies, both of which would negatively affect our business and results of operations and could cause us to have to cease operations. Furthermore, any changes in such laws and regulations or consumer acceptance of GM crops could negatively impact our collaborators, who in turn might terminate or reduce the scope of their collaborations with us or seek to alter the financial terms of our agreements with them.

We currently need, and in the future we may need to obtain licenses of third-party technology that may not be available to us or are available only on commercially unreasonable terms, and which may cause us to operate our business in a more costly or otherwise adverse manner that was not anticipated.

We currently need, and in the future we may be required to license technology from third parties to further develop or commercialize our investigational products. Should we be required to obtain licenses for any third-party technology, such licenses may not be available to us on commercially reasonable terms, or at all. The inability to obtain any third-party license required to develop or commercialize any of our products could cause us to abandon any related efforts, which could seriously harm our business and operations.

The licenses we grant to our collaborators to use our discoveries are in most cases exclusive with respect to a specified discovery, product type or market area. This may limit our opportunities to enter into additional licensing or other arrangements with respect to such discoveries, product types or market areas.

Most of the licenses we grant our collaborators to our product candidates or to use specific discoveries we have made are exclusive in the market area of the license. That means that once these discoveries are licensed to a collaborator, we are generally prohibited from licensing those discoveries to any third party for use in such area. The limitations imposed by these exclusive licenses could prevent us from expanding our business and increasing our exposure to new licensees, both of which could adversely affect our business and results of operations.

We may be required to pay substantial damages as a result of product liability, warranty liability, or personal injury claims and litigation.

Once products integrating our discoveries and product candidates reach commercialization, if ever, product liability, warranty liability, personal injury, or other litigation claims may become a commercial risk to our business, particularly as some of the products that we develop may be harmful to humans or to the environment. Moreover, as our portfolio of available products expands, we may experience increases in product liability claims asserted against us. Courts have awarded substantial damages in the United States and elsewhere against a number of companies in the agriculture and human health industries in past years based upon claims for injuries allegedly caused by the use of their products. Product liability claims against us and/or our collaborators selling products that contain our product(s) or allegations of product liability relating to products containing our discoveries may damage our reputation, harm our relationships with our collaborators, and materially and adversely affect our business, results of operations, financial condition and prospects. Currently, we and/or our subsidiaries maintain an insurance policy according to the specific needs of each company, which may include commercial insurance, self-insurance (including direct risk retention), or a combination of both approaches, in amounts and on terms that we believe are reasonable and prudent in light of our business and related risks. We currently carry specific product liability insurance coverage for Lavie Bio, Casterra and Canonic. Any such insurance we obtain on these operations may be expensive and may not cover our potential liability in full. In addition, we may be subject to claims for which insurance coverage that we do carry is denied, as well as claims that exceed our policy limits. As a result, we may not be able to obtain the type and amount of insurance we desire, or any insurance on reasonable terms, in the markets in which we operate. Furthermore, while our collaboration agreements typically require that our collaborators indemnify us for the cost of product liability claims brought against us, such indemnification provisions may not be enforceable, and we may receive no indemnification if our own misconduct led to the claims.

Any litigation could force us to incur significant expenses, divert management's time and attention, subject us to adverse publicity, and damage our reputation and competitive position. A successful assertion of a claim against us may result in potentially significant monetary damages, penalties, or fines and adversely affect sales of our products. Costs or payments made in connection with warranty and product liability claims and recalls could adversely affect our financial condition and results of operations in a material manner.

Our facilities, in Israel and in the U.S., are located on leased properties. Termination of any of the leases, changes in lease terms, and long-term leases that may not be terminated at will may jeopardize our activity and materially affect our financial condition or results of operations.

Our office spaces, labs, facilities, and farm are all situated on properties that we lease pursuant to lease agreements, in Israel and in the U.S. Once a lease agreement ends, we may not be able to renew it on favorable terms, or not at all, which may require us to increase our lease payments or take a new lease on another property, adversely affecting our business and results of operations. In addition, a long-term lease may mean no or limited possibility to terminate the lease at will before the completion of the lease period, which may lead to continued holding of an un-needed space or entry into a sub-lease, which may adversely affect our results of operations. For more information regarding our facilities, please see "Item 4. Information on the Company—D. Property, Plants and Equipment."

Lavie Bio's research and development facility in the U.S., our contracts with foreign businesses and any other current or future operations outside of Israel expose us to additional market and operational risks, and failure to manage these risks may adversely affect our business and operating results.

Lavie Bio's research and development facility in St. Louis, Missouri may expose us to some of such operational risks, including:

- fluctuations in foreign currency exchange rates and rising global inflation;
- potentially adverse tax consequences;
- difficulties in staffing and managing foreign operations;

- hiring and retention of employees and/or consultants under foreign employment laws which are not familiar to us;
- laws and business practices that sometimes favor local business;
- compliance with foreign legislation, being subject to laws, regulations and the court systems of multiple jurisdictions; and
- tariffs, trade barriers and other regulatory or contractual limitations on our ability to develop (and, when applicable in the future, sell) our solutions in certain foreign markets.

Failure to manage the market and operational risks associated with international operations effectively could limit the future growth of our business and adversely affect our operating results.

Our operations are subject to various health and environmental risks associated with our use, handling and disposal of potentially toxic materials.

Our operations involve various health and environmental risks. For example, as part of our seed traits operations, we assist in the development of GM crops by inserting new genes into the genomes of certain plants. Though we introduce these genes in order to improve plant traits, we cannot always predict the effect that these genes may have on the plant. In some cases, the genes may render the plant poisonous or toxic, or they may cause the plant to develop other dangerous characteristics that could harm the plant's surrounding environment. Furthermore, while we comply with relevant environmental laws and regulations, there is a risk that, when testing genetically modified plants, the seeds of these plants may escape the greenhouse or field in which they are being tested and contaminate nearby fields. Poisonous or toxic plants may therefore be inadvertently introduced into the wild, or possibly enter the food production system, harming the people and animals who come in contact with them.

Moreover, as part of Lavie Bio's operations, it develops novel product candidates based on microbes in order to improve plants traits. Although microbes exist naturally in the environment, we cannot always predict the effect that microbes have on the plant and its environment. There may be cases where the microbes render the plant poisonous or toxic, or they may cause the plant to develop other dangerous characteristics that could harm the plant's surrounding environment.

In addition, as part of Casterra's operation, we handle castor seeds, which contain ricin, a naturally occurring poison, and hence are unsuitable for human or animal consumption. Ricin is a naturally occurring carbohydrate-binding protein produced in the seeds of Ricinus communis, the plant that produces castor oil. It is toxic when inhaled, ingested, or injected. As few as five to ten micrograms per kilogram can be lethal. The risk may occur when practicing a crop rotation scheme that involves growing an edible crop after castor. There is a risk that the harvesting machinery will not properly harvest seeds; and if the harvesting machinery fails to remove the castor seeds properly, there is a risk the seeds could germinate and develop into a plant, which may be collected during the second crop harvest and contaminate the edible yield with a toxic substance.

Similar risks are relevant to our Ag-Seeds division operations, especially with respect to GM seeds, AgPlenus' ag-chemicals operations and Canonic's cannabis operations.

Changes in laws and regulations to which we are subject, or to which we may become subject in the future, may materially increase our costs of operation, decrease our operating revenues and disrupt our business.

Laws and regulatory standards and procedures that impact our business are continuously changing. Responding to these changes and meeting existing and new requirements may be costly and burdensome. Changes in laws and regulations may occur that could:

- impair or eliminate our ability to research and develop our product candidates, including validating our product candidates through lab, greenhouse, field or clinical trials;
- increase our compliance and other costs of doing business through increases in the cost to patent or otherwise protect our intellectual property or increases in the cost to our collaborators to obtain the necessary regulatory approvals to commercialize and market the product candidates we develop with them;

- require significant product redesign or systems redevelopment;
- render our product candidates less profitable, obsolete or less attractive compared to competing products;
- affect our collaborators' willingness to do business with us;
- jeopardize import or export of raw material or end products, such as with respect to medical cannabis seeds, seedlings and products;
- reduce the amount of revenues we receive from our collaborators through milestone payments or royalties; and
- discourage our collaborators from offering, and consumers from purchasing, products that incorporate our discoveries.

Any of these events could have a material adverse effect on our business, results of operations and financial condition. For example, legislators and regulators have increased their focus on plant biotechnology in recent years, with particular attention paid to GM crops as well as on ag-chemicals.

While none of our product candidates are currently available for sale, other than Casterra's castor seeds, medical cannabis products by Canonic and bio-inoculants by Lavie Bio, our future growth relies on our ability and the ability of our collaborators to commercialize and market our product candidates, and any restrictions on such activities could materially and adversely impact our business and results of operations. Any changes in regulations in countries where our product candidates are used could result in our collaborators being unable or unwilling to develop, commercialize or sell products that incorporate our discoveries. In addition, we rely on patents and other forms of intellectual property protection. Legislation and jurisprudence on patent protection in the key target markets where we seek patent protection, such as the United States and the EU, is evolving and changes in laws could affect our ability to obtain or maintain patent protection for our product candidates. Any changes to these existing laws and regulations may materially increase our costs of operation, decrease our operating revenues and disrupt our business. For more information, please see 'Government Regulation of our Operations' and 'Government Regulation of Product Candidates' paragraphs under the description of each of our activity divisions and subsidiaries under "Item 4. Information on the Company—B. Business Overview."

We are subject to evolving corporate governance and public disclosure regulations and expectations, including with respect to environmental, social and governance matters that could expose us to numerous risks.

We are subject to changing rules and regulations promulgated by a number of governmental and self-regulatory organizations, including the SEC and Nasdaq. These rules and regulations continue to evolve in scope and complexity and many new requirements have been created in response to laws enacted by Congress, making compliance difficult and uncertain. In addition, increasingly regulators, customers, investors, employees and other stakeholders are focusing on environmental, social and governance, or ESG, matters and related disclosures. These changing rules, regulations and stakeholder expectations could result in increased general and administrative expenses and increased management time and attention spent complying with or meeting such regulations and expectations. For example, developing and acting on ESG initiatives, and collecting, measuring, and reporting ESG information and metrics, can be costly, difficult and time consuming and is subject to evolving reporting standards, including the SEC's proposed climate-related reporting requirements. We may also communicate certain initiatives and goals regarding environmental matters, diversity, responsible sourcing, social investments and other ESG matters in our SEC filings or in other public disclosures. These initiatives and goals could be difficult and expensive to implement, the technologies needed to implement them may not be cost effective and may not advance at a sufficient pace, and ensuring the accuracy, adequacy, or completeness of the disclosure of our ESG initiatives can be costly, difficult and time-consuming. We may be affected by market or regulatory responses to climate change.

Growing public concern about climate change has resulted in the increased focus of local, state, regional, national and international regulatory bodies on greenhouse gas, or GHG, emissions and climate change issues.

In the United States, President Biden has made climate change and the limitation of GHG emissions one of his primary objectives. We may also incur additional expenses as a result of U.S. and international regulators requiring additional disclosures regarding GHG emissions. Compliance with such regulation and the associated potential cost is complicated by the fact that various countries and regions are following different approaches to the regulation of climate change.

Growing cycles and adverse weather conditions may decrease our results from operations.

Our operations are affected by the growing cycles of the crops, including castor beans, that we plant, test and manufacture for our and our subsidiaries' products. We set our planting schedules without knowing the effect of the weather on the crops or on the entire industry's production. Weather conditions during the course of each crop's growing season will affect the volume and growing time of that crop.

Risks Related to Our Intellectual Property Rights

Our success depends on our ability to protect our intellectual property and our proprietary technologies.

Our commercial success depends in part on our ability to obtain and maintain patent protection and trade secret protection for our proprietary computational and experimental technologies, our discoveries and their uses, as well as our ability to operate without infringing upon the proprietary rights of others. If we do not adequately protect our intellectual property, competitors may be able to use our technologies and erode or negate any competitive advantage we may have, which could harm our business and ability to achieve profitability.

While we expect our patent applications to receive approval, we cannot be certain that we will obtain such results. Despite our efforts to protect our proprietary rights, unauthorized third parties may attempt to use, copy or otherwise obtain and market or distribute our intellectual property rights or technology or otherwise develop products or solutions with the same functionality as our solutions. For example, the castor varieties of our subsidiary Casterra can be easily reproduced by any third party with access to its castor seeds. In addition, the laws of some foreign countries provide less protection for proprietary rights than U.S. law. We face the occasional risk, moreover, that third parties may assert copyright, trademark and other intellectual property rights against us. Such claims may result in direct or indirect liability as we have contractually agreed to indemnify certain parties for any damages suffered as a result of infringement by us of any third-party intellectual property rights. Policing unauthorized use of technologies, trade secrets and intellectual property may be difficult, expensive and time-consuming. If we fail to meaningfully establish, maintain, protect and enforce our intellectual property and proprietary rights, our business, operating results and financial condition could be adversely affected.

If we are unable to protect the confidentiality of our trade secrets, the value of our technology could be materially adversely affected and our business would be harmed.

We treat our proprietary computational and experimental technologies, including unpatented know-how and other proprietary information, as trade secrets. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with any third parties who have access to them, such as our consultants, independent contractors, advisors, corporate collaborators and outside scientific collaborators. We also enter into confidentiality and invention or patent assignment agreements with employees and certain consultants. Any party with whom we have executed such an agreement may breach that agreement and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, if any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent such third party, or those to whom it communicates that technology or information, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, or if we otherwise lose protection for our trade secrets or proprietary know-how, the value of this information may be greatly reduced and our business and competitive position could be harmed.

We may not be able to protect our intellectual property rights throughout the world.

Filing, prosecuting, maintaining and defending patents on product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States are less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we are unable to prevent third parties from using our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the jurisdictions in which we do not have patent protection. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products, and we may be unable to prevent such competitors from importing those infringing products into territories where we have patent protection but enforcement is not as strong as in the United States. These products may compete with our product candidates and our patents and other intellectual property rights may not be effective or sufficient to prevent them from competing in those jurisdictions. Moreover, farmers or others in the chain of commerce may raise legal challenges against our intellectual property rights or may infringe upon our intellectual property rights, including through means that may be difficult to prevent or detect. For example, the practice by some farmers of saving seeds from non-hybrid crops (such as soybeans, canola and cotton) containing biotechnological traits may prevent us from realizing the full value of our intellectual property in countries outside of the United States.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions, including China, where we have filed patent applications. The legal systems of certain countries, including China, have not historically favored the enforcement of patents or other intellectual property rights, which could hinder us from preventing the infringement of our patents or other intellectual property rights and result in substantial risks to us. Proceedings to enforce our patent rights in the United States or foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert patent infringement or other claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license from third parties.

If we or one of our collaborators are sued for infringing the intellectual property rights of a third party, such litigation could be costly and time consuming and could prevent us or our collaborators from developing or commercializing our product candidates.

Our ability to generate significant revenues from our product candidates depends on our and our collaborators' ability to develop, market and sell our product candidates and utilize our proprietary technology without infringing the intellectual property and other rights of any third parties. In the United States and abroad there are numerous third-party patents and patent applications that may be applied toward our proprietary technology, business processes or product candidates, some of which may be construed as containing claims that cover the subject matter of our product candidates or intellectual property. Because of the rapid pace of technological change, the confidentiality of patent applications in some jurisdictions, and the fact that patent applications can take many years to issue, there may be currently pending applications that are unknown to us that may later result in issued patents upon which our product candidates or proprietary technologies infringe. Similarly, there may be issued patents relevant to our product candidates of which we are not aware. These patents could reduce the value of the product candidates we develop or, to the extent they cover key technologies on which we have unknowingly relied, require that we seek to obtain licenses or cease using the technology, no matter how valuable to our business. We may not be able to obtain such a license on commercially reasonable terms. There is a substantial amount of litigation involving patent and other intellectual property rights in the biotechnology industry generally. If any third party patent or patent application covers our intellectual property or proprietary rights and we are not able to obtain a license to it, we and our collaborators may be prevented from commercializing products containing our discoveries.

As the biotechnology industry continues to develop, we may become party to, or threatened with, litigation or other adverse proceedings regarding intellectual property or proprietary rights in our technology, processes or product candidates. Third parties may assert claims based on existing or future intellectual property rights and the outcome of any proceedings is subject to uncertainties that cannot be adequately quantified in advance. Any litigation proceedings could be costly and time consuming and negative outcomes could result in liability for monetary damages, including treble damages and attorneys' fees if we are found to have willfully infringed a patent. There is also no guarantee that we would be able to obtain a license under such infringed intellectual property on commercially reasonable terms or at all. A finding of infringement could prevent us or our collaborators from developing, marketing or selling a product candidate or force us to cease some or all of our business operations. Even if we are successful in these proceedings, we may incur substantial costs and the time and attention of our management and scientific personnel may be diverted as a result of these proceedings, which could have a material adverse effect on us. Claims that we have misappropriated the confidential information or trade secrets of third parties could similarly have a negative impact on our business.

We may be required to pay royalties to employees who develop inventions that have been or will be commercialized by us, even if the rights to such inventions have been assigned to us and the employees have waived their rights to royalties or other additional compensation.

A significant portion of our intellectual property has been developed by our employees in the course of their employment for us. Under the Israeli Patent Law, 5727-1967, or the Patent Law, inventions conceived by an employee in the course and as a result of or arising from his or her employment with a company are regarded as "service inventions," which belong to the employer, absent a specific agreement between the employee and employer giving the employee proprietary rights. The Patent Law also provides under Section 134 that if there is no agreement between an employer and an employee as to whether the employee is entitled to consideration for service inventions, and to what extent and under which conditions, the Israeli Compensation and Royalties Committee, or the Committee, a body constituted under the Patent Law, shall determine these issues. Section 135 of the Patent Law provides criteria for assisting the Committee in making its decisions. According to the decisions of the Committee, an employee's right to receive consideration for service inventions is a personal right and is entirely separate from the proprietary rights in such invention. Therefore, this right must be explicitly waived by the employee. A decision handed down in May 2014 by the Committee clarifies that the right to receive consideration under Section 134 can be waived and that such waiver can be made orally, in writing or by behavior like any other contract. The Committee will examine, on a case by case basis, the general contractual framework between the parties, using interpretation rules of the general Israeli contract laws. Further, the Committee has not yet determined one specific formula for calculating this remuneration, nor the criteria or circumstances under which an employee's waiver of his right to remuneration will be disregarded. Similarly, it remains unclear whether waivers by employees in their employment agreements of the alleged right to receive consideration for service inventions should be declared as void being a depriving provision in a standard contract. All of our employees execute invention assignment agreements upon commencement of employment, in which they assign their rights to potential inventions and acknowledge that they will not be entitled to additional compensation or royalties from commercialization of inventions. Although our employees have agreed to assign to us service invention rights and have specifically waived their right to receive any special remuneration for such service inventions beyond their regular salary and benefits, we may face claims demanding remuneration in consideration for assigned inventions.

Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.

As is the case with other biotechnology companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing biotechnology patents involves technological and legal complexity, and is costly, time consuming, and inherently uncertain. In addition, the U.S. Supreme Court has ruled on several patent cases, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the federal courts, and the U.S. Patent and Trademark Office, the laws and regulations governing patents could change in unpredictable ways that may weaken or undermine our ability to obtain new patents or to enforce our existing patents and patents we might obtain in the future.

Our employment agreements with our employees and other agreements with our collaborators and third parties may not adequately prevent disclosure of trade secrets, know-how and other proprietary information.

A substantial portion of our technologies and intellectual property is protected by trade secret laws. We rely on a combination of patent and other intellectual property laws as well as our employment agreements with our employees and other agreements with our collaborators and third parties to protect and otherwise seek to control access to, and distribution of, our proprietary information. These measures may not prevent disclosure, infringement or misappropriation of our confidential information. Our confidentiality, nondisclosure and assignment agreements or covenants may be breached, and we may not have adequate remedies for such a breach that would effectively prevent the further dissemination of our confidential information. We have limited control over the protection of trade secrets used by our collaborators and could lose future trade secret protection if any unauthorized disclosure of such information occurs. In addition, others may independently discover our trade secrets and proprietary information, and in such cases we could not assert any trade secret rights against such parties. Laws regarding trade secret rights in certain markets where we operate may afford little or no protection of our trade secrets. Failure to obtain or maintain trade secret protection could adversely affect our business, sales and competitive position.

We may not be able to fully enforce covenants not to compete with our key employees, and therefore we may be unable to prevent our competitors from benefiting from the expertise of such employees.

Our employment agreements with key employees, which include executive officers, contain non-compete provisions. These provisions prohibit our key employees, if they cease working for us, from competing directly with us or working for our competitors for one year. Under applicable U.S. and Israeli laws, we may be unable to enforce these provisions. If we cannot enforce the non-compete provisions with our key employees, we may be unable to prevent our competitors from benefiting from the expertise of such employees. Even if these provisions are enforceable, they may not adequately protect our interests. The defection of one or more of our employees to a competitor could materially adversely affect our business, results of operations and ability to capitalize on our proprietary information.

Risks Relating to Our Incorporation and Location in Israel

Conditions in Israel, including the recent attack by Hamas and other terrorist organizations from the Gaza Strip and elsewhere in the region, and Israel's war against them, may adversely affect our operations and limit our ability to market our products, which would lead to a decrease in revenues.

Because most of our operations are conducted in Israel and a majority of the members of our board of directors and management as well as a majority of our employees and consultants, including employees of our service providers, are located in Israel, our business and operations are directly affected by economic, political, geopolitical and military conditions in Israel. Since the establishment of the State of Israel in 1948, a number of armed conflicts have occurred between Israel and its neighboring countries and terrorist organizations active in the region. These conflicts have involved missile strikes, hostile infiltrations and terrorism against civilian targets in various parts of Israel, which have negatively affected business conditions in Israel.

In October 2023, Hamas terrorists infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Hamas also launched extensive rocket attacks on Israeli population and industrial centers located along Israel's border with the Gaza Strip and in other areas within the State of Israel. These attacks resulted in extensive deaths, injuries and kidnapping of civilians and soldiers. Following the attack, Israel's security cabinet declared war against Hamas and a military campaign against these terrorist organizations commenced in parallel to their continued rocket and terror attacks. In addition, since the commencement of these events, there have been continued hostilities along Israel's northern border with Lebanon (with the Hezbollah terror organization) and southern border (with the Houthi movement in Yemen, as described below). It is possible that hostilities with Hezbollah in Lebanon will escalate, and that other terrorist organizations, including Palestinian military organizations in the West Bank as well as other hostile countries, such as Iran, will join the hostilities. Such clashes may escalate in the future into a greater regional conflict.

The intensity and duration of Israel's current war against Hamas is difficult to predict, as are such war's economic implications on our business and operations and on Israel's economy in general. These events may be intertwined with wider macroeconomic indications of a deterioration of Israel's economic standing that may involve a downgrade in Israel's credit rating by rating agencies (such as the recent downgrade by Moody's of its credit rating of Israel from A1 to A2, as well as the downgrade of its outlook rating from "stable" to "negative"), which may have a material adverse effect on us and our ability to effectively conduct our operations.

In connection with the Israeli security cabinet's declaration of war against Hamas and possible hostilities with other organizations, several hundred thousand Israeli military reservists were drafted to perform immediate military service. Although many of such military reservists have since been released, they may be called up for additional reserve duty, depending on developments in the war in Gaza and along Israel's other borders. As of March 21, 2024, three of our employees (out of 136 employees as of such date) have been called to service, both of which are part of the executive management of one of our subsidiaries. Additional employees may be called, for service in the current or future wars or other armed conflicts in which Israel is or may become engaged and such persons may be absent for an extended period of time. As a result, our operations may be disrupted by such absences, which disruption may materially and adversely affect our business and results of operations. Additionally, the absence of employees of our Israeli suppliers and contract manufacturers due to their military service in the current or future wars or other armed conflicts may disrupt their operations, which in turn may materially and adversely affect our ability to deliver or provide products and services to customers.

The hostilities with Hamas, Hezbollah and other organizations and countries have included and may include terror, missile and drone attacks. In the event that our facilities are damaged as a result of hostile actions, or hostilities otherwise disrupt our ongoing operations, our ability to deliver or provide products and services in a timely manner to meet our contractual obligations towards customers and vendors could be materially and adversely affected. Our commercial insurance does not cover losses that may occur as a result of events associated with war and terrorism. Although the Israeli government currently covers the reinstatement value of direct damages that are caused by terrorist attacks or acts of war, we cannot assure you that such government coverage will be maintained or that it will sufficiently cover our potential damages. Any losses or damages incurred by us could have a material adverse effect on our business.

In addition, some countries around the world restrict doing business with Israel and Israeli companies, and additional countries may impose restrictions on doing business with Israel and Israeli companies if hostilities in Israel or political instability in the region continue or increase. In addition, there have been increased efforts by countries, activists and organizations to cause companies and consumers to boycott Israeli goods and services. In addition, in January 2024 the International Court of Justice, or ICJ, issued an interim ruling in a case filed by the Republic of South Africa against Israel in December 2023, making allegations of genocide amid and in connection with the war in Gaza, and ordered Israel, among other things, to take measures to prevent genocidal acts, prevent and punish incitement to genocide and take steps to provide basic services and humanitarian aid to civilians in Gaza. There are concerns that companies and businesses will terminate, and may have already terminated, certain commercial relationships with Israeli companies following the ICJ decision. The foregoing efforts by countries, activists and organizations, particularly if they become more widespread, as well as the ICJ rulings and future rulings and orders of other tribunals against Israel (if handed), may materially and adversely impact our ability to sell and provide our products and services outside of Israel.

Furthermore, following Hamas' attack on Israel and Israel's security cabinet declaration of war against Hamas, the Houthi movement, which controls parts of Yemen, launched a number of attacks on marine vessels traversing the Red Sea, which marine vessels were thought to either be in route towards Israel or to be partly owned by Israeli businesses. The Red Sea is a vital maritime route for international trade traveling to or from Israel. As a result of such disruptions, we may experience in the future delays in supplier deliveries, extended lead times, and increased cost of freight, increased insurance costs, purchased materials and manufacturing labor costs. The risk of ongoing supply disruptions may further result in delayed deliveries of our products and may also have adverse impact on economic conditions in Israel.

Finally, political conditions within Israel may affect our operations. Israel has held five general elections between 2019 and 2022. Prior to October 2023, the Israeli government pursued extensive changes to Israel's judicial system which sparked extensive political debate and unrest. In response to such initiative, many individuals, organizations and institutions, both within and outside of Israel, voiced concerns that the proposed changes may negatively impact the business environment in Israel including due to reluctance of foreign investors to invest or transact business in Israel, as well as to increased currency fluctuations, downgrades in credit rating, increased interest rates, increased volatility in security markets and other changes in macroeconomic conditions. To date, these initiatives have been substantially put on hold. If such changes to Israel's judicial system are again pursued by the government and approved by the parliament, this may have an adverse effect on our business, our results of operations and our ability to raise additional funds, if deemed necessary by our management and board of directors.

Exchange rate fluctuations between the U.S. dollar and the NIS may negatively affect our financial results.

The Company's reporting currency is U.S. dollars. In view of the fact that a substantial part of our expenses is in NIS, any appreciation of the NIS relative to the U.S. dollar would adversely impact our financial results. The appreciation (devaluation) of the NIS in relation to the U.S. dollar amounted to (3.1%), (13.2%) and 3.3% for the years ended December 31, 2023, 2022 and 2021, respectively. These fluctuations could cause our results of operations to differ from our expectations or the expectations of our investors. Additionally, such foreign currency exchange rate fluctuations could make it more difficult to detect underlying trends in our business and results of operations. As of the data of this Annual Report, we do not maintain a program to hedge transactional exposures in certain foreign currencies. If we enter into hedging contracts in the future, we may be unsuccessful in protecting against currency exchange rate fluctuations. See "Item 11. Quantitative and Qualitative Disclosure About Market Risk—Foreign Currency Risk."

We also cannot predict any future trends in the rate of inflation or deflation in Israel. The Israeli annual rate of inflation (deflation) amounted to 2.8%, 5.3% and 3.0% for the years ended December 31, 2021, 2022 and 2023, respectively.

Interest rate fluctuations may devalue our investments and could have an adverse impact on our financial condition.

From time to time we hold corporate bonds and government treasury notes denominated in NIS and in U.S. dollars. These investments expose us to the risk of interest rate fluctuations. A decrease in Israeli or in U.S. interest rates could cause the fair value of these investments to decrease.

We received Israeli government grants for certain of our research and development activities as detailed below. The terms of those grants require us to satisfy specified conditions in order to transfer outside of Israel the manufacture of products based on know-how funded by the Israeli Innovation Authority or to transfer outside of Israel the know-how itself. If we fail to comply with the requirements of Israeli Law in this regard, we may be required to pay penalties, and it may impair our ability to sell our technology outside of Israel.

Our research and development operations have been partly financed through certain governmental grants. Certain of these grants are royalty-bearing grants under the terms of which we are committed to pay royalties at a rate of 3.0% on sales proceeds from our products that were developed under Israeli Innovation Authority, or the IIA, programs up to the total amount of grants received, linked to the U.S. dollar. Pursuant to the latest IIA regulations, grants received from the IIA before June 20, 2017, bear an annual interest rate that applied at the time of the approval of the applicable file and such interest will apply to all funding received under that approval. Grants received from the IIA after June 30, 2017, bear an annual interest rate based on the 12-month London Interbank Offered Rate, until December 31, 2023, and as of January 1, 2024, bear an annual interest rate based on the 12-month Secured Overnight Financing Rate, or SOFR, or at an alternative rate published by the Bank of Israel plus 0.71513%. Grants approved after January 1, 2024, shall bear the higher of 12 months SOFR interest plus 1% or a fixed annual interest rate of 4%.

In addition, these IIA grants impose certain restrictions on the transfer or license outside of Israel of the underlying know-how and the manufacturing or manufacturing rights of the underlying products and technologies. As of December 31, 2023, we had received from the IIA approximately $9.1 million (including accrued interest) of royalty-bearing grants, and repaid approximately $3.6 million in royalties and an additional approximately $4.9 million from the IIA in respect of several non-refundable projects. We may not receive the required approvals should we wish to transfer the know-how, technology or manufacturing rights related to such government grants outside of Israel in the future or, if we receive such required approvals, they may be subject to certain conditions and payment obligations. See “Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources—Government Grants.”

If we incorporate new subsidiaries, the IIA may deem that any such new subsidiary is a co-beneficiary of the Company, such that the new subsidiary is liable to the IIA, severally and jointly with the Company, for all amounts which may be due to the IIA in connection with previously received grants. Such a perception might be burdensome with respect to incorporation of new subsidiaries and new projects.

It may be difficult to enforce a U.S. judgment against us, our officers and directors and the Israeli experts named in this Annual Report in Israel or the United States, or to assert U.S. securities laws claims in Israel or serve process on our officers and directors and these experts.

We are incorporated in Israel. The majority of our directors and executive officers reside outside the United States and the majority of our assets are located outside the United States. Therefore, it may be difficult for an investor, or any other person or entity, to enforce a U.S. court judgment based upon the civil liability provisions of the U.S. federal securities laws against us or any of these persons in a U.S. or Israeli court, or to effect service of process upon these persons in the United States. Additionally, it may be difficult for an investor, or any other person or entity, to assert U.S. securities law claims in original actions instituted in Israel. Israeli courts may refuse to hear a claim based on a violation of U.S. securities laws on the grounds that Israel is not the most appropriate forum in which to bring such a claim. Even if an Israeli court agrees to hear a claim, it may determine that Israeli law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by Israeli law. There is little binding case law in Israel addressing the matters described above.

Your rights and responsibilities as our shareholder will be governed by Israeli law, which may differ in some respects from the rights and responsibilities of shareholders of U.S. corporations.

Since we are incorporated under Israeli law, the rights and responsibilities of our shareholders are governed by Israeli law and by our articles of association. These rights and responsibilities differ in some respects from the rights and responsibilities of shareholders of U.S.-based corporations. In particular, a shareholder of an Israeli company has a duty to act in good faith and in a customary manner in exercising its rights and performing its obligations towards the company and other shareholders and to refrain from abusing its power in the company, including, among other things, in voting at the general meeting of shareholders on certain matters, such as an amendment to the company’s articles of association, an increase of the company’s authorized share capital, a merger of the company and approval of related party transactions that require shareholder approval. A shareholder also has a general duty to refrain from discriminating against other shareholders. In addition, a controlling shareholder or a shareholder who knows that it possesses the power to determine the outcome of a shareholders’ vote or to appoint or prevent the appointment of an office holder in the company has a duty to act in fairness towards the company. However, Israeli law does not define the substance of this duty of fairness. See “Item 6. Directors, Senior Management and Employees—C. Board Practices—Shareholder Duties.” Since Israeli corporate law underwent extensive revisions approximately 25 years ago, the parameters and implications of the provisions that govern shareholder behavior have not been clearly determined. These provisions may be interpreted to impose additional obligations and liabilities on our shareholders that are not typically imposed on shareholders of U.S. corporations.

Provisions of Israeli law may delay, prevent or make undesirable an acquisition of all or a significant portion of our shares or assets.

Certain provisions of Israeli law and our articles of association could have the effect of delaying or preventing a change in control and may make it more difficult for a third party to acquire us or for our shareholders to elect different individuals to our board of directors, even if doing so would be beneficial to our shareholders, and may limit the price that investors may be willing to pay in the future for our ordinary shares. For example, Israeli corporate law regulates mergers and requires that a tender offer be effected when certain thresholds of percentage ownership of voting power in a company are exceeded (subject to certain conditions). Further, Israeli tax considerations may make potential transactions undesirable to us or to some of our shareholders whose country of residence does not have a tax treaty with Israel granting tax relief to such shareholders from Israeli tax. With respect to mergers, Israeli tax law allows for tax deferral in certain circumstances but makes the deferral contingent on the fulfillment of numerous conditions, including a holding period of two years from the date of the transaction during which certain sales and dispositions of shares of the participating companies are restricted. Moreover, with respect to certain share swap transactions, the tax deferral is limited in time, and when such time expires, the tax becomes payable even if no actual disposition of the shares has occurred. See Exhibit 2.1 to this Annual Report.

Furthermore, under the Israeli Encouragement of Research, Development and Technological Innovation in the Industry Law, 5744-1984 (formerly known as the Law for the Encouragement of Research and Development in Industry 5744-1984), and the regulations, guidelines, rules, procedures and benefit tracks thereunder, collectively, the Innovation Law, to which we are subject due to our receipt of grants from the IIA, a recipient of IIA grants such as our company must report to the IIA regarding any change in the holding of any means of control of our company. If following such change any non-Israeli citizen or resident becomes an "interested party", as defined in the Israeli Securities Law 5728-1968, such non-Israeli citizen or resident shall execute an undertaking in favor of IIA, in a form prescribed by IIA.

Risks Related to Our Ordinary Shares and the Ownership and Trading of Our Ordinary Shares

The price of our ordinary shares may fluctuate significantly. Further, there is no guarantee of a continuing public market to resell our ordinary shares.

Our ordinary shares were first offered publicly in the United States after our public offering in the United States in November 2013, at a price of $14.75 per share, and our ordinary shares have subsequently traded on the NYSE (until December 2016) and on the Nasdaq (since December 2016) as high as $9.94 per share and as low as $0.47 between 2020 and 2024, and as of March 15, 2024 were trading at $0.82 per share.

The market price of our ordinary shares could be highly volatile and may fluctuate substantially as a result of many factors, including:

- our inability to obtain additional funding;
- any delay in filing a regulatory submission for any of our product or product candidates and any adverse development or perceived adverse development with respect to the review of that regulatory submission by the applicable regulatory body;
- actual or anticipated fluctuations in our results of operations;
- variance in our financial performance from the expectations of market analysts;
- announcements by us or our competitors of significant business developments, changes in relationships with our collaborators, acquisitions or expansion plans;
- our involvement in litigation;
- our sale, or the sale by our significant shareholders, of ordinary shares or other securities in the future;
- failure to publish research or the publishing of inaccurate or unfavorable research;

- market conditions in our industry and changes in estimates of the future size and growth rate of our markets;
- changes in key personnel;
- the trading volume of our ordinary shares; and
- general economic and market conditions, including as a result of the scope and duration of the war in Israel.

Although our ordinary shares are listed on Nasdaq, an active trading market on Nasdaq for our ordinary shares may not be sustained. If an active market for our ordinary shares is not sustained, it may be difficult to sell ordinary shares in the U.S.

In addition, the stock market in general, and the Nasdaq and the market for biotechnology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies like ours. Broad market and industry factors may materially harm the market price of our ordinary shares, regardless of our operating performance. Further, a systemic decline in the financial markets and related factors beyond our control may cause our share price to decline rapidly and unexpectedly. Price volatility of our ordinary shares might be worse if the trading volume of our ordinary shares is low. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against that company. If we were involved in any similar litigation, we could incur substantial costs and our management's attention and resources could be diverted.

Any inability to meet the Nasdaq listing requirements may have an adverse effect on our share price and lead to our delisting from Nasdaq.

We are required to meet the continued listing requirements of Nasdaq, including those regarding minimum share price. In particular, we are required to maintain a minimum bid price for our listed ordinary shares of $1.00 per share. On October 31, 2022, we received a written notification from Nasdaq, which stated that because the closing bid price of our ordinary shares for 31 consecutive business days was below the minimum $1.00 per share bid price requirement for continued listing on the Nasdaq Capital Market, we were not in compliance with Nasdaq Listing Rule 5550(a)(2). Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), the applicable grace period to regain compliance was 180 days, or until May 1, 2023.

On May 2, 2023, Nasdaq notified us that our transfer from the Nasdaq Global Market to the Nasdaq Capital Market was approved, and that we were eligible for an additional 180 calendar day period, or until October 30, 2023, to regain compliance with the bid price rules. Effective at the opening of business on May 4, 2023, our ordinary shares were transferred to the Nasdaq Capital Market. On July 17, 2023, we announced that Nasdaq confirmed that it regained compliance with Nasdaq Listing Rule 5550(a)(2) concerning the minimum bid price of our ordinary shares.

On September 18, 2023, we received another written notification from Nasdaq, which stated that because the closing bid price of our ordinary shares for 30 consecutive business days was below the minimum $1.00 per share bid price requirement for continued listing on the Nasdaq Capital Market, we were not in compliance with Nasdaq Listing Rule 5550(a)(2). Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), we had a grace period of 180 days to regain compliance until March 18, 2024. On March 20, 2024, we announced that we received a letter from the Nasdaq Stock Market LLC pursuant to which Nasdaq granted us an extension until September 16, 2024, to regain compliance with the minimum bid price requirement.

If we do not demonstrate compliance prior to the end of the 180-day period ending March 18, 2024, the Nasdaq staff may notify us that our ordinary shares will be subject to delisting. However, we may then be eligible for additional time of up to a further 180 calendar days to regain compliance if we meet the continued listing requirement for the market value of our publicly held shares and all other initial listing standards for the Nasdaq Capital Market, with the exception of the bid price requirement. To be eligible, we will also need to provide further written notice of our intention to cure the deficiency during the second compliance period. In such an event, we may implement a reverse split of our ordinary shares at such a ratio as shall be determined by our board of directors. There are numerous factors and contingencies that could affect our price following a reverse split, including the status of the market for our ordinary shares at the time, our reported results of operations in future periods and general economic, market and industry conditions. Accordingly, the market price of our ordinary shares may not be sustainable at the direct arithmetic result of the reverse split. If the market price of our ordinary shares declines after the reverse split, our total market capitalization (the aggregate value of all of our outstanding ordinary shares at the then existing market price) after the reverse split will be lower than before the reverse split. In addition, the reverse split may result in some shareholders owning "odd lots" of less than 100 ordinary shares on a post-split basis. Odd lots may be more difficult to sell, or require greater transaction costs per share to sell, than shares in "round lots" of even multiples of 100 shares.

If Nasdaq initiates delisting proceedings or delists our ordinary shares from trading on its exchange, we could face significant material adverse consequences including reduced liquidity with respect to our ordinary shares, limited amount of news and analyst coverage for our company, reputational damage, diminished investor, supplier and employee confidence and decreased ability to issue additional securities or obtain additional financing in the future.

Our ordinary shares are traded on more than one market and this may result in price variations.

Our ordinary shares are listed on both the TASE and Nasdaq. Trading in our ordinary shares on these markets takes place in different currencies (U.S. dollars on Nasdaq and NIS on the TASE), and at different times (resulting from different time zones, trading days and public holidays in the United States and Israel). The trading prices of our ordinary shares on these two markets may differ due to these and other factors. Any decrease in the price of our ordinary shares on the TASE could cause a decrease in the trading price of our ordinary shares on Nasdaq or vice versa.

We could become subject to parallel reporting obligations in Israel and the United States, which could increase compliance costs and divert management attention.

We currently solely utilize U.S. reporting standards under the rules and regulations of the SEC. However, should this change in the future, we may become subject to parallel reporting obligations in Israel and the United States. While similar in many respects, certain differences between Israeli and U.S. reporting schemes may impose on us disclosure obligations that are more stringent than those generally applied to foreign private issuers whose securities are listed only in the United States. In addition, a requirement to comply with the separate reporting obligations under U.S. and Israeli securities laws would require additional management attention and could burden us with additional costs.

The requirements of being a public company in the United States and Israel may strain our resources and distract our management, which could make it difficult to manage our business.

Changing laws, regulations and standards, in the United States or Israel, relating to corporate governance and public disclosure and other matters, may be implemented in the future, which may increase our legal and financial compliance costs, make some activities more time consuming and divert management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed. Being a publicly traded company in the United States and Israel and being subject to U.S. and Israeli rules and regulations make it more expensive for us to obtain D&O insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee, and qualified executive officers.

As a public company whose ordinary shares are listed in the United States, we will continue to incur significant accounting, legal and other expenses, including costs associated with our reporting requirements under the Exchange Act. We also incur additional costs associated with corporate governance requirements, including requirements under Section 404 and other provisions of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, rules implemented by the SEC and the Nasdaq, and provisions of Israeli corporate and securities laws applicable to public companies. The Exchange Act requires that we file annual and certain other reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. These rules and regulations could continue to increase our legal and financial compliance costs, such as the cost of hiring consultants or testing compliance processes, and make some activities more time-consuming and costly. These activities may divert management's attention from other business concerns, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

As a foreign private issuer we are not subject to the provisions of Regulation FD or U.S. proxy rules and are exempt from filing certain Exchange Act reports.

As a foreign private issuer, we are exempt from compliance with the rules and regulations under the Exchange Act related to the furnishing and content of proxy statements, and our officers, directors, and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file annual and certain other reports and financial statements with the SEC as frequently or as promptly as U.S. domestic companies whose securities are registered under the Exchange Act, we are permitted to disclose limited compensation information for our executive officers on an individual basis and we are generally exempt from filing quarterly reports with the SEC under the Exchange Act. Moreover, we are not required to comply with Regulation FD, which restricts the selective disclosure of material nonpublic information to, among others, broker-dealers and holders of a company's securities under circumstances in which it is reasonably foreseeable that the holder will trade in the company's securities on the basis of the information. These exemptions and leniencies will reduce the frequency and scope of information and protections to which you may otherwise have been eligible in relation to a U.S. domestic issuer.

As a foreign private issuer, we have elected to follow home country corporate governance practices instead of certain Nasdaq corporate governance requirements, which may result in less protection than is accorded to investors under rules applicable to domestic U.S. issuers.

As a foreign private issuer whose shares are listed on the Nasdaq Global Market, we are permitted to follow certain home country corporate governance practices instead of those otherwise required under the corporate governance standards for U.S. domestic issuers listed on Nasdaq. We currently follow Israeli home country practices, rather than the requirements under the Nasdaq corporate governance rules, with regard to the (i) quorum requirement for shareholder meetings, (ii) executive sessions for independent directors and non-management directors and (iii) the requirements to obtain shareholder approval for certain dilutive events (such as for the establishment or amendment of certain equity-based compensation plans, issuances that will result in a change of control of the company, certain transactions other than a public offering involving issuances of a 20% or more interest in the company and certain acquisitions of the stock or assets of another company). See "Item 16G. Corporate Governance." Furthermore, we may in the future elect to follow Israeli home country practices with regard to other matters such as the requirement to have a majority independent board of directors, have a compensation committee and have a nominating committee. Accordingly, our shareholders may not be afforded the same protection as provided under Nasdaq corporate governance rules. Following our home country governance practices as opposed to the requirements that would otherwise apply to a United States company listed on Nasdaq may provide less protection than is accorded to investors of domestic issuers. For further discussion, see "Item 16G. Corporate Governance."

We may lose our status as a foreign private issuer, which would increase our compliance costs and could thereby negatively impact our results of operations.

We would lose our foreign private issuer status if (a) a majority of our outstanding voting securities were either directly or indirectly owned of record by residents of the United States and (b)(i) a majority of our executive officers or directors were United States citizens or residents, (ii) more than 50 percent of our assets were located in the United States, or (iii) our business were administered principally outside the United States. Our loss of foreign private issuer status would make U.S. regulatory provisions mandatory. The regulatory and compliance costs to us under U.S. securities laws as a U.S. domestic issuer may be significantly higher. If we are not a foreign private issuer, we will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive than the forms available to a foreign private issuer. We would also be required to follow U.S. proxy disclosure requirements, including the requirement to disclose, under U.S. law, more detailed information about the compensation of our senior executive officers on an individual basis. We may also be required to modify certain of our policies to comply with accepted governance practices associated with U.S. domestic issuers. Such conversion and modifications will involve additional costs. In addition, we would lose our ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers, as described in the previous risk factor above.

If a United States person is treated as owning at least 10% of our ordinary shares, such holder may be subject to adverse U.S. federal income tax consequences.

If a United States person is treated as owning (directly, indirectly or constructively) at least 10% of the value or voting power of our ordinary shares, such person may be treated as a "United States shareholder" with respect to each "controlled foreign corporation" in our group (if any). If our group includes one or more U.S. subsidiaries, certain of our non-U.S. subsidiaries could be treated as controlled foreign corporations (regardless of whether we are or are not treated as a controlled foreign corporation). A United States shareholder of a controlled foreign corporation may be required to annually report and include in its U.S. taxable income its pro rata share of "Subpart F income", "global intangible low-taxed income" and investments in U.S. property by controlled foreign corporations, whether or not we make any distributions. An individual that is a United States shareholder with respect to a controlled foreign corporation generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a United States shareholder that is a U.S. corporation. A failure to comply with these reporting obligations may subject you to significant monetary penalties and may prevent the statute of limitations with respect to your U.S. federal income tax return for the year for which reporting was due from starting. We cannot provide any assurances that we will assist investors in determining whether any of our non-U.S. subsidiaries are treated as a controlled foreign corporation or whether such investor is treated as a United States shareholder with respect to any of such controlled foreign corporations or furnish to any United States shareholders information that may be necessary to comply with the aforementioned reporting and tax paying obligations. A United States investor should consult their own advisors regarding the potential application of these rules to its investment in the ordinary shares.

We believe we were a PFIC for U.S. federal income tax purposes in 2023, and there is significant risk we will be a PFIC in 2024 as well. U.S. shareholders who held our ordinary shares at any time during a taxable year in which we are a PFIC may suffer adverse tax consequences.

Generally, if for any taxable year 75% or more of our gross income is passive income, or at least 50% of the average quarterly value of our assets (which may be determined in part by the market value of our ordinary shares, which is subject to change) are held for the production of, or produce, passive income, we would be characterized as a PFIC for United States federal income tax purposes. According to these rules, a publicly traded non-U.S. corporation may treat the aggregate fair market value of its assets as being equal to the sum of the aggregate value of its outstanding shares, or Market Capitalization, and the total amount of its liabilities. We intend to take the position that the excess of our Market Capitalization plus liabilities over the book value of all of our assets may generally be treated as attributable to non-passive assets. Based on the book value of our assets and liabilities and our Market Capitalization in 2023, we believe that we met the PFIC asset test described above for 2023 and, as a result, we were classified as a PFIC in 2023. Furthermore, because we currently hold, and expect to continue to hold, a substantial amount of cash and cash equivalents and other passive assets used in our business, and because our Market Capitalization is currently below the level necessary to avoid PFIC status for 2024, there is substantial risk we will be classified as a PFIC for the 2024 taxable year as well. However, because PFIC status is determined after the close of each taxable year, we will not be able to determine whether we will be a PFIC for the 2024 taxable year or for any future taxable year until after the close of such year.

U.S. shareholders who held our ordinary shares at any time in 2023 or during any other taxable year in which we are a PFIC may suffer adverse tax consequences, including having gains realized on the sale of our ordinary shares treated as ordinary income, rather than capital gain, the loss of the preferential rate applicable to dividends received on our ordinary shares by individuals who are U.S. Holders (as defined in "Item 10. Additional Information—E. Taxation—United States Federal Income Taxation"), and having interest charges apply to distributions by us and the proceeds of share sales. Certain elections may be available that would alleviate some of the adverse consequences of PFIC status and result in an alternative treatment (such as mark-to-market treatment) of our ordinary shares; however, we do not intend to provide the information necessary for U.S. holders to make qualified electing fund elections. See "Item 10. Additional Information—E. Taxation—United States Federal Income Taxation—Passive Foreign Investment Company Considerations."

General Risk Factors

If we fail to maintain effective internal control over financial reporting, the price of our ordinary shares may be adversely affected.

Our internal control over financial reporting may have weaknesses and conditions that could require correction or remediation, the disclosure of which may have an adverse impact on the price of our ordinary shares. We are required to establish and maintain appropriate internal control over financial reporting. Failure to establish those controls, or any failure of those controls once established, could adversely affect our public disclosures regarding our business, prospects, financial condition or results of operations. In addition, management's assessment of internal control over financial reporting may identify weaknesses and conditions that need to be addressed in our internal control over financial reporting or other matters that may raise concerns for investors. In addition, as a "non-accelerated filer," we are exempt from the provisions of Section 404(b) of the Sarbanes-Oxley Act requiring that independent registered public accounting firms provide an attestation report on the effectiveness of internal control over financial reporting. Decreased disclosures in our SEC filings due to our status as a "non-accelerated filer" may make it harder for investors to analyze our results of operations and financial prospects and may make our ordinary shares a less attractive investment. Any actual or perceived weaknesses and conditions that need to be addressed in our internal control over financial reporting or disclosure of management's assessment of our internal control over financial reporting may have an adverse impact on the price of our ordinary shares.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Our History

We are a leading computational biology company aiming to revolutionize life-science product discovery and development across several market segments, including human health, agriculture, and other industrial applications.

Our Company was founded on October 10, 1999 as Agro Leads Ltd., a subsidiary of Compugen Ltd. In 2002, our Company was spun-off as an independent corporation under the laws of the State of Israel, and changed its name to Evogene Ltd.

In 2018 and 2019, we reorganized certain of our divisions into wholly owned subsidiaries of the Company, as described in this Annual Report.

Our shares have been listed for trading on the TASE since 2007 and were listed for trading on the NYSE commencing with our U.S. initial public offering in November 2013, until December 2016, when we transferred the listing to Nasdaq.

We are registered with the Israeli Registrar of Companies in Jerusalem. Our registration number is 51-283872-3. Our purpose as set forth in our articles of association is to engage in any lawful business. Our principal executive offices are located at 13 Gad Feinstein Street, Park Rehovot, Rehovot 7638517, Israel, and our telephone number is +972-8-931-1900.

Our authorized representative in the United States and agent for service of process in the United States, Puglisi & Associates, is located at 850 Library Avenue, Suite 204, Newark, Delaware 19711. Information contained on, or that can be accessed through, our website does not constitute a part of this Annual Report and is not incorporated by reference herein.

The SEC maintains an internet site, http://www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Our internet address is www.evogene.com. The information on that website is not part of this Annual Report and is not incorporated by reference herein.

Principal Capital Expenditures

Our capital expenditures for fiscal years 2023, 2022 and 2021 amounted to approximately $0.8 million, $1.2 million and $0.8 million, respectively. Our capital expenditures during those years consisted of investments in property, plant and equipment. We anticipate our capital expenditures in fiscal year 2024 to include payments for maintenance and improvements of our facilities in Israel in order to support our activities, which we anticipate we will finance with our currently available cash. For a description of our principal capital expenditures and divestitures for the three years ended December 31, 2023 and for those currently in progress, see “Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources.”

B. Business Overview

Overview

We are a leading computational biology company aiming to revolutionize life-science product development across several market segments, including human health, agriculture, and other industries, by utilizing cutting-edge computational technologies.

The main challenge in product development in the life science industry is finding the winning candidates out of a vast number of possible prospects that address a complex myriad of criteria to reach successful products. We believe that by utilizing an advanced computational biology platform to identify the most promising candidates addressing multiple development challenges toward successful life-science products, we can increase the probability of success while reducing time and cost.

To achieve this mission, we established our unique CPB platform, leveraging big data and artificial intelligence and incorporating deep multidisciplinary understanding in life sciences. The CPB platform is the basis for three technology engines; each focused on the direction and acceleration of the discovery and development of products based on one of the following core components: Microbes – *MicroBoost AI*, Small molecules – *ChemPass AI*, Genetic elements – *GeneRator AI.* In 2023, we emphasized our research and development efforts on *MicroBoost AI* and *ChemPass AI*, and we plan to maintain this focus moving forward.

We use our technological engines to support the development of life science-based products through dedicated subsidiaries and with strategic partners. Currently, our main activities are directed through our subsidiaries, that utilize the technological engines to develop human microbiome-based therapeutics by Biomica, ag-chemicals by AgPlenus, ag-biologicals by Lavie Bio and castor seeds for bio-based industrial applications by Casterra.

Business Model

We capitalize on the value of our AI tech-engines through two distinct business models:

1. Licensing: we grant time-limited licenses to third parties, our subsidiaries, or related entities, allowing them to leverage our tech-engines for product development within specified commercial domains.

Typically, the potential revenue stream from this business model would be:
- License fee and R&D reimbursement;
- Dividends to Evogene as a shareholder; and
- Significant one-time payment upon an exit event (in case Evogene is a main shareholder).

2. Collaborations: we engage in collaborative ventures with industry leaders, pooling resources to drive joint product development. Typically, our partners take the lead in later-stage development and commercialization, leveraging our unique tech-engines to identify the product candidate and optimize it towards a commercial product.

Typically, the potential revenue stream from this business model would be:
- Upfront payments;
- R&D fees; and
- Royalties from sales of end-products.

As of the date of this Annual Report, Evogene commercializes *MicroBoost AI*, through two licensing agreements, the first with our subsidiary, Lavie Bio, for the development of ag-biological, and the second with our subsidiary, Biomica, for the development of drug based on human microbiome. In addition, Evogene commercializes *MicroBoost AI*, through collaboration with Veb Biotics LLC, to develop probiotics products.

With respect to *ChemPass AI*, Evogene commercializes it through a license agreement with our subsidiary, AgPlenus, for the development of ag-chemical products.

With respect to *Generator AI*, during 2023 Evogene commercialized it through two license agreements, the first with our subsidiary, Canonic, for the development of medical cannabis products, and the second with our subsidiary, Casterra, for the development of castor seed varieties. In addition, Evogene commercializes *Generator AI* through collaboration with Colors Farm Ltd., to establish crustacean gene editing technology.

Those license agreements and collaboration, demonstrate how we utilize our business development and how we capture the value of our tech-engines to bring innovative products to market and revolutionize the life-science industry.

Fields of Activity

Given the broadly applicable capabilities of our technology, as provided through our three engines, we can potentially enhance and improve product development in a variety of life science industries, including human health and agriculture. Today, Evogene is applying its *MicroBoost AI* engine to direct and accelerate the discovery and development of two types of products: human-microbiome-based therapeutics in human health and ag-biological products in agriculture. The *ChemPass AI* engine is used for the discovery and development of two types of products: drugs based on small molecules in human health and ag-chemicals, such as herbicides and insecticides, in agriculture. The *GeneRator AI* engine is mainly applied for the discovery and development of medical cannabis products in human health and improved seed traits in agriculture.

Evogene continuously evaluates new substantial industries with well-recognized development roadblocks for which we can leverage our capabilities and assets for the development of next-generation products. We will select the most suitable markets to focus on, based on a number of criteria, including (i) market size; (ii) a well-recognized, unmet need for next-generation products; (iii) an understanding of the scientific or technical roadblocks that challenge others from developing next-generation products; and (iv) most importantly, the expectation that our technological engines and unique approach can provide a significant competitive advantage in addressing these roadblocks.

Subsidiaries

As described above, since 2015, Evogene has utilized its three engines to develop various product types through dedicated divisions and subsidiaries. In human health, we formed Biomica for microbiome-based therapeutics and Canonic for medical cannabis products. In agriculture, we established Lavie Bio for ag-biologicals and AgPlenus for ag-chemicals. Additionally, in other industries, we established Casterra to develop agricultural solutions for castor oil production.

Revenues

During 2023, except for sales of bio-inoculant by Lavie Bio, castor seeds by Casterra and medical cannabis products sales by Canonic, our revenues consisted primarily of payments under a licensing agreement of Lavie Bio with Corteva for bio fungicide lead candidates and an R&D collaboration that AgPlenus is engaged in, in the field of ag-chemicals. A breakdown of our revenues by business activity and geographic markets for each of the last three financial years is provided in "Item 5. Operating and Financial Review and Prospects—Key Performance Indicators—Revenues." In the future, we expect that we and our subsidiaries will receive milestone payments and royalty revenues under such collaborations, as well as revenues from the sale of end-products or commercialization of product candidates.

In 2023, through our subsidiaries or directly, we expect to continue to develop our product pipelines and initiate new collaborations with an increased focus on strategic relationships for joint product development. We also hope to continue to evolve our organization and to continue to examine new areas in which our technology engines can serve as a competitive advantage and additional value can be created in a relatively short period of time.

Technology highlights

Our CPB platform aims to disrupt conventional life science product discovery and development methodology, currently challenged by inefficiencies, such as long and expensive product development process and low probability of success. By computational selection of the most relevant core components for life-science products, such as microbes, small molecules and genes, and then computational optimization, we are aiming to reduce time, cost and most importantly increase the probability of success to develop life-science based products. We provide these discovery and development capabilities through three dedicated engines: *MicroBoost AI* for products based on microbes, *ChemPass AI* for products based on small molecules and *GeneRator AI* for products based on changes in genetic elements.

The discovery phase, based on product definition, requires the identification and selection of a reasonable number of candidates to initiate the development process. The challenge is that out of a vast number of possible product candidates and numerous criteria that these candidates must address, finding the winning combination for a successful product is extremely complex. Evogene believes that this complexity should be addressed using computational predictive biology. Evogene's technology, the CPB platform and its three engines, was designed to predict the most promising candidates that hold true potential for a successful product. Through computationally screening databases, according to specific product criteria, candidates can be narrowed down to focus on those most promising.

In addition to the selection of the candidates in the discovery phase, the CPB platform is also used in the development phase. In the development phase, the chosen candidates undergo various validation processes on the way to becoming a commercial product with certain desired attributes. In this process, the candidates' ability to pass the validation criteria is improved, as required, by using our technology. Our technology is able to identify the best optimization proposal for a product candidate, improving a specific attribute of a product with minimal impairment of any of the other attributes.

CPB Platform

As described above, the mission of the CPB platform is to revolutionize the product discovery and development approach in life science industries by decoding the biological world using computational biology. This platform is the outcome of over a decade long multidisciplinary effort to integrate scientific concepts with big data and advanced computational analytics in order to develop predictions of potential product candidates that later undergo experimental validation and optimization toward commercialization. We believe that the uniqueness of our computational prediction approach stems from our ability to successfully address multiple product attributes at the beginning of the discovery process, and during the optimization phase.

These efforts have been enabled by two parallel revolutions taking place over the last decades: first, the data revolution – allowing the creation of enormous amounts of high-quality biological and chemical data in a cost-effective manner; and second, the computational processing revolution – allowing the analysis of data with advanced algorithms such as machine learning and other artificial intelligence methods.

The CPB platform represents a revolutionary approach for the design and prediction of novel products, based on four pillars: first, computationally modeling the specific biological challenges in the discovery and development of each product into pre-defined criteria, based on profound scientific understanding and know-how; second, designing genomic, chemical and microbial databases holding diverse types of curated data specifically aimed at addressing the biological challenges identified; third, developing state of the art computational tailored analytics, including artificial intelligence algorithms, designed to provide more accurate predictions to those challenges; and fourth, utilizing screening and validation systems, comprised of multiple tailored bioassays, to validate the product candidates and assist in their optimization.

Proprietary Databases

Our databases leverage multiple types of tailored big data from various sources in order to support the different research and development activities powered by our technological engines. Specifically, we focus on four different entities: microbial organisms, microbial genes, small molecules and plant genes. Our databases on different entities are rich and highly interconnected, enabling our analysis platforms to maximize their predictive power. Our databases draw in part from the public domain, and in part compile increasing amounts of proprietary data, generated either in-house or received from our collaborators.

Discovery and Development Engines

The CPB platform is the foundation for Evogene's three technological engines boosting the discovery and development of novel life science products. At the core of our engines are unique computational analysis platforms, which are comprised of algorithms designed to address a vast number of parameters required for a product. These computational analysis platforms, which increasingly utilize artificial intelligence, machine learning driven approaches and other sophisticated algorithms, are designed to deliver innovative solutions to key bottlenecks in the product development process, such as efficacy and stability. As our predictions undergo validation via dedicated validation systems, we continuously improve our predictions by feeding back some of these results into our systems.

MicroBoost AI employs an innovative function-based approach based on a proprietary microbial function catalog for the identification of novel microbial candidates. This engine not only aims to identify candidates with high potential for a specific product, but also pinpoints the biological reasoning behind its selection, improving the chances of the initial microbial candidate to pass the subsequent optimization and development phases.

ChemPass AI combines a large, well-organized, database of over 30 billion known molecules as well as a set of AI-based algorithms and innovative chemo-informatics tools which invent, prioritize and analyze new small molecules prior to their expensive synthesis and testing phase. This platform is used to drive and accelerate the small molecule product development process by using a set of high-end, validated tools and algorithms for virtual screening for the identification of small molecule hits meeting multiple end-product attributes.

GeneRator AI aims to develop life science products via targeting and modifying genetic elements. By using a set of computational and advanced AI tools and end-to-end discovery and development pipelines, *GeneRator AI* identifies genomic elements of interest that can be then applied through genome editing, genetic engineering, as biomarkers, or through additional applications.

We are constantly working to improve and expand our three engines' capabilities. For example, we are working to improve the *GeneRator AI* engine through participating in the CRISPR-IL consortium. This consortium, funded by the IIA, aims to develop an artificial intelligence-based system, "Go-Genome", providing users improved genome-editing workflows. The system aims to provide end-to-end solutions from user interface to an accurate measurement tool and is expected to include the computational design of on-target DNA modification with minimal accidental, off-target modifications, improve modification efficiency and provide an accurate measuring tool to ensure the desired modification was made.

Validation and screening systems

Our experimental technologies include bioassays as well as screening and validation pipelines (i.e., sets of bioassays organized in a cascade of tests). They relate to diverse scientific fields, including molecular biology and biochemistry, microbiology plant tissue culture and plant pathology, in laboratories, greenhouses, and field settings. All processes are accompanied by precise data gathering and are coordinated by pipeline management and quality assurance.

Our validation and screening systems support three key aspects of our research and development approach: first, generating data sets to enable the development and proof of concept of tailored computational modules and their prediction performance evaluation; second, transforming computational-based recommendations to a physical entity output; and third, validating and screening selected product candidates by the relevant scientific teams.

Major Occurrences and Developments

The following are major occurrences and developments in the Company throughout 2023 and through the date of this Annual Report, reflecting advancement in all areas of activity:

Evogene

- Horizon grant (May 2023) – Evogene's Ag-Seed Division was granted €1.2 million through a Horizon grant to develop high carbon dioxide, or CO_2, assimilation and drought-tolerant oil-seed crops.
- Registered Direct Offering (July 2023) – On July 17, 2023 Evogene entered into a securities purchase agreement with certain institutional investors pursuant to which we sold to such investors, 8,500,000 ordinary shares at $1.00 per share, generating $8,500,000 in gross proceeds.

Lavie Bio

- Management change (March 2023) – Mr. Amit Noam assumed the role of Chief Executive Officer of Lavie Bio
- Licensing agreement (July 2023) – Lavie Bio entered a licensing agreement with Corteva Agriscience LLC, or Corteva, for bio fungicide lead candidates, granting Corteva exclusive rights to further develop and commercialize these candidates targeting fruit rots and powdery mildew. The agreement includes an initial payment of approximately $5 million, potential future milestone payments, and royalties from Corteva's sales of the products.
- Advancement (November 2023) – Lavie Bio reported advancement in its bio-fungicide program against downy mildew with 2023 field trial results.

Biomica

- Financing round (April 2023) – Biomica closed a $20 million financing round led by Shanghai Healthcare Capital.

Casterra

- Commercial agreement (January 2023) – Casterra entered into a commercial-scale cultivation agreement with a leading energy company.
- Framework agreement (June 2023) – Casterra signed a framework agreement with a ENI Kenya B.V., or ENI, for the sale of castor seeds for sustainable biofuel production, involving initial purchase orders of $9.1 million.
- Purchase orders (June 2023) – Casterra received an additional $2.2 million of purchase orders to supply castor seeds for new African territories.
- Management change (December 2023) – Mr. Yoash Zohar will be appointed as Chief Executive Officer of Casterra effective as of January 1, 2024.

AgPlenus

- Management change (July 2023) –Dr. Adrian Percy was appointed to AgPlenus' Board of Directors.
- Licensing and collaboration agreement (February 2024) – AgPlenus entered into a licensing and collaboration agreement with Bayer AG, for the development of a new sustainable weed control solution.
- Management change (February 2024) – Mr. Dan Jacob Gelvan was appointed as Chief Executive Officer effective as of February 19, 2024.

Canonic

- New Products (February 2023) – Canonic launched six second-generation cannabis products with higher THC and rich terpene profiles.
- (May 2023) – Plantis Agro Ltd. licensed two of Canonic's proprietary cannabis varieties to expand its offerings in the Israeli market.

Market Segments

Agriculture

Lavie Bio Ltd.

Overview

In 2015, we initiated our activity for developing ag-biological products as a division within Evogene and early in 2019 it was organized under Lavie Bio Ltd., an independent company that upon establishment was wholly-owned by Evogene.

Lavie Bio aims to improve food quality, sustainability and agricultural productivity through the introduction of microbiome-based AI-driven ag-biologicals. Ag-biologicals are externally-applied products from biological sources, such as microbial (micro-organisms) and naturally derived biochemistries, designed to improve crop productivity. A sub-segment within the microbial biologicals is the "microbiome", the microbial population living close or within the plant or other organisms, such as pests.

Lavie Bio is focused on developing two main types of products: (i) bio-pesticides, which are ag-biologicals for crop protection, addressing biotic stresses such as insects, diseases, and weeds and (ii) bio-stimulants, which are ag-biologicals for crop enhancement, directly impacting crop yield or abiotic stress tolerance.

In August 2019, Corteva invested in Lavie Bio in a transaction that included the exchange of all shares of Corteva's wholly-owned subsidiary, Taxon Biosciences, along with a $10 million equity investment by Corteva in Lavie Bio in consideration of approximately 28% of Lavie Bio's equity. The assets of Taxon Biosciences, including, among others, a large microbial collection and a supporting computational platform, were integrated into Lavie Bio's microbial collection, technology platform and pipeline. In addition, Corteva received certain commercial rights with respect to Lavie Bio's candidate products, mainly in corn and soy. Corteva and Lavie Bio prioritized certain product programs to be executed by Lavie Bio, and Lavie Bio committed to allocate a certain part of its research and development budget to these programs.

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

Market

According to the report titled Top Trends in the Agricultural Biologicals Market by Agricultural Biologicals, Biocontrols, Bio fungicides, Bioinsecticides, Bio nematicides, Biostimulants, Biofertilizers, Inoculants, Pheromones, Biological Seed Treatment – Global Forecast to 2026[1], which is not incorporated by reference into this Annual Report, the market for ag-biological products was estimated at $14.7 billion in 2023, to reach $27.9 billion by 2028. The sales of ag-biological products significantly grew in past years following a shift in growers and consumer preferences to more sustainable and healthier practices, while driving agriculture productivity. The market growth is anticipated to be driven by improvement of the product attributes of ag-biologicals, such as efficacy, stability and commercial viability.

Companies in this market can be generally divided into three groups: (i) major seed and ag-chemical companies, such as BASF, Bayer, Syngenta and Corteva, with internal research and development units dedicated to development of ag-biological products, (ii) small to mid-size biotech companies specializing in ag-biologicals with their own product development programs, and (iii) academic and agricultural research institutions that pursue research activities in the field, typically focusing on early stage activities.

[1] https://www.reportlinker.com/p04680744/Top-10-Trends-in-Agricultural-Biologicals-Market-Industry-Global-Forecast-to.html.

Business Model

Lavie Bio has defined two main models for market access:

(i) **Direct sales model –** in fragmented markets Lavie Bio expects to complete product development of its products independently, while establishing a tailored market access strategy per specific product and territory, such as commercialization through distribution channels. Under this model, the production of Lavie Bio's products is achieved through third party toll manufacturers. Revenues may include sales to distributors. Under the direct sales model, Lavie Bio has sold its inoculant Yalos™ (formerly known as Thrivus™) in the U.S. for spring wheat growers.

(ii) **Collaboration model –** Lavie Bio offers tailored solutions to potential partners. In this model, Lavie Bio's partner produces and commercializes the products being developed. Lavie Bio's revenues in such engagements may include research and development payments, payments upon achievement of development milestones and royalties. The scope of collaboration may differ. The typical model is that Lavie Bio develops a product until it is ready for commercialization, and the partner is responsible for the production and commercialization of the product. This model was used in the agreement with Corteva that was signed in July 2023, where Corteva received a license to Lavie Bio's bio-fungicide product targeting fruit rots in grapes and other high value crops. Another model is when the collaboration starts in a much earlier development phase, where Lavie Bio would typically commence with candidate strains discovery and development, followed by co-development with the partner towards commercialization. Lavie Bio's collaboration with ICL is an example of this broader collaboration model.

Product Development Programs

Scientific Approach

Lavie Bio's approach is focused on '*Biology Driven Design*' for the discovery, optimization and commercialization of efficacious, consistent and commercially viable microbial-based ag-biologicals. Lavie Bio's approach is based on converging the plant, microbial and environmental factors to decode their complex interactions in order to enable the amplification of the positive, elimination of the negative and retrieval of lost interactions within the biological system.

Lavie Bio's Biology Driven Design, or BDD, facilitates and accelerates the design and development of microbiome-based products through the decoding of complex microbiome-host interactions and the identification of the key genetic elements (functions) governing these interactions. This decoding is powered by big data and artificial intelligence and provides the basis for products design. The enabling technologies for the establishment of the BDD platform are Evogene's *MicroBoost AI* tech engine and Taxon Biosciences' Taxonia platform, which harness genomics and informatics to develop transformative applications to agriculture, acquired as part of the Taxon Biosciences acquisition.

Product Development Cycle

Lavie Bio estimates that developing an ag-biological product based on microbial sources takes, on average, between six to eight years. The length of the process may vary depending on several factors, such as product type, target market and applicable regulatory or registration regime, type of application, type of natural source serving as active ingredient, as well as number of active ingredients within the final products, which impacts the development activities required to reach a commercially viable product.

The development process for microbial-based ag-biologicals is generally divided into four steps, or phases, which include *discovery*, *pre-development*, *development*, *pre-commercialization*, and ending with registration approval and commercial launch. As this is a relatively young industry, the process is not yet well-established and standardized, and the below outline is established based on our experience and estimations.

- ***Discovery:*** The identification of a candidate microbial strain, or microbial strain teams, having the potential to improve the target trait and the potential to achieve other product requirements such as consistency and commercial viability. A collection of selected microbial candidates is typically tested on the crop(s) of choice in greenhouse screens or limited field experiments for various efficacy, consistency and commercial viability criteria. Candidates that meet the testing criteria are referred to as "Hits". Typically, based on Lavie Bio's experience, the duration of the discovery phase is approximately 12-18 months.

- ***Pre-development:*** Promising Hits are advanced to pre-development phase, in order to further assess and optimize performance criteria such as shelf life stability, efficacy and consistency. Successfully performing microbial candidates are referred to as "Advanced Hits". Typically, based on Lavie Bio's experience, the duration of this phase is approximately 12-18 months.

- ***Development:*** This phase is usually divided into Development Stage 1, resulting with a "Lead", and Development Stage 2, resulting with a "Pre-Product". In this phase, the fermentation and formulation procedures are further optimized to allow for further testing and validation of efficacy and consistency in the field as well as for commercial viability at the scale production, addressing cost of goods targets and compatibility with other agricultural inputs. Based on industry benchmarks and its experience, Lavie Bio estimates the duration of this stage to be approximately 24 months.

- ***Pre-commercialization:*** In this phase, extensive field tests are undertaken to demonstrate the effectiveness of product candidates in enhancing the target trait, including production of data to support product positioning. Additional activities towards launch are performed, including packaging development, upscale manufacturing protocol, registration and regulation. Based on industry benchmarks and its experience, Lavie Bio estimates the duration of this stage in the U.S. to be approximately 24 months for bio-stimulants and 36-48 months for bio-pesticides due to longer regulation processes.

- ***Commercial:*** After initial commercialization of a product, different scale-up activities are undertaken, such as production under toll-manufacturing agreements and deployment of end-product at point of sale. Toll manufacturing involves development of production protocols for large fermentation vessels and down-stream-process protocol with the toll manufacturer. In addition, the product is examined for potential market expansion to new crops and against additional diseases.

Product Development Pipeline

The following table sets forth Lavie Bio's main product development programs:

Lavie Bio's first product to reach the market is LAV.211, an inoculant for yield improvement, developed under Lavie Bio's Bio-stimulants program for spring wheat and marketed under the brand name Yalos™ (formerly known as Thrivus™). Yalos™ was commercially launched for 2022 spring wheat planting within target regions in North Dakota and Minnesota. During the 2024 spring wheat planting season, Lavie Bio expects to expand its geographical footprint to Canada and expand its crop footprint to barley and durum after successful 2023 field trials results.

With respect to its Bio-pesticides program against fruit rots, in October 2022, Lavie Bio announced the submission to the EPA of a registration package for LAV.311, a bio-fungicide targeting fruit rots and powdery mildews. In July 2023, Lavie Bio announced the signing of a licensing agreement with Corteva, as detailed below.

On November 8, 2023 Lavie Bio reported significant progress with its bio-fungicide LAV321. In 2023, Lavie Bio achieved positive results in a series of field trials conducted across Europe and the United States, focusing on assessing LAV321's efficacy in safeguarding crops against downy mildew and late blight diseases. Trials conducted across Europe achieved an average efficacy rate of ~55-60% against downy mildew in grapes. At Cornell University in New York, LAV321 demonstrated remarkable field trial results with a 97% efficacy rate against leaf disease and 53% against bunch disease. These findings establish LAV321 as a potentially potent solution against fungal diseases, focusing on oomycetes class diseases, including downy mildew, late blight, and other blight diseases, all known for their destructive impact on crop yields.

Key Collaborations

Corteva (originally with DuPont-Pioneer)

In July 2017, Evogene entered a multiyear collaboration with DuPont-Pioneer (now Corteva), for the research and development of novel microbial bio-stimulant seed treatments for the improvement of corn productivity globally. Following the establishment of Lavie Bio, the collaboration agreement was assigned from Evogene to Lavie Bio. Under the agreement, Lavie Bio is entitled to milestone payments for advancement of candidate strains, and royalties from product sales.

In July 2023, Lavie Bio signed a licensing agreement with Corteva. 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. According to the agreement, Lavie Bio is set to receive an initial payment worth approximately $5 million, 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.

ICL Group

In August 2022, Lavie Bio entered a multiyear collaboration with ICL for the research, development and commercialization of novel bio-stimulant products to enrich fertilizer efficiency. Under the collaboration, Lavie Bio carries out dedicated product development programs, and ICL obtains exclusive commercialization rights for resulting candidate microbial products. Certain commercial terms, such as Lavie Bio's consideration for commercialization of resulting products by ICL, will be concluded under a licensing agreement to be entered between the parties.

As part of the collaboration agreement, ICL (through an affiliate company) invested $10 million in Lavie Bio through a SAFE agreement (simple agreement for future equity). Pursuant to the terms of such agreement, the SAFE amount will automatically be converted into shares of Lavie Bio during enumerated events, each subject to certain terms and conditions, to include (i) an equity financing (as such term is defined in the agreement), with such SAFE amount converting into Safe Preferred Shares (as such term is defined in the agreement) at a 20% discount rate, or (ii) a liquidity event (as such term is defined in the agreement), with such SAFE amount converting into shares entitling their holders to receive a portion of proceeds due as part of the liquidity event. The price per share for future conversion is capped at a price reflecting a valuation of $130 million prior to the relevant event. Additionally, ICL is permitted to invest an additional amount prior to, or as part of, the next financing of Lavie Bio, which would allow for ICL to hold up to a maximum interest of 14.29% in Lavie Bio on a fully diluted share capital basis. If no equity financing occurs within 30 months of the effective date of the agreement, ICL shall be entitled to convert the SAFE amount at a price per share reflecting a valuation of $70 million.

Intellectual Property

Lavie Bio files for patents to cover the use of microbial strains, or strain teams, that are the core active ingredients of the products we develop, as well as enabling technologies. Other innovative and proprietary technologies that we develop (such as computational predictive and design technologies), are typically protected as 'trade secrets'.

Raw Materials

Lavie Bio does not significantly rely upon any sources of raw materials for its operations.

Seasonality

Lavie Bio's sale cycles and R&D activities are dependent on crop seasonality as they are highly dependent on crop growing and harvest periods. For example, the use of Lavie Bio's inoculant for yield improvement, Yalos™, for spring wheat in North America requires that it be applied to wheat seeds applications in the second quarter of each calendar year, guiding the sales cycles accordingly.

Government Regulation of our Operations and of Product Candidates

Our activities are subject to extensive regulations, which may prevent us and/or our collaborators from developing and/or commercializing products in a timely manner and may impose expenses, delays and other impediments to our product development and registration efforts. In general, the regulatory landscape in the evolving field of ag-biological products is still developing. As a result, it may face additional changes in the next few years. Complexity of regulatory processes varies between bio-stimulants and bio-pesticides and between regulatory organizations.

In the U.S., the EPA regulates our bio-pesticide products, while our bio-stimulant and bio-inoculant products are regulated as fertilizers, auxiliary plant substances, soil amendments and/or beneficial substances in each of the 50 states.

Generally, EPA approvals or registrations for new pesticide active ingredients take up to 24 months. Registration processes for state and non-U.S. governments vary amongst jurisdictions and can take 2-to-24 months for state governments – with states such as California and New York taking the longest and up to 36 months or more for non-U.S. governments. To register a crop protection product with the EPA, companies must demonstrate the product is "safe", when used as directed, to mammals, non-target organisms, endangered species and the environment. To demonstrate the biological pest management product's safety, required studies must be conducted that evaluate mammalian toxicology, toxicological effects to non-target organisms in the environment (ecotoxicological exposures) and physical and chemical properties of the product. The registration dossier is subject to both scientific and administrative reviews by EPA scientists and management before registration approval. The scientific review involves thorough evaluation of submitted data and completion of risk assessments for human dietary and ecotoxicological exposures. The EPA has the authority to revoke the registration or impose limitations on the use of any of our pest management products if we do not comply with the regulatory requirements, if unexpected problems occur with a product, or if the EPA receives other newly discovered adverse information.

In addition to EPA approval, we are required to obtain regulatory approval from the appropriate state regulatory authorities in individual states and non-U.S. regulatory authorities before we can market or sell any pest management product in those jurisdictions. Non-U.S. governments typically require up to two seasons of locally generated field efficacy data on crop-pest combinations before a product dossier can be submitted for review. California and some non-U.S. jurisdictions also require us to submit product efficacy data.

Around the globe, the regulatory process for bio-stimulants is significantly accelerated compared to that for bio-pesticides. In the U.S., if plant health products are not used to control pests or do not act as plant (growth) regulators, we do not believe that we need to submit applications for EPA registrations for such products. Products containing microbes of foreign origin may need to be "deregulated" (or determined not to be a plant pest) under the Plant Protection Act by the United States Department of Agriculture, or USDA, Animal and Plant Health Inspection Service, prior to use in field trials or for large scale release. In the EU, bio-stimulants are currently regulated as fertilizers, and bio-pesticides are regulated and registered as plant protection products.

Our first bio-stimulant product, LAV.211, was registered and is sold in certain U.S. individual states, as it does not require submission to the EPA. We have received the Canadian Food Inspection Agency approval with respect to this product in the second quarter of 2023.

Our first bio-pesticide product candidate, LAV.311, has been submitted to the EPA for registration in October 2022, and is now undergoing the review process, expected to take 18-24 months before approval.

Our R&D activities also are subject to local worker safety water pollution and solid and hazardous waste regulatory programs and periodic inspection.

AgPlenus Ltd.

Overview

In 2015, we initiated our activity for developing ag-chemical products as a division within Evogene, and in 2018, we announced that it had been organized under AgPlenus Ltd., a separate company, wholly-owned by Evogene upon establishment. AgPlenus aims to design effective and sustainable crop protection products (crop protection refers to the science and practice of managing risks of weed, plant diseases, and insects that damage agricultural crops and forestry) by leveraging computational predictive biology and chemistry. AgPlenus' activities focus on discovery and development of new mode of action, or MoA, crop protection products.

Market

According to an article published by Global Market Insite, which is not incorporated by reference herein, the global crop protection chemicals market was estimated at approximately $88.2 billion in 2022 and is expected to grow to over $132 billion by 2032.[2] Lack of available solutions for pest control and increasing resistance to existing crop protection solutions lead to a pressing need for novel crop protection products. However, due to current technological limitations and increasing regulatory requirements, the development of crop protection products is lengthy, complicated and expensive.

Competition

The ag-chemical R&D market, as described above, can be classified into four key groups of companies: (i) major seed and ag-chemical companies, such as BASF, Bayer, Syngenta Group and Corteva, with internal research and development units dedicated to development of ag-chemical products, (ii) mid-size ag-chemical companies, mainly Japanese companies focused on the Japanese market, that develop crop protection products, (iii) small to mid-size biotech companies that undertake new approaches to research and development of novel crop protection products, and (iv) academic and agricultural research institutions, which focus on early stage activities.

[2] https://www.gminsights.com/industry-analysis/crop-protection-chemicals-market#:~:text=Crop%20Protection%20Chemicals%20Market%20was,impact%20crop%20yields%20and%20quality

Business Model

AgPlenus' business model is based on two commercialization avenues:

Licensing of product candidates – when product candidates advance towards what is referred to in the industry as a *Lead*, at the end of the discovery stage, or further along the development pipeline, these product candidates gain increased value and can be candidates for licensing to ag-chemical companies. A typical licensing agreement can include upfront payments, payments upon achievement of pre-defined development milestones, and royalties from product sales.

R&D collaborations – early-stage collaborations, providing a tailored product offering per partner and product type, in order to build long-term research and development relationships and to mitigate the risk associated with building an independent pipeline. A typical collaboration agreement may include upfront payments, R&D payments, payments upon achievement of pre-defined development milestones, and royalties from product sales, which would typically be lower than the royalties under licensing agreements. AgPlenus may use collaboration partners for certain aspects along the development pathway.

Currently, AgPlenus' revenues are derived from research and development payments under early-stage collaborations with Corteva. In the longer term we expect that: (i) as AgPlenus' product candidates advance through development in our partners' pipelines, and to the extent that they are commercialized by AgPlenus' collaboration partners, revenues are expected to include milestone payments and royalty payments; and (ii) as AgPlenus' internal pipeline product candidates further advance, AgPlenus will license its product candidates.

Product Development Programs

Scientific Approach

AgPlenus' approach is based on the disruption of the traditional methods of ag-chemical discovery and optimization by implementing a target-based approach for identifying and developing new MoA crop protection products to address the growing resistance of pests (weeds, insects, and fungi) to existing commercial products. AgPlenus utilizes mainly Evogene's ChemPass AI tech engine, as well as other advanced computational technologies and know-how, to drive its ag-chemical discovery.

AgPlenus' approach typically begins with the computational and research-driven identification of protein 'targets', which are proteins that are essential to the function of performance of the relevant weed, insect or fungi. Following the identification and validation of such targets, AgPlenus identifies candidate Hits, which are chemical compounds (small molecules) that potentially inhibit these targets. AgPlenus screens candidate Hits to identify those that demonstrate an effect on the pest of focus. Hits displaying confirmed activity in the initial validation screens, enter the Hit-to-Lead process, which includes computational optimization and additional, more advanced, validation experiments.

In addition, these capabilities can also be used independently of each other to discover new Hits for known targets, to optimize an existing Hit-to-Lead and to optimize a commercial molecule.

Product Development Cycle

The product development cycle for ag-chemical products is generally comprised of several stages, described as follows:

Discovery stage

- Identification of Targets – identification and validation of vital targets or proteins that when inhibited (for instance by a chemical), lead to weed, insect or fungi death.
- Identification of Hits – screening of chemical compounds for the identification of candidate Hits that potentially inhibit identified vital targets and are capable of achieving the desired impact on the weeds, insects or fungi of interest. The discovery process includes *in-silico* as well as biological screening and validation activities.
- Hit-to-Lead process – Hits displaying confirmed activity in the initial validation screens will enter the Hit-to-Lead process, including several optimization cycles, each constructed of compound design (in our case, focusing on computational optimization), synthesis of compounds and validation experiments. This stage ends with a 'Lead' compound, which is a validated Hit that has confirmed activity in advanced validation screens proving field translation in initial trials.

Lead optimization

- In this stage, multiple field trials are conducted in diverse geographies, as well as greenhouse experiments on resistant weed biotypes and on commercial crops, and the compound structure and formulation are finalized. Lead optimization also entails initial toxicology tests, process engineering on the molecule and a significantly detailed cost of goods analysis.

Pre-development stage

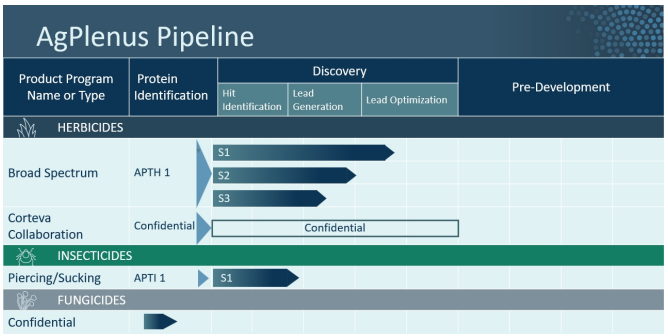
- In this stage, field trials to validate all commercial cases are conducted, including testing product mixtures, as well as additional safety trials. This stage ends with a 'Pre-Development' compound.

Development, Regulation & Registration stage

- In the final development phases, new chemical products are registered with the proper regulatory authorities in relevant territories and then launched for commercialization. We expect that these last stages of development will be conducted by our collaboration partners or licensees of our product candidates.

Product Development Pipeline

The following table sets forth AgPlenus' main internal product development programs:



In 2023, AgPlenus expanded its pipeline to further include fungicides, in addition to the existing herbicides and insecticides pipelines, thus being capable of taking part in the full approximately $88 billion chemical crop protection market.

Key Collaborations

Corteva – Herbicides

In March 2020, AgPlenus entered into a multi-year collaboration with Corteva for the discovery and development of novel herbicides. Under the terms of the collaboration agreement, AgPlenus and Corteva work together to optimize herbicide product candidates originating from AgPlenus' pipeline. Successful candidates from this collaboration are expected to be further developed by Corteva.

Pursuant to the collaboration agreement, Corteva obtained a worldwide, royalty-bearing, exclusive license to use and modify chemical compounds identified under the collaboration to develop and commercialize weed control products containing such compounds. Moreover, AgPlenus is entitled to research and development payments, milestone payments upon achievement of certain development milestones as well as royalty payments from sales of products developed under the collaboration.

Bayer AG – Herbicides

In February 2024, AgPlenus entered into licensing and collaboration agreements with Bayer AG, for the development of a new sustainable weed control solution. This agreement grants Bayer an exclusive license for the development and commercialization of products developed within the collaboration. AgPlenus will be entitled to receive an upfront payment, ongoing research funding, milestone payments, and royalties based on future product sales, subject to certain conditions set forth therein.

Intellectual Property

AgPlenus is seeking patent protection for intellectual property rights covering its leading product candidates in main target markets. Currently AgPlenus has three granted patents in Israel, one pending Patent Cooperation Treaty, or PCT, application, and 25 patent applications for these three product candidates across various jurisdictions.

Government Regulation of our Operations

AgPlenus' research & development activities in Israel (such as laboratory work, greenhouse and field experiments) and are regulated by the provisions of several Israeli governmental agencies. Violation of these regulations may expose us to criminal or civil actions and may impose liability on us. For more information please see "Item 3.D. Risk Factors—Our business (including each of the businesses of our respective subsidiaries) and that of our collaborators' are subject to various government regulations and, if we or our collaborators are unable to comply with the relevant respective law and regulations and/or obtain the necessary regulatory approvals, we may not be able to continue our operations."

Government Regulation of Product Candidates

Regulatory approvals are required prior to the commercialization and importation of ag-chemical products in most countries. While we work toward the development of each of the particular products, the regulatory approval is typically effectuated through our collaborators, per the terms of our collaboration agreements. AgPlenus believes that its collaborators would likely sell products containing its compounds in the U.S., the EU, Brazil and Argentina, and would therefore require such regulatory approvals prior to the commercialization and sale of such products in those jurisdictions.

Raw Materials

AgPlenus does not significantly rely upon any sources of raw materials for its operations. However, a large supplier of research molecules is Enamine, which is based in Ukraine and has had some limitations in access to molecules since the war in Ukraine. We actively identify multiple contract research organization to minimize this risk.

Seasonality

The field testing of AgPlenus' leading product candidates, which have reached advanced stages of product development, are highly dependent on crop seasonality.

Currently, AgPlenus does not have any commercialized products and therefore its revenues are not subject to variations based on seasonality. However, our expectation is that, in the future, sales cycle of the products AgPlenus develops will be dependent on crop seasonality.

Ag-Seeds Division

Overview

According to a publication of the United Nations[3], which is not incorporated by reference herein, the global population will expand to approximately 9.3 billion, pushing food demand up 60%, by 2050. Our seed traits activity is focused on the development of products improving seed traits that have a direct impact on crop productivity through the use of GM and non-GM approaches, aiming to fulfill such growing demand. We mainly target key commercial crops such as corn, soy, wheat, rice, cotton and canola.

The activities of this division are divided into three categories: (i) yield & abiotic stress tolerance – increase crop performance and productivity by enhancing yield, nutrient use efficiency, and tolerance to abiotic stresses such as drought, heat and salinity; (ii) disease resistance – increase crop resistance to diseases such as fungi and nematodes; and (iii) insect control – increase crop tolerance to pests.

In general, we utilize several biotechnology approaches with the goal of improving seed traits, including: (i) genome editing technologies, enabling deletion or modification of specific genomic regions in the crop's genome without inserting foreign DNA to the plant, (ii) genetic modification of plants, which involves the direct manipulation of a plant's genome by inserting a gene into the plant's DNA, and (iii) advanced breeding methods (e.g. genetic markers), whereby plants with favorable characteristics are selectively crossed through genomic-guided breeding schemes.

Market

According to the Global GMO Crops and Seeds Industry (published in January 2023. ID: 5960955) [4], which is not incorporated by reference herein, the global market for GMO crops and seeds, estimated at $65.7 billion in the year 2022, is projected to reach $102 billion by 2030. Additionally, the GMO crops and seeds market in the U.S. is estimated at $17.9 billion in the year 2022, while China, is forecasted to reach a projected market size of $22.7 billion by the year 2030.

Business Model

In the Ag-Seeds division activity, we collaborate with seed companies in the development of improved seed traits. Our partners include recognized seed companies, such as Bayer, as well as regional seed companies such as Tropical Melhoramento & Genética S/A, or TMG. Typically, under these collaborations we perform the discovery phase, during which we discover and validate candidate trait-improving genetic elements. Subsequently, our collaborators, under license from us, test and further develop these discoveries in their product development pipelines, starting Phase I, with the goal of introducing them into commercial crop seeds. For more information on the product development pipeline, please see "— Product Development Pipeline" below.

In most cases, we expect to generate revenue from our collaboration agreements at two different points: first, we expect to receive milestone payments when certain specified results are achieved, such as when a product candidate containing our traits is submitted for regulatory approval; second, we expect to receive royalty payments once a commercial product containing our traits is launched into the market. Under several collaboration agreements, we also receive research and development service payments to cover the costs of our research.

We currently do not generate revenues from our activities in the Ag-Seeds division.

Product Development Programs

Scientific Approach

The division uses our expertise in plant and bacterial science and genomics to improve commercial seed traits. Evogene's proprietary CPB platform, specifically, the GeneRator AI and MicroBoost AI engines, validation techniques and other capabilities enable us to identify and optimize promising genetic elements that have the potential to improve our traits of interest in target crops.

We have accumulated substantial scientific knowledge on plant, diseases and insect mechanisms associated with yield, abiotic stress, nutrient use efficiency, disease resistance traits and insect control traits. We have also established proprietary plant, disease and insect validation systems.

---

[3] https://www.un.org/en/chronicle/article/feeding-world-sustainably

[4] https://www.reportlinker.com/p05960955/Global-GMO-Crops-and-Seeds-Industry.html

Product Development Cycle

The length of the process of developing and integrating seed traits may vary depending on the technology being applied, the complexity of the trait and the type of crop involved. The development process for seed traits is typically divided into discrete steps, or phases, as follows:

- ***Discovery***: The identification of target genetic elements for enhancing specified plant traits. We test these elements in different validation systems to determine their ability to enhance the specified trait. In our experience, the Discovery phase takes approximately 6-18 months. The target genetic elements may be applicable to product development through different technological approaches (i.e. genome editing, GM or advanced breeding). In our collaborations, we typically undertake this phase.

- ***Phase I, or "Proof of Concept"***: Validated candidate genetic elements are advanced to Phase I. In this phase, they are tested in target plants through greenhouse trials, field trials, or both, for their efficacy in improving plant performance. Phase I may be conducted by us or by our collaborators, and in our experience, may last between two and five years for a GM product or, three years for a genome editing or advanced breeding product. For products developed through genome editing, deregulation process for classifying a product as non-GM is typically initiated during Phase I.

- ***Phase II, or "Early Development"***: In this phase, the field tests are expanded, and our collaborators evaluate the genetic elements on multiple geographical locations and varieties, to reach commercially viable success rates. We estimate the duration of Phase II is between two to four years. For a GM product, by the end of this phase, a specific product candidate will be selected to advance to Phase III. For genome editing and advanced breeding products, the end of this phase will lead straight to Phase IV (Pre-Launch).

- ***Phase III, or "Advanced Development and Regulation"***: This phase is relevant only for the development of GM products. Extensive field trials are performed to test the effectiveness of the selected product candidate across locations, and regulatory approvals are obtained, including potential environmental impact assessments, toxicity and allergenicity. We estimate the duration of Phase III is between one to two years.

- ***Phase IV, or "Pre-Launch"***: This phase involves preparation for commercial launch. The range of activities here includes preparing the seeds for commercial sales, formulation of a marketing strategy and preparation of marketing materials. We estimate the duration of Phase IV is between one to two years.

As indicated, the estimated timeframes of phase duration are based on our experience and estimates according to available information. The total development time for a particular product may be longer or shorter than the duration presented above depending on a range of factors.

Product Development Pipeline

The following table sets forth our key product development programs in the segment of yield and abiotic stress tolerance seed traits under development with our collaborators:

Program	Crop	Technology	Collaborator	Development Phase
1	Corn	GM	Bayer	Phase I – at collaborator under license.
2	Canola and rapeseed	GM	As part of Crop4Clima consortium	Phase I

The following table sets forth our key product development programs in the segment of disease resistance traits, under development with our collaborators:

Program	Crop	Trait	Technology	Collaborator	Development Phase
1	Corn	Fusarium	GM & genome editing	Bayer	Undisclosed. At collaborator under license.
2	Soybean	Nematodes	Genome editing	TMG	Discovery

Key Collaborations

Bayer (originally with Monsanto)

In August 2008, we entered into a Collaboration and License Agreement with Monsanto (now Bayer, following the completion of the acquisition of Monsanto by Bayer in June 2018 and a later assignment of the agreement from Monsanto to Bayer CropScience LP), as was later amended and restated. Pursuant to the agreement, Monsanto funded two research programs in the fields of yield and abiotic stress tolerance and fusarium biotic stress.

We have granted Monsanto an exclusive, royalty-bearing, worldwide license under our patents and know-how to commercially exploit and conduct research on the genes and other genetic elements we discovered under the collaboration, in the specified crops.

Monsanto provided us with research and development payments, and undertook to provide us with development milestone payments, if and when our product candidates reach significant milestones in its product development pipeline, as well as royalty payments on any sales or other transfers of products it develops containing our licensed genes. In December 2022, the parties further amended the agreement to restructure the patent filing, prosecution, and maintenance obligations under the collaboration, in consideration of a payment to Evogene of $3.5 million.

TMG

In December 2018, we entered into a multi-year collaboration and license agreement with TMG, a major Brazilian developer and marketer of soybean varieties, for the development of nematode-resistant soybean varieties using genome editing technologies. Under the agreement, we identified genomic elements for editing to attribute nematode resistance in soybean and perform such edits on TMG's commercial soybean germplasm. In turn, TMG validates the efficacy of the edited soybean varieties in greenhouse assays and field trials in Brazil and for incorporation in its breeding pipeline.

Under the collaboration and license agreement, TMG obtained a worldwide, royalty-bearing license to incorporate genome edits originating from the collaboration in its soybean varieties. Evogene, on the other hand, obtains a non-exclusive, royalty-bearing license to commercialize such genome edits and soybean lines, subject to certain exclusivity restrictions. According to the agreement, each party is entitled to receive royalty payments from the other party when the products of the collaboration are commercialized. In addition, Evogene is entitled to success-based payments upon achievement of pre-defined development milestones.

Crop4Clima

In May 2023, we announced that we were awarded a grant as part of the Crop4Clima consortium funded by the EU Horizon's EIC Transition program. The Crop4Clima project is expected to be executed over 32 months with an overall budget of €2.5 million, of which Evogene was awarded €1.2 million to cover our estimated costs in this project.

The project's goal is to develop crops, focusing first on canola and rapeseed seeds, with the ability to increase assimilation of CO_2 from the air while requiring less water intake when compared to crops grown under standard agricultural practices, in order to support sustainability goals. Such outcome would support efforts to reduce global warming by using plants with a higher uptake of carbon dioxide accumulation from the atmosphere while enabling the saving of scarce water resources and improved plant tolerance against drought conditions. Furthermore, it is expected that biomass yield per hectare would improve while the plants maintain a high oil content, as demanded by canola-derived products and the biofuel industry.

Other partners in this project include the Max Planck Society, Germany's leading basic research institution, IN Society, an Italian not-for-profit small-medium enterprises, or SMEs, that analyzes the impact of emerging technologies on society, and Agrobioinstitute, Bulgarian Agricultural Academy institution.

Intellectual Property

In the AgSeeds division, we seek to obtain patent protection for the use of the genes and genetic elements that we identify as linked to desired traits. In certain cases patent protection determines our eligibility to receive royalties for seed traits under the licenses we grant our collaborators. We focus our patent portfolio on key geographical markets (specifically, the United States, Argentina and Brazil) and the plant traits with the highest commercial potential.

Government Regulation of Product Candidates

In most of the markets where we believe that our collaborators will sell seeds containing our traits, including the United States, the EU, Brazil and Argentina, regulatory approvals are required prior to the commercialization and importation of biotechnologically enhanced seeds. Additional regulatory approvals are required in countries importing grain produced from seeds containing our traits, such as China, India and certain countries in the EU. Pursuant to our collaboration agreements in the field of seed traits, our collaborators are typically responsible for applying for all requisite regulatory approvals prior to commercialization of the product candidates we develop with them.

The regulatory status of products developed via genome editing technologies is currently defined in most countries with the exception of the EU. In the United States, de-regulatory approvals are required by the USDA prior to field testing of genomic edited seeds. Several 'non-regulated organism' approvals have been issued by the USDA as well as the regulatory authorities of Japan and Argentina for products that are being commercialized or under development.

According to Question and Answers on the regulation of GMOs in the EU, which is not incorporated by reference herein,[5] under Directive 2001/18/EC, a company intending to market a GMO must first submit an application to the competent national authority of the respective EU member state, or Member State, where the product is to be first placed on the market. The application must include a full environmental risk assessment. If the national authority gives a favorable opinion on the placing on the market of the GMO concerned, this Member State informs the other Member States via the European Commission. If there are no objections by other Member States or the European Commission, the competent authority that carried out the original evaluation grants the consent for placing the product on the market. The product may then be placed on the market throughout the EU in conformity with any conditions required in that consent. If objections are raised and maintained, a decision has to be taken at EU level. The European Commission first asks for the opinion of its scientific panels composed of independent scientists, highly qualified in the fields associated with medicine, nutrition, toxicology, biology, chemistry, or other similar disciplines. The European Food Safety Authority provides the relevant panels for this purpose. If the scientific opinion is favorable, the European Commission then proposes a draft legislative decision to the Regulatory Committee composed of representatives of Member States for an opinion. If the Regulatory Committee gives a favorable opinion, the European Commission adopts the decision. If not, the draft decision is submitted to the Council of Ministers for adoption or rejection by qualified majority. If the Council does not act within three months, the Commission shall adopt the decision. During the notification process, the public is also informed and has access to the publicly available data. For experimental releases, notifications are examined and consent is granted as appropriate by the authorities of the Member State in which the release is to be conducted.

Government Regulation of our Operations

The business of the AgSeeds division is subject to regulation related to agriculture, health and the environment. To operate, we must obtain various permits and licenses from government authorities and municipalities in jurisdictions where we are active, and we must maintain our compliance with the terms of those permits, licenses and other government standards as necessary. These laws and regulations, particularly in relation to biotechnology, are not fully settled, but continue to evolve in order to keep pace with technological advances.

Our operations are carried out mainly in Israel and accordingly are regulated by the ISARD, and more specifically by the ISARD's Plants Protection and Inspection Services. Our activities are subject to various laws, regulations, orders and procedures, which require us, among other things, to obtain permits for conducting experiments on genetically enhanced plants and to satisfy special conditions determined by the ISARD regarding the growing procedures of such seeds and plants. Violation of these regulations may expose the company to criminal penalties. Pursuant to these regulations, we are also obligated to obtain separate permits to own and operate our greenhouses and testing fields in Israel and we are routinely inspected by ISARD.

[5] https://ec.europa.eu/commission/presscorner/detail/en/MEMO_04_102

Raw Materials

Our AgSeeds division does not significantly rely upon any sources of raw materials for our operations.

Seasonality

Our R&D activities in the AgSeeds division are dependent on crop seasonality as they are highly dependent on crop growing and harvest periods. For example, field trials that we conduct are dependent on the growing season of the specific crop in the specific territory.

Human Health

Biomica Ltd.

Overview

In 2017, we established Biomica, a subsidiary focused on the discovery and development of innovative human microbiome-based therapeutics. The human microbiome is an array of more than 100 trillion microorganisms that live on and in our bodies, creating a community of symbiotic, commensal and pathogenic bacteria, all of which call the human body home. These microbes have numerous beneficial functions relevant to supporting life, such as digesting food, preventing disease-causing pathogens from invading the body, and synthesizing essential nutrients and vitamins. Numerous studies have shown the connection between the human microbiome and various medical disorders, and the search for microbiome therapies and treatments is a rapidly growing focus for biotherapeutics research and development.

Biomica focuses on the development of human-microbiome based therapies utilizing either rationally-designed microbial consortia or small molecule approaches for (i) immuno-oncology (ii) gastrointestinal inflammatory, or GI, related disorders, and (iii) antimicrobial resistance, or AMR, an antibiotic resistant bacteria.

On April 27, 2023, we announced the closing of $20 million financing round by Biomica, led by a $10 million investment from SHC, with an additional $10 million invested by Evogene. SHC is a leading Chinese private equity fund, based in Shanghai and focused on biotech and healthcare investments globally. The fund is managed by SIIC Capital, with Shanghai Pharma as one of the founding and strategic limited partners.

The proceeds from this financing are expected to enable Biomica to continue developing its pipeline of microbiome-based therapeutics. Biomica plans to use the proceeds to complete its current BMC128 phase 1 immuno-oncology study and advance to phase 2 clinical trial, scale up and complete good manufacturing practice, or GMP, production of BMC333 in preparation for a phase 1 clinical trial for the treatment of IBD; as well as advance additional programs.

Market

Biomica's product development is currently focused in three main markets:

Immune-Oncology

In oncology, checkpoint inhibitor antibodies, including those targeting the programmed cell death protein/ligand 1, or PD-1/PD-L1 pathways, block the tumor's ability to suppress the immune response. They have significantly improved the treatment of many cancers. The cancer immunotherapy market size was estimated at $85.6 billion in 2020 and is expected to reach a market size of $309.7 billion by 2030 according to a report published in July 2021 by Allied Market Research[6], which is not incorporated by reference herein.

Even in cancers, where checkpoint inhibition is considered the frontline standard of care, a significant percentage of the patients do not respond to PD-1 + CTLA-4 inhibitor combination and a portion of responders relapse within a few years. In all approved cancer indications, agents with differentiated immune mechanisms of action may be complementary to checkpoint inhibitors by both augmenting existing effects and testing alternative pathways of immunotherapy in checkpoint inhibitor non-responsive tumor types and patients.

Given a growing body of literature, it is becoming increasingly clear that modulation of the gut microbiota may represent a novel and important adjunct to current anti-cancer therapeutic modalities.

[6] https://www.alliedmarketresearch.com/cancer-immunotherapy-market

GI related disorders

- *Irritable Bowel Syndrome (IBS)* is a common disorder that affects the large intestine. Signs and symptoms include cramping, abdominal pain, bloating, gas, and diarrhea or constipation, or both. It is estimated that the total market for IBS reached $1.5 billion in 2018, with 45 million patients in the U.S. alone and is expected to reach $3.3 billion in 2026, according to a report titled "Irritable Bowel Syndrome Treatment Market Size, Share & Analysis Report By Type," the 2019-2026 segment and an article in PR Newswire, dated July 23, 2019[7], both of which are not incorporated by reference herein. Existing drugs for IBS mainly treat the symptoms of the condition, leaving patients exposed to cycles of remission and relapse that characterize this chronic condition.

- *IBD* is a group of GI diseases, mainly comprised of Ulcerative colitis and Crohn's disease. IBDs cause long term chronic as well as severe inflammation in the gastrointestinal tract without any known cause. According to the Centers for Disease Control and Prevention, or CDC, in 2015 an estimated 3.1 million people (1.3% of the entire population) in the United States were diagnosed either with Crohn's disease or with Ulcerative Colitis. According to a report published by Allied Market Research in July 2022, which is not incorporated by reference herein, the global IBD drug market size was valued at $21 billion in 2021, and is projected to reach $34.5 billion by 2031, growing at a compound annual growth rate, or CAGR, of 5.1% from 2022 to 2031[8].

AMR (antimicrobial resistance)

- *Clostridium Difficile Infection (CDI)* – The U.S. Centers for Disease Control and Prevention in a report titled "Antibiotic Resistance Threats In The United States" published in December 2019[9], which is not incorporated by reference herein, has identified CDI as one of the most urgent antibiotic-resistant bacterial threats in the United States. CDI is most often caused by the use of broad-spectrum antibiotics which induce dysbiosis of the microbiome causing susceptibility to infection by C. difficile, a spore forming bacterium. It is the most common cause of hospital acquired infection in the United States.

  According to "Antibiotic Resistance Threats In The United States" a report published by U.S. Centers for Disease Control and Prevention in December 2019, which is not incorporated by reference herein, CDI is responsible for the deaths of approximately 13,000 Americans each year. Based on this report, the incidence of CDI in the U.S. was estimated to be 223,900 cases in hospitalized patients in 2017. According to an article from GlobalData on July 24, 2017, which article is not incorporated by reference herein, CDI space across the seven major markets of the U.S., France, Germany, Italy, Spain, the UK and Japan is set to grow from just under $630 million in 2016 to almost $1.7 billion by 2026, representing a compound annual growth rate of 10.2%[10].

- *Methicillin-Resistant Staphylococcus Aureus (MRSA)* – One of the most common Staphylococcus aureus infections is caused by MRSA, which is a multi-drug resistant bacterium, responsible for several difficult-to-treat infections in humans, leading to tens of thousands of annual cases of mortality in the U.S. MRSA is the leading causative agent for hospital acquired infections and has recently been documented as community-acquired as well as livestock-acquired. Current medical treatments include broad spectrum antibiotics that are becoming increasingly ineffective. Bloomberg estimates according to a report published on September 24, 2019, which is not incorporated by reference herein, that the current MRSA market was valued at approximately $922 million in 2018 and is projected to reach over $1.3 billion by 2026[11].

---

[7] https://www.prnewswire.com/news-releases/ibs-treatment-market-size-worth-3-3-billion-by-2026--cagr-10-1-grand-view-research-inc-300889180.html

[8] https://www.alliedmarketresearch.com/inflammatory-bowel-disease-drugs-market

[9] https://www.alliedmarketresearch.com/inflammatory-bowel-disease-drugs-market

[10] https://www.globaldata.com/media/press-release/global-clostridium-difficile-infections-market-approach-1-7-billion-2026/#:~:text=The%20Clostridium%20difficile%20infections%20(CDIs,according%20to%20GlobalData%2C%20a%20recognized

Competition

The biotechnology and pharmaceutical industries are characterized by rapid growth and a dynamic landscape of proprietary therapeutic candidates. The development and commercialization of new drug and biologic products is highly competitive and is characterized by rapid and substantial technological development and product innovations. While we believe that our computational platform and microbial drug candidates, coupled with our resources and industry expertise, give us a competitive advantage in the field, we face competition from a variety of institutions, including larger pharmaceutical companies with more resources. Specialty biotechnology companies, academic research institutions, governmental agencies, as well as public and private institutions are also potential sources of competitive products and technologies.

In both inflammatory diseases and oncology, we anticipate intensifying competition as new therapies are approved and advanced technologies become available. Many of our competitors, either alone or with strategic partners, have considerably greater financial, technical, and human resources than we do.

Significant competition exists in the immuno-oncology and inflammatory diseases field, where we are developing our first drug candidates in oncology and IBD. Although our rationally-designed microbial consortium approach is unique relative to most other existing or investigational therapies in immuno-oncology, we will need to compete with all currently or imminently available therapies within the indications where our development is focused. Although there is a wide range of potentially competitive mechanisms, possible synergies between these and rationally-designed microbial consortia will also be evaluated.

Business Model

Biomica's goal is to become a leading biopharmaceutical company developing and commercializing microbiome therapeutics to address significant unmet medical needs, through strategic collaborations with world-leading pharmaceutical companies.

Product Development Programs

Scientific Approach

Biomica aims to identify unique microbiome-based therapeutic entities through multilayered analysis and integration of high resolution big-data originating from the human gut microbiome. Employing a holistic approach, Biomica combines a profound understanding of the microbiome and its functions and their intricate relations with the human host.

Biomica's approach relies on a multi-layered analysis of omic and clinical / phenotypic data using an extensive nexus of modules in four key areas: (i) creation of microbial classifications – enabling high-resolution taxonomy analysis of the microbial community down to the strain level, (ii) identification of microbial functions – functional-level microbial community analysis profiling microbial genes, pathways and metabolites, (iii) identification of host genomics – profiling of patients' genomic information (genetics and expression patterns), and (iv) clinical data – integrate relevant phenotypic and physiological information manifested in patient.

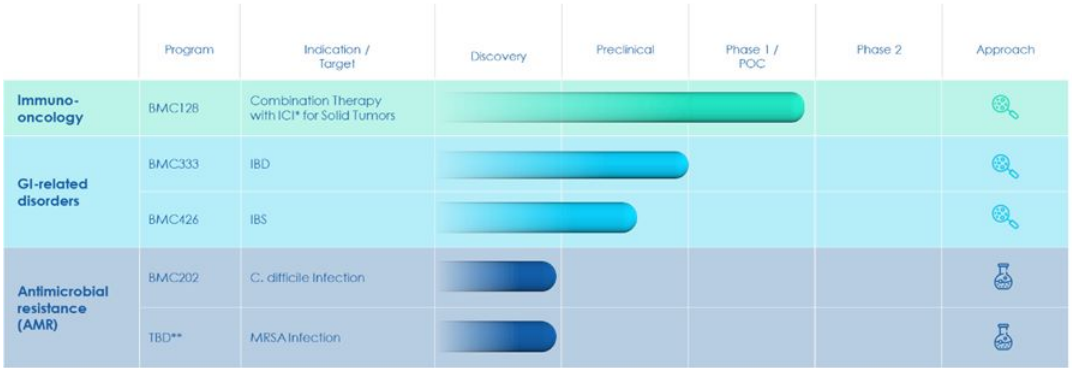
Biomica's discovery and development efforts are powered by the predictive, high resolution, integrative selection of microbes, or PRISM, platform, which is powered by Evogene's MicroBoost AI engine. PRISM is a proprietary metagenomics analysis platform for functional genomics profiling, utilizing internal comprehensive databases. These databases have been specifically developed to allow the processing of large amounts of sequencing data, obtain high-resolution profiling of microbial communities both at the taxonomic and the functional levels, and correlate them with specific clinically relevant host expression and phenotypic profiles, enabling Biomica to achieve each of the below analyses:

[11] https://www.bloomberg.com/amp/press-releases/2019-09-24/global-methicillin-resistant-staphylococcus-aureus-mrsa-drugs-market-to-surpass-us-1-3-billion-by-2026

- At the taxonomic level Biomica's analysis allows strain-level resolution and relies on an extensive proprietary strain database.
- At the functional level, Biomica's proprietary resources rely on a comprehensive catalog of microbial genes enabling mapping of an average of 90% of the functions of the human gut microbiome obtained through metagenomics sequencing.

In addition to its comprehensive computational solutions to profile the microbiome, Biomica also utilizes Evogene's ChemPass AI engine, for virtual screening of small molecular inhibitors to specifically target bacterial proteins of interest. This platform combines the physiochemical requirements for binding a specific protein target and utilizes a comprehensive proprietary database of over 20 billion known molecules for the discovery of potential therapeutics.

Product Development Pipeline



Immune-Oncology

BMC128 is a rationally designed microbial consortium identified and selected through a detailed functional microbiome analysis using PRISM, a proprietary high-resolution microbiome analysis platform powered by *MicroBoost AI* tech engine. Developed as a Live Bacterial Product, or LBP, BMC128 is an LBP consortium comprised of four unique bacterial strains, natural inhabitants of the human intestinal tract, that harbor specific functional capabilities with the potential to enhance immunological therapeutic responses and facilitate anti-tumor immune activity through multiple biological processes. Rationally-designed consortia are multi-strain products designed to restore diversity and specific functionality to a host's microbial community with individually selected, cultured bacteria.

In August 2023, Biomica announced the opening of a second site at The Davidoff Cancer Center for its ongoing Phase I clinical trial of its immuno-oncology drug candidate, BMC128. The trial aims to assess the safety and tolerability of BMC128 in combination with immune checkpoint inhibitor immunotherapy, Bristol Myers Squibb's Opdivo®, for the treatment of refractory patients with non-small cell lung cancer, melanoma, or renal cell carcinoma. The Davidoff Center for the Treatment and Research of Cancer is situated at Beilinson Hospital, Rabin Medical Center.

Biomica established its first site at the Rambam Health Care Campus, where the first patient was dosed in July 2022 in the Phase I study of its Microbiome-Based immuno-oncology drug. On January 17, 2024 Biomica announced that the final patient has been enrolled in its Phase I clinical trial.

GI Disorders

In the IBD program, BMC333 is an optimized consortium, which consists of four bacterial strains derived from Biomica's BMC321 and BMC322 (rationally-designed consortia that were identified using Biomica's computational analysis and predictive capabilities designed with specific emphasis on the anti-inflammatory activity of these strains and their potential as novel therapeutic modality for IBD). During 2023, Biomica conducted additional pre-clinical trials supporting reduction of inflammation following treatment with BMC333, demonstrating BMC333's ability to significantly reduce intestinal tissue damage resulting from inflammation in various animal models. During 2023, Biomica initiated scale-up development of BMC333. During 2024, Biomica plans to continue with the scale-up development in preparation for GMP clinical batch production of BMC333.

In the IBS program, Biomica utilizes proprietary data from several clinical trials conducted in the U.S. to develop a novel microbiome-based drug candidates, BMC426/7. On July 19, 2023, Biomica reported interim positive results from pre-clinical studies in its IBS program. The pre-clinical work was performed in collaboration with the lab of Prof. Kara Gross Margolis, Associate Director for Clinical and Translational Research for the New York University Pain Research Center and an Associate Professor in the Department of Molecular Pathobiology in the NYU College of Dentistry and the Department of Pediatrics at NYU Grossman School of Medicine. In these studies, Biomica tested two candidate therapeutic consortia of live bacterial strains, BMC426 and BMC427. Treatment with these drug candidates effectively reduced visceral pain, a major symptom of IBS. Additional preclinical work is expected to take place during 2024 in the IBS program.

AMR (antimicrobial resistance)

CDI – Using Biomica's microbiome therapeutics platform, we are developing a small-molecule drug candidate (BMC201), designed to target the main toxin secreted by the bacterium and hence repair dysbiosis in the colonic microbiome in the setting of primary or recurrent CDI. BMC201 is being developed as an orally available drug.

MRSA – Biomica is engaged in a collaboration with the Weizmann Institute of Science in Israel to develop a selective treatment against antibiotic resistant strains of Staphylococcus aureus infection, in a microbiome focused approach. Biomica has in-licensed Prof. Ada Yonath's, Nobel Prize laureate, work and discoveries in high-resolution crystal structure of the large ribosomal subunit of the pathogenic Staphylococcus aureus for the design and development of new types of selective, narrow spectrum antibiotics agents.

Both programs are currently at the discovery stage and expected to advance to optimization phase and later potentially to first proof-of-concept preclinical studies during 2024.

Intellectual Property

Biomica aims to protect the proprietary intellectual property that it believes is important to Biomica's business, including seeking international patent protection for its product candidates and promptly file patent applications for new commercially valuable inventions of Biomica's business. Biomica also relies on trade secrets to protect aspects of its business that it does not consider appropriate for patent protection. Biomica's success will depend on its ability to obtain and maintain patent and other proprietary protection for commercially important technology, inventions and know-how related to our business, as well as defend and enforce any patents that we may obtain.

Raw Materials

Biomica does not significantly rely upon any sources of raw materials for its operations.

Seasonality

Biomica's business in general is not subject to variations based on seasonality.

Government Regulation of our Operations

The FDA and other regulatory authorities at federal, state and local levels, as well as in other countries, extensively regulate, among other things, the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, record keeping, approval, advertising, promotion, marketing, post-approval monitoring and post-approval reporting of drugs and biologics such as those Biomica is developing. Biomica, along with its contract manufacturers, will be required to navigate the various pre-clinical, clinical and commercial approval requirements of the governing regulatory agencies of the countries in which it wishes to conduct studies or seek approval for its product candidates. The process of obtaining regulatory approvals and ensuring subsequent compliance with appropriate federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources.

In the United States, the FDA regulates drug and biologic products under the FFDCA, its implementing regulations and other laws, including, in the case of biologics, the Public Health Service Act. Biomica's product candidates are subject to regulation by the FDA as biologics. Biologics require the submission of a biologics license application, or BLA, and approval by the FDA before being marketed in the United States.

The process required by the FDA before Biomica's biologic product candidates may be marketed in the United States generally involves the following:

• completion of preclinical laboratory tests and animal studies performed in accordance with the FDA's good laboratory practice, regulations;

• submission to the FDA of an investigational new drug application, which must become effective before clinical trials in the United States may begin;

• approval by an institutional review board, or ethics committee at each clinical site before a trial is commenced;

• performance of adequate and well-controlled human clinical trials to establish the safety, purity and potency of the product candidate for each proposed indication, conducted in accordance with the FDA's good clinical practice, or GCP, regulations;

• preparation and submission to the FDA of a BLA after completion of all pivotal trials;

• satisfactory completion of an FDA Advisory Committee review, if applicable;

• determination by FDA within 60 days of its receipt of a BLA to file the application for review;

• satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the product is produced to assess compliance with GMP regulations, and to assure that the facilities, methods and controls are adequate to preserve the biological product's continued safety, purity and potency, and of selected clinical investigation sites to assess compliance with GCPs; and

• FDA review and approval of the BLA prior to any commercial marketing, sale or shipment of the product.

The testing and approval process requires substantial time, effort and financial resources, and we cannot be certain that any approvals for Biomica's product candidates will be granted on a timely basis, if at all.

Government Regulation of Product Candidates

The development of therapeutic products targeting the underlying biology of the human microbiome is an emerging field, and it is possible that the FDA and other regulatory authorities could issue regulations or new policies in the future affecting our microbiome therapeutics that could adversely affect Biomica's product candidates. All of Biomica's product candidates are based on microbiome therapy, a therapeutic approach that is designed to treat disease by restoring or providing the targeted functions to a dysbiotic microbiome. Biomica has not received regulatory approval for an oral therapeutic based on this approach. To our knowledge, only one company received such regulatory approval as of the date of this Annual Report.

Canonic Ltd.

Overview

In April 2019, we announced the establishment of Canonic, a wholly-owned subsidiary, focusing on the development and commercialization of precise and stable medical cannabis products for better therapeutic effects using computational biology. In October 2021, Canonic began the commercialization of its first products in Israel. We have made some recent structural changes to lower our overall expenses. We have cancelled Canonic's licenses to conduct R&D and cultivation activities, reduced its workforce and plan to transfer its operations to a third party. During 2024, we plan to cease our activity in the medical cannabis field through Canonic.- Please see "Item 3.D. Risk Factors– "We have a history of operating losses and negative cash flow, and we may never achieve or maintain profitability."

Product Development Pipeline

In October 2021, Canonic began the sale of its first MetaYield products, part of G-innovation series in Israel. In October 2022 Canonic began the sales of its second generation MetaYield products, the 'high-bred' series in Israel. During 2023, the following products were sold by Canonic:

- Synergy - marketed under the T20/C4 category (16%-24% THC 0%-7% CBD), as defined by the Israeli Ministry of Health;
- Combo - marketed under the T20/C4 category (16%-24% THC 0%-7% CBD), as defined by the Israeli Ministry of Health;
- Mash Kush - marketed under the T20/C4 category (16%-24% THC 0%-7% CBD), as defined by the Israeli Ministry of Health;
- Mosaic - marketed under the T20/C4 category (16%-24% THC 0%-7% CBD), as defined by the Israeli Ministry of Health;
- Two Stars - marketed under the T20/C4 category (16%-24% THC 0%-7% CBD), as defined by the Israeli Ministry of Health; and
- Blend Kush - marketed under the T20/C4 category (16%-24% THC 0%-7% CBD), as defined by the Israeli Ministry of Health.

In addition, Canonic sold three products which were developed by third parties:

- Two Aces - marketed under the T20/C4 category (16%-24% THC 0%-7% CBD), as defined by the Israeli Ministry of Health;
- Southside - marketed under the T20/C4 category (16%-24% THC 0%-7% CBD), as defined by the Israeli Ministry of Health.
- Tango – marketed under the T20/C4 category (16%-24% THC 0%-7% CBD), as defined by the Israeli Ministry of Health.

During 2023, Canonic continued with the development of third generation products under the MetaYield family. During 2024, these products will be sold by third parties under collaboration agreements detailed below.

Key Agreements

Collaboration Agreement – Plantis

In March 2023, Canonic entered into an agreement with Plantis Agro Ltd., or Plantis, a licensed Israeli medical cannabis cultivator, pursuant to which Plantis will grow and sell certain proprietary cannabis varieties from Canonic in consideration for royalties.

Collaboration Agreements – Evergreen

On October 1, 2023, Canonic entered an agreement with Evergreen Solomon Pharma Ltd., or Evergreen, a licensed Israeli medical cannabis cultivator, pursuant to which Evergreen will offer its varieties to Canonic and should Canonic choose to do so it will purchase these varieties and offer them for sale in Israel, under Canonic's brand.

On October 4, 2023, Canonic entered an agreement with Evergreen, pursuant to which the parties will collaborate in the production and distribution of products derived from the medical cannabis varieties of Canonic under a joint brand.

Casterra Ag Ltd.

Overview

Our activities related to castor seeds were initiated in 2007 and in 2012 were organized under a wholly owned subsidiary, currently named Casterra Ag Ltd. Casterra focuses on the development of an integrated solution for castor cultivation, including advanced non-GMO high-yielding castor seed varieties, growth protocols, and compatible agricultural machinery. Casterra's main target markets are the Africa region and Brazil, where large scale castor agriculture and industry are well established, and it is also active in other selected markets. During 2023, Casterra increased the sales of its products, and also increased its production capabilities and manpower.

Market

Castor beans are grown today for their high-quality oil, which is used for the production of biobased products such as: bio-diesel, bio-polymers and lubricants for various industries such as the cosmetics, electronics, automotive and aerospace industries. Currently treated as a "low-tech" crop in its key production areas around the world (for example, in India the castor bean is grown using traditional techniques such as hand picking), according to industry estimations, the castor oil extracted from the castor bean plant may hold great promise as an input for industrial markets.

The global biodiesel market size was estimated at $36.48 billion in 2022 and it is expected to hit around $79.12 billion by 2032, expanding at a notable CAGR of 8.1% from 2023 to 2032[12]. In current industry practice, biodiesel is based on a mix of about 93-95% fossil oil and 5-7% non-fossil oil from plants or other sources. The demand for plant oil for biodiesel could increase either by growth of the biodiesel segment in the regular diesel market and/or by an increase in the percentage of plant oil used in the biodiesel mix.

Competition

Casterra's competition includes a few relatively small companies that supply castor seeds to growers worldwide. During 2021, Casterra improved its competitive advantage by developing a proprietary dehulling machine for castor grain. Farmers who use Casterra's castor seed varieties gain access to Casterra's dehulling machine.

Business Model

Casterra's business model is to sell proprietary improved castor seed varieties, together with targeted agro-technical growth protocols, to castor growers. These seed varieties and growth protocols are adapted and targeted to localized characteristics. Casterra's offering includes high yielding varieties with plant structure suitable for mechanized harvest, best practices for large-scale castor growing, and advanced compatible mechanical dehulling solutions.

Key agreements

Growing Services Agreement with Titan Castor Farms Limited

On June 27, 2023, Casterra entered into a Growing Services Agreement with Titan Castor Farms Limited, or Titan, pursuant to which Titan will provide the following services, on a statement of work basis: planning, growing, data collections, harvesting, dehulling, packaging and will serve as exporter. Titan will receive a consideration per each clean dehulled and packed kilogram of seeds.

Growing Services Agreement with Carlos Antonio Menezes Leite

In June 2023, Casterra entered into a Growing Services Agreement with Carlos Antonio Menezes Leite, or Carlos, pursuant to which Carlos will provide the following services, on a statement of work basis: planning, growing, data collections, harvesting and packaging. Calos will receive a consideration per each seed kilogram.

Master Supply Agreement with ENI

On June 21, 2023, Casterra announced that it has entered into a master supply agreement with ENI to sell its castor seeds for sustainable biofuel production, with initial purchase orders of $9.1 million.

On July 3, 2023, Casterra announced an additional $2.2 million of purchase orders to supply castor seeds during 2023, for new African territories.

Intellectual Property

Casterra's policy is to register 'Breeders rights' over relevant castor varieties, in destination territories. As of the date of this Annual Report, Casterra has registered several of its varieties in Brazil and Argentina. In addition, Casterra filed a patent application with respect to the dehulling machine it developed.

Government Regulation of our Operations

Casterra's activities in Israel in the field of seeds are regulated by the Israeli Ministry of Environmental Protection. Pursuant to these regulations, Casterra is required, among other things, to obtain toxins permits, which allow it to conduct experiments using "hazardous materials," as such term is defined in the applicable regulations, and to follow specific rules regarding waste disposal. Violation of these regulations may expose Casterra to criminal penalties, administrative sanctions and responsibility to compensate those injured for any environmental damages.

[12] https://www.precedenceresearch.com/biodiesel-market

Government Regulation of Product Candidates

All seed production designated for export to Casterra's partners is subject to field and warehouse inspection by the regulator in the country of destination for compliance with the local regulations, including sampling and inspection for pests and diseases (phytosanitary inspection).

Raw Materials

Casterra does not significantly rely upon any sources of raw materials for its operations.

Seasonality

Casterra's castor seed business in general, and revenues in particular, generated from sales of castor seeds and related agro-technical services to local castor growers, are subject to variations based on crop seasonality. The timing of Casterra's seed production, as well as the delivery of castor seeds to its partners and revenue recognition with respect to such seed sales, derive substantially from the seasonality of castor growing in the locations where it produces seeds and in its target markets.

C. Organizational Structure

The legal name of our company is Evogene Ltd. and we are organized under the laws of the State of Israel. As of the date of this Annual Report, we hold directly and indirectly the percentage indicated of the issued and outstanding capital stock of the following significant subsidiaries:

Name of Subsidiary	Jurisdiction	Ownership Interest
AgPlenus Ltd.	Israel	98.3% (1)
Biomica Ltd.	Israel	75.8% (2)
Canonic Ltd.	Israel	100%
Casterra Ag Ltd. (formerly known as Evofuel Ltd.).	Israel	100%
Lavie Bio Ltd.	Israel	70.7% (3)(4)

(1) The remaining 1.7% of AgPlenus Ltd.'s issued and outstanding share capital is held by AgPlenus' former Chief Executive Officer and current director as a result of exercise of options.
(2) The remaining 24.2% of Biomica Ltd.'s issued and outstanding share capital is held by: (i) SHC, who holds 22.7%, and (ii) Biomica's Chief Technology Officer, who holds 1.5%. For more information see "Item 4.B. Information on the Company—Business Overview—Market Segments—Human Health—Biomica Ltd.—Overview".
(3) The remaining 29.3% of Lavie Bio Ltd.'s issued and outstanding share capital is held by (i) Pioneer Hi-Bred International, Inc. (also known by the name Corteva), who holds 27.3%, and (ii) Lavie Bio's former employees, who hold 2.0% as a result of exercise of options.
(4) ICL (through an affiliate company) has an outstanding convertible amount of $10 million invested in Lavie Bio Ltd. under a SAFE agreement, which is convertible into shares of Lavie Bio Ltd. pursuant to the terms thereof. For more information see "Item 4.B. Information on the Company—Business Overview—Market Segments—Agriculture—Lavie Bio Ltd.—Overview".

D. Property, Plants and Equipment

Our principal facility is located in Rehovot, Israel and consists of 3,209 square meters (approximately 34,500 square feet) of leased office space accommodating our corporate offices and our molecular, microbial and crop protection labs. The lease for this facility will expire December 31, 2024.

We perform most of our testing in plants, or *in-planta* testing, at our "Greenhouse Research Center", located on two adjacent lots that we lease outside Rehovot, which also hosted Canonic's cannabis R&D facility. The first lease covers approximately 13,500 square meters (approximately 145,000 square feet) of land, and expires on July 21, 2025, and we hold an option to renew such lease for an additional 36-month period. The second lease covers approximately 10,000 square meters (approximately 108,000 square feet) of land and expires on May 14, 2026, and we hold an option to renew such lease for an additional 24-month period.

The Greenhouse Research Center contains greenhouses, which are used for various *in-planta* experiments of the company and its subsidiaries. During 2019, we converted part of the Evogene Farm to a designated area for cannabis greenhouse as part of the activities of Canonic, our subsidiary which is focused on the area of medical cannabis. In addition, the Greenhouse Research Center contains warehouses, office facilities and seed banks.

Lavie Bio Inc. subleases a research and development facility located in the City Foundry STL Project in St. Louis, Missouri, consisting of approximately 4,050 square feet, under a three-year sublease agreement, expiring on September 30, 2024.

Unless otherwise stated, all of our facilities are fully utilized. We have no material tangible fixed assets apart from the leased properties described above. We believe that our currently leased facilities meet our needs for the short and mid-terms.

ITEM 4A. Unresolved Staff Comments

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The information contained in this section should be read in conjunction with our consolidated financial statements as of, and for the year ended, December 31, 2023 and related notes and the information contained elsewhere in this Annual Report. Our financial statements have been prepared in accordance with IFRS as issued by the IASB. This discussion contains forward-looking statements that are subject to known and unknown risks and uncertainties. As a result of many factors, such as those set forth under "Item 3. Key Information—D. Risk Factors" and "Special Note Regarding Forward-Looking Statements," our actual results may differ materially from those anticipated in these forward-looking statements.

Summary

Evogene has five main subsidiaries, each focused on a different type of product and target market. Each subsidiary has its own board of directors, management team, scientific advisory board, research and development, or R&D, and business development teams that focus on developing its own pipeline and go-to-market activities. At the same time, each subsidiary benefits from using Evogene's technology under an exclusive license from Evogene to use the CPB platform's discovery and development engines that are relevant to the subsidiary's field of activity. The terms of these licenses provide that the subsidiary owns the discoveries and product candidates that result from the utilization of the CPB platform, while Evogene retains all rights to the CPB platform itself. According to the characteristics of the end-market, the subsidiaries can decide to commercialize their products independently or in collaboration with partners.

Another business model, which was our main business model until 2014, is product development through collaborations. In this business model Evogene engages with partners for joint development of defined products, requested by the partners. In this frame, Evogene typically conducts the initial R&D activity, discovery and early-stage development, while later stage development and commercialization are carried out by the partner. Under this model, Evogene's potential revenues include R&D funding for activities that Evogene conducts in the collaboration, milestone payments for when the candidates advance in our partners' pipelines and revenue sharing from the end-product.

Until 2014, Evogene engaged in several collaborations of this type with Bayer, Monsanto, DuPont and Syngenta, focused on improving seed traits using GM approach. Today, Evogene has a number of smaller scale collaborations, and we aim to engage in additional collaborations in the future.

Key Performance Indicators

Revenues

Our revenues are principally derived from research and development payments under our collaboration and licensing agreements and related arrangements with our collaborators. Some of our agreements with collaborators also provide for success-based payments, such as milestone payments paid by our collaborators upon the occurrence of certain specified events and royalty revenues based on the sales or transfer of products our collaborators develop that contain, or are based on, our discoveries, which we license to them. We have not yet generated revenues from royalty payments. In October 2021, Canonic, our subsidiary in the field of medical cannabis, began the commercialization of its first products to pharmacies and distributors in Israel. In June 2023, Casterra, our subsidiary that focuses on the development and sale of proprietary improved castor seed varieties, announced that it signed a framework agreement with ENI for the sale of castor varieties at a commercial scale for biofuel production. Under this agreement, Casterra received an order totaling $9.1 million. In addition, during June 2023 Casterra received an additional order totaling approximately $2.2 million to supply castor seeds.

Breakdown of Revenues by Operating Segment:

The following table presents a breakdown of net revenues by operating segment for the periods indicated.

Operating Segment:	**2023**	**2022**	**2021**
		(U.S. dollars, in thousands)	
Agriculture	$ 3,791	$ 876	$ 628
Industry	1,075	72	40
Human	487	513	183
Unallocated	287	214	79
Total	**$ 5,640**	**$ 1,675**	**$ 930**

Geographical Breakdown of Net Revenues

The following table presents net revenues by geographic breakdown of customers as a percentage of our total net revenues for the periods indicated. This data refers to the location of the customer and does not take into consideration the location of the end-user (to the extent it is different).

Geographical Region:	**2023**	**2022**	**2021**
United States	65%	51%	56%
Israel	16%	45%	38%
Brazil	-	-	2%
Other	19%	4%	4%
Total	100%	100%	100%

Cost of Revenues

Cost of revenues primarily consists of development costs incurred in conjunction with our collaborations, which include: salaries and related personnel costs for our research and development employees working on the collaborations; payments to third party suppliers and producers; and the cost of disposable materials (such as seeds, laboratory supplies, fertilizer, water and soil), expenses related to retaining advisors, who primarily consist of biological experts and subcontractors related to medical cannabis production.

Operating Expenses

Research and Development Expenses, net: Research and development expenses primarily consist of costs related to our internal or independent research and development activities, as opposed to development costs incurred in connection with our collaborations (which are included in cost of revenues). These independent activities of ours include the further development of our product pipeline, enhancement and expansion of our CPB platform and improvement of our computational, scientific and validation technologies, know-how and capabilities used by our subsidiaries and product divisions. Research and development costs include: salaries and related personnel costs (including share-based compensation); payments to third party suppliers and subcontractors, including scale-up development of GMP batch production of drug candidate, field-trials and pre-clinical studies carried out by third parties; cost of disposable materials; expenses associated with participation in professional conferences; operational overhead costs, which include costs related to leasing and operating our office, laboratory facilities and greenhouses; depreciation of property, plant and equipment; and amortization of intangible assets. Expenses related to our intellectual property, such as legal and other costs associated with patent applications, are also included as research and development expenses. We expect that our research and developments expenses will increase during 2024 due to the expected advancement in the pipeline of our subsidiaries and expansion in our product development activities.

Sales and Marketing Expenses: Sales and marketing expenses consist of costs primarily related to commercialization activities of our subsidiaries for product launch and maintaining our relationships with our collaborators and establishing new collaborations. These costs include salaries and related personnel costs (including share-based compensation) and expenses related to legal and professional services. We expect our sales and marketing expenses will remain at the current level during 2024.

General and Administrative Expenses: General and administrative expenses mainly consist of salaries and related personnel costs (including share-based compensation) for our general and administrative employees; legal, D&O liability insurance, and professional services; expenses related to HR activities and employee benefits and welfare; expenses for consulting; and other expenses associated with being a U.S. publicly listed company. We expect that our general and administrative expenses will remain at the current level during 2024.

Financing Income and Expenses

Financing income primarily consists of interest income on our cash bank deposits and securities and foreign currency exchange income.

Financing expenses primarily consist of foreign currency exchange expense; expenses related to a revaluation of the marketable securities we held, which consist of money market funds, corporate bonds and government treasury notes; interest expense for our operating lease liability; expenses related to a revaluation of outstanding convertible amount of $10 million invested in our subsidiary Lavie Bio under a SAFE agreement with ICL; and expenses related to bank charges and commissions. The interest due on government grants is also considered a financial expense and is recognized beginning on the date on which we receive the grant until the date on which the grant is expected to be repaid.

Taxes on Income

We do not generate taxable income in Israel, as we have historically incurred operating losses resulting in carryforward tax losses totaling approximately $209 million as of December 31, 2023, to be carried forward indefinitely to future tax years. Accordingly, we do not expect to pay taxes in Israel for the foreseeable future, until we have taxable income after the full utilization of our carryforward tax losses.

Our U.S. subsidiaries, Evogene Inc., Lavie Bio Inc., Lavie Bio Tech Inc., Taxon Biosciences Inc. and AgPlenus Inc. are subject to U.S. income taxes. In 2023, the tax rates applicable to those companies were approximately 21% and 3.41% (federal tax and state tax, respectively, where those companies operate).

Segment Data

We divide our operations into three operating segments – agriculture, human health and industrial applications, as follows:

- *Agriculture*: our agriculture segment includes our division and subsidiaries engaged in agricultural activities, including seed traits activity, ag-chemicals activity (now through our subsidiary AgPlenus) and ag-biologicals activity (now through our subsidiary Lavie Bio).
- *Human Health:* our human health segment focuses mainly on discovery and development of human microbiome-based therapeutics (through our subsidiary Biomica).
- *Industrial Applications*: our industrial applications segment focuses on the development and commercialization of improved castor bean seeds for industrial uses (through our subsidiary Casterra).

The following table presents our revenues and operating loss by segment for the periods presented:

	Agriculture	Industrial Applications	Human Health	Unallocated	Total
			(in thousands)		
Year ended December 31, 2023					
Revenues	$ 3,791	$ 1,075	$ 487	$ 287	$ 5,640
Operating loss	$ (11,100)	$ (39)	$ (10,349)	$ (5,020)	$ (26,508)
Year ended December 31, 2022					
Revenues	$ 876	$ 72	$ 513	$ 214	$ 1,675
Operating loss	$ (12,256)	$ (220)	$ (8,875)	$ (5,590)	$ (26,941)
Year ended December 31, 2021					
Revenues	$ 628	$ 40	$ 183	$ 79	$ 930
Operating loss	$ (12,248)	$ (169)	$ (10,087)	$ (8,449)	$ (30,953)

A. Operating Results

The following table sets forth our overall results of operations (on an unsegmented basis) for the years ended December 31, 2021, 2022, and 2023. The below discussion of our results of operations omits a comparison of our results for the years ended December 31, 2021 and 2022. In order to view that discussion, please see "Item 5. Operating and Financial Review and Prospects—A. Operating Results—Comparison of Period-to-Period Results of Operations" in our Annual Report on Form 20-F for the year ended December 31, 2022, which we filed with the SEC on March 30, 2023.

	2023	2022	2021
Consolidated Statements of Comprehensive loss:			
(*U.S. dollars, in thousands*)			
Revenues	$ 5,640	$ 1,675	$ 930
Cost of revenues	1,692	909	767
Gross profit	3,948	766	163
Operating expenses (income):			
Research and development, net	20,777	20,792	21,125
Sales and marketing	3,611	3,933	2,738
General and administrative	6,068	6,482	7,253
Other income	-	(3,500)	-
Total operating expenses, net	30,456	27,707	31,116
Operating loss	(26,508)	(26,941)	(30,953)
Financing income	1,486	516	1,935
Financing expenses	(965)	(3,329)	(1,414)
Loss before taxes on income	(25,987)	(29,754)	(30,432)
Taxes on income (tax benefit)	(33)	90	13
Loss	$ (25,954)	$ (29,844)	$ (30,445)

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

Revenues

Our total revenues increased by approximately $3.9 million, or 229.4%, to approximately $5.6 million for the year ended December 31, 2023 from $1.7 million for the year ended December 31, 2022. The increase in revenues was primarily due to $2.5 million generated by Lavie Bio in the frame of its collaboration with Corteva, as well as revenues recognized from Casterra's sale of castor seeds.

Cost of Revenues

Cost of revenues increased by approximately $0.8 million, or 88.9%, to approximately $1.7 million for the year ended December 31, 2023 from $0.9 million for the year ended December 31, 2022. The increase was primarily related to an increase in the revenues recognized from Casterra's sale of castor seeds.

Gross Profit

Gross profit increased by approximately $3.1 million, or 387.5%, to approximately $3.9 million for the year ended December 31, 2023 from $0.8 million for the year ended December 31, 2022, due to the combined impact of changes in our revenues and cost of revenues, as described above.

Operating Expenses

Research and Development Expenses, Net. Research and development expenses remained steady at approximately $20.8 million, in line with 2022 figures. Key drivers of R&D expenditure throughout 2023 included the activities of Lavie Bio and the development efforts of Biomica.

Sales and Marketing Expenses. Sales and marketing expenses decreased by approximately $0.3 million, or 7.7%, to approximately $3.6 million for the year ended December 31, 2023 from approximately $3.9 million for the year ended December 31, 2022.

General and Administrative Expenses. General and administrative expenses decreased by approximately $0.4 million, or 6.2%, to approximately $6.1 million for the year ended December 31, 2023 from approximately $6.5 million for the year ended December 31, 2022. The decrease was mainly attributed to the decrease of the costs of directors' and officers' insurance.

Other Income. The amount of $3.5 million for the year ended December 31, 2022 was received from Bayer under their joint seed traits collaboration agreement with Evogene, as part of a restructuring and release of the patent filing, prosecution, and maintenance obligations under the collaboration, as further described in "Item 4.B. Business Overview – Ag Seed Division".

Financing Income and Expenses

Foreign currency and exchange risk

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. A significant portion of our operating costs are in Israel, consisting principally of salaries and related personnel expenses, and facility expenses, which are denominated in NIS. This foreign currency exposure gives rise to market risk associated with exchange rate movements of the U.S. dollar against the NIS and other currencies. Furthermore, we anticipate that a significant portion of our expenses will continue to be denominated in NIS. We do not hedge against currency risk through the use of forward currency contracts or other financial instruments. See "Risk factors—Risks Relating to Our Incorporation and Location in Israel-Exchange rate fluctuations between the U.S. dollar and the NIS may negatively affect our financial results." 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 (devaluation) of the NIS in relation to the U.S. dollar amounted to (13.2%) and (3.1%) as of December 31, 2022, and 2023, respectively.

Financing Income. Financing income increased by approximately $1.0 million, or 200%, to approximately $1.5 million for the year ended December 31, 2023 from approximately $0.5 million for the year ended December 31, 2022. This increase was mainly attributable to interest income compared to the previous year.

Financing Expenses. Financing expenses decreased by approximately $2.3 million, or 69.7%, to approximately $1.0 million for the year ended December 31, 2023 from $3.3 million for the year ended December 31, 2022. This decrease was primarily attributable to U.S. Dollar and NIS exchange rate differences between periods and changes in the value of marketable securities compared to the previous year.

Taxes on Income

For the years ended December 31, 2023 and 2022, we recorded insignificant amounts for taxes on income in Israel and an insignificant amount of taxes with respect to U.S. subsidiaries.

Loss

The amount of our overall loss decreased by approximately $3.8 million, or 12.8%, to approximately $26.0 million for the year ended December 31, 2023, from $29.8 million for the year ended December 31, 2022. This decrease reflected the cumulative effect of all of the above-described line items from our consolidated statements of comprehensive loss.

B. 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 December 31, 2023, we had cash, and cash equivalents and short-term bank deposits of approximately $31.1 million, and working capital of approximately $27.5 million, which is calculated by subtracting our current liabilities from our current assets. As of December 31, 2023, we had approximately $4.4 million of outstanding long-term indebtedness related to government grants.

Capital Resources

In 2023, our primary sources of liquidity were cash on hand, proceeds from collaboration and licensing agreements, revenues from the selling of castor seeds and medical cannabis products and proceeds from EU Horizon grant.

Recent Public Offerings of Ordinary Shares

Cantor Controlled Equity Offering℠ Sales Agreement

On January 14, 2021 and February 19, 2021, we entered into Controlled Equity Offering℠ 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, 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, which was subsequently reduced to approximately $19.5 million. As of December 31, 2023, we sold 1,475,560 ordinary shares with a weighted average selling price of $2.28 per share, resulting in gross proceeds of approximately $3.36 million. As of March 15, 2024, we sold 1,478,760 ordinary shares with a weighted average selling price of $2.27 per share, resulting in gross proceeds of approximately $3.36 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 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. A termination notice was provided to the Agent, and concurrently with this Annual Report we have entered into a new sales agreement with Lake Street Capital Markets, LLC, or Lake Street, for a $7.3 million ATM offering.

Shelf Registration Statement

On February 19, 2021, we filed a shelf registration statement on Form F-3 with the SEC, which became effective on March 3, 2021, under which we may offer and sell from time to time in one or more offerings, our ordinary shares, debt securities, rights, warrants and units having an aggregate offering price of up to $200 million. We registered up to $50 million under this Form F-3 in connection with the February Sales Agreement, which was subsequently reduced to approximately $19.5 million. This shelf registration statement was scheduled to expire on March 3, 2024, and therefore on March 1, 2024, we filed a new shelf registration statement, which we expect to become effective shortly after the filing of this Annual Report, registering up to $200 million of our ordinary shares, debt securities, rights, warrants and units. Because the public float of our ordinary shares is currently less than $75.0 million, we are limited in the amount we can raise during any 12-month period to 1/3 of our public float on the date of sale, which was approximately $7.3 million as of March 20, 2024. This amount may vary according to changes in our share price. We may seek additional capital or strategic considerations, even if we believe we have sufficient funds for our current or future operating plans. Following the effectiveness of our new shelf registration statement, we entered into a new sales agreement with Lake Street, as described above.

2023 Registered Direct Offering

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 2023 Offering, 8,500,000 ordinary shares, at a purchase price of $1.00 per share. We received total gross proceeds to us from the offering were $8,500,000. The total net proceeds after deducting placement agent fees and other offering expenses payable by us were $7.855 million.

We also entered into a letter agreement, or the Placement Agency Agreement, with A.G.P./Alliance Global Partners, as sole placement agent, or the Placement Agent, dated July 17, 2023, pursuant to which the Placement Agent agreed to serve as our placement agent in connection with the Offering. We paid the Placement Agent a cash placement fee equal to 7.0% of the gross proceeds received for the ordinary shares sold in the Offering.

Lavie Bio Collaboration and SAFE with ICL

In August 2022, ICL and Lavie Bio 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 $10 million under a SAFE (simple agreement for future equity). Information on that transaction is set forth in this Annual Report under "Item 4. Information on the Company— B. Business Overview— Market Segments— Agriculture— Lavie Bio Ltd.— Key Collaborations— ICL Group" and is incorporated by reference herein.

Biomica Share Purchase Agreement with SHC

On April 27, 2023, we announced the closing of a definitive agreement for a $20 million financing round in Biomica, led by a $10 million investment from SHC, with an additional $10 million invested by Evogene. Following the closing of this transaction, we hold approximately 67% of the share capital of Biomica, while SHC holds 20%, in each case on a fully diluted basis. Information on that transaction is set forth in this Annual Report under "Item 4. Information on the Company— B. Business Overview— Market Segments— Human Health— Biomica Ltd.— Overview" and is incorporated by reference herein.

Collaboration Agreements

Under our R&D collaboration agreements, our revenues typically include R&D funding for activities that we conduct in the collaboration, as well as milestone payments for when the candidates advance in our partners' pipelines and revenue sharing from the end-product.

Casterra Agreement with ENI

On November 14, 2022, our subsidiary, Casterra, entered into an agreement with a subsidiary of a world leading oil and gas company whereby Casterra will provide its unique castor varieties and its broad know-how in cultivation of castor at a commercial scale for biofuel production. Under the framework of the agreement, the initial focus is the purchase agreement of castor seed varieties from Casterra for growing castor in specific African territories and the provision of technical support. The agreement also allows for the potential for long-term cooperation in castor cultivation between this customer and Casterra, with the potential for expansion into additional territories on the African continent. In November 2023, the agreement was extended until November 1, 2024.

On June 21, 2023, Casterra announced that it entered into a framework agreement to sell seeds of its proprietary castor varieties to ENI for cultivation in specific African territories at a commercial scale for biofuel production. Pursuant to this Agreement Casterra received during June 2023, an order totaling $9.1 million. In addition, during June 2023 Casterra received an additional order totaling approximately $2.2 million for the supply of castor seeds.

Lavie Bio Licensing Agreement for Bio-Fungicides with Corteva Agriscience

On July 14, 2023, Lavie Bio entered into a licensing agreement with Corteva Inc. 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. According to the agreement, Lavie Bio received an initial payment worth approximately $5 million in two installments (a first payment of $2.5 million was received during September 2023 and a second payment of $2.5 million was received on March 2024), 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's sales of these future products, subject to certain conditions set forth therein.

Evogene Ag-Seed Division Awarded €1.2M Horizon Grant

On May 9, 2023, Evogene announced that it has been granted an EU Horizon grant of €1.2 million, to support the creation of oil-seed crops that have high carbon-dioxide assimilation and enhanced drought tolerance. The project, Crop4Clima, has an overall budget of €2.5 million and is expected to be executed over 32 months. In May 2023, Evogene received a pre-financing payment of approximately €0.9 million from the grant mentioned above. This grant follows the successful completion of the FutureAgriculture Consortium's proof-of-concept in 2021, which demonstrated the potential for increased agricultural productivity and environmental sustainability.

Outlook

We expect that our sources of liquidity for 2024 will include cash on hand, proceeds raised from the public offering of our ordinary shares and the exercise of options, proceeds from collaboration and licensing agreements, revenues from the selling of castor seeds, cash held in our bank accounts, including bank deposits, proceeds from grants and other financing transactions, including by our subsidiaries.

In the future, cash may serve us in effecting M&A transactions for achieving inorganic growth in our different segments of operation. We believe that our existing cash as of December 31, 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 are in different levels of discussions with potential strategic and financial investors towards potential fundraisings, including by our subsidiaries.

Although we have sufficient cash and cash equivalents that we believe will enable us to fund our operations during the next 12-month period, 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, and cash equivalents 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 on Form 20-F for the year ended December 31, 2022, which we filed with the SEC on March 30, 2023:

	2023	2022	2021
(*U.S. dollars, in thousands*)			
Net cash used in operating activities	$ (21,577)	$ (23,678)	$ (24,716)
Net cash provided by (used in) investing activities	(4,538)	13,274	(20,566)
Net cash provided by financing activities	18,152	9,343	30,276
Exchange rate differences - cash and cash equivalents balances	(245)	(2,284)	1,102
Decrease in cash and cash equivalents	$ (8,208)	$ (3,345)	$ (13,904)

Cash Used in Operating Activities

Cash used in operating activities for the year ended December 31, 2023 was approximately $21.6 million and primarily reflects our overall loss of approximately $26.0 million, as adjusted downwards to eliminate certain non-cash items that were taken into account in calculating, and that increased, our overall loss, including approximately $1.9 million of share-based compensation expenses, approximately $1.6 million of depreciation expenses, approximately $1.0 million amortization of intangible assets and interest received of approximately $0.9 million. These downwards adjustments to cash used were partially offset by approximately $0.7 million of non-cash net financing income and approximately $0.4 million of changes in asset and liability items, mainly due to an increase in other receivables, partially offset by increase in trade payables and payroll accrual balances.

Cash used in operating activities for the year ended December 31, 2022 was approximately $23.7 million and primarily reflects our overall loss of approximately $29.8 million, as adjusted downwards to eliminate 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 $1.5 million of depreciation expenses, approximately $1.1 million amortization of intangible assets and approximately $3.0 million of non-cash net financing expenses. These downwards adjustments to cash used were partially offset by approximately $0.8 million of changes in asset and liability items, mainly due to an increase in inventories and a decrease in trade payables and payroll accruals balances, partially offset by a decrease in other receivables balances.

Cash Provided by (Used In) Investing Activities

Cash used in investing activities was approximately $4.5 million for the year ended December 31, 2023. That primarily reflects cash investment in bank deposits of approximately $10.2 million and cash used for the purchase of property, plant and equipment of approximately $0.8 million, offset by approximately $6.9 million of proceeds from the sale of marketable securities, net of net cash invested in the purchase of marketable securities of approximately $0.5 million.

Cash provided by investing activities was approximately $13.3 million for the year ended December 31, 2022. That primarily reflects approximately $12.4 million of net cash proceeds from the sale of marketable securities and $3.0 million of net cash withdrawal from bank deposits, offset by approximately $1.2 million of cash used for the purchase of property, plant and equipment and approximately $0.9 million of net cash invested in the purchase of marketable securities.

Cash Provided by Financing Activities

Cash provided by financing activities was approximately $18.2 million for the year ended December 31, 2023. That was primarily attributable to proceeds from issuance of a subsidiary preferred shares to non-controlling interests of approximately $9.5 million, to the proceeds from issuance of ordinary shares, net of issuance expenses, of approximately $8.4 million and to the net proceeds from government grants of approximately $1.1 million, partially offset by approximately $0.8 million for the repayment of a lease liability.

Cash provided by financing activities was approximately $9.3 million for the year ended December 31, 2022. That was primarily attributable to proceeds from issuance under the convertible SAFE agreement between Lavie Bio and ICL of $10 million, to the net proceeds of government grants of approximately $0.1 million, and partially offset by approximately $0.8 million for the repayment of a lease liability.

Government Grants

Our research and development efforts, including by our subsidiaries, have been financed, in part, through grants from IIA, BIRD, CIIRDF and the EU. From our inception through December 31, 2023, we received grants of approximately $14.0 million (including accrued interest), of which approximately $9.1 million (including accrued interest) are royalty-bearing grants from the IIA and repaid approximately $3.6 million in royalties and an additional approximately $4.9 million in respect of several non-refundable projects. In addition, we have received grants totaling approximately $1 million (linked to the U.S. Consumer Price Index) from BIRD and have repaid approximately $0.5 million, whereas the amount of approximately $0.4 million of grants from BIRD have been cancelled, as we decided to withdraw from the relevant project. We have received grants totaling $2.1 million from the EU, which are not required to be repaid. As of December 31, 2023, we had no active research grants under which we have received funding from the IIA and one active research grant under which we have received funding from the EU Horizon.

See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Incorporation and Location in Israel—We have received Israeli government grants for certain of our research and development activities. The terms of these grants may require us to satisfy specified conditions in order to manufacture products and transfer technologies supported by such grants outside of Israel. We may be required to pay penalties in addition to repayment of the grants.”

IIA Grants

Under the Innovation Law, research and development programs that meet specified criteria and are approved by a committee of the IIA are eligible for grants. The grants awarded are typically up to 50% of a project's expenditures, as determined by the IIA committee and subject to the benefit track under which the grant was awarded. A company that receives a grant from the IIA is typically required to pay 3% royalties to the IIA on income generated from products incorporating know-how developed using that grant (including income derived from services associated with such products), until 100% of the U.S. dollar-linked grant, plus interest at the SOFR, is repaid. Certain benefit tracks do not require payment of royalties.

The obligation to pay royalties is contingent on actual income generated from such products and services. In the absence of such income, no payment of royalties is required. It should be noted that the restrictions under the Innovation Law, including restrictions on the sale, transfer or assignment outside of Israel of know-how developed as part of the programs under which the grants were given will continue to apply even after the repayment of such royalties in full.

The terms of the grants under the Innovation Law also require that the products developed as part of the programs under which the grants were given be manufactured in Israel and that the know-how developed thereunder may not be transferred outside of Israel, unless prior written approval is received from the IIA (such approval is not required for the transfer of a portion of the manufacturing capacity which does not exceed, in the aggregate, 10% of the manufacturing (in which case only notification is required)), and additional payments are required to be made to the IIA, as described below. It should be noted that this does not restrict the export of products that incorporate the funded know-how.

Ordinarily, as a condition to obtaining approval to manufacture outside Israel, we may be required to pay royalties at an increased rate, which usually amounts to an additional 1% on top of the standard royalties rate, and also the total amount of our liability to IIA will be increased to between 120% and 300% of the grants we received from IIA, depending on the manufacturing volume to be performed outside of Israel.

The Innovation Law restricts the ability to transfer know-how funded by the IIA. Transfer of IIA-funded know-how outside of Israel requires prior approval and is subject to payment of a redemption fee to the IIA calculated according to a formula provided under the Innovation Law. A transfer for the purpose of the Innovation Law is generally interpreted very broadly and includes, inter alia, any actual sale of the IIA-funded know-how, any license to develop the IIA-funded know-how or the products resulting from such IIA-funded know-how or any other transaction, which, in essence, constitutes a transfer of the IIA-funded know-how.

The IIA approval to transfer know-how created, in whole or in part, in connection with an IIA-funded project to a third party outside Israel is subject to payment of a redemption fee to the IIA calculated according to a formula provided under the Innovation Law that is based, in general, on the value of the transferred know-how, multiplied by the amount of grants received from the IIA (including the accrued interest), divided by the total amounts expended by the grant recipient on R&D. To the extent any royalties were paid on account of the grants, such royalties will be deducted from the calculation. The redemption fee is subject to a cap of six times the total amount of the IIA grants, plus interest accrued thereon. If the grant recipient undertakes that for a period of not less than three years, at least 75% of its relevant R&D positions will remain in Israel, then the cap will be reduced to three times (rather than six times) the total liability to the IIA, calculated as set out above.

Subject to prior approval of the IIA, we may transfer the IIA-funded know-how to another Israeli company. If the IIA-funded know-how is transferred to another Israeli entity, the transfer would still require IIA approval but will not be subject to the payment of the redemption fee (although there will be an obligation to pay royalties to the IIA from the income of such sale transaction as part of the royalty payment obligation). In such case, the acquiring company would have to assume all of the selling company's restrictions and obligations towards the IIA (including the restrictions on the transfer of know-how and manufacturing capacity outside of Israel) as a condition to IIA approval.

We are required to pay up to 100% of the amount of grants received by us from the IIA, plus interest (see *Risk Factors* section above for additional information). In addition to paying any royalty due, we must abide by other restrictions associated with receiving such grants under the Innovation Law. Those restrictions may impair our ability to outsource development of products containing our traits, engage in change of control transactions or otherwise transfer our know-how outside of Israel and may require us to obtain the approval from the IIA for certain actions and transactions and pay additional royalties and other amounts to the IIA. We cannot be certain that any approval of the IIA will be obtained on terms that are acceptable to us, or at all. We may not receive the required approvals should we wish to transfer IIA-funded know-how, manufacturing and/or development outside of Israel in the future. Furthermore, in the event that we undertake a transaction involving the transfer to a non-Israeli entity of know-how developed with IIA-funding pursuant to a merger or similar transaction, the consideration available to our shareholders may be reduced by the amounts we are required to pay to IIA. Any approval, if given, will generally be subject to additional financial obligations. Failure to comply with the requirements under the Innovation Law may subject us to mandatory repayment of grants received by us (together with interest and penalties), as well as expose us to criminal proceedings. In addition, the IIA may from time to time conduct royalties audits and such audits may lead to additional royalties being payable on additional products. Such grants may be terminated or reduced in the future, which would increase our costs. IIA approval is not required for the marketing of products resulting from the IIA-funded research or development in the ordinary course of business.

In January 2018, we announced participation in a three-year IIA-sponsored Phenomics Consortium to develop tools and systems for precision agriculture and innovative development of agriculture products. In addition to Evogene, the Phenomics Consortium consists of several Israeli industrial companies and academic institutions. The goal of the consortium is to develop plant phenotyping technologies, including the generation of comprehensive agricultural 'Big-Data' and the development of artificial intelligence algorithms for real time analysis of phenotypic data. The grant for the consortium was originally approved for calendar year 2018 in an amount of approximately $5 million, of which approximately $1.4 million was granted to Evogene. By the end of 2018, the grant was extended by an additional six months to a total period of 18 months until mid-2019, and the grant amount was updated to approximately $7.6 million total, of which approximately $2.5 million was granted to Evogene. In June 2019, the IIA approved the continuation of the consortium following such 18-month period, until the end of 2020, which would complete a three-year workplan, and granted an additional amount of approximately $7.5 million, of which approximately $1.9 million was granted to Evogene.

In June 2020, we announced participation in a three-year workplan, IIA-sponsored CRISPR-IL Consortium to develop an artificial intelligence based, end-to-end system for genome-editing to be used in multi-species including human, plant, and certain animal DNA, applicable to market segments in pharma, agriculture and aquaculture. In addition to Evogene, the CRISPR-IL Consortium consists of several Israeli industrial companies and academic institutions. The goal of the consortium is to develop an artificial intelligence-based system, "Go-Genome", providing users improved genome-editing workflows. The system aims to provide end-to-end solutions, from user interface to an accurate measurement tool. The total budget for the consortium was approved for the first 18 months in an amount of approximately $10.2 million, of which approximately $1.3 million was allocated to us and for the additional 18 months was approved an amount of approximately $15.4 million, of which approximately $1.9 million was allocated to us. Participation in the IIA-sponsored consortium programs as described above does not obligate us to pay royalties to the IIA; however, the know-how developed in such consortium programs is subject to the provisions and restrictions under the Innovation Law.

In March 2020 and March 2021, Lavie Bio obtained an IIA approval to receive a grant for its third and fourth year programs, respectively, for bio fungicides for mildew in fruit and vegetables. The total approved budgets for each of the third and fourth year programs were NIS 3.9 million (approximately $1.1 million for the third year and approximately $1.2 million for the fourth year). In addition, during October 2022 Lavie Bio obtained an IIA approval to receive a grant for the development of bio fungicide against soil diseases, seed rot, root and stem rot. The total approved budget was approximately NIS 1.9 million (approximately $0.6 million).

In February 2024, Lavie Bio received the Israeli Ministry of Economy approval to be included in the "Smart money" grant program for initial exporting in Canada. The maximum grant amount from this program is approximately $83. Lavie Bio undertook to pay royalties of 3% of yearly revenues above approximately $276 derived from the operation in Canada, up to 100% of the grants received (linked to The Consumer Price Index) and can choose to apply the program retroactively from August 2023.

In 2020, AgPlenus obtained IIA approval to receive a grant for its first-year program for development of novel herbicides. The total approved budget was NIS 3.1 million (approximately $1.0 million).

We entered into agreements with certain of our Israeli subsidiaries in the framework of which they were granted permission to use our technology and related know how, which was funded by the IIA. Evogene remains responsible to the IIA for the obligations regarding such IIA funding.

BIRD Grants

We have received two BIRD grants, covering the following programs: (i) a joint development program with DuPont-Pioneer (now Corteva) of research and development improvements to soybean rust resistance, which the Company has repaid in full; and (ii) a joint research and development program with Marrone Bio Innovations, or MBI, for discovery of novel modes of biological action for insect control, which the Company has decided to withdraw from.

Under the MBI BIRD program, the grant for the joint development will be repaid: (a) from revenues received for the licensing of products developed under the project; (b) from revenues generated from sales of products developed under the project; (c) from proceeds received from the outright sale of the technology developed under the project; (d) if we and our partner have concluded the development of a product within the period of development defined under each of the programs; or (e) if within 60 months from the original grant date we and MBI did not conclude the development of a product but nevertheless decide to continue the project. In each such case, the repayment will be in an amount of up to 150% of the total grant received, depending on the timing of the repayment.

CIIRDF Grant

The CIIRDF grant that we have received was also provided to us as part of a previous joint project of ours with Saskatchewan Wheat Pool Inc., operating under the name of Viterra, to develop canola with improved yield and abiotic stress tolerance. This grant will be repaid from income resulting from the commercialization of a product developed pursuant to the grant project, at a rate of 2.5% of royalties on sales of such product, in an amount up to 100% of the total grant received. Alternatively, we may repay the grant as royalties of 2.5% of the income we receive from licensing the product developed pursuant to the grant. Payment of such royalties is not required if commercial revenues are not generated as a result of the project.

EU Grant

In early 2016, a grant application for a consortium for research in photosynthesis in which we participate within the EU Horizon 2020 Program for Research and Innovation was confirmed. The consortium's research program is focused on an innovative approach to modulate photosynthesis related pathways aiming to improve photosynthetic efficiency. Beyond us, the consortium includes academic institutions such as the Max Planck Institute of Molecular Plant Physiology and the Institute of Terrestrial Microbiology, the Weizmann Institute of Science, and the Imperial College of Science, Technology and Medicine. Overall, we received a total amount of €0.9 million for our participation in the consortium during the five-year project. In March 2023, a follow up grant of a €1.2 million was confirmed by the Horizon EIC 2022 program to support the creation of oil-seed crops that have high carbon-dioxide assimilation and enhanced drought tolerance. The overall budget under the program is €2.5 million and Evogene's other partners in the project include the Max Planck Institute. In May 2023, Evogene received a pre-financing payment of approximately €0.9 million from the grant mentioned above. The current project scope's timeline is expected to be 32 months.

C. Research and Development, Patents and Licenses, etc.

We continuously invest and have for at least the last three years historically invested, in maintaining the technological capabilities of our CPB platform, which includes tailored 'big-data' databases, interconnected data hubs and proprietary analysis and prediction algorithms. We also maintain laboratories, greenhouses and fields for conducting biological validation activities for our computational predictions.

Our ongoing research and development activities are funded mainly by internal resources, collaboration research and development payments and governmental grants. As of December 31, 2023, 92 of our employees, representing approximately 65% of our entire work force, were engaged in research and development on a full-time basis. For more information regarding our research and development activities, intellectual property and licenses, please see "Item 4.B. Information on the Company—Business Overview."

D. Trend Information

D&O insurance

Although in 2022 and 2023 there was a decrease in the cost of procuring D&O liability insurance, in recent years we experienced an increase in such cost, 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.

Market Risk

We are exposed to market risk from changes in exchange rates, interest rates and inflation. We therefore continue to closely monitor the macro-economic conditions that result therefrom. We regularly assess the implications of these local and global conditions on our operations, liquidity, cash flow and product candidates and seek to act to mitigate any adverse consequences, to the extent possible, in a commercially reasonable manner, if and when applicable. All of these market risks arise in the ordinary course of business, as we do not engage in speculative trading activities. Except as otherwise addressed herein, such market risks are further discussed in Item 11 of this Annual Report under the section titled "Quantitative and Qualitative Disclosures about Market Risk".

Other than as disclosed elsewhere in this Annual Report, we are not aware of any trends, uncertainties, demands, commitments or events for the period from January 1, 2023 to December 31, 2023 that are reasonably likely to have a material adverse effect on our revenues, profitability, liquidity or capital resources, or that caused the disclosed financial information to be not necessarily indicative of future operating results or financial condition.

E. Critical Accounting Estimates

We have provided a summary of our significant accounting policies, estimates and judgments in Note 3 to our consolidated financial statements, which are included elsewhere in this Annual Report. The following critical accounting discussion pertains to accounting policies management believes are most critical to the portrayal of our historical financial condition and results of operations and that require significant, difficult, subjective or complex judgments. Other companies in similar businesses may use different estimation policies and methodologies, which may impact the comparability of our financial condition, results of operations and cash flows to those of other companies.

Application of Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in conformity with IFRS. Our accounting policies affecting our financial condition and results of operations are more fully described in our consolidated financial statements included elsewhere in this Annual Report. The preparation of our financial statements requires management to make judgments, estimates and assumptions that affect the amounts reflected in the consolidated financial statements and accompanying notes, and related disclosure of contingent assets and liabilities. We base our estimates upon various factors, including past experience, where applicable, external sources and on other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions and could have a material adverse effect on our reported results.

In many cases, the accounting treatment of a particular transaction, event or activity is specifically dictated by accounting principles and does not require management's judgment in its application, while in other cases, management's judgment is required in the selection of the most appropriate alternative among the available accounting principles, that allow different accounting treatment for similar transactions.

We believe that the accounting policies discussed below are critical to our financial results and to the understanding of our past and future performance as these policies relate to the more significant areas involving management's estimates and assumptions. We consider an accounting estimate to be critical if: (1) it requires us to make assumptions because information was not available at the time or it included matters that were highly uncertain at the time we were making our estimate; and (2) changes in the estimate or different estimates that we could have selected may have had a material impact on our financial condition or results of operations.

Revenue Recognition

We recognize revenues when the control over the goods or services is transferred to the customer. The transaction price is the amount of the consideration that is expected to be received based on the contract terms, excluding amounts collected on behalf of third parties (such as taxes).

We have entered into research collaboration and license agreements under which we grant to our collaborators an exclusive license to intellectual property rights for the development and commercialization of our proprietary product candidates. The agreements contain multiple performance obligations, including funding from periodic payments for research and development services, payments based on achievement of specified milestones and royalties on sales of products sold by our collaborators that include the licensed traits.

Revenues from research and development services as part of our research collaboration and license agreements are recognized over time, during the period the customer simultaneously receives and consumes the benefits provided by our performance. Recognition of the service is throughout the services period and is determined based on the proportion of actual costs incurred for each reporting period to the estimated total costs, subject to the enforceable rights. We charge our customers based on payment terms agreed upon in specific agreements. When payments are made before or after the service is performed, we recognize the resulting contract asset or liability.

If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations such as licenses, services, royalties and milestone events require an allocation of the transaction price to each performance obligation based on a relative standalone selling price, or SSP, basis. The Company establishes SSP based on management judgment, considering internal factors such as margin objectives, pricing practices and historical sales.

Revenues from milestone events stipulated in the agreements are recognized upon the occurrence of event or achievement of the milestone specified in the agreement.

Share-Based Compensation

We account for share-based compensation in accordance with the fair value recognition provision of IFRS guidance on share-based compensation. Under these provisions, share-based compensation is measured at the grant date based on the fair value of the award and is recognized as an expense, net of estimated forfeitures, over the requisite service period, which is generally the vesting period of the respective award. Share-based compensation expense was approximately $1.9 million, $1.2 million and $2.6 million in 2023, 2022 and 2021, respectively. We selected the binomial option-pricing model as the most appropriate method for determining the estimated fair value of our share-based compensation. The determination of the grant date fair value of options using an option-pricing model is affected by estimates and assumptions regarding a number of complex and subjective variables. These variables include the estimated period of time that we expect employees to hold their options, the expected volatility of our share price over the expected term of the options (estimated using historical data from prior years, including historical forfeiture rates), share option exercise and cancellation behaviors, risk-free interest rates, expected dividend yields (assumed to be zero as we have historically not paid and do not intend to pay dividends on our ordinary shares) and the price of our ordinary shares. In addition, our compensation expense is affected by our estimate of the number of awards that will ultimately vest. In the future, if the number of equity awards that are forfeited by employees is lower than expected, the expense recognized in future periods will be higher.

Government Grants

Government grants received from the IIA are recognized as a liability if future economic benefits are expected from the projects that will result in royalty-bearing sales.

A liability for a grant is first measured at fair value using a discount rate that reflects a market rate of interest. The difference between the amount of the grant received and the fair value of the liability is accounted for as a government grant and recognized as a reduction of research and development expenses. After initial recognition, the liability is measured at amortized cost using the effective interest method. Royalty payments we make to repay the grant are treated as a reduction of the liability. If no economic benefits are expected from the research activity, the grant receipts are recognized as a reduction of research and development expenses, in which case, the royalty obligation is treated as a contingent liability.

There is uncertainty regarding the estimates of future cash flows and the estimate of the capitalization rate that is used for determining the amount of the liability recognized. At the end of each reporting period, we evaluate whether there is reasonable assurance that the liability recognized, in whole or in part, will not be repaid (since we will not be required to pay royalties) based on the best estimate of future sales, and if so, the appropriate amount of the liability is recognized as a reduction of research and development expenses.

Leases

We cannot readily determine the interest rate implicit in our operating lease for our principal facility in Rehovot, Israel. We therefore use our incremental borrowing rate, IBR, to measure lease liabilities. The IBR is the rate of interest that we would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what we 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

We estimate the IBR using observable inputs (such as market interest rates) when available and we are required to make certain entity-specific estimates (such as the Company's stand-alone credit rating).

Fair value of convertible SAFE

In August 2022, ICL and Lavie Bio entered a multi-year collaboration agreement for developing novel bio-stimulant products to enrich fertilizer efficiency. As part of the collaboration, ICL (through an affiliated company) invested in Lavie Bio $10 million under a SAFE. Per IFRS guidance on financial instruments, as conversion upon an equity financing requires the delivery of variable number of shares, the SAFE is accounted for as a liability and measured at fair value. The fair value of the SAFE will be remeasured at the end of each reporting period with any change to fair value recorded within financial expenses in the statements of profit or loss. The fair value is based on the weighted average value of various scenarios assuming Lavie Bio's estimated enterprise value at the valuation date. The enterprise value is calculated using the income approach, whereby the cash flows expected to be generated are discounted to their present value equivalent using a rate of return that reflects the relative risk of the investment, as well as the time value of money. The value of the SAFE assumes the probability of various possible scenarios to which an acceptable option pricing model is applied. The inputs to the model include the enterprise value described above, the conversion price and assumptions regarding the expected volatility and the expected life of each scenario. Financial expenses recorded in 2023 and 2022 due to revaluation of the convertible SAFE were approximately $0.3 million and approximately $0.1 million, respectively.

Intangible assets

On August 6, 2019, Corteva invested in the Company's agriculture biologicals subsidiary, Lavie Bio, by way of a contribution of all Corteva's holdings in its wholly owned subsidiary Taxon Biosciences, which included several intangible assets, and payment of an amount of $10 million in cash.

The fair value of intangible assets received through the Corteva investment is determined upon initial recognition by either one of three traditional methods in valuating an asset. These methods include the market approach, the income approach and the cost approach. The pipeline products and potential products were valued by applying the income approach and the Microorganisms collection was valued using the cost approach.

The Company's significant estimates in this analysis included, but were not limited to, future cash flow projections, the weighted average cost of capital, the terminal growth rate, and the tax rate. The Company believes the current assumptions and estimates utilized were both reasonable and appropriate. Future cash flow estimates are, by their nature, subjective and actual results may differ materially from the Company's estimates. If the Company's ongoing estimates of future cash flows are not met, the Company may have to record impairment charges in future periods. The Company's estimates of future cash flows are based on current regulatory and economic climates, recent operating results, and planned business strategy. These estimates could be negatively affected by changes in federal, state, or local regulations or economic downturns.

The useful economic life of the intangible assets acquired by us in this transaction was determined through years of development until final year of projected sales. When applying the income approach, the cash flows expected to be generated by intangible assets are discounted to their present value equivalent using a rate of return that reflects the relative risk of the investment, as well as the time value of money. For each intangible asset, a specific discount rate was valuated using "Modified CAPM Build-Up Method".

The Company evaluates the need to record an impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount is not recoverable. If the carrying amount of non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount. The recoverable amount is the higher of fair value less costs of sale and value in use. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. The recoverable amount of an asset that does not generate independent cash flows is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

Impact of Israeli Tax Policies and Government Programs on Our Operating Results

Tax regulations have a material impact on our business, particularly in Israel where we have our headquarters. The following summary describes the current tax structure applicable to companies in Israel, with special reference to its effect on us.

General Corporate Tax Structure in Israel

Israeli companies are generally subject to corporate tax on their taxable income. In 2023, the corporate tax rate was 23%. Capital gains derived by an Israeli company are generally subject to tax at the prevailing regular corporate tax rate.

Law for the Encouragement of Industry (Taxes), 5729-1969

The Law for the Encouragement of Industry (Taxes), 5729-1969, generally referred to as the Industry Encouragement Law, provides several tax benefits for an "Industrial Company".

The Industry Encouragement Law defines an "Industrial Company" as an Israeli resident company which was incorporated in Israel, of which 90% or more of its income in any tax year, other than income from certain government loans, is derived from an "Industrial Enterprise" owned by it and located in Israel. An "Industrial Enterprise" is defined as an enterprise that is held by an Industrial Company whose principal activity in a given tax year is industrial production.

The following tax benefits, among others, are available to Industrial Companies:

- amortization over an eight-year period of the cost of purchased know-how and patents and rights to use a patent and know-how which were purchased in good faith and are used for the development or advancement of the Industrial Enterprise, commencing in the year in which such rights were first exercised;
- under limited conditions, an election to file consolidated tax returns together with Israeli Industrial Companies controlled by it; and
- expenses related to a public offering are deductible in equal amounts over a three-year period, commencing in the year of the offering.

Eligibility for benefits under the Industry Encouragement Law is not contingent upon the approval of any governmental authority. We believe that we currently qualify as an Industrial Company within the meaning of the Industry Encouragement Law. There can be no assurance that we will continue to qualify as an Industrial Company or that the benefits described above will be available in the future.

Law for the Encouragement of Capital Investments, 5719-1959

The Law for the Encouragement of Capital Investments, 5719-1959, generally referred to as the Investment Law, provides certain incentives for capital investments in production facilities (or other eligible assets) by "Industrial Enterprises" (as defined under the Investment Law).

The Investment Law was significantly amended effective April 1, 2005 (which we refer to as the 2005 Amendment), further amended as of January 1, 2011 (which we refer to as the 2011 Amendment) and further amended as of January 1, 2017 (which we refer to as the 2017 Amendment). Pursuant to the 2005 Amendment, tax benefits granted in accordance with the provisions of the Investment Law prior to its revision by the 2005 Amendment remain in force but any benefits granted subsequently are subject to the provisions of the 2005 Amendment. Similarly, the 2011 Amendment introduced new benefits to replace those granted in accordance with the provisions of the Investment Law in effect prior to the 2011 Amendment. However, companies entitled to benefits under the Investment Law as in effect prior to January 1, 2011 were entitled to choose to continue to enjoy such benefits, provided that certain conditions are met, or elect instead irrevocably to forego such benefits and have the benefits of the 2011 Amendment apply. The 2017 Amendment introduced new benefits for Technological Enterprises, alongside the existing tax benefits.

On October 24, 2010, we received a tax ruling from the Israel Tax Authority, according to which, among other things, our activity has been qualified as an "industrial activity", as defined in the Investment Law and is also eligible to tax benefits as a Beneficiary Enterprise, which will apply to the turnover attributed to such enterprise. The benefit period under this tax ruling ended in 2018, and since we did not generate any taxable income until tax year 2018, we were not entitled to any tax benefits under this tax regime.

We have reviewed and evaluated the implications and effect of the benefits under the 2011 and 2017 Amendments, and, while potentially eligible for such benefits, we have not yet chosen to be subject to the tax benefits introduced by the 2011 or the 2017 Amendments.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth the name, age and position of each of our executive officers and directors as of the date of this Annual Report.

Name	Age	Position
Executive officers		
Mr. Ofer Haviv	57	President and Chief Executive Officer, Chief Executive Officer of Canonic Ltd.
Dr. Nir Arbel	44	Chief Product Officer
Mr. Yaron Eldad	58	Chief Financial Officer
Dr. Elran Haber	43	Chief Executive Officer of Biomica Ltd.
Mr. Mark Kapel	47	Chief Technology Officer
Mr. Sassi Masliah	45	Vice President Corporate Development
Mr. Eyal Ronen	53	Executive Vice President of Business Development
Mr. Yoash Zohar	57	Chief Executive Officer of Casterra Ag Ltd.
Mr. Amit Noam	42	Chief Executive Officer of Lavie Bio Ltd.
Mr. Dan Jacob Gelvan	59	Chief Executive Officer of Ag Plenus Ltd.
Directors		
Ms. Sarit Firon(3)(4)	57	Chairperson of the Board
Mr. Dan Falk(1)(2)(4)	78	Director
Mr. Nir Nimrodi(1)(2)(3)(4)	55	Director
Dr. Adrian Percy(4)	58	Director
Mr. Leon Y. Recanati(3)(4)	75	Director
Dr. Oded Shoseyov(1)(2)(4)	67	Director

(1) Member of our Audit Committee.
(2) Member of our Compensation and Nominating Committee.
(3) Member of our Pricing/Investment Committee.
(4) Independent director under the Nasdaq Listing Rules.

Executive Officers

Mr. Ofer Haviv has served as Evogene's President and Chief Executive Officer since December 2004 after having joined the company in January 2002 as Chief Financial Officer. Mr. Haviv serves as Chairperson of the Board of Directors of our subsidiaries. Mr. Haviv serves as Canonic's Chief Executive Officer since January 2023. From 2006 to 2007, Mr. Haviv served as a director of the company. Mr. Haviv is a Certified Public Accountant and holds a BA in Accounting and Economics from Tel-Aviv University, Israel.

Dr. Nir Arbel has served as Chief Product Officer of Evogene since August 2021. Dr. Arbel has over ten years of experience in biotechnology and medical technology companies in product development and commercialization. Prior to joining the Company, Dr. Arbel served as Chief Executive Officer and Co-Founder of Carmentix Pte Ltd, Singapore, a company focused on high-risk pregnancy prognosis, from 2015 to 2020, and as the Operating Partner in Esco Ventures, a medical technology fund based in Singapore, from 2016 to 2020. Dr. Arbel holds a Ph.D. in Biochemistry from Ben-Gurion University, Israel.

Mr. Yaron Eldad has served as Chief Financial Officer of Evogene since April 2022. Mr. Eldad has held various chief financial officer positions over the last 25 years in public and private technology and biotechnology companies, including Yamba Group Int. Ltd. from 2011 to 2021, Recoly NV from 2008 to 2010, and e-Sim Ltd. from 1998 to 2007. Mr. Eldad also serves on the board of directors and as chairman of the audit and compensation committees of B.O.S. Better Online Solutions Ltd. Mr. Eldad holds a B.A. in Economics and Accounting from the Ben-Gurion University of the Negev, Israel, an Executive MBA in Strategic Management from the Hebrew University of Jerusalem, Israel, and an M.A. in law from the Bar-Ilan University, Israel.

Mr. Mark Kapel was appointed as Executive Vice President Technology in February 2018, previously serving as Director of Information Technologies & Data Management from 2013. Mr. Kapel joined Evogene in 2005 and has held various positions in the company over the years. Mr. Kapel holds a B.Sc. in Physics & Computers from the Ben Gurion University of Negev, Israel, an MBA specializing in Management of Technology from Tel-Aviv University's Faculty of Management – Recanati Graduate School of Business Administration, Israel.

Mr. Sassi Masliah has served as Vice President Corporate Development since February 2022. Mr. Masliah has held various positions within Evogene over the last 12 years, most recently as Evogene's Vice President for Legal Affairs and Corporate Secretary. Mr. Masliah holds an LL.B. and B.A. in economics from the Tel-Aviv University, Israel.

Mr. Eyal Ronen has served as Executive Vice President of Business Development of Evogene since June 2022. He has served as Chief Executive Officer of Canonic during 2022. Mr. Ronen has over 20 years of extensive business development experience at various companies operating both in Israel and internationally, and focused on the biotech space. His prior experience includes Vice President of Business Development at TransAlgae Israel Ltd. from 2020 to 2022, Vice President of Sales, Marketing, and Business Development at Flora Fotonica Ltd. from 2018 to 2020, VP of Sales at S.T.K Stockton Group Ltd. from 2015 to 2018, Chief Technology Officer and Co-Founder at Seanovo from 2014 to 2016, Growth Department Manager at Gadot Chemical Terminals (1985) Ltd. from 2012 to 2015, Director of South America at Haifa Chemicals Ltd. from 2003 to 2012 and Agronomist at ICL Group from 1999 to 2003. Mr. Ronen holds a B.Sc in Agronomy, crop protection from the Hebrew University of Jerusalem, an M.Sc. in Agronomy, Biomass accumulation in tobacco plants as affected by photosynthetic factors & plant nutrients from the Hebrew University of Jerusalem, and an MBA in Executive Master in Business Administration from the Haifa University.

Dr. Dan Jacob Gelvan has served as Chief Executive Officer of AgPlenus Ltd., a subsidiary of Evogene, since February 19, 2024. Between 2019 and 2023, Dr. Gelvan served as Chief Executive Officer at t-syte Ltd., a seed investor operating as an incubator for early-stage digital health start-ups. Between 2017 and 2023, Dr. Gelvan also served as chairman of the board of directors of Biobeat Ltd., a medical device company with approved products for remote monitoring of vital signs. Between 2018 and 2019, Dr. Gelvan served as Chief Executive Officer at Tiselia, a Stealth-Mode medical device company developing a deep-tech solution for remote treatment and monitoring of patients. From 2017 to 2018 he served as executive vice president of operations at PolyPid Ltd., a drug delivery company. From 2005 to 2017, Dr. Gelvan served as managing director at Aurum Ventures MKI Ltd., a venture capital firm. From 2004 to 2005, he served as Chief Executive Officer and President, at Gammacan International Inc., an early-stage immune-oncology company. From 1997 to 2004, he served as Chief Executive Officer and founder at Zetiq Ltd. and Zetiq Inc., a diagnostic and high-throughput drug discovery company focused on oncology. Dr. Gelvan holds a BA and an MA degree in Economics from the Hebrew University of Jerusalem and a Ph.D. in Business Economics from Roskilde University of Denmark.

Dr. Elran Haber has served as Chief Executive Officer of Biomica Ltd., a subsidiary of Evogene, since January 2018. Dr. Haber previously served as Chief Executive Officer of Therapix Biosciences Ltd. (now known as SciSparc Ltd.) (NASDAQ: SPRC) beginning in November 2015. Prior to that, from March 2014, Dr. Haber served as its Vice President of Business Strategy and Innovation. Dr. Haber served for more than 10 years as Chairperson and board member of several publicly traded and privately held companies, including Issta Lines Ltd. (TASE: ISTA) from 2007 to 2012, and American Express Global Business Travel – Israel (Histour-Eltive Ltd.) from 2010 to 2012, and has been a member of various board committees and has served in senior executive roles in various life science companies. Dr. Haber holds a Ph.D. in Pharmaceutical Science and an MBA in Finance & Financial Engineering, both from The Hebrew University of Jerusalem, Israel.

Mr. Yoash Zohar has served as Chief Executive Officer of Casterra Ag Ltd., a subsidiary of Evogene, since January 1, 2024. Mr. Zohar has over 30 years of experience in developing and managing agricultural and agri-business projects in Israel, Eastern Europe, and Africa. His prior experience includes Chief Operating Officer of Global NTM Ltd. from 2017 to 2023. Between 2015 and 2017, he served as an independent consultant/supplier to various companies in Ethiopia, Angola and Israel. Between 2012 and 2015, he served as Chief Executive Officer of Agropeace Bio Plc, Ethiopia. Between 2008 and 2012 he served as Chief Executive Officer of APH Limited, Ukraine. Mr. Zohar spent approximately 14 years in management of the field crops, and vegetables farm of Kibbutz Palmachim in central Israel. Mr. Zohar holds a B.A. in Architecture and Urban Design from "Hasviva" College, Tel-Aviv and a diploma in Senior Business Management form the Israeli Management Center.

Mr. Amit Noam has served as Chief Executive Officer of Lavie Bio Ltd., a subsidiary of Evogene, since April 2023. Mr. Noam previously served as the Chief Operating Officer of Agritask Ltd. beginning in February 2018. Prior to that, between 2016 and 2018, he led the market development team at Teva Pharmaceuticals Industries Ltd., the largest pharmaceutical company in Israel. He also spent 4 years, between 2012 and 2016, leading strategic consulting teams at Shaldor, a premier management consultancy in Israel. Mr. Noam has extensive experience as a senior executive, particularly in the agriculture and healthcare sectors, leading teams in the development and execution of commercialization strategies, driving long-term growth and value-creation for businesses. Mr. Noam holds an MBA from Tel Aviv University and a BSc in Industrial and Management Engineering from Ben-Gurion University in Beer Sheva, Israel, both graduated with honors.

Diversity of the Board of Directors

The table below provides certain information regarding the composition of our Board. Each of the categories listed in the below table has the meaning as it is used in Nasdaq Rule 5605(f) and related instructions.

Board Diversity Matrix (As of the date of this Annual Report)

Country of Principal Executive Offices	Israel			
Foreign Private Issuer	Yes			
Disclosure Prohibited under Home Country Law	No			
Total Number of Directors	6			
Part I: Gender Identity	**Female**	**Male**	**Non-Binary**	**Did Not Disclose Gender**
Directors	1	5		
Part II: Demographic Background				
Underrepresented Individual in Home Country Jurisdiction	0			
LGBTQ+	0			
Did Not Disclose Demographic Background	0			

Directors

Ms. Sarit Firon has served as a director of our Company since she was appointed by the Board in August 2016, and as chairperson since August 2021. Ms. Firon is managing partner of Team8 Group and co-founder and managing partner of Team8 Capital, the investment arm of Team8 Group, which invests in early-stage technology startups. Previously, she was a managing partner of Cerca Partners, an Israeli venture capital fund, between 2016 and 2019. She has served at Extreme Reality Ltd., as its Chief Executive Officer from December 2012 to November 2014 and as a director since December 2014. From November 2011 to November 2012, Ms. Firon was the Chief Financial Officer of Kenshoo Ltd. From November 2007 to October 2011, Ms. Firon was the Chief Financial Officer of MediaMind Technologies Inc., a Nasdaq listed company which was acquired by DG, Inc. in August 2011. From May 2005 to June 2007, Ms. Firon was the Chief Financial Officer of OliveSoftware and from January 2000 to October 2004, she was the CFO of P-Cube, a private company which was acquired in October 2004 by Cisco Systems, Inc. (Nasdaq: CSCO). From October 2004 to January 2005, Ms. Firon was employed by Cisco to be responsible for the post-merger integration of P-Cube. From January 1995 to December 1999, Ms. Firon served in various positions at Radcom Ltd. (Nasdaq: RDCM), including as its Chief Financial Officer from September 1997 to December 1999. Between July 2015 and February 2018, she served as chairperson of the board of directors of myThings Israel Ltd. Between September 2014 and August 2017, Ms. Firon has served as a director of Mediwound Ltd. (Nasdaq: MDWD), and between June 2012 and August 2016, Ms. Firon served as a director of Datorama Ltd. From October 2000 to December 2006, Ms. Firon served as a director of MetaLink Ltd. (OTCMKTS: MTLK). Ms. Firon serves on several boards of directors of Team8 Capital portfolio. In addition, since November 2016, she has served as a board member and chairperson of the audit committee of Perion Network Ltd. Since August 2018, she has served as a board member of Splacer Ltd. Since August 2020 she has served as a board member of Friends of the Weizmann Institute. Ms. Firon holds a B.A. in Accounting and Economics from Tel-Aviv University, Israel.

Mr. Dan Falk has served as a director of our Company since he was appointed by the Board in November 2021. Mr. Falk has extensive experience of more than 20 years in serving as a financial expert on public and private company boards, most recently on the boards of Nice Ltd. (NASDAQ: NICE), Ormat Technologies Inc. (NYSE: ORA) and Innoviz Technologies Ltd. (NASDAQ: INVZ). Additionally, in the past Mr. Falk held various executive positions in Orbotech Ltd. between 1985 and 1999, and Sapiens International Corporation (NASDAQ: SPNS) between 1999-2001. Mr. Falk holds a B.A. in Economics and Political Sciences, and an M.A. in Business Administration both from the Hebrew University of Jerusalem, Israel.

Mr. Nir Nimrodi has served as a director of our Company since he was appointed by the Board in September 2022. He was a consultant to the Board of our Company from April 2020 until September 2022. Mr. Nimrodi have been the Chairman and Chief Executive Officer of Accellix Inc, a leading cell therapy analytical company, since May 2019. Mr. Nimrodi has also served as a director of OdysightAI since August 2023. Mr. Nimrodi brings more than 25 years of diverse international experience in both start-ups and large global businesses in the life science, pharmaceutical, and biotechnology industries. Prior to joining Accellix, Mr. Nimrodi served as the Chief Business Officer of Intrexon Corporation, a leader in synthetic biology from March 2014 to April 2019. Prior to Intrexon, Mr. Nimrodi held several executive roles at Life Technologies Inc (now part of Thermo Fisher). While at Life Technologies, Mr. Nimrodi served as Chief Executive Officer and Board Member of Life Technologies Israel from January 2007 to December 2008, Head of Protein Technologies from December 2008 to December 2010, as well as Vice President and General Manager of Food Safety and Animal Health from December 2010 to March 2014. Prior to his seven years at Life Technologies, he was the Chief Executive Officer of Proneuron Biotechnologies Inc. from February 2002 to December 2006 and Mindsense Biosystems Ltd. from June 1999 to February 2002. Earlier in his career, Mr. Nimrodi was a Director of Finance for Teva Pharmaceuticals Ltd. from April 1995 to June 1999. Mr. Nimrodi holds a B.A. in Economics and MBA from the Tel Aviv University, Israel.

Dr. Adrian Percy has served as a director of our Company since February 2019. Dr. Percy serves on the board of directors of AgPlenus Ltd., BioLumic Ltd., Nufarm Ltd. and FungiAlert Inc. (dba FA Bio). He is a member of the science and technology boards of Oerth Bio LLC, Harpe BioHerbicide Solutions Inc., and Biotalys NV. Dr. Percy is serving as the Executive Director of the N.C. Plant Sciences Initiative at NC State University since 2021. Dr. Percy is currently a venture partner with Finistere Ventures and frequently acts as an advisor to companies through his own consultancy company, Nomad Technology Consulting. From 2019-2021, Dr. Percy served as Chief Technology Officer at UPL Ltd. From 2014-2018, he served as the head of research and development for the Crop Science division of Bayer as part of its executive committee. During his 16-year tenure at Bayer, he also led regulatory affairs activities across the entire division of Crop Science between 2013 and 2014 and crop protection development activities for Bayer in North America between 2011 and 2013. Dr. Percy has held positions in the research and development departments of Aventis CropScience SA between 2000 and 2002, Rhone Poulenc SA between 1996 and 2000, and Bayer in France, Germany and the United States. Dr. Percy earned a bachelor's degree in pharmacology at the University of Liverpool, England, as well as a master's degree in toxicology and a doctorate in biochemistry at the University of Birmingham, England.

Mr. Leon Y. Recanati has served as a director of our Company since May 2005. Mr. Recanati has served as chairperson and chief executive officer of GlenRock Israel Ltd. since 2003. Previously, Mr. Recanati was chief executive officer or chairperson positions at IDB Holding Corporation, Clal Industries, Azorim Investment Development and Construction Co., Delek Israel Fuel Corporation, and Super-Sol. He also founded Clal Biotechnologies Industries, a biotechnology investment company operating in Israel. Mr. Recanati holds an MBA from The Hebrew University of Jerusalem, Israel, and Honorary Doctorates from the Technion Institute of Technology, Israel, and Tel-Aviv University, Israel.

Dr. Oded Shoseyov has served as a director of our Company since November 2018. Dr. Shoseyov is the scientific founder of 18 companies, including: Futuragene Ltd., Collplant Ltd., Biobetter Ltd., GemmaCert Ltd., SP-Nano materials Ltd., Melodea Ltd., Valentis Nanotech. Ltd., Paulee CleanTec Ltd., Smart Resilin Ltd., Sensogenic Ltd., SavorEat Ltd., Rnway Ltd., Wonder Veggies Ltd., Seekwell Ltd. and Karme Yosef Winery. Dr. Shoseyov is a faculty member of The Hebrew University of Jerusalem, Israel, where he conducts research in plant molecular biology protein engineering and nano-biotechnology. His group's focus is on Bio-Inspired Nanocomposite materials. He has authored or co-authored more than 350 scientific publications and is the inventor or co-inventor of 103 patents. Dr. Shoseyov is a TED speaker and a co-owner and winemaker of Bravdo winery. Dr. Shoseyov received the Outstanding Scientist Polak Award for 2002, the 1999 and 2010 Kay Award for Innovative and Applied Research, the 2012 Israel Prime Minister Citation for Entrepreneurship and Innovation, and the 2018 Presidential Award for his contribution to the Economy and Society of Israel. Dr. Shoseyov holds a B.Sc., an M.Sc. and a Ph.D. from The Hebrew University of Jerusalem, Israel.

Arrangements for Election of Directors and Members of Management; Family Relationships

There are no arrangements or understandings with major shareholders, customers, suppliers or others related to the election of our board of directors or the appointment of members of our senior management. There are furthermore no family relationships among any directors or members of our senior management.

B. Compensation

Aggregate and Individual Compensation of Officers and Directors

The aggregate compensation, including non-cash share-based compensation (consisting of expenses related to option grants), accrued by us in respect of the year ended December 31, 2023 to all persons who served as directors and/or executive officers during that year, was approximately $3.6 million. That amount includes approximately $0.4 million of gross compensation set aside or accrued for executive officers for purposes of pension, severance, retirement, car, phone or similar benefits or expenses, but does not include business travel, relocation, professional and business association dues and expenses reimbursed to executive officers, and other expenses commonly reimbursed by companies in Israel. These amounts include the partial-year compensation paid to 2 executive officers, who served in their positions over the course of 2023 and whose employment as directors or executive officers either was terminated or has commenced during 2023.

During 2023, we granted to our executive officers and directors an aggregate amount of 366,000 options and 98,500 restricted share units, or RSUs. Of the options granted, 90,000 were granted with an exercise price of NIS 2.20 ($0.61), 36,000 were granted with an exercise price of $0.64 per share, 140,000 were granted with an exercise price of NIS 2.78 ($0.77) per share and 100,000 were granted with an exercise price of NIS 3.87 ($1.07) per share. All RSUs were granted with no exercise price. The options and RSUs detailed above expire within ten years from the date of grant. During 2023, three executive officers, who served as chief executive officers in three of our subsidiaries, were granted options to purchase equity of such subsidiaries, which are not detailed above.

The following table presents information regarding compensation accrued in our financial statements for the year ended December 31, 2023 for our five most highly compensated executive officers, as required under Israeli Securities Law 5728-1968 and the regulations promulgated thereunder.

	(in thousands, US$)(1)			
Name and Position	**Salary and related benefits**	**Bonus(2)**	**Value of Options Granted(3)**	**Total**
Ofer Haviv *President and Chief Executive Officer*	390	-	11	401
Amit Noam *CEO of Lavie Bio*	136	-	470	606
Brian Ember *Former CEO of AgPlenus*	277	10	169	456
Elran Haber *CEO of Biomica*	260	42	37	339
Nir Arbel *Chief Product Officer*	228	-	64	292

(1) All amounts reported in the table are in terms of cost to the Company, as recorded in our financial statements.

(2) Bonus amounts shown in this table reflect bonuses that were paid in 2023 relating to the office holders' service in our Company in 2022, as approved by our Compensation and Nominating Committee and Board of Directors, and, to the extent required, also by our shareholders.

(3) Consists of amounts recognized as non-cash expenses in our statement of profit or loss for the year ended December 31, 2023 in respect of option grants.

Compensation Policy

As required by the Companies Law, we have adopted a policy regarding the terms of engagement of office holders, or a compensation policy. Under the Companies Law, the term "office holders" includes directors and certain officers, including the general manager (i.e., chief executive officer, or CEO), chief business manager, deputy CEO, vice CEO, any other person assuming the responsibilities of any of the foregoing positions without regard to such person's title, and any director or manager who reports directly to the CEO. The compensation policy serves as the basis for determining the financial terms of employment or engagement of office holders, including exculpation, insurance, indemnification or any monetary payment or obligation of payment in respect of employment or engagement. The compensation policy must relate to certain factors specified in the Companies Law, including advancement of the company's objectives, the company's business and its long-term strategy, and creation of appropriate incentives for executives. It must also consider, among other things, the company's risk management, size and the nature of its operations. The Companies Law describes what factors have to be considered by, and what principles must be included in, the compensation policy.

Our current compensation policy was adopted in August 2021, at an annual general meeting of our shareholders, following the recommendation of our compensation committee and our board of directors, and will remain in effect for a period of three years unless restated prior, in accordance with the Companies Law. Furthermore, following the SEC approval of Nasdaq's proposed clawback listing standards, under Rule 10D-1, or the Clawback Listing Rules, which directed companies to adopt and comply with a written clawback policy, to disclose and file the policy as an exhibit to its Annual Report, we have adopted on August 16, 2023, a clawback policy as contemplated pursuant to the Clawback Listing Rules, as filed as an exhibit to this Annual Report as Exhibit 97.

Approvals Required for Compensation of Directors and Officers

Under the Companies Law, the compensation of each of our directors and our CEO requires the approval of our compensation committee, the subsequent approval of the board of directors and, unless exempted under the regulations promulgated under the Companies Law, the approval of our shareholders at a general meeting (in the case of our CEO, the shareholder approval must include the special majority described under "Item 6. Directors, Senior Management and Employees—C. Board Practices—Approval of Related Party Transactions under Israeli Law— Disclosure of Personal Interests of an Office Holder and Approval of Certain Transactions"). The compensation of any other office holder (who is neither a director nor our Chief Executive Officer), if consistent with our compensation policy, requires the approval of our compensation committee, followed by our board of directors. Compensation of any such office holder that deviates from our compensation policy also requires shareholders' approval, including by the special majority described under "Item 6. Directors, Senor Management and Employees—C. Board Practices— Approval of Related Party Transactions under Israeli Law— Disclosure of Personal Interests of an Office Holder and Approval of Certain Transactions."

Compensation of Executive Officers

Our compensation for our executive officers is paid pursuant to written employment agreements that we have entered with each of our executive officers and is based, in part, on each executive officer's personal contribution to our management, operations and success. Such compensation is determined consistent with our compensation policy. For more information on our compensation policy, please see "—Compensation Policy" above.

Each executive officer's entitlement to an annual bonus is determined according to a formula that links financial and qualitative target-based goals and metrics related to the specific objectives within the responsibility of the relevant executive officer. In the case of executive officers who are also office holders, their annual bonus is also required to be consistent with our compensation policy. The goals and objectives of Evogene's office holders are determined by the compensation and nominating committee and our board of directors. For each fiscal year, our compensation and nominating committee and board of directors determine the maximum target bonus for each of our office holders, including our CEO. Further, for our CEO, all terms of employment, including bonus terms, require, in general , approval by a majority of our shareholders present and voting (in person or by proxy) at a meeting of shareholders, subject to fulfillment of one of the two additional conditions described in "Item 6. Directors, Senior Management and Employees —C. Board Practices—Approval of Related Party Transactions under Israeli Law—Disclosure of Personal Interests of an Office Holder and Approval of Certain Transactions." As approved by our annual general meeting of shareholders on August 11, 2021, the annual cash bonus measurable performance objectives of our CEO, Mr. Ofer Haviv may be determined annually by the Compensation Committee and the Board.

Each of the employment agreements with our executive officers contains provisions regarding non-competition, confidentiality of information and assignment of inventions. The non-competition provision applies for a period that is generally 12 months following termination of employment. The enforceability of covenants not to compete in Israel and in the United States is subject to limitations. The employment agreement of each executive officer is terminable upon between 30 to 90 days' written notice by either party to the agreement.

Director Compensation

Our directors are entitled to cash compensation and equity compensation as follows:

Cash Compensation of Directors

All of our directors receive annual fees and per-meeting fees for their service on our board and its committees, in the following amounts:

- Annual fees in an amount of approximately $24,000 for directors classified as experts; and
- Per-meeting fees in an amount of approximately $1,300 for directors classified as experts; 60% of such amounts for participation in meetings via telecommunication and 50% of such amounts for resolutions adopted in writing.

Such amounts are within the range for cash compensation for external and unaffiliated directors of a company of our size (based on level of shareholders' equity) under the Companies Law.

Cash Compensation of Chairperson of the Board

In accordance with shareholders' approval from August 2021, a chairperson of the board who is determined by the Board to be an "active chairperson" in light of increased involvement in our activities and increased time investment in the performance of the duties accompanying the chairperson's position compared to the other directors, shall be entitled to increased compensation relative to our other directors of approximately $5,800 per month (equal to approximately NIS 21,500). Our Board has determined that Ms. Sarit Firon, our chairperson of the board, is an active chairperson, and accordingly her fees as active chairperson is as aforesaid.

Equity Compensation of Directors

In accordance with our shareholders' approval from August 2021, and in compliance with our compensation policy, each non-employee director is granted options to purchase 18,000 ordinary shares of the Company on the date of our annual general shareholders meeting at which such director is elected or re-elected to the board. The chairperson of our board is granted options to purchase 36,000 ordinary shares. These options vest over a period of one year, with 25% of the options vesting at the end of each successive three-month period following the director's appointment or re-appointment (as applicable) by the general meeting of shareholders, subject to continued service through each vesting date. In the case of a director who is elected to the Board for the first time, all of the options to purchase 18,000 ordinary shares shall vest following a one year "cliff"— i.e., on the anniversary of the initial date of election.

All option grants to directors following the approval of our 2021 Share Incentive Plan by our shareholders (i.e., as of August 10, 2021), are subject to the terms of our 2021 Share Incentive Plan and are granted at an exercise price equal to the average closing sales price per ordinary share on the TASE over the thirty trading day period preceding the subject date (but not less than "fair market value" with respect to grantees subject to U.S. tax). All option grants to directors prior to August 10, 2021, are subject to the terms of our 2013 Share Option Plan and were granted at an exercise price equal to the higher of (i) the average closing price of our ordinary shares on the TASE during the 30 trading days prior to the date of option allocation, plus 5% and (ii) the closing price of our ordinary shares on the TASE on the date of option allocation. All such options expire 10 years following the date of grant thereof.

Information regarding the options to purchase our ordinary shares (including number of options, exercise price and expiration date of all such options) held by each of our directors and executive officers who beneficially owns our ordinary shares, after including ordinary shares underlying options held by them, which, as of March 17, 2024, were exercisable or exercisable within 60 days, appears in the beneficial ownership table in Item 7.A below and in the footnotes thereto.

Share Option and Incentive Plans

Company Option and Incentive Plans

We maintain four share option and incentive plans: Evogene Ltd. 2002 Share Option Plan, Evogene Ltd. 2003 Key Employee Share Incentive Plan, Evogene Ltd. 2013 Share Option Plan, and Evogene Ltd. 2021 Share Incentive Plan, or the 2021 Plan. No new grants will be made under the first three plans, although outstanding awards under those plans remain subject to the terms of those plans. All such option and incentive plans provide for the grant of options to purchase our ordinary shares, and the 2021 Plan also provides for the issuance of restricted shares, the grant of RSUs and the issuance or grant of other equity-based awards.

As of March 17, 2024, options to purchase 3,972,143 ordinary shares, having a weighted average exercise price of $2.87 per share, and 392,012 RSUs, having no exercise price, were outstanding under our option and incentive plans, of which, options to purchase 2,983,401 ordinary shares were exercisable and 199,683 RSUs were vested. An additional 1,165,790 ordinary shares remained available for future grant under our 2021 Plan as of that date.

Among other types of equity-based awards, our share option and incentive plans provide for granting awards in compliance with Section 102 of the Israeli Income Tax Ordinance [New Version], 5721-1961, or the Tax Ordinance, which provides to employees, directors and officers, who are not controlling shareholders (*i.e.*, who hold less than 10% of our share capital) and are Israeli residents, favorable tax treatment for compensation in the form of shares, options, RSUs or other types of equity awards issued or granted, as applicable, to a trustee under the "capital gains track" for the benefit of the relevant employee, director or officer and are held by the trustee for at least two years after the date of grant or issuance. Under the "capital gains track", we are not allowed to deduct an expense with respect to the grant or issuance of the relevant equity-based awards.

The 2021 Plan also permits us to grant equity-based awards to U.S. residents, in accordance with the applicable provisions of the U.S. Internal Revenue Code of 1986, as amended, or the Code.

Awards granted under our plans may be subject to vesting schedules. Options to purchase our ordinary shares granted under our plans expire 10 years from the grant date. The plans address the treatment of vested and unvested awards upon the termination of employment of the award holder as well as upon consummation of a merger or consolidation of our company, or sale of all or substantially all of our shares or assets.

Subsidiary Equity Incentive Plans

In addition to the share option and incentive plans at our parent company level, each of our subsidiaries has adopted its own equity incentive plan. The following table presents information regarding our subsidiaries' equity incentive plans, including the percentage of the equity of those companies that may be issued or granted as equity incentives to employees, directors or service providers of those companies and the percentage of that equity that has been issued or granted as of March 17, 2024 (in both cases, after including shares underlying options).

Subsidiary	Percentage of Subsidiary's Equity Issuable as Equity Incentives	Percentage of Equity Granted as of March 17, 2024 as Equity Incentives
AgPlenus	13.8%	12.2%
Biomica	12%	7.62%
Casterra	8.0%	4.1%
Canonic	10.8%	6.4%
Lavie Bio	10.5%	9.2%

Grants under our subsidiaries' equity incentive plans may qualify for favorable treatment under the tax law provisions of the United States or Israel.

The share-based payments under our subsidiary equity incentive plans are presented as non-controlling interests in the financial statements and were valued at approximately $1.4 million in 2023, as detailed in Note 18f to the financial statements included in this Annual Report under Item 18.

C. Board Practices

Board of Directors

Under the Companies Law and our articles of association, the supervision of the management of our business is vested in our board of directors. Our board of directors may exercise all powers and may take all actions that are not specifically granted to our shareholders or to executive management. Our Chief Executive Officer (referred to as a "general manager" under the Companies Law) is responsible for our day-to-day management. Our Chief Executive Officer is appointed by, and serves at the discretion of, our board of directors, subject to the employment agreement that we have entered into with him. All other executive officers are appointed by the Chief Executive Officer and are subject to the terms of any applicable employment agreements that we may enter into with them.

Under our articles of association and the Companies Law, our board of directors must consist of not less than three and no more than seven directors. Currently our board of directors consists of six directors.

Our directors are elected annually, by a simple majority vote of holders of our voting shares participating and voting at the annual meeting of our shareholders, for a one-year term, from the annual general meeting of our shareholders at which they are elected until the next annual general meeting and until their respective successors are elected and qualified or until their earlier removal by our shareholders at a general meeting, or upon the occurrence of certain events, in accordance with the Companies Law and our articles of association. The duration of service of each of our current directors can be found in their respective biographies in Item 6.A. above.

In addition, under our articles of association, our board of directors may appoint directors to fill vacancies or as new directors for a term of office that lasts until the next annual meeting of our shareholders. In the event of a vacancy resulting in the board consisting of less than the minimum number of directors required by our articles of association, our board of directors may only act in order to convene a general meeting of our shareholders for the purpose of electing such additional number of directors.

Pursuant to the terms of a put option agreement we entered into with Monsanto (now Bayer) in October 2013, Monsanto has the right to nominate a non-voting observer to our board of directors so long as Monsanto holds at least 5% of our voting rights. In addition, pursuant to a share purchase agreement we entered into with Bayer in December 2010 and as amended in June 2013, Bayer also has the right to appoint one observer to our board of directors so long as Bayer holds at least 3% of our issued and outstanding shares. In each case, the observer is entitled to be advised reasonably in advance of board meetings and is to receive copies of all material distributed in connection with such meetings. The observer would not have any voting rights. To our knowledge, as of the date of this report, Monsanto and Bayer hold less than the percentage required for the purpose of appointing an observer, and as of the date of this Annual Report, neither Monsanto nor Bayer has appointed an observer.

Chairperson of the Board

Our articles of association provide that the chairperson of the board is appointed by the members of the board of directors and serves as chairperson of the board throughout his term as a director, unless resolved otherwise by the board of directors. Under the Companies Law, the general manager (i.e., the Chief Executive Officer) or a relative of the general manager may not serve as the chairperson of the board of directors, and the chairperson or a relative of the chairperson may not be vested with authorities of the general manager, in each case without shareholder approval consisting of a majority vote of the shares present and voting at a shareholders meeting, provided that either:

- such majority includes at least 2/3 of the shares held by all shareholders who are not controlling shareholders and do not have a personal interest in such appointment, present and voting at such meeting; or
- the total number of shares of non-controlling shareholders who do not have a personal interest in such appointment voting against such appointment does not exceed two percent of the aggregate voting rights in the company.

In addition, a person subordinated, directly or indirectly, to the general manager may not serve as the chairperson of the board of directors; the chairperson of the board may not be vested with authorities that are granted to those subordinated to the general manager; and the chairperson of the board may not serve in any other position in the company or a controlled company, except that he may serve as a director or chairperson of a subsidiary.

External Directors

In general, under the Companies Law, the board of directors of an Israeli public company (such as ours) is required to include at least two external directors. According to regulations promulgated under the Companies Law, a person may be appointed as an external director if such person has either professional qualifications or accounting and financial expertise. In addition, at least one of the external directors must be determined by our board of directors to have accounting and financial expertise.

However, pursuant to regulations enacted under the Companies Law in 2016, the board of directors of a company whose shares are listed on certain non-Israeli stock exchanges (including the Nasdaq Global Market), which company does not have a controlling shareholder (as such term is defined in the Companies Law), may elect not to comply with the requirements of the Companies Law relating to the election of external directors and to the composition of the audit committee and compensation committee. Such an election may be made by the board of directors, and is contingent upon the company's satisfaction, in an ongoing manner, of the applicable foreign country stock exchange rules that apply to companies organized in that country relating to the appointment of independent directors and the composition of the audit and compensation committees.

Because our company did not have, in May 2016, and still does not have, a controlling shareholder, and as we comply with the Nasdaq Listing Rules applicable to domestic U.S. companies with respect to a majority of our directors being independent and with respect to the composition of our audit committee and compensation committee, our board of directors determined, in May 2016, to opt-out of the requirement to elect external directors. If in the future we were to have a controlling shareholder, we would likely again be required to comply with the Companies Law requirements relating to external directors and composition of the audit committee and compensation committee.

The term controlling shareholder, as used in the Companies Law for purposes of all matters related to external directors and for certain other purposes, means a shareholder that has the ability to direct the activities of the company, other than by virtue of being an office holder. For purposes of all matters related to external directors, a shareholder is presumed to be a controlling shareholder if the shareholder holds 50% or more of the voting rights in the company or has the right to appoint the majority of the directors of the company or its general manager (chief executive officer).

Directors' Service Contracts

There are no arrangements or understandings between us, on the one hand, and any of our directors, on the other hand, providing for benefits upon termination of their service as directors of our company.

Financial Statements Review and Audit Committee

Our financial statements review and audit committee, or audit committee, consists of Mr. Dan Falk, Mr. Nir Nimrodi and Dr. Oded Shoseyov. Mr. Falk serves as the Chairperson of the audit committee.

Requirements as to Composition

Companies Law Requirements

Under the Companies Law, the board of directors of a public company must appoint an audit committee. The audit committee must be comprised of at least three directors.

Following the promulgation of the regulations described above, we may comply with the requirements of the Companies Law by appointing an audit committee whose composition complies with the Nasdaq Listing Rules. Under the Nasdaq Listing Rules, we are required to maintain an audit committee consisting of at least three independent directors, each of whom is financially literate and at least one of whom has accounting or related financial management expertise.

All members of our audit committee meet the requirements for independence and financial literacy under the Nasdaq Listing Rules. Our board of directors has determined that each of Mr. Dan Falk and Mr. Nir Nimrodi is furthermore an audit committee financial expert, as defined by the SEC rules, and has the requisite financial experience required under the Nasdaq Listing Rules.

Each of the members of the audit committee is also "independent" as required by, and as such term is defined in, Rule 10A-3(b)(1) under the Exchange Act, which is different from the general test for independence of board and committee members under the Nasdaq Listing Rules.

Audit Committee Role

Our board of directors (following the approval by our audit committee) has adopted an audit committee charter setting forth the required composition, meeting procedures and other matters related to the terms of operation of the committee. The charter also describes the responsibilities of the audit committee consistent with the rules of the SEC and the Nasdaq Listing Rules, which include, among others:

- retaining and terminating the services of our independent auditors, subject to the approval of the board of directors and shareholders;
- pre-approval of audit and non-audit services to be provided by the independent auditors;
- reviewing with management and our independent directors our financial reports prior to their submission to the SEC; and
- approval of certain transactions with office holders and other related-party transactions.

The charter of the audit committee is available on our website. The contents of that website do not constitute a part of this Annual Report.

Our audit committee provides assistance to our board of directors in fulfilling its legal and fiduciary obligations in matters involving our accounting, auditing, financial reporting, internal control and legal compliance functions by pre-approving the services performed by our independent accountants and reviewing their reports regarding our accounting practices and systems of internal control over financial reporting. Our audit committee also oversees the audit efforts of our independent accountants and takes those actions that it deems necessary to satisfy itself that the accountants are independent of management.

Additionally, under the Companies Law, an audit committee is required, among other things, to (i) identify deficiencies in the administration of the company (including by consulting with the internal auditor), and recommend remedial actions with respect to such deficiencies, (ii) review and approve certain related party transactions, including determining whether or not such transactions are extraordinary transactions or insignificant transactions, and (iii) adopt procedures with respect to processing employee complaints in connection with deficiencies in the administration of the company, and the appropriate means of protection afforded to such employees. In addition, the audit committee is responsible for overseeing the internal control procedures of the company. Under the Companies Law, the approval of the audit committee is required for specified actions and transactions with office holders and controlling shareholders. See "—Approval of Related Party Transactions under Israeli Law."

Compensation and Nominating Committee

Our compensation and nominating committee, or compensation committee, consists of Mr. Dan Falk, Mr. Nir Nimrodi and Dr. Oded Shoseyov. Mr. Falk serves as the Chairperson of the committee.

Requirements as to Composition

Following the promulgation of the regulations described above, we may comply with the requirements of the Companies Law by appointing a compensation committee whose composition complies with the Nasdaq Listing Rules. Under the Nasdaq Listing Rules, we are required to maintain a compensation committee consisting of at least two members, each of whom qualifies as an independent director (as defined under the Nasdaq Listing Rules). Each compensation committee member must furthermore be deemed by our board of directors to meet the enhanced independence requirements for members of the compensation committee under the Nasdaq Listing Rules, which require that our board of directors consider (among other things) the source of each such committee member's compensation in determining whether he or she is independent.

Our board of directors has determined that each of the members of our compensation committee is considered "independent" under the Nasdaq Listing Rules and meets the enhanced independence requirements for members of the compensation committee under the Nasdaq Listing Rules and Rule 10C-1 under the Exchange Act.

Compensation and Nominating Committee Role

Our board of directors (following approval by our compensation committee) has adopted a compensation and nominating committee charter setting forth the required composition, meeting procedures and other matters related to the terms of operation of the committee. The charter also describes the responsibilities of the compensation committee consistent with the Nasdaq Listing Rules and the Companies Law, which include, among others:

- reviewing and recommending an overall compensation policy with respect to our Chief Executive Officer and other executive officers, as described above under "Item 6. Directors, Senior Management and Employees—B. Compensation—Compensation Policy";
- reviewing and approving corporate goals and objectives relevant to the compensation of our Chief Executive Officer and other executive officers, including evaluating their performance in light of such goals and objectives;
- reviewing and recommending to our board of directors to approve the granting of options and other incentive awards;
- overseeing our company's policy for recovery of erroneously awarded compensation;
- reviewing, evaluating and making recommendations regarding the compensation and benefits for our non-employee directors; and
- advising our board of directors in selecting individuals who are best able to fulfill the responsibilities of a director or executive officer of our company.

The charter of the compensation and nominating committee is available on our website. The contents of that website do not constitute a part of this Annual Report.

Compensation Policy under the Companies Law

In general, under the Companies Law, a public company must have a compensation policy approved by the board of directors after receiving and considering the recommendations of the compensation committee. In addition, our compensation policy must be approved at least once every three years, first, by our board of directors, upon recommendation of our compensation committee, and second, by a simple majority of the ordinary shares present, in person or by proxy, and voting (excluding abstentions) at a general meeting of shareholders, provided that either:

- such majority includes at least a majority of the shares held by shareholders who are not controlling shareholders and shareholders who do not have a personal interest in such compensation policy; or
- the total number of shares of non-controlling shareholders and shareholders who do not have a personal interest in the compensation policy and who vote against the policy, does not exceed two percent (2%) of the aggregate voting rights in the Company.

Under special circumstances, the board of directors may approve the compensation policy despite the objection of the shareholders on the condition that the compensation committee and then the board of directors decide, on the basis of detailed grounds and after discussing again the compensation policy, that, despite the objection of shareholders, approval of the compensation policy is for the benefit of the company.

The compensation policy must be based on certain considerations, include provisions and matters specifically set forth in the Companies Law.

The compensation policy must serve as the basis for decisions concerning the financial terms of employment or engagement of office holders, including exculpation, insurance, indemnification or any monetary payment or obligation of payment in respect of employment or engagement. The compensation policy must be determined and later reevaluated according to certain factors, including: the advancement of the company's objectives, business plan and long-term strategy; the creation of appropriate incentives for office holders, while considering, among other things, the company's risk management policy; the size and the nature of the company's operations; and with respect to variable compensation, the contribution of the office holder towards the achievement of the company's long-term goals and the maximization of its profits, all with a long-term objective and according to the position of the office holder. The compensation policy must furthermore consider the following additional factors:

- the education, skills, experience, expertise and accomplishments of the relevant office holder;
- the office holder's position and responsibilities;
- prior compensation agreements with the office holder;
- the ratio between the cost of the terms of employment of an office holder and the cost of the employment of other employees of the company, including employees employed through contractors who provide services to the company, in particular the ratio between such cost to the average and median salary of such employees of the company, as well as the impact of disparities between them on the work;
- relationships in the company;
- if the terms of employment include variable components — the possibility of reducing variable components at the discretion of the board of directors and the possibility of setting a limit on the value of non-cash variable equity-based components; and
- if the terms of employment include severance compensation — the term of employment or office of the office holder, the terms of the office holder's compensation during such period, the company's performance during such period, the office holder's individual contribution to the achievement of the company's goals and the maximization of its profits and the circumstances under which he or she is leaving the company.

The compensation policy must also include, among other things:

- with regard to variable components:
  - with the exception of office holders who report to the chief executive officer, a means of determining the variable components on the basis of long-term performance and measurable criteria; provided that the company may determine that an immaterial part of the variable components of the compensation package of an office holder shall be awarded based on non-measurable criteria, or if such amount is not higher than three months' salary per annum, taking into account such office holder's contribution to the company; and
  - the ratio between variable and fixed components, as well as the limit of the values of variable components at the time of their payment, or in the case of equity-based compensation, at the time of grant;
- a condition under which the office holder will return to the company, according to conditions to be set forth in the compensation policy, any amounts paid as part of the office holder's terms of employment, if such amounts were paid based on information later to be discovered to be wrong, and such information was restated in the company's financial statements;
- the minimum holding or vesting period of variable equity-based components, while taking into consideration long-term incentives; and
- a limit to retirement grants.

Internal Auditor

Under the Companies Law, the board of directors of an Israeli public company must appoint an internal auditor recommended by the audit committee. Under the Companies Law, the internal auditor may be an employee of the company but not an office holder, an affiliate, or a relative of an office holder or affiliate, and may not be the company's independent accountant or its representative.

The role of the internal auditor is to examine, among other things, our compliance with applicable law and orderly business procedures. The audit committee is required to oversee the activities and to assess the performance of the internal auditor as well as to review the internal auditor's work plan. Mr. Yisrael Gewirtz, CPA, has been appointed as our internal auditor. Mr. Gewirtz is a certified internal auditor and a partner of Fahn Kanne Control Management Ltd., an affiliate of Grant Thornton LLP.

Our internal auditor also provides management and the audit committee ongoing assessments of our risk management processes and our internal controls.

Approval of Related Party Transactions under Israeli Law

Fiduciary Duties of Directors and Executive Officers

The Companies Law codifies the fiduciary duties that office holders owe to a company. Many of the executive officers listed in the table under "Item 6. Directors, Senior Management and Employees— A. Directors and Senior Management" are also office holders under the Companies Law. An office holder's fiduciary duties consist of a duty of care and a duty of loyalty. The duty of care requires an office holder to act with the level of care with which a reasonable office holder in the same position would have acted under the same circumstances. The duty of loyalty requires that an office holder act in good faith and in the best interests of the company. The duty of care includes a duty to use reasonable means to obtain (i) information on the appropriateness of a given action submitted for his or her approval or performed by virtue of his or her position; and (ii) all other important information pertaining to these actions. The duty of loyalty includes a duty to (i) refrain from any conflict of interest between the performance of his or her duties in the company and his or her personal affairs; (ii) refrain from any activity that is competitive with the business of the company; (iii) refrain from exploiting any business opportunity of the company in order to receive a personal gain for himself or herself or others; and (iv) disclose to the company any information or documents relating to the company's affairs which the office holder received as a result of his or her position as an office holder.

Disclosure of Personal Interests of an Office Holder and Approval of Certain Transactions

The Companies Law requires that an office holder promptly disclose to the board of directors any conflict of interest (referred to under the Companies Law as a "personal interest") that he or she may have and all related material information known to him or her concerning any existing or proposed transaction with the company. If it is determined that an office holder has a personal interest in a transaction, approval by the board of directors is required for the transaction, unless the company's articles of association provide for a different method of approval. Our articles of association provide that for non-extraordinary interested party transactions, the board of directors may delegate its approval, or may provide a general approval to certain types of non-extraordinary interested party transactions. Every interested party transaction requires that our board of directors determine affirmatively that the transaction is favorable to the company. Approval first by the company's audit committee and subsequently by the board of directors is required for an extraordinary transaction, meaning any transaction that is not in the ordinary course of business, not on market terms or that is likely to have a material impact on the company's profitability, assets or liabilities. A director and any other office holder who has a personal interest in a transaction which is considered at a meeting of the board of directors or the audit committee may generally (unless it is with respect to a transaction which is not an extraordinary transaction) not be present at such a meeting or vote on that matter unless a majority of the directors or members of the audit committee, as applicable, have a personal interest in the matter. If a majority of the members of the audit committee or the board of directors has a personal interest in the approval of such a transaction then all of the directors may participate in deliberations of the audit committee or board of directors, as applicable, with respect to such transaction and vote on the approval thereof and, in such case, shareholder approval is also required.

Pursuant to the Companies Law, extraordinary transactions with our office holders who are not directors require audit committee approval and subsequent approval by our board of directors. Compensation, insurance, indemnification or exculpation arrangements for office holders who are not directors require approval by our compensation committee, followed by our board of directors and, if deviating from our compensation policy, our shareholders as well, via a special majority. Compensation arrangements with directors, including in their capacities as executive officers, or with our Chief Executive Officer, as well as insurance (unless exempted under the applicable regulations), indemnification or exculpation of directors or our Chief Executive Officer, require the approval of the compensation committee, the board of directors and our shareholders, in that order. In the case of our Chief Executive Officer, the shareholder approval must fulfill, in addition to an ordinary majority, one of the following two special majority requirements:

- at least a majority of the voting rights in the company held by non-controlling shareholders who have no conflict of interest (referred to under the Companies Law as a "personal interest") in the transaction or arrangement and who are present and voting (in person or by proxy) at the general meeting, must be voted in favor of approving the transaction or arrangement (for this purpose, abstentions are disregarded); or

- the voting rights held by non-controlling, non-conflicted shareholders (as described in the previous bullet point) who are present and voting (in person or by proxy) at the general meeting, and who vote against the transaction, do not exceed two percent of the voting rights in the company.

As described above (concerning votes related to external directors), a shareholder is presumed to be a controlling shareholder if the shareholder holds 50% or more of the voting rights in the company or has the right to appoint the majority of the directors of the company or its general manager (chief executive officer). In addition, as it relates to the approval of related party transactions, a controlling shareholder is furthermore deemed to include any shareholder possessing 25% or more of the voting rights if no other shareholder possesses more than 50% of the voting rights.

If the transaction or compensation arrangement of the office holder brought for approval amends an existing arrangement, then only the approval of the audit committee or compensation committee (as appropriate) is required if that committee determines that the amendment is not material in relation to the existing arrangement.

Disclosure of Personal Interests of Controlling Shareholders and Approval of Certain Transactions

Pursuant to the Companies Law, the disclosure requirements regarding personal interests that apply to directors and executive officers also apply to a controlling shareholder of a public company. In the case of an extraordinary transaction between a public company and a controlling shareholder, or in which a controlling shareholder has a personal interest, the shareholder approval requirement—by a special majority—that applies to a compensation arrangement for the chief executive officer (as described above) also applies to the extraordinary transaction (except that a controlling shareholder's vote is not excluded from the special majority determination, unless the controlling shareholder possesses a conflict of interest/ personal interest). We currently do not have a controlling shareholder.

Shareholder Duties

Pursuant to the Companies Law, a shareholder has a duty to act in good faith and in a customary manner toward the company and other shareholders and to refrain from abusing his, her or its power with respect to the company, including, among other things, in voting at a general meeting and at shareholder class meetings with respect to the following matters: (i) an amendment to the company's articles of association; (ii) an increase of the company's authorized share capital; (iii) a merger; or (iv) an interested party transaction that requires shareholder approval.

In addition, a shareholder has a general duty to refrain from discriminating against other shareholders. Certain shareholders also have a duty of fairness toward the company. These shareholders include any controlling shareholder, any shareholder who knows that it has the power to determine the outcome of a shareholder vote and any shareholder who has the power to appoint or to prevent the appointment of an office holder of the company or exercise any other rights available to it under the company's articles of association with respect to the company. The Companies Law does not define the substance of this duty of fairness, except to state that the remedies generally available upon a breach of contract will also apply in the event of a breach of the duty of fairness. Israeli courts have not yet interpreted the scope or nature of any of these duties.

Approval of Private Placements

Under the Companies Law, a significant private placement of securities requires approval by the board of directors and the shareholders by a simple majority. A private placement is considered a significant private placement if it results in a person becoming a controlling shareholder, or if all of the following conditions are met: (i) the securities issued amount to 20% or more of the company's outstanding voting rights before the issuance; (ii) some or all of the consideration is other than cash or listed securities or the transaction is not on market terms; and (iii) the transaction will increase the relative holdings of a shareholder who holds 5% or more of the company's outstanding share capital or voting rights, or will cause any person to become, as a result of the issuance, a holder of more than 5% of the company's outstanding share capital or voting rights.

Exculpation, Insurance and Indemnification of Office Holders

Under the Companies Law, a company may not exculpate an office holder from liability for a breach of the duty of loyalty. An Israeli company may exculpate an office holder in advance from liability to the company, in whole or in part, for damages caused to the company as a result of a breach of duty of care but only if a provision authorizing such exculpation is included in its articles of association. Our articles of association include such a provision. An Israeli company may not exculpate a director from liability arising out of a prohibited dividend or distribution to shareholders.

An Israeli company may indemnify an office holder in respect of the following liabilities and expenses incurred for acts performed as an office holder, either in advance of an event or following an event, provided a provision authorizing such indemnification is contained in its articles of association:

- financial liability imposed on him or her in favor of another person pursuant to a judgment, settlement or arbitrator's award approved by a court. However, if an undertaking to indemnify an office holder with respect to such liability is provided in advance, then such an undertaking must be limited to events which, in the opinion of the board of directors, can be foreseen based on the company's activities when the undertaking to indemnify is given, and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances, and such undertaking shall detail the abovementioned events and amount or criteria;

- reasonable litigation expenses, including attorneys' fees, incurred by the office holder as a result of an investigation or proceeding instituted against him or her by an authority authorized to conduct such investigation or proceeding, provided that (i) no indictment was filed against such office holder as a result of such investigation or proceeding; and (ii) no financial liability, such as a criminal penalty, was imposed upon him or her as a substitute for the criminal proceeding as a result of such investigation or proceeding or, if such financial liability was imposed, it was imposed with respect to an offense that does not require proof of criminal intent; and

- reasonable litigation expenses, including attorneys' fees, incurred by the office holder or imposed by a court in proceedings instituted against him or her by the company, on its behalf or by a third party or in connection with criminal proceedings in which the office holder was acquitted or as a result of a conviction for an offense that does not require proof of criminal intent.

An Israeli company may insure an office holder against the following liabilities incurred for acts performed as an office holder if and to the extent provided in the company's articles of association: (i) a breach of the duty of loyalty to the company, to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company; (ii) a breach of the duty of care to the company or to a third party, including a breach arising out of the negligent conduct of the office holder; (iii) a financial liability imposed on the office holder in favor of a third party; (iv) a financial liability imposed on the office holder in favor of a third party harmed by a breach in an administrative proceeding; and (v) reasonable litigation expenses, including attorneys' fees, incurred by the office holder as a result of an administrative proceeding instituted against him or her.

An Israeli company may not indemnify or insure an office holder against any of the following: (i) a breach of the duty of loyalty, except to the extent that the office holder acted in good faith and had a reasonable basis to believe that the act would not prejudice the company; (ii) a breach of the duty of care committed intentionally or recklessly, excluding a breach arising out of the negligent conduct of the office holder; (iii) an act or omission committed with intent to derive illegal personal benefit; or (iv) a fine or forfeit levied against the office holder.

Under the Companies Law, exculpation, indemnification and insurance of office holders must be approved by the compensation and nominating committee and the board of directors and, with respect to directors and our Chief Executive Officer, also by our shareholders (in the case of our Chief Executive Officer, by a special majority, as described above under "—Approval of Related Party Transactions under Israeli Law—Disclosure of Personal Interests of an Officer Holder and Approval of Certain Transactions", unless an applicable exemption applies).

Our articles of association allow us to indemnify and insure our office holders for any liability imposed on them as a consequence of an act which was performed by virtue of being an office holder. Our shareholders have approved an amendment to our articles of association that extends such indemnification and insurance to cover omissions by our office holders (in their role as such) as well. Our office holders are currently covered by a directors' and officers' insurance policy.

We have entered into agreements with each of our directors and executive officers. Each such agreement exculpates our director or officer, to the fullest extent permitted by law, from liability to us for damages caused to us as a result of a breach of duty of care and undertaking to indemnify them to the fullest extent permitted by law. This indemnification is limited to events determined as foreseeable by the board of directors based on our activities, and to an amount or according to criteria determined by the board of directors as reasonable under the circumstances.

The maximum indemnification amount set forth in such agreements is limited to an amount equal to 25% of our shareholders' equity as reflected in our most recent consolidated financial statements prior to the date on which the indemnity payment is made. If the amount equal to 25% of our shareholders' equity is insufficient to cover all indemnity amounts payable with respect to all indemnifiable directors and executive officers, such amount will be allocated among our directors and executive officers pro rata, in accordance with their relative culpabilities, as finally determined by a court with respect to a particular claim. The maximum amount set forth in such agreements is in addition to any amount paid (if paid) under insurance and/or by a third party pursuant to an indemnification arrangement. In the opinion of the SEC, indemnification of directors and office holders for liabilities arising under the Securities Act is against public policy and therefore unenforceable.

D. Employees

The total number of employees in Evogene and its subsidiaries as of December 31, 2021 ,2022 and 2023 was 141, 137 and 142, respectively. As of December 31, 2023, our research and development activities involved 92 employees amounting to approximately 65% of our total full-time workforce, of which 39 were employed by Evogene and 53 were employed by our subsidiaries. Evogene hired one temporary employee during 2023. In 2023, our employees included individuals with degrees in biology, chemistry, plant genetics, agronomics, mathematics, computer and data science and other related fields and 41 of our employees hold a Ph.D. As of March 20, 2024, the total number of employees in Evogene and its subsidiaries was 141.

The rate of male v. female in our company and our subsidiaries as of December 31, 2023, was as follows:

Company	Female	Male	Total
Evogene	55%	45%	75
AgPlenus	67%	33%	12
Lavie Bio	46%	54%	26
Canonic	14%	86%	7
Biomica	61%	39%	18
Casterra	0%	100%	4
Total	**51%**	**49%**	**142**

The rate of male v. female in a managing position (i.e., any such person that oversees and supervises other employees) in our company and our subsidiaries as of December 31, 2023, was as follows:

Company	Female	Male
Evogene	50%	50%
AgPlenus	80%	20%
Lavie Bio	30%	70%
Canonic	33%	67%
Biomica	67%	33%
Casterra	0%	100%

As of December 31, 2023, all of our employees are based in Israel, except for six U.S.-based employees. Of our six U.S.-based employees, five are employed by Lavie Bio Inc., a U.S. subsidiary of Lavie Bio Ltd., the majority of whom are based at Lavie Bio's U.S. research and development site in St. Louis, Missouri, and one is an employee of AgPlenus Inc., a U.S. subsidiary of AgPlenus, and is located in North Carolina. In addition, during 2023, we had, on average, approximately 17 hourly employees who are based in Israel. The following table shows the breakdown of our employees by division/category of activity and by location as of December 31, 2021, 2022 and 2023, excluding hourly employees:

	As of December 31, 2021			As of December 31, 2022			As of December 31, 2023		
	Israel	**U.S.**	**Total**	**Israel**	**U.S.**	**Total**	**Israel**	**U.S.**	**Total**
Executive management	5	-	5	6	-	6	5	-	5
General and administrative	33	-	33	25	-	25	31	-	31
Technology platform	41	-	41	44	-	44	39	-	39
Ag-Seeds division	2	-	2	-	-	-	-	-	-
Lavie Bio Ltd.	17	7	24	21	6	27	21	5	26
AgPlenus Ltd.	11	1	12	11	1	12	11	1	12
Casterra Ag Ltd.	1	-	1	1	-	1	4	-	4
Biomica Ltd.	13	-	13	13	-	13	18	-	18
Canonic Ltd.	10	-	10	9	-	9	7	-	7
Total	133	8	141	130	7	137	136	6	142

Israeli labor laws govern the length of the workday, minimum wages for employees, procedures for hiring and dismissing employees, determination of severance pay, annual leave, sick days, advance notice of termination of employment, equal opportunity and anti-discrimination laws and other conditions of employment. Subject to certain exceptions, Israeli law generally requires severance pay upon the retirement, death or dismissal of an employee, and requires us and our employees to make payments to the National Insurance Institute, which is similar to the U.S. Social Security Administration. Our employees have pension plans that comply with the applicable Israeli legal requirements.

While none of our employees is party to any collective bargaining agreements, certain provisions of the collective bargaining agreements between the "*Histadrut*" (the General Union of Workers in Israel) and the Coordination Bureau of Economic Organizations (including the Industrialists' Associations) are applicable to our employees in Israel by order of the Israeli Ministry of the Economy and Industry. These provisions primarily concern pension fund benefits for all employees, insurance for work-related accidents, recuperation pay and travel expenses.

None of our employees is represented by a labor union or covered under a collective bargaining agreement. We have never experienced any employment-related work stoppages and believe our relationships with our employees are good.

The employees of our U.S. subsidiaries are subject to the U.S. labor laws and have insurance coverage, health benefits and are covered by certain plans, such as (i) medical and dental care; (ii) long term disability protection plans; (iii) life insurance; and (iv) a 401(k) savings plan.

E. Share Ownership

For information regarding the share ownership of our directors and executive officers, please refer to the table in "Item 7. Major Shareholders and Related Party Transactions—A. Major Shareholders." For information regarding our equity incentive plans, see "Item 6.B. Director, Senior Management and Employees—Compensation—Equity Incentive Plans."

F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation

None.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information with respect to the beneficial ownership of our shares as of March 17, 2024 (unless otherwise indicated) by: (i) each person or entity known by us to own beneficially more than 5% of our outstanding shares; (ii) each of our directors and executive officers, and certain former officers and directors, individually; and (iii) all of our executive officers and directors, and certain former officers and directors, as a group.

The beneficial ownership of ordinary shares is determined in accordance with the rules of the SEC, and generally includes any ordinary shares over which a person exercises sole or shared voting or investment power, or the right to receive the economic benefit of ownership. For purposes of the table below, we deem shares subject to options that are currently exercisable or exercisable within 60 days of March 17, 2024, and RSUs that are currently vested or will become vested within 60 days of March 17, 2024, to be outstanding and to be beneficially owned by the person holding the options for the purposes of computing the percentage ownership of that person, but we do not treat them as outstanding for the purpose of computing the percentage ownership of any other person.

The percentage of shares beneficially owned by any shareholder has been calculated based on 50,623,278 ordinary shares outstanding as of March 17, 2024. Unless otherwise indicated below, to our knowledge, all persons named in the table have sole voting and investment power with respect to their shares, except to the extent that authority is shared by spouses under community property laws.

Unless otherwise noted below, each shareholder's address is c/o Evogene Ltd., 13 Gad Feinstein Street, Park Rehovot, Rehovot 7638517, Israel. The shareholders listed below (including our directors and executive officers) do not have any different voting rights than any of our other shareholders. We know of no arrangements that would, at a subsequent date, result in a change of control of our company. A description of any material relationship that our principal shareholders have had with us or any of our predecessors or affiliates within the past year is included under "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions."

	Shares Beneficially Held	
Name of Beneficial Owner	**Number**	**Percentage of Class**
Principal Shareholders		
SilverArc Capital Management, LLC	3,100,000(1)	6.1%
Executive Officers and Directors		
Mr. Ofer Haviv	895,000**(2)	1.7%
Dr. Nir Arbel	108,747(3)	*
Mr. Yaron Eldad	85,250(4)	*
Dr. Brian N. Ember	0***	*
Dr. Dan Jacob Gelvan	0	*
Dr. Elran Haber	25,000(5)	*
Mr. Mark Kapel	203,950(6)	*
Mr. Sassi Masliah	185,250(7)	*
Mr. Amit Noam	0	*
Mr. Eyal Ronen	84,375(8)	*
Mr. Yoash Zohar	0	*
Ms. Sarit Firon	127,375(9)	*
Mr. Dan Falk	36,000(10)	*
Mr. Nir Nimrodi	61,000(11)	*
Dr. Adrian Percy	67,125(12)	*
Mr. Leon Y. Recanati	909,734(13)	1.8%
Prof. Oded Shoseyov	67,750(14)	*
All directors and executive officers as a group (16 persons***)	2,935,919	5.5%

* Less than 1%.

** On August 16, 2023, our board of directors approved a grant of options to purchase 500,000 ordinary shares to Mr. Haviv, which, under the Companies Law, is subject to the approval at the general meeting of shareholders of the Company, and therefore are not reflected herein.

*** The engagement of Dr. Ember as executive officer ended during 2024.

(1) This information is based upon a Schedule 13G filed by SilverArc Capital Management, LLC, or SilverArc, with the SEC on February 14, 2024. SilverArc is a Delaware limited liability company and possesses shared voting and dispositive power over these ordinary shares with Devesh Gandhi, a U.S. citizen. The principal address for SilverArc is 20 Park Plaza, 4th Floor, Boston, MA 02116.

(2) Consists of 895,000 ordinary shares issuable upon exercise of options that are currently exercisable or exercisable within 60 days of March 17, 2024, of which options to purchase the following number of shares expire on the following dates, respectively: 170,000 on March 22, 2025, 225,000 on August 8, 2027 and 500,000 on April 21, 2030. The weighted average exercise price of these options is NIS 14.31 per ordinary share.

(3) Consists of 94,372 ordinary shares issuable upon exercise of options that are currently exercisable or exercisable within 60 days of March 17, 2024, of which options to purchase the following number of shares expire on the following dates, respectively: 78,122 on September 1, 2031 and 16,250 on March 8, 2033. The weighted average exercise price of these options is NIS 8.07 per ordinary share. Also includes 14,375 shares issuable upon vesting of RSUs that are currently vested or will become vested within 60 days of March 17, 2024, all of which expire on March 8, 2033, and with no exercise price.

(4) Consists of 75,000 ordinary shares issuable upon exercise of options that are currently exercisable or exercisable within 60 days of March 17, 2024, which expire on March 30, 2032. The exercise price of these options is NIS 4.09 per ordinary share. Also includes 10,250 shares issuable upon vesting of RSUs that are currently vested or will become vested within 60 days of March 17, 2024, all of which expire on March 8, 2033, and with no exercise price.

(5) Consists of 25,000 ordinary shares of Evogene issuable upon exercise of options that are currently exercisable or exercisable within 60 days of March 17, 2024, which expire on September 1, 2031. The exercise price of these options is NIS 9.17 per ordinary share. Elran Haber serves as the CEO of our subsidiary company Biomica, and as such, also holds options to purchase shares of Biomica. For a description of our subsidiaries' equity incentive plans, please see "Item 6. Directors, Senior Management and Employees—B. Compensation—Share Option and Incentive Plans—Subsidiary Equity Incentive Plans".

(6) Consists of 203,950 ordinary shares issuable upon exercise of options that are currently exercisable or exercisable within 60 days of March 17, 2024, of which options to purchase the following number of shares expire on the following dates, respectively: 12,000 on March 22, 2025, 23,200 on August 8, 2027, 60,000 on February 26, 2028, 30,000 on February 4, 2029, 35,000 on July 30, 2029, 31,250 on November 16, 2031 and 12,500 on March 8, 2033. The weighted average exercise price of these options is NIS 12.14 per ordinary share.

(7) Includes 185,250 ordinary shares issuable upon exercise of options that are currently exercisable or exercisable within 60 days of March 17, 2024, of which options to purchase the following number of shares expire on the following dates, respectively: 17,000 on March 22, 2025, 18,000 on August 8, 2027, 3,750 on May 28, 2028, 10,000 on February 4, 2029, 24,000 on July 30, 2029, 43,750 on September 22, 2030, 62,500 on November 16, 2031 and 6,250 on March 8, 2033. The weighted average exercise price of these options is NIS 11.04 per ordinary share.

(8) Includes 84,375 ordinary shares issuable upon exercise of options that are currently exercisable or exercisable within 60 days of March 17, 2024, of which options to purchase the following number of shares expire on the following dates, respectively: 65,625 on August 2, 2032 and 18,750 on August 16, 2033. The weighted average exercise price of these options is NIS 3.08 per ordinary share.

(9) Consists of 127,375 ordinary shares issuable upon exercise of options that are currently exercisable or exercisable within 60 days of March 17, 2024, of which options to purchase the following number of shares expire on the following dates, respectively: 10,000 on August 10, 2026, 2,500 on August 8, 2027,2,500 on August 6, 2028, 2,500 on September 23, 2029, 1,875 on September 22, 2030, 36,000 on September 1, 2031, 36,000 on September 15, 2032 and 36,000 on May 11, 2033. The weighted average exercise price of these options is NIS 7.10 per ordinary share.

(10) Consists of 36,000 ordinary shares issuable upon exercise of options that are currently exercisable or exercisable within 60 days of March 17, 2024, of which options to purchase the following number of shares expire on the following dates, respectively: 18,000 on September 15, 2032 and 18,000 on May 11, 2033. The weighted average exercise price of these options is NIS 2.91 per ordinary share.

(11) Consists of 61,000 ordinary shares issuable upon exercise of options that are currently exercisable or exercisable within 60 days of March 17, 2024, of which options to purchase the following number of shares expire on the following dates, respectively: 25,000 on April 20, 2030, 18,000 on September 15, 2032 and 18,000 on May 11, 2033. The weighted average exercise price of these options is $0.94 per ordinary share.

(12) Consists of 67,125 ordinary shares issuable upon exercise of options that are currently exercisable or exercisable within 60 days of March 17, 2024, of which options to purchase the following number of shares expire on the following dates, respectively: 10,000 on December 23, 2028, 2,500 on February 1, 2030, 625 on February 1, 2031, 18,000 on August 10, 2031, 18,000 on September 15, 2032 and 18,000 on May 11, 2033. The weighted average exercise price of these options is $ 1.74 per ordinary share.

(13) Includes 838,859 ordinary shares held by Mr. Recanati. Also includes 70,875 ordinary shares issuable upon exercise of options that are currently exercisable or exercisable within 60 days of March 17, 2024, of which options to purchase the following number of shares expire on the following dates, respectively: 2,500 on August 17, 2024, 2,500 on July 2, 2025, 2,500 on May 18, 2026, 2,500 on May 16, 2027, 2,500 on June 25, 2028, 2,500 on July 30, 2029, 1,875 on November 17, 2030, 18,000 on September 1, 2031, 18,000 on September 15, 2032 and 18,000 on May 11, 2033. The weighted average exercise price of these options is NIS 9.77 per ordinary share.

(14) Consists of 67,750 ordinary shares issuable upon exercise of options that are currently exercisable or exercisable within 60 days of March 17, 2024, of which options to purchase the following number of shares expire on the following dates, respectively: 10,000 on November 13, 2028, 2,500 on December 19, 2029, 1,250 on November 13, 2030, 18,000 on September 1, 2031, 18,000 on September 15, 2032 and 18,000 on May 11, 2033. The exercise price of these options is NIS 6.00 per ordinary share.

Changes in Percentage Ownership by Major Shareholders

Over the course of 2023, there were increases in the percentage ownership of SilverArc (from below 5% to 6.1%), based on Schedule 13G filed on February 14, 2024.

Over the course of 2022, there was a decrease in the percentage ownership of a significant shareholder (which we define as a holder of at least 5% of our issued and outstanding share capital), ARK Investment Management LLC, or ARK, (from 6.01% to 0%), based on Form 13F-HR as filed by ARK on January 24, 2023.

Over the course of 2021, there was a decrease in the percentage ownership of a ARK (from 11.4% to 6.01%). In addition, over the course of 2021, based on publicly available information, we believe that entities affiliated with Waddell & Reed Financial, Inc. were acquired by Macquarie Group Ltd. or its affiliates. Macquarie Group Ltd. filed with the SEC a Schedule 13G/A dated February 11, 2022 to report that it had decreased its ownership of our ordinary shares and has ceased to be the beneficial owner of more than 5% of our ordinary shares. Waddell & Reed Financial, Inc. and its affiliates had previously reported on a Schedule 13G/A ownership of 6.8% of our issued and outstanding share capital.

The information above regarding changes in percentage ownership by major shareholders during the years ended December 31, 2021 through 2023 is based solely on information contained in Schedule 13Gs and Form 13F (as may be amended) as filed by such persons with the SEC.

Record Holders

As of March 20, 2024, all of our issued and outstanding ordinary shares were held of record in the United States, in the name of a single record shareholder — Cede & Co., as nominee for the Depository Trust Company. The number of record holders is not representative of the number of beneficial holders of our ordinary shares, nor is it representative of where such beneficial holders reside, since the shares held in the name of Cede & Co. are listed for trading on Nasdaq and the TASE and are beneficially owned by a wide range of underlying beneficial shareholders who hold their shares in "street name," including Israeli and other non-U.S. shareholders.

B. Related Party Transactions

Except as described below or elsewhere in this Annual Report, since January 1, 2023, we have had no transaction, nor do we have any presently proposed transaction, and neither we nor our subsidiaries have had any loan, nor do we or our subsidiaries have any presently proposed loan, involving any related party described in Item 7.B. of this Annual Report.

Agreements with Directors and Officers

Employment Agreements

We have entered into written employment agreements with all of our executive officers. Each of these agreements contains provisions regarding non-competition, confidentiality of information and assignment of inventions. The non-competition provision applies for a period that is generally 12 months following termination of employment. The enforceability of covenants not to compete in Israel and in the United States is subject to limitations.

Equity Awards

See "Item 6. Directors, Senior Management and Employee—B. Compensation—Share Option and Incentive Plans."

Indemnification Agreements

Our articles of association allow us to indemnify and insure our office holders for any liability imposed on them as a consequence of an act which was performed by virtue of being an office holder. They also allow us to exculpate an office holder in advance from liability to the company, in whole or in part, for damages caused to the company as a result of a breach of duty of care. In furtherance of such allowance, we have entered into agreements with each of our directors and executive officers exculpating them, to the fullest extent permitted by law, from liability to us for damages caused to us as a result of a breach of duty of care, and undertaking to indemnify them to the fullest extent permitted by law. See "Item 6. Directors, Senior Management and Employees—C. Board Practices—Exculpation, Insurance and Indemnification of Office Holders."

Agreement with a Close Family Member of Key Management Personnel

During 2022, we entered into an employment agreement with Mr. Almog Haviv, the son of our Chief Executive Officer. The engagement of Mr. Almog was made on an hourly basis, at a scope of approximately 30 hours per week, for an hourly rate of approximately $15, which is customary for the position held by Mr. Almog Haviv.

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Consolidated financial statements

We have appended our consolidated financial statements at the end of this Annual Report, together with the report of our independent auditor on those financial statements, beginning on page F-2, as part of this Annual Report.

Legal Proceedings

From time to time, we may be subject to legal proceedings and claims in the ordinary course of business. We are currently not involved in any pending or contemplated legal proceedings that could reasonably be expected to have a significant effect on our financial position, profitability or cash flows. We may become involved in material legal proceedings in the future. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Dividend Policy

Since our inception, we have not declared or paid any cash or other form of dividends on our ordinary shares. We currently intend to retain any earnings for use in our business and do not currently intend to pay cash dividends on our ordinary shares. Dividends, if any, on our outstanding ordinary shares will be declared by and subject to the discretion of our board of directors. Even if our board of directors decides to distribute dividends, the form, frequency and amount of such dividends will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors our board of directors may deem relevant.

In addition, the distribution of dividends may be limited by Israeli law, which permits the distribution of dividends only out of distributable profits. See "Dividend and Liquidation Rights" in Exhibit 2.1 to this Annual Report.

B. Significant Changes

No significant changes have occurred since December 31, 2023, except as otherwise disclosed in this Annual Report.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Our ordinary shares have been listed for trading on the TASE since 2007 and were listed for trading on the NYSE commencing with our U.S. initial public offering in November 2013 until December 2016, at which point we transferred the listing to Nasdaq, where they have been listed from December 2016 to the present time. "EVGN" has served as the trading symbol for each such listing.

B. Plan of Distribution

Not applicable.

C. Markets

See "-Offer and Listing Details" above.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

For a discussion of the provisions of the company's articles of association with respect to the powers of directors, see "Item 6. Directors, Senior Management and Employees—C. Board Practices." A copy of our articles of association is attached as Exhibit 1.1 to this Annual Report. The information called for by this Item 10.B is set forth in Exhibit 2.1 to this Annual Report and is incorporated by reference into this Annual Report.

C. Material Contracts

We have not entered into any material contracts within the two years prior to the date of this Annual Report, other than contracts entered into in the ordinary course of business, or as otherwise described herein in Item 4.A "History and Development of the Company", Item 4.B "Business Overview", Item 5.B "Operating and Financial Review and Prospects-Liquidity and Capital Resources", Item 6.C "Board Practices" and Item 7.B "Related Party Transactions".

The following is a summary of each material contract, other than material contracts entered into in the ordinary course of business, to which we are or have been a party, for the two years immediately preceding the date of this Annual Report:

Controlled Equity Offering Sales Agreements

On January 14, 2021 and February 19, 2021, we entered into Controlled Equity Offering^{SM} 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 offering, as defined in Rule 415(a)(4) promulgated under the Securities Act, for aggregate offering price of up to $28.0 million and $50.0 million (subsequently reduced to approximately $19.5 million), respectively. Information on that transaction is set forth in this Annual Report under "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources— Public Offerings of Ordinary Shares—2020 Registered Direct Offering" and is incorporated by reference herein. As of the date of this Annual Report, a termination notice was provided to the Agent, and concurrently with this Annual Report we have entered into a new sales agreement with Lake Street for a $7.3 million ATM offering.

Lavie Bio SAFE with ICL

In August 2022, ICL invested (through an affiliate company) in Lavie Bio $10 million under a SAFE (simple agreement for future equity). Information on that transaction is set forth in this Annual Report under "Item 4. Information on the Company—B. Business Overview— Market Segments— Agriculture— Lavie Bio Ltd.— Key Collaborations— ICL Group" and is incorporated by reference herein.

Biomica Share Purchase Agreement with SHC

On April 27, 2023, we announced the closing of a definitive agreement for a $20 million financing round in Biomica, led by a $10 million investment from SHC, with an additional $10 million invested by Evogene. Following the closing of this transaction, we hold approximately 67% of the share capital of Biomica, while SHC holds approximately 20%, in each case on a fully diluted basis. Information on that transaction is set forth in this Annual Report under "Item 4. Information on the Company— B. Business Overview— Market Segments— Human Health— Biomica Ltd.— Overview" and is incorporated by reference herein.

2023 Registered Direct Offering

On July 17, 2023, we entered into a Securities Purchase Agreement, with certain institutional investors, pursuant to which we issued and sold to such investors in a registered direct offering 8,500,000 ordinary shares, at a purchase price of $1.00 per share. The total gross proceeds to our company from the 2023 Offering was $8,500,000. Information on that transaction is set forth in this Annual Report under "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources— Public Offerings of Ordinary Shares—2023 Registered Direct Offering" and is incorporated by reference herein.

We also entered into a letter agreement, or the Placement Agency Agreement, with A.G.P./Alliance Global Partners, as sole placement agent, or the Placement Agent, dated July 17, 2023, pursuant to which the Placement Agent agreed to serve as our placement agent in connection with the Offering. We paid the Placement Agent a cash placement fee equal to 7.0% of the gross proceeds received for the ordinary shares sold in the Offering.

Casterra Agreement with ENI

On November 14, 2022, our subsidiary, Casterra, entered into an agreement with a subsidiary of a world leading oil and gas company whereby Casterra will provide its unique castor varieties and its broad know-how in cultivation of castor at a commercial scale for biofuel production. In November 2023, the agreement was extended until November 1, 2024.

On June 21, 2023, Casterra announced that it has enter into a master supply agreement with ENI to sell its castor seeds for sustainable biofuel production, with initial purchase orders of $9.1 million. On July 3, 2023, Casterra announced an additional $2.2 million of purchase orders to supply castor seeds during 2023, for new African territories.

Information on that transaction is set forth in this Annual Report under "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources— Casterra Agreement with ENI" and is incorporated by reference herein.

Lavie Bio Licensing Agreement for Bio-Fungicides with Corteva Agriscience

On July 14, 2023, Lavie Bio entered into a licensing agreement with Corteva Inc. 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. Information on that transaction is set forth in this Annual Report under "Item 5. Operating and Financial Review and Prospects—B. Liquidity and Capital Resources— Lavie Bio Licensing Agreement for Bio-Fungicides with Corteva Agriscience" and is incorporated by reference herein.

Indemnification Agreements

We have entered into indemnification agreements with our office holders. Information on the indemnification agreements may be found in this Annual Report under "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Agreements with Directors and Officers—Indemnification Agreements," and is incorporated herein by reference.

Other Compensation Agreements

- Evogene Ltd. Officers Compensation Policy. See "Item 6. Directors, Senior Management and Employees" for more information about this document.
- Evogene Ltd. Officers Clawback Policy. See "Item 6. Directors, Senior Management and Employees" for more information about this document.
- Evogene Share Option Plan (2002). See "Item 6. Directors, Senior Management and Employees" for more information about this document.
- Evogene Ltd. Key Employee Share Incentive Plan, 2003. See "Item 6. Directors, Senior Management and Employees" for more information about this document.
- Evogene Ltd. 2013 Share Option Plan. See "Item 6. Directors, Senior Management and Employees" for more information about this document.
- Evogene 2021 Share Incentive Plan. See "Item 6. Directors, Senior Management and Employees" for more information about this document.

D. Exchange Controls

Other than general anti-money laundering regulations, there are currently no Israeli currency control regulations in effect that restrict our import or export of capital to or from the State of Israel, or the availability of cash and cash equivalents for use by our affiliated companies. Under the Bank of Israel Law, 5770-2010, the Governor of the Bank of Israel, with the approval of the monetary policy committee of the Bank of Israel, is authorized to issue an administrative order restricting the transfer of funds to or from Israel. However, such an order is only likely to be issued under emergency circumstances and only for a temporary period, if necessary for the achievement of the goals of the Bank of Israel or the carrying out of its responsibilities under Israeli law. Furthermore, Israel has agreed, pursuant to international agreements to which it is a party (including incident to Israel's having joined the International Monetary Fund) to allow for the free flow of capital to and from within its borders. Certain transactions nevertheless require the filing of reports with the Bank of Israel.

Similarly, there are no currently effective Israeli governmental laws, decrees, regulations or other legislation that restrict the payment of dividends or other distributions with respect to our ordinary shares or the proceeds from the sale of the shares, except for the obligation of Israeli residents to file reports with the Bank of Israel regarding some transactions. However, legislation remains in effect under which currency controls can be imposed by administrative action at any time.

E. Taxation

Israel Income Tax Consequences

This section discusses the material Israeli income tax consequences concerning the ownership and disposition of our ordinary shares by our non-Israeli shareholders. This summary does not discuss all the aspects of Israeli tax law that may be relevant to a particular investor in light of his or her personal investment circumstances or to some types of investors subject to special treatment under Israeli law. Examples of such investors include traders in securities who are subject to special tax regimes not covered in this discussion. Because parts of this discussion are based on new tax legislation that has not yet been subject to judicial or administrative interpretation, we cannot assure you that the appropriate tax authorities or the courts will accept the views expressed in this discussion. The discussion below is subject to change, including due to amendments under Israeli law or changes to the applicable judicial or administrative interpretations of Israeli law, which change could affect the tax consequences described below.

Taxation of Our Non-Israeli Shareholders

Capital Gains Taxes Applicable to Non-Israeli Resident Shareholders. A non-Israeli resident (whether individual or corporation) who derives capital gains from the sale of shares in an Israeli resident company that were purchased after the company was listed for trading on a stock exchange outside of Israel should generally be exempt from Israeli tax so long as the shares were not held through a permanent establishment that the non-resident maintains in Israel and that such shareholder is not subject to the Israeli Income Tax Law (Inflationary Adjustments) 5745-1985. However, non-Israeli corporations will not be entitled to the foregoing exemption if Israeli residents: (i) have a controlling interest of more than 25% in such non-Israeli corporation or (ii) are the beneficiaries of, or are entitled to, 25% or more of the revenues or profits of such non-Israeli corporation, whether directly or indirectly. Additionally, such exemption is not applicable to a person whose gains from selling or otherwise disposing of the shares are deemed to be business income.

If not exempt, a non-Israeli resident shareholder would generally be subject to tax on capital gain at the ordinary corporate tax rate (23% in 2023) if generated by a company, or at the rate of 25%, if generated by an individual, or 30%, if generated by an individual who is a "substantial shareholder" (as defined under the Israeli Tax Ordinance), at the time of sale or at any time during the preceding 12-month period (or if the shareholder claims a deduction for interest and linkage differences expenses in connection with the purchase and holding of such shares). A "substantial shareholder" is generally a person who alone or together with such person's relative or another person who collaborates with such person on a permanent basis based on a contract, holds, directly or indirectly, at least 10% of any of the "means of control" of the corporation. "Means of control" generally include, among others, the right to vote, receive profits, nominate a director or an executive officer, receive assets upon liquidation, or order someone who holds any of the aforesaid rights how to act, regardless of the source of such right. Individual and corporate shareholders dealing in securities in Israel are taxed at the tax rates applicable to business income (a corporate tax rate for a corporation (23% in 2023) and a marginal tax rate of up to 47% for an individual in 2023 (excluding excess tax as discussed below)) unless contrary provisions in a relevant tax treaty apply (subject to the receipt in advance of a valid certificate from the Israel Tax Authority allowing for a reduced tax rate).

Additionally, a sale of shares by a non-Israeli resident may be exempt from Israeli capital gains tax under the provisions of an applicable tax treaty (subject to the receipt in advance of a valid certificate from the Israel Tax Authority allowing for an exemption). For example, under the United States-Israel Tax Treaty, the disposition of shares by a shareholder who is a United States resident (for purposes of the United States-Israel Tax Treaty) holding the shares as a capital asset and is entitled to claim the benefits afforded to such person by the treaty, is generally exempt from Israeli capital gains tax unless, among other things, (i) the capital gain arising from the disposition can be attributed to a permanent establishment of the shareholder which is maintained in Israel; (ii) the shareholder holds, directly or indirectly, shares representing 10% or more of the voting capital during any part of the 12-month period preceding such sale, exchange or disposition, subject to certain conditions; (iii) such U.S. resident if an individual, was present in Israel for a period or periods aggregating to 183 days or more during the relevant taxable year; (iv) the capital gain arising from such sale, exchange or disposition is attributed to real estate located in Israel; or (v) the capital gains arising from such sale, exchange or disposition is attributed to royalties. In each case, the sale, exchange or disposition of such shares would be subject to Israeli tax, to the extent applicable; however, under the United States-Israel Tax Treaty, the United States resident would be permitted to claim a credit for the Israeli tax against the United States federal income tax imposed with respect to the sale, exchange or disposition, subject to the limitations in United States laws applicable to foreign tax credits. The United States-Israel Tax Treaty does not relate to U.S. state or local taxes.

In some instances, where our shareholders may be liable for Israeli tax on the sale of their ordinary shares, the payment of the consideration may be subject to the withholding of Israeli tax at source. Shareholders may be required to demonstrate that they are exempt from tax on their capital gains in order to avoid withholding at source at the time of sale. Specifically, in transactions involving a sale of all of the shares of an Israeli resident company, in the form of a merger or otherwise, the Israel Tax Authority may require from shareholders who are not liable for Israeli tax to sign declarations in forms specified by this authority or obtain a specific exemption from the Israel Tax Authority to confirm their status as non-Israeli resident, and, in the absence of such declarations or exemptions, may require the purchaser of the shares to withhold taxes at source.

Taxation of Non-Israeli Shareholders on Receipt of Dividends. Non-Israeli residents (whether individuals or corporations) are generally subject to Israeli income tax on the receipt of dividends paid on our ordinary shares at the rate of 25%. With respect to a person who is a "substantial shareholder" (as defined above) at the time of receiving the dividend or on any time during the preceding twelve months, the applicable tax rate is 30%. Dividends paid on publicly traded shares, which are registered with and held by a nominee company, to non-Israeli residents are generally subject to Israeli withholding tax at a rate of 25% (whether the recipient is a "substantial shareholder" or not), unless a lower rate is provided under an applicable tax treaty between Israel and the shareholder's country of residence and provided that a certificate from the Israel Tax Authority allowing for a reduced withholding tax rate is obtained in advance.

In this regard, under the United States-Israel Tax Treaty and subject to the eligibility to the benefits under this treaty, the maximum rate of tax withheld at source in Israel on dividends paid to a holder of our ordinary shares who is a United States resident (for purposes of the United States-Israel Tax Treaty) is 25%. However, generally, the maximum rate of withholding tax on dividends, not generated by an Approved Enterprise or a Beneficiary Enterprise (as such terms are defined in the Encouragement Law), that are paid to a United States corporation holding at least 10% or more of our outstanding voting capital throughout the tax year in which the dividend is distributed as well as during the previous tax year, is 12.5%, provided that no more than 25% of our gross income for such preceding year consists of certain types of dividends and interest. Notwithstanding the foregoing, dividends distributed from income attributed to an Approved Enterprise, or a Beneficiary Enterprise are not entitled to such reduction under such tax treaty but are subject to withholding tax at the rate of 15% for such a United States corporate shareholder, provided that the conditions related to the holding of 10% of our voting capital and to our gross income for the previous year (as set forth in the previous sentence) are met. The aforementioned rates under the United States-Israel Tax Treaty would not apply if the dividend income is derived through a permanent establishment of the U.S. resident which is maintained in Israel. We cannot assure you that we will designate the profits that we may distribute in a way that will reduce shareholders' tax liability. United States residents who are subject to Israeli withholding tax on a dividend may be entitled to a credit or deduction for Untied States federal income tax purposes in the amount of the taxes withheld, subject to detailed rules contained in United States tax legislation.

A non-Israeli resident who receives dividends from which tax was withheld is generally exempt from the obligation to file tax returns in Israel with respect to such income, provided that (i) such income was not derived from a business conducted in Israel by the taxpayer, (ii) the taxpayer has no other taxable sources of income in Israel with respect to which a tax return is required to be filed, and (iii) in the case of individuals, the taxpayer is not obliged to pay excess tax (as further explained below).

Excess Tax

Subject to the provisions of an applicable tax treaty, individuals who are subject to tax in Israel (whether any such individual is an Israeli resident or non-Israeli resident) are also subject to an additional tax at a rate of 3% on annual taxable income (including, but not limited to, dividends, interest and capital gain) exceeding a certain threshold (NIS 698,280 for 2023), which amount is linked to the annual change in the Israeli consumer price index and therefore is usually adjusted on an annual basis.

United States Federal Income Taxation

The following is a description of the material United States federal income tax consequences to U.S. Holders (as defined below) of the acquisition, ownership and disposition of our ordinary shares. This description addresses only the United States federal income tax consequences to holders of our ordinary shares that hold such ordinary shares as capital assets. This description does not address tax considerations applicable to holders that may be subject to special tax rules, including, without limitation:

- banks, financial institutions or insurance companies;
- real estate investment trusts, regulated investment companies or grantor trusts;
- dealers or traders in securities, commodities or currencies;
- tax-exempt entities;
- certain former citizens or long-term residents of the United States;
- persons that received our shares as compensation for the performance of services;
- persons that will hold our shares as part of a "hedging," "integrated" or "conversion" transaction or as a position in a "straddle" for United States federal income tax purposes;
- partnerships (including entities classified as partnerships for United States federal income tax purposes) or other pass-through entities, or holders that will hold our shares through such an entity;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the ordinary shares being taken into account in an "applicable financial statement" pursuant to Section 451(b) of the Code;
- U.S. Holders (as defined below) whose "functional currency" is not the U.S. dollar; or
- holders that own directly, indirectly or through attribution 10.0% or more of the voting power or value of our shares.

Moreover, this description does not address the United States federal estate, gift or alternative minimum tax consequences, or any state, local or foreign tax consequences, of the acquisition, ownership and disposition of our ordinary shares.

This description is based on the Code, existing, proposed and temporary United States Treasury Regulations and judicial and administrative interpretations thereof, in each case as in effect and available on the date hereof. Each of the foregoing is subject to change, which change could apply retroactively and could affect the tax consequences described below. There can be no assurances that the U.S. Internal Revenue Service will not take a different position concerning the tax consequences of the acquisition, ownership and disposition of our ordinary shares or that such a position would not be sustained.

For purposes of this description, a "U.S. Holder" is a beneficial owner of our ordinary shares that, for United States federal income tax purposes, is:

- a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States or any state thereof, including the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if such trust has validly elected to be treated as a United States person for United States federal income tax purposes or if (1) a court within the United States is able to exercise primary supervision over its administration and (2) one or more United States persons have the authority to control all of the substantial decisions of such trust.

A "Non-U.S. Holder" is a beneficial owner of our ordinary shares that is neither a U.S. Holder nor a partnership (or other entity treated as a partnership for United States federal income tax purposes).

If a partnership (or any other entity treated as a partnership for United States federal income tax purposes) holds our ordinary shares, the tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership is encouraged to consult its tax advisor as to its tax consequences.

You are encouraged to consult your advisor with respect to the United States federal, state, local and foreign tax consequences of acquiring, owning and disposing of our ordinary shares.

Distributions

Subject to the discussion below under "Passive Foreign Investment Company Considerations," if you are a U.S. Holder, the gross amount of any distribution that we pay you with respect to our ordinary shares before reduction for any Israeli taxes withheld therefrom generally will be includible in your income as dividend income to the extent such distribution is paid out of our current or accumulated earnings and profits as determined under United States federal income tax principles. To the extent that the amount of any cash distribution exceeds our current and accumulated earnings and profits as determined under United States federal income tax principles, it will be treated first as a tax-free return of your adjusted tax basis in our ordinary shares and thereafter as capital gain. We do not expect to maintain calculations of our earnings and profits under United States federal income tax principles. Therefore, if you are a U.S. Holder you should expect that the entire amount of any cash distribution generally will be reported as dividend income to you; provided, however, that distributions of ordinary shares to U.S. Holders that are part of a pro rata distribution to all of our shareholders generally will not be subject to United States federal income tax. Subject to the PFIC rules discussed below, non-corporate U.S. Holders may qualify for the lower rates of taxation with respect to dividends on ordinary shares applicable to long-term capital gains (*i.e.*, gains from the sale of capital assets held for more than one year), provided that certain conditions are met, including certain holding period requirements and the absence of certain risk reduction transactions. However, such reduced rate shall not apply if we are a PFIC for the taxable year in which we pay a dividend, or were a PFIC for the preceding taxable year. As discussed below, we believe we were classified as a PFIC for the year ended December 31, 2023 (and prior years). Dividends will not be eligible for the dividends received deduction generally allowed to corporate U.S. Holders.

If you are a U.S. Holder, dividends that we pay you with respect to our ordinary shares will be treated as foreign source income, which may be relevant in calculating your foreign tax credit limitation. Subject to certain conditions and limitations, Israeli tax withheld on dividends may be deducted from your taxable income or credited against your United States federal income tax liability. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends that we distribute generally should constitute "passive category income." A foreign tax credit for foreign taxes imposed on distributions may be denied if you do not satisfy certain minimum holding period requirements. The rules relating to the determination of the foreign tax credit are complex, and you are encouraged to consult your tax advisor to determine whether and to what extent you will be entitled to this credit.

Sale, Exchange or Other Disposition of Ordinary Shares

Subject to the discussion below under "Passive Foreign Investment Company Considerations," if you are a U.S. Holder, you generally will recognize an amount of gain or loss on the sale, exchange or other disposition of our ordinary shares equal to the difference between the amount realized on such sale, exchange or other disposition and your tax basis in our ordinary shares, and such gain or loss will be capital gain or loss. The tax basis in an ordinary share generally will equal the cost of such ordinary share. If you are a non-corporate U.S. Holder, capital gain from the sale, exchange or other disposition of ordinary shares generally will be eligible for a preferential rate of taxation applicable to capital gains, if your holding period for such ordinary shares exceeds one year. The deductibility of capital losses for United States federal income tax purposes is subject to limitations under the Code. However, as discussed below, we believe we were classified as a PFIC for the year ended December 31, 2023 (and prior years), in which case special rules may apply as explained below. Any such gain or loss that a U.S. Holder recognizes generally will be treated as U.S. source income or loss for foreign tax credit limitation purposes.

Passive Foreign Investment Company Considerations

Based on certain estimates of our gross income and gross assets and the nature of our business, we believe that we were classified as a PFIC for the taxable year ending December 31, 2023 (and prior years). As a result, a U.S. Holder who held our ordinary shares at any time during 2023 would be subject to special rules generally intended to reduce or eliminate any benefits from the deferral of U.S. federal income tax that a U.S. Holder could derive from investing in a non-U.S. company that does not distribute all of its earnings on a current basis.

A non-U.S. corporation will be classified as a PFIC for federal income tax purposes in any taxable year in which, after applying certain look-through rules, either:

- at least 75% of its gross income is "passive income"; or
- at least 50% of the average quarterly value of its gross assets (which may be determined in part by the market value of our ordinary shares, which is subject to change) is attributable to assets that produce "passive income" or are held for the production of passive income.

Passive income for this purpose generally includes dividends, interest, royalties, rents, gains from commodities and securities transactions, the excess of gains over losses from the disposition of assets which produce passive income, and includes amounts derived by reason of the temporary investment of funds raised in offerings of our ordinary shares. If a non-U.S. corporation owns at least 25% by value of the stock of another corporation, the non-U.S. corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation and as receiving directly its proportionate share of the other corporation's income. For publicly traded corporations, the PFIC asset test described above is applied using the fair market value of the non-U.S. corporation's assets. For purposes of a the PFIC asset test, a publicly traded non-U.S. corporation may treat the aggregate fair market value of its assets as being equal to the sum of its Market Capitalization and the total amount of its liabilities. We intend to take the position that the excess of our Market Capitalization plus liabilities over the book value of all of our assets may generally be treated as attributable to non-passive asset. If we are classified as a PFIC in any year with respect to which a U.S. Holder owns our ordinary shares, we will continue to be treated as a PFIC with respect to such U.S. Holder in all succeeding years during which the U.S. Holder owns our ordinary shares, regardless of whether we continue to meet the tests described above.

Based on the book value of our assets and liabilities and our Market Capitalization in 2023, we believe that we met the PFIC asset test described above for 2023 and, as a result, we were classified as a PFIC in 2023. Furthermore, because we currently hold, and expect to continue to hold, a substantial amount of cash and cash equivalents and other passive assets used in our business, and because our Market Capitalization is currently below the level necessary to avoid PFIC status for 2023, there is substantial risk we will be classified as a PFIC for the 2024 taxable year as well. However, because PFIC status is based on our income, assets and activities for the entire taxable year, and our Market Capitalization, it is not possible to determine whether we will be characterized as a PFIC for the 2024 taxable year until after the close of the year. Moreover, we must determine our PFIC status annually after the close of each taxable year based on tests which are factual in nature, and our status in future years will depend on our income, assets, activities and Market Capitalization in those years. Thus, there can be no assurance that we will not be considered a PFIC for the current taxable year or any future taxable year.

If we are a PFIC for any taxable year during which a U.S. Holder owns ordinary shares, we will generally continue to be treated as a PFIC with respect to such U.S. Holder for all succeeding years during which such U.S. Holder owns such ordinary shares, unless we cease to be a PFIC and the U.S. Holder makes a "deemed sale" election with respect to such ordinary shares. If such election is made, the U.S. Holder will be deemed to have sold the ordinary shares it holds at their fair market value and any gain from the deemed sale would be subject to the rules described in the following paragraph. After the deemed sale election, so long as we do not become a PFIC in a subsequent taxable year, the ordinary shares with respect to which such election was made will not be treated as shares in a PFIC and will not be subject to the rules described below with respect to any "excess distribution" the U.S. Holder receives from us or any gain from an actual sale or other disposition of such ordinary shares. U.S. Holders are strongly urged to consult their tax advisors as to the possibility and consequences of making a deemed sale election if we were to become and then cease to be a PFIC, and such election becomes available.

If you are a U.S. Holder that owns our ordinary shares during 2023 or any other taxable year for which we are a PFIC, then unless you make one of the elections described below, a special tax regime will apply to both (a) any "excess distribution" by us to you (generally, your ratable portion of distributions in any year which are greater than 125% of the average annual distribution received by you in the shorter of the three preceding years or your holding period for our ordinary shares) and (b) any gain realized on the sale or other disposition of the ordinary shares. Under this regime, any excess distribution and realized gain will be treated as ordinary income (even if you hold the ordinary shares as capital assets) and will be subject to tax as if (a) the excess distribution or gain had been realized ratably over your holding period, (b) the amount deemed realized in each year had been subject to tax in each year of that holding period at the highest marginal rate for such year (other than income allocated to the current period or any taxable period before we became a PFIC, which would be subject to tax at the U.S. Holder's regular ordinary income rate for the current year and would not be subject to the interest change discussed below), and (c) the interest charge generally applicable to underpayments of tax had been imposed on the taxes deemed to have been payable in those years. The tax liability for amounts allocated to years prior to the year of disposition or excess distribution cannot be offset by any net operating losses for such years.

If we are a PFIC for any taxable year during which a U.S. Holder holds our ordinary shares, then in lieu of being subject to the tax and interest charge rules discussed above, a U.S. Holder may make an election to include gain on the stock of a PFIC as ordinary income under a mark-to-market method, provided that such ordinary shares are "regularly traded" on a "qualified exchange." In general, our ordinary shares will be treated as "regularly traded" for a given calendar year if more than a *de minimis* quantity of our ordinary shares are traded on a qualified exchange on at least 15 days during each calendar quarter of such calendar year. Our ordinary shares are listed, and we expect them to continue to be listed for the foreseeable future, on the New York Stock Exchange, which is a qualifying exchange for this purpose. However, no assurance can be given that our ordinary shares will continue to be regularly traded on a "qualified exchange" for purposes of the mark-to-market election. In addition, because a mark-to-market election cannot be made for any lower-tier PFICs that we may own, a U.S. Holder may continue to be subject to the PFIC rules discussed above with respect to such holder's indirect interest in any investments we hold that are treated as an equity interest in a PFIC for United States federal income tax purposes.

If a U.S. Holder makes an effective mark-to-market election, in each year that we are a PFIC, such U.S. Holder will include in each year that we are a PFIC as ordinary income the excess of the fair market value of such U.S. Holder's ordinary shares at the end of the year over such U.S. Holder's adjusted tax basis in the shares. Such U.S. Holder will be entitled to deduct as an ordinary loss in each such year the excess of such U.S. Holder's adjusted tax basis in the ordinary shares over their fair market value at the end of the year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. If a U.S. Holder makes an effective mark-to-market election, in each year that we are a PFIC, any gain such U.S. Holder recognizes upon the sale or other disposition of such U.S. Holder's ordinary shares will be treated as ordinary income and any loss will be treated as ordinary loss, but only to the extent of the net amount of previously included income as a result of the mark-to-market election.

A U.S. Holder's adjusted tax basis in the ordinary shares will be increased by the amount of any income inclusion and decreased by the amount of any deductions under the mark-to-market rules discussed above. If a U.S. Holder makes an effective mark-to-market election, it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the ordinary shares are no longer regularly traded on a qualified exchange or the IRS consents to the revocation of the election. U.S. Holders are encouraged to consult their tax advisers about the availability of the mark-to-market election, and whether making the election would be advisable in their particular circumstances.

In certain circumstances, a U.S. equity holder in a PFIC may avoid the adverse tax and interest-charge regime described above by making a "qualified electing fund" election to include in income its share of the corporation's income on a current basis. However, a U.S. Holder may make a qualified electing fund election with respect to the ordinary shares only if we agree to furnish the Holder annually with a PFIC annual information statement as specified in the applicable Treasury regulations.

We do not intend to provide the information necessary for U.S. Holders to make qualified electing fund elections if we are classified as a PFIC. U.S. Holders are encouraged to consult their tax advisors to determine whether any of these elections would be available and if so, what the consequences of the alternative treatments would be in their particular circumstances.

If we are determined to be a PFIC for any year in which a U.S. Holder holds our ordinary shares, the general tax treatment for the U.S. Holder described in this paragraph would apply to indirect distributions and gains deemed to be realized by the U.S. Holders in respect of any of our subsidiaries that also may be determined to be PFICs.

If a U.S. Holder owns ordinary shares during any year in which we are a PFIC and the U.S. Holder recognizes gain on a disposition of our ordinary shares or receives distributions with respect to our ordinary shares, the U.S. Holder generally will be required to file an IRS Form 8621 with respect to the company, generally with the U.S. Holder's federal income tax return for that year. If our company were a PFIC for a given taxable year, then you are encouraged to consult your tax advisor concerning your annual filing requirements.

U.S. Holders are strongly encouraged to consult their tax advisors regarding the consequences of our classification as a PFIC for our 2023 taxable year, our potential classification as a PFIC in 2024 and future taxable years, and the application of the PFIC rules on their investment.

Backup Withholding Tax and Information Reporting Requirements

United States backup withholding tax and information reporting requirements may apply to certain payments to certain holders of stock. Information reporting generally will apply to payments of dividends on, and to proceeds from the sale or redemption of, our ordinary shares made within the United States, or by a United States payor or United States middleman, to a holder of our ordinary shares, other than an exempt recipient (including a payee that is not a United States person that provides an appropriate certification and certain other persons). A payor will be required to withhold backup withholding tax from any payments of dividends on, or the proceeds from the sale or redemption of, ordinary shares within the United States, or by a United States payor or United States middleman, to a holder, other than an exempt recipient, if such holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, such backup withholding tax requirements. Any amounts withheld under the backup withholding rules will be allowed as a credit against the beneficial owner's United States federal income tax liability, if any, and any excess amounts withheld under the backup withholding rules may be refunded, provided that the required information is timely furnished to the Internal Revenue Service.

Foreign Asset Reporting

Certain U.S. Holders who are individuals are required to report information relating to an interest in our ordinary shares, subject to certain exceptions (including an exception for shares held in accounts maintained by financial institutions). U.S. Holders are encouraged to consult their tax advisors regarding their information reporting obligations, if any, with respect to their ownership and disposition of our ordinary shares.

Medicare Tax

Certain U.S. Holders that are individuals, estates or trusts are subject to a 3.8% tax on all or a portion of their "net investment income," which may include all or a portion of their dividend income and net gains from the disposition of ordinary shares. Each U.S. Holder that is an individual, estate or trust is encouraged to consult its tax advisors regarding the applicability of the Medicare tax to its income and gains in respect of its investment in the ordinary shares.

The above description is not intended to constitute a complete analysis of all tax consequences relating to acquisition, ownership and disposition of our ordinary shares. You are encouraged to consult your tax advisor concerning the tax consequences of your particular situation.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are currently subject to the informational requirements of the Exchange Act applicable to foreign private issuers and fulfill the obligations of these requirements by filing reports with the SEC. As a foreign private issuer, we are exempt from the rules under the Exchange Act relating to the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we intend to file with the SEC, within 120 days after the end of each subsequent fiscal year, an annual report on Form 20-F containing financial statements which will be examined and reported on, with an opinion expressed, by an independent public accounting firm. We also intend to furnish to the SEC reports of foreign private issuer on Form 6-K containing unaudited quarterly financial information.

The SEC maintains an Internet website at http://www.sec.gov that contains reports, including this Annual Report and the documents referred to herein, proxy statements, information statements and other material that are filed through the SEC's Electronic Data Gathering, Analysis and Retrieval, or "EDGAR" system.

We also file annual and special reports and other information with the Israeli Securities Authority through its fair disclosure electronic system called MAGNA. You may review these filings on the website of the MAGNA system operated by the Israeli Securities Authority at www.magna.isa.gov.il or on the website of the TASE at www.tase.co.il.

Our ordinary shares are quoted on the TASE and, since December 2016, on Nasdaq (after being listed on the NYSE from November 2013 until December 2016). Information about us is also available on our website at http://www.evogene.com. Our website and the information contained therein or connected thereto will not be deemed to be incorporated into this Annual Report and you should not rely on any such information in making your decision whether to purchase our ordinary shares.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk from changes in exchange rates, interest rates and inflation. We therefore continue to closely monitor the macro-economic conditions that result therefrom. We regularly assess the implications of these global conditions on our operations, liquidity, cash flow and product candidates and seek to act to mitigate any adverse consequences, to the extent possible, in a commercially reasonable manner, if and when applicable. For a sensitivity analysis of our exposure to foreign currency exchange fluctuations and changes in market prices of listed securities, see Note 14d to our consolidated financial statements as of, and for the year ended, December 31, 2023 included elsewhere in this Annual Report.

Foreign Currency Risk

A significant portion of our expenses is denominated in currencies other than the U.S. dollar. We are therefore subject to non-U.S. currency risks and non-U.S. exchange exposure, especially the NIS. A significant portion of our operating costs are in Israel, consisting principally of salaries and related personnel expenses, and facility expenses, which are denominated in NIS. This foreign currency exposure gives rise to market risk associated with exchange rate movements of the U.S. dollar against the NIS and other currencies. Furthermore, we anticipate that a significant portion of our expenses will continue to be denominated in NIS. We do not hedge against currency risk through the use of forward currency contracts or other financial instruments. See "Risk factors— Risks Relating to Our Incorporation and Location in Israel-Exchange rate fluctuations between the U.S. dollar and the NIS may negatively affect our financial results." 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.

Most of our revenues are denominated in U.S. dollars. By contrast, we incur expenses primarily denominated in NIS. As a result, any appreciation of the NIS relative to the U.S. dollar adversely impacts our profitability due to the portion of our expenses that are incurred in NIS. The depreciation of the NIS relative to the U.S. dollar, based on average exchange rates throughout the year, was 9.7% and 4.0% during 2023 and 2022, respectively. In the future we may enter into hedging transactions in order to decrease our foreign currency risk; however, these transactions may not fully protect us from such risk.

Our exposure related to exchange rate changes on our net asset position denominated in currencies other than U.S. dollars varies with changes in our net asset position. Net asset position refers to financial assets, such as trade receivables and cash and cash deposits, less financial liabilities, such as trade payable and other payables. The impact of any such transaction gains or losses is reflected in financing expenses or income. Our most significant exposure relates to a potential change in the U.S. dollar-NIS exchange rates. Assuming a 10% decrease in the U.S. dollar relative to the NIS, and assuming no other change, our financing expenses would have increased by approximately $0.8 million and $0.1 million due to our negative net asset position denominated in NIS as of December 31, 2023 and 2022, respectively, and our financing expenses would have decreased by $1.3 million due to our positive net asset position denominated in NIS as of December 2021.

Commodity Price Risk

Changes in commodity prices in the agriculture markets may affect our reported operating results and cash flows in view of our activity in the agriculture segment. For example, a decrease in the prices of corn and soy grains may adversely impact the budget for, and size of, research and development expenditures of our existing and potential collaborators and, in turn, our ability to continue or extend existing collaborations or enter into new ones. Further, the royalties we may receive from our collaborators on the sales and transfers of seeds containing the traits we develop could be affected by fluctuations in seed commodity prices. As of December 31, 2023, we did not have any hedge arrangements in place to protect our exposure to commodity price fluctuations.

Interest rate risk

From time to time, we hold corporate bonds and government treasury notes denominated in NIS and in U.S. dollars. These investments expose us to the risk of interest rate fluctuations. A decrease in Israeli or in U.S. interest rates could cause the fair value of these investments to decrease.

Impact of inflation

While it is difficult to accurately measure the impact of inflation due to the imprecise nature of the estimates required, we do not believe inflation has had a material effect on our historical results of operations and financial condition. However, if our costs were to become subject to significant inflationary pressures, we will not be able to fully offset higher costs through price increases or other corrective measures due to our limited amount of a commercialized product in the market, and it could adversely affect our business, financial condition and results of operations.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2023. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2023, to provide reasonable assurance that the information required to be disclosed in filings and submissions under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, and that such information related to us and our consolidated subsidiaries is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions about required disclosure.

(b) Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Our management recognizes that there are inherent limitations in the effectiveness of any system of internal control over financial reporting, including the possibility of human error and the circumvention or override of internal control. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect all misstatements. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2023. In conducting its assessment of internal control over financial reporting, management used the framework and criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) as of the end of the period covered by this report. Based on that evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2023.

(c) Attestation Report of Registered Public Accounting Firm

We are neither an accelerated filer nor a large accelerated filer as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended. Therefore, we are not required under Section 202 of the Sarbanes-Oxley Act (and the SEC rules and regulations thereunder) to provide an attestation report on management's assessment of our internal control over financial reporting from a registered public accounting firm in this Annual Report.

(d) Changes in internal control over financial reporting

During the period covered by this Annual Report, no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act), have occurred that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that each of Mr. Dan Falk and Mr. Nir Nimrodi qualifies as an audit committee financial expert, as defined by the rules of the SEC, and has the requisite financial experience required by the Nasdaq Listing Rules. In addition, each of Mr. Falk and Mr. Nimrodi is independent, as such term is defined in Rule 10A-3(b)(1) under the Exchange Act and under the Nasdaq Listing Rules.

ITEM 16B. CODE OF ETHICS

We have adopted a Code of Ethics and Proper Business Conduct applicable to our executive officers, directors and all other employees, which is a "code of ethics" as defined in this Item 16B of Form 20-F promulgated by the SEC. We have also implemented a training program for new and existing employees concerning our Code of Ethics and Proper Business Conduct. A copy of the code is delivered to every employee of Evogene Ltd. and all of its subsidiaries, and is available to investors and others, without charge, on our website at http://www.evogene.com/investor-relations/corporate-governance/ or by contacting our investor relations department. Information contained on, or that can be accessed through, our website does not constitute a part of this Form 20-F and is not incorporated by reference herein. Under Item 16B of Form 20-F, if a waiver or amendment of the Code of Business Conduct and Ethics applies to our principal executive officer, principal financial officer, principal accounting officer, controller or other persons performing similar functions and relates to standards promoting any of the values described in Item 16B(b) of Form 20-F, we will disclose such waiver or amendment on our website within four business days following the date of amendment or waiver in accordance with the requirements of the Nasdaq listing rules and Instruction 4 to such Item 16B. We granted no waivers under our Code of Ethics and Proper Business Conduct in 2023. We also intend to disclose any amendments to, or waivers of, the Code of Ethics and Proper Business Conduct applicable to our directors or executive officers on our website.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Principal Accountant Fees and Services.

We paid or accrued the following fees for professional services rendered by Kost, Forer, Gabbay & Kasierer, a member of Ernst & Young Global and an independent registered public accounting firm, for the fiscal years ended December 31, 2022 and 2023:

	2022	2023
Audit Fees	$ 190,000	$ 190,000
Audit Related Fees	-	-
Tax Fees	20,000	20,000
All other fees	-	10,000
Total	$ 210,000	$ 220,000

"Audit Fees" are the aggregate fees billed for the audit of our annual financial statements. This category also includes services that generally the independent accountant provides, such as consents and assistance with and review of documents filed with the SEC.

"Tax Fees" include fees for professional services rendered by our auditors for tax compliance and tax consulting in connection with international transfer pricing.

"All Other Fees" include fees for professional services rendered by our auditors for VAT consulting to one of our subsidiaries.

Our audit committee has adopted a pre-approval policy for the engagement of our independent accountant to perform certain audit and non-audit services. Pursuant to this policy, which is designed to assure that such engagements do not impair the independence of our auditors, the audit committee pre-approves annually any specific audit and non-audit services, audit-related services and tax services that may be performed by our independent accountants. Pursuant to that policy, our audit committee pre-approved all fees paid to our auditors for the year ended December 31, 2023.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

Except as otherwise indicated, we are in compliance with corporate governance standards as currently applicable to us under Israeli, U.S., SEC and Nasdaq laws, rules and/or regulations, as applicable. Under the Nasdaq Listing Rules, as a foreign private issuer (as such term is defined in Rule 3b-4 under the Securities Exchange Act of 1934, as amended), we may elect to follow certain corporate governance practices permitted under the Companies Law in lieu of compliance with corresponding corporate governance requirements otherwise imposed by the Nasdaq Listing Rules for U.S. domestic issuers. We currently follow the provisions of the Companies Law, rather than the Nasdaq Listing Rules, solely with respect to the following requirements:

- *Quorum*. As permitted under the Companies Law, pursuant to our articles of association, the quorum required for an ordinary meeting of shareholders consists of at least two shareholders present in person, by proxy or by other voting instrument in accordance with the Companies Law, who hold at least 25% of the voting power of our shares (and in an adjourned meeting, with some exceptions, at least two shareholders), instead of 33 1/3% of the issued share capital, as required under the Nasdaq Listing Rules.

- *Executive sessions of independent directors*. Israeli law does not require executive sessions of independent directors. Although all of our current directors are "independent directors" under the applicable Nasdaq criteria, we do not intend to comply with this requirement if we have directors who are not independent.

- *Shareholder approval*. We seek shareholder approval for all corporate actions requiring such approval under the Companies Law, which include (i) transactions with directors concerning the terms of their service or indemnification, exemption and insurance for their service (or for any other position that they may hold at our company), (ii) transactions concerning the compensation, indemnification, exculpation and insurance of the chief executive officer; (iii) the compensation policy recommended by the compensation committee of our board of directors and approved by our board of directors (and any amendments thereto); (iv) extraordinary transactions with, and the terms of employment or other engagement of, a controlling shareholder (if and when this becomes relevant to our company), (v) amendments to our articles of association, and (vi) certain non-public issuances of securities. In addition, under the Companies Law, a merger requires approval of the shareholders of each of the merging companies. We are not required, however, to seek shareholder approval for any of the following events described in the Nasdaq Listing Rules:

  - certain issuances of shares in excess of 20% of the outstanding shares of the Company;

  - an issuance that will result in a change of control of our company; and

  - adoption of, or material changes to, our equity compensation plans.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable

ITEM 16J. INSIDER TRADING PLANS (10B5-1)

Not applicable.

ITEM 16K. Cybersecurity

Cybersecurity Risk Management and Strategy

We have founded and implemented an information security committee which encompasses management of cybersecurity risk intended to protect the confidentiality, integrity, and availability of our critical systems and information. Among the committee members' responsibilities are cybersecurity incident response management. The committee utilizes common methodologies, reporting channels and governance processes and consists of members across the Company's group, among which are representatives from our executive management, business development, R&D, legal, compliance, operations and finance.

The Committee is designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise IT environment. An IT team is principally responsible for the assessment of our cybersecurity risks, our security controls, and our response to cybersecurity incidents. We use external service providers, where appropriate, to assess, test or otherwise assist with aspects of our security controls.

Cybersecurity Governance

Our audit committee oversees our cybersecurity risk management. The audit committee receives a yearly report from management on our cybersecurity status. In addition, management updates the Audit Committee, as necessary, regarding any material cybersecurity incidents.

Our information security management team, including our Chief Technology Officer and VP Operations, is responsible for assessing and managing our material risks from cybersecurity threats. The team has primary responsibility for our overall cybersecurity management and supervises both our internal cybersecurity personnel and our retained external cybersecurity consultants. Our management team's experience includes previous Chief Information Security Officer roles and degrees in relevant fields.

Our management team supervises efforts to prevent, detect, mitigate, and remediate cybersecurity events and incidents through various means, which may include briefings from internal security personnel; threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by us; and alerts and reports produced by security tools deployed in the IT environment.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have provided financial statements pursuant to Item 18.

ITEM 18. FINANCIAL STATEMENTS

The audited consolidated financial statements as required under Item 18 are attached hereto starting on page F-2 of this annual report. The audit report of Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, an independent registered public accounting firm, is included herein preceding the audited consolidated financial statements.

ITEM 19. EXHIBITS

ANNUAL REPORT ON FORM 20-F
INDEX OF EXHIBITS

Exhibit No.	Description
1.1	Amended and Restated Articles of Association of the Registrant (incorporated by reference to Exhibit 1.1 to Evogene's Annual Report on Form 20-F for the year ended December 31, 2017, filed with the SEC on March 30, 2018)
2.1	Description of ordinary shares of Evogene Ltd. †
4.1	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.9 to Evogene's Registration Statement on Form F-1, as amended (Registration No. 333-191315))
4.2	Evogene Share Option Plan (2002) (incorporated by reference to Exhibit 10.10 to Evogene's Registration Statement on Form F-1, as amended (Registration No. 333-191315))
4.3	Evogene Ltd. Key Employee Share Incentive Plan, 2003 (incorporated by reference to Exhibit 10.11 to Evogene's Registration Statement on Form F-1, as amended (Registration No. 333-191315))
4.4.1	Evogene Ltd. 2013 Share Option Plan (incorporated by reference to Exhibit 10.12 to Evogene's Registration Statement on Form F-1, as amended (Registration No. 333-191315))
4.4.2	2015 U.S. Addendum to Evogene Ltd. 2013 Share Option Plan (incorporated by reference to Exhibit A to the proxy statement for Evogene's special general meeting of shareholders held on March 15, 2016, annexed as Exhibit 99.1 to Evogene's Report of Foreign Private Issuer on Form 6-K, furnished to the SEC on February 4, 2016)
4.5	Evogene Ltd. 2021 Share Incentive Plan (incorporated by reference to Appendix B of Exhibit 99.2 to Evogene's Report of Foreign Private Issuer on Form 6-K, furnished to the SEC on June 23, 2021)
4.6	Evogene Ltd. Officers Compensation Policy (previously filed with the SEC on March 31, 2022 as Exhibit 4.6 to the Registrant's Annual Report on Form 20-F for the year ended December 31, 2021 and incorporated by reference herein).
4.7	Share Purchase Agreement, dated as of August 6, 2019, by and among Evogene Ltd., Lavie Bio Ltd., Lavie Bio Inc., Lavie Tech Inc., Pioneer Hi-Bred International, Inc. and Taxon Biosciences, Inc. *
4.8	Controlled Equity Offering Sales Agreement, dated as of January 14, 2021, by and between Evogene Ltd. and Cantor Fitzgerald & Co. (incorporated by reference to Exhibit 10.1 to Evogene's Report of Foreign Private Issuer on Form 6-K, furnished to the SEC on January 14, 2021) and Controlled Equity Offering Sales Agreement, dated as of February 19, 2021, by and between Evogene Ltd. and Cantor Fitzgerald & Co. (incorporated by reference to Exhibit 10.1 to Evogene's Report of Foreign Private Issuer on Form 6-K, furnished to the SEC on February 19, 2021)
4.9	Share Purchase Agreement dated December 21, 2022 by and among Biomica Ltd., Evogene Ltd. and Shanghai Healthcare Capital (incorporated by reference to Exhibit 4.9 to Evogene's Annual Report on Form 20-F for the year ended December 31, 2022, filed with the SEC on March 30, 2023).*
4.10	SAFE Agreement dated August 11, 2022 between Lavie Bio Ltd. and BKG Finance GmbH (incorporated by reference to Exhibit 4.10 to Evogene's Annual Report on Form 20-F for the year ended December 31, 2022, filed with the SEC on March 30, 2023)*
4.11	License Agreement between Corteva Agriscience LLC and Lavie Bio Ltd. dated July 14, 2023. †*
4.12	Master Supply Agreement for Supply of Castor Planting Seeds between Casterra Ag Ltd. and ENI dated June 2, 2023. †*
4.13	Securities Purchase Agreement dated as of July 17, 2023, by and between Evogene Ltd. and the purchasers therein. (incorporated by reference to Exhibit 10.1 to Evogene's Report of Foreign Private Issuer on Form 6-K, furnished to the SEC on July 17, 2023)
4.14	Placement Agency Agreement, dated July 17, 2023, by and between Evogene Ltd. and A.G.P./Alliance Global Partners (incorporated by reference to Exhibit 10.2 to Evogene's Report of Foreign Private Issuer on Form 6-K, furnished to the SEC on July 17, 2023)
8.1	List of subsidiaries of the Registrant (incorporated by reference to Exhibit 8.1 to Evogene's Annual Report on Form 20-F for the year ended December 31, 2022, filed with the SEC on March 30, 2023)
12.1	Certificate of Chief Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a)†
12.2	Certificate of Chief Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15d-14(a)†
13.1	Certificate of Chief Executive Officer pursuant to 18 U.S.C. §1350^
13.2	Certificate of Chief Financial Officer pursuant to 18 U.S.C. §1350^
15.1	Consent of Kost Forer Gabbay and Kasierer, a member of Ernst & Young Global, independent registered public accounting firm†
97.1	Policy for Recovery of Erroneously Awarded Compensation †
101	The following financial information from Evogene Ltd.'s Annual Report on Form 20-F for the year ended December 31, 2023 formatted in inline XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Financial Position at December 31, 2023 and 2022; (ii) Consolidated Statements of Profit or Loss for the years ended December 31, 2023, 2022 and 2021; (iii) Consolidated Statements of Changes in Equity for the years ended December 31, 2023, 2022 and 2021; (iv) Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021; and (v) Notes to Consolidated Financial Statements, tagged as blocks of text.†
104	Cover Page Interactive Data File 101

† Filed herewith.
^ Furnished herewith.
* In accordance with the rules of the SEC certain confidential information contained in this exhibit, has been omitted because it (i) is not material and (ii) is the type that the Company treats as private or confidential.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

Evogene Ltd.

Date: March 28, 2024

By: /s/ Ofer Haviv
Name: Ofer Haviv
Title: President and Chief Executive Officer

EVOGENE LTD. AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2023

U.S. DOLLARS IN THOUSANDS

INDEX

Kost Forer Gabbay & Kasierer
144 Menachem Begin Road, Building A
Tel-Aviv 6492102, Israel

Tel: +972-3-6232525
Fax: +972-3-5622555
ey.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of

EVOGENE LTD.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Evogene Ltd. and its subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of profit or loss, changes in equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Intangible Assets

Description of the matter

As of December 31, 2023, the Company's intangible assets with finite lives were $13,169 thousand. As described in Notes 2 and 11 to the consolidated financial statements, intangible assets with finite lives are assessed for recoverability whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Company evaluates assets for potential impairment by comparing the recoverable amount to the carrying amount of the asset. If the carrying amount of the assets exceeds the recoverable amount, impairment is measured based on the difference between the carrying amount of the assets and the recoverable amount.

Auditing the Company's impairment tests for intangible assets with finite lives was complex and highly judgmental due to the significant estimation in management's assumptions to calculate the recoverable amount. The Company's methodologies for estimating the recoverable value of these assets involve significant assumptions and inputs, including projected financial information, amortization period and discount rates, all of which are sensitive to and affected by economic, industry, and company-specific qualitative factors. These assumptions can significantly affect the cash flows used to determine the recoverable amount of the intangible assets.

How we addressed the matter in our audit

We obtained an understanding of the significant inputs and assumptions used by management in the calculations of cash flows to determine the recoverable amount.

To test the Company's impairment assessment for intangible assets with finite lives, we performed audit procedures that included, among others, assessing the methodologies used by management in deriving the recoverable value, testing the significant assumptions and the underlying data used by the Company in its analyses. We compared the significant assumptions used by management to current industry and economic trends, historical financial results and other relevant factors. We also performed sensitivity analyses of the significant assumptions to evaluate the potential change in the recoverable values of these assets resulting from hypothetical changes in underlying assumptions. We also used an internal valuation specialist to assist in our evaluation of the methodologies used and significant assumptions and inputs used to determine the recoverable value of the intangible assets.

S.A.F.E

Description of the matter

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)

SAFE is a standard convertible equity instrument. As of December 31, 2023, the Company's SAFE were $10,368 thousand. As described in Notes 1,3,13 and 14 to the consolidated financial statements. The Company evaluates the SAFE according to the fair value.

How we addressed the matter in our audit

We obtained bank confirmations directly to ensure existence and Reviewed transaction agreements and related accounting analysis prepared by the Company, including classification between equity and liabilities.

We also reviewed and assessed the work performed by an independent valuation firm (S-Cube) to determine the fair value, including the reasonableness of the input data and key assumptions (e.g., discount rate, growth rate, terminal value) and performed audit procedures accordingly.

We used the assistance of EY TAS to verify the methodology used and the computation preformed.

/s/ KOST FORER GABBAY & KASIERER
KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

We have served as the Company's auditor since 2002.

Tel-Aviv, Israel
March 28, 2024

EVOGENE LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

U.S. dollars in thousands

	Note	December 31, 2023	December 31, 2022
CURRENT ASSETS:			
Cash and cash equivalents	6	$ 20,772	$ 28,980
Short-term bank deposits		10,291	-
Marketable securities	7	-	6,375
Trade receivables		357	348
Other receivables and prepaid expenses	8	2,973	1,482
Inventories		76	566
		34,469	37,751
LONG-TERM ASSETS:			
Long-term deposits and other receivables		28	74
Deferred taxes	17d	-	94
Right-of-use-assets	9	980	1,568
Property, plant and equipment, net	10	2,455	2,499
Intangible assets, net	11	13,169	14,140
		16,632	18,375
		$ 51,101	$ 56,126
CURRENT LIABILITIES:			
Trade payables		$ 1,785	$ 1,036
Employees and payroll accruals		2,537	1,987
Lease liability	9	853	884
Liabilities in respect of government grants	12	388	79
Deferred revenues and other advances		362	22
Other payables		1,019	1,617
		6,944	5,625
LONG-TERM LIABILITIES:			
Lease liability	9	285	932
Liabilities in respect of government grants	12	4,426	4,665
Other advances		393	-
Convertible SAFE	5f, 13	10,368	10,114
		15,472	15,711
SHAREHOLDERS' EQUITY:	18		
Ordinary shares of NIS 0.02 par value:			
Authorized – 150,000,000 ordinary shares; Issued and outstanding –50,584,888 ordinary shares on December 31, 2023 and 41,260,439 ordinary shares on December 31, 2022		286	235
Share premium and other capital reserves		269,353	261,402
Accumulated deficit		(257,586)	(233,707)
Equity attributable to equity holders of the Company		12,053	27,930
Non-controlling interests		16,632	6,860
Total equity		28,685	34,790
		$ 51,101	$ 56,126

March 28, 2024			
Date of approval of the financial statements	Sarit Firon Chairperson of the board	Ofer Haviv Chief Executive Officer	Yaron Eldad Chief Financial Officer

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

EVOGENE LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

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

	Note	Year ended December 31, 2023	2022	2021
Revenues	22b	$ 5,640	$ 1,675	$ 930
Cost of revenues	20a	1,692	909	767
Gross profit		3,948	766	163
Operating expenses (income):				
Research and development, net	20b	20,777	20,792	21,125
Sales and marketing	20c	3,611	3,933	2,738
General and administrative	20d	6,068	6,482	7,253
Other income	20e	-	(3,500)	-
Total operating expenses, net		30,456	27,707	31,116
Operating loss		(26,508)	(26,941)	(30,953)
Financing income	20f	1,486	516	1,935
Financing expenses	20f	(965)	(3,329)	(1,414)
Financing income (expenses), net		521	(2,813)	521
Loss before taxes on income		(25,987)	(29,754)	(30,432)
Taxes on income (tax benefit)	17	(33)	90	13
Loss		$ (25,954)	$ (29,844)	$ (30,445)
Attributable to:				
Equity holders of the Company		(23,879)	(26,638)	(27,793)
Non-controlling interests		(2,075)	(3,206)	(2,652)
		$ (25,954)	$ (29,844)	$ (30,445)
Basic and diluted loss per share, attributable to equity holders of the Company	21	$ (0.52)	$ (0.65)	$ (0.69)
Weighted average number of shares used in computing basic and diluted loss per share		45,685,619	41,210,184	40,433,303

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

EVOGENE LTD. AND ITS SUBSIDIARIES

CONSOLIDATED 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
Balance as of January 1, 2021	$ 200	$ 225,121	$ (179,276)	$ 46,045	$ 10,837	$ 56,882
Loss	-	-	(27,793)	(27,793)	(2,652)	(30,445)
Issuance of ordinary shares, net	27	29,555	-	29,582	-	29,582
Forfeiture of non-controlling interests regarding share-based compensation	-	536	-	536	(536)	-
Benefit to non-controlling interests regarding share-based compensation	-	(23)	-	(23)	23	-
Exercise of subsidiary options	-	(378)	-	(378)	378	-
Exercise of pre-funded warrants	6	4,359	-	4,365	-	4,365
Exercise of options	1	426	-	427	-	427
Restricted stock units (“RSUs”) vested	*)	*)	-	-	-	-
Share-based compensation and RSUs	-	892	-	892	1,717	2,609
Balance as of December 31, 2021	$ 234	$ 260,488	$ (207,069)	$ 53,653	$ 9,767	$ 63,420
Loss	-	-	(26,638)	(26,638)	(3,206)	(29,844)
Issuance of ordinary shares, net	1	20	-	21	-	21
Forfeiture of non-controlling interests regarding share-based compensation	-	272	-	272	(272)	-
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 and RSUs	-	617	-	617	569	1,186
Balance as of December 31, 2022	$ 235	$ 261,402	$ (233,707)	$ 27,930	$ 6,860	$ 34,790

*) Represents an amount lower than $1

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

EVOGENE LTD. AND ITS SUBSIDIARIES

CONSOLIDATED 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
Balance as of December 31, 2022	$ 235	$ 261,402	$ (233,707)	$ 27,930	$ 6,860	$ 34,790
Loss	-	-	(23,879)	(23,879)	(2,075)	(25,954)
Issuance of ordinary shares, net	51	8,398	-	8,449	-	8,449
Forfeiture of non-controlling interests regarding share-based compensation	-	71	-	71	(71)	-
Benefit to non-controlling interests regarding share-based compensation	-	3	-	3	(3)	-
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
RSUs vested	*)	*)	-	*)	-	*)
Share-based compensation and RSUs	-	526	-	526	1,351	1,877
Balance as of December 31, 2023	$ 286	$ 269,353	$ (257,586)	$ 12,053	$ 16,632	$ 28,685

*) Represents an amount lower than $1

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

EVOGENE LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended December 31,		
	2023	**2022**	**2021**
Cash flows from operating activities:			
Loss	$ (25,954)	$ (29,844)	$ (30,445)
Adjustments to reconcile loss to net cash used in operating activities:			
Adjustments to the profit or loss items:			
Depreciation	1,641	1,513	1,302
Amortization of intangible assets	971	1,067	932
Share-based compensation	1,877	1,186	2,609
Revaluation of convertible SAFE	254	114	-
Net financing expenses (income)	(666)	2,979	(884)
Decrease in accrued bank interest	-	7	11
Loss (gain) from sale of property, plant and equipment	(26)	-	121
Taxes on income (tax benefit)	(33)	90	13
	4,018	6,956	4,104
Changes in asset and liability items:			
Increase in trade receivables	(9)	(67)	(59)
Decrease (increase) in other receivables	(1,445)	1,113	637
Decrease (increase) in inventories	490	(474)	(92)
Decrease (increase) in deferred taxes	94	(94)	-
Increase (decrease) in trade payables	742	(469)	625
Increase (decrease) in employees and payroll accruals	550	(675)	127
Increase (decrease) in other payables	(534)	48	290
Increase (decrease) in deferred revenues and other advances	(288)	(153)	128
	(400)	(771)	1,656
Cash received (paid) during the year for:			
Interest received	905	186	297
Interest paid	(115)	(165)	(315)
Taxes paid	(31)	(40)	(13)
Net cash used in operating activities	$ (21,577)	$ (23,678)	$ (24,716)

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

EVOGENE LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended December 31,		
	2023	**2022**	**2021**
Cash flows from investing activities:			
Purchase of property, plant and equipment	$ (785)	$ (1,171)	$ (847)
Proceeds from sale of marketable securities	6,924	12,356	4,395
Purchase of marketable securities	(503)	(911)	(23,114)
Proceeds from sale of property, plant and equipment	26	-	-
Withdrawal from (investment in) bank deposits, net	(10,200)	3,000	(1,000)
Net cash provided by (used in) investing activities	(4,538)	13,274	(20,566)
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	8,449	21	29,582
Proceeds from issuance of convertible SAFE	-	10,000	-
Proceeds from exercise of options	-	7	484
Repayment of lease liability	(836)	(803)	(580)
Proceeds from government grants	1,089	149	824
Repayment of government grants	(73)	(31)	(34)
Net cash provided by financing activities	18,152	9,343	30,276
Exchange rate differences - cash and cash equivalent balances	(245)	(2,284)	1,102
Decrease in cash and cash equivalents	(8,208)	(3,345)	(13,904)
Cash and cash equivalents beginning of the year	28,980	32,325	46,229
Cash and cash equivalents end of the year	$ 20,772	$ 28,980	$ 32,325
Significant non-cash activities			
Acquisition of property, plant and equipment	$ 81	$ 74	$ 32
Increase of right-of-use asset recognized with corresponding lease liability	$ 194	$ 90	$ 841
Exercise of pre-funded warrants	$ -	$ -	$ 4,365

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

NOTE 1: – GENERAL

Evogene Ltd. together with its subsidiaries (the "Company" or "Evogene") is a leading computational biology company aiming to revolutionize life-science product development across several market segments, including human health, agriculture, and other industries, by utilizing cutting edge computational technologies. To achieve this mission, Evogene established its unique Computational Predictive Biology ("CPB") platform, leveraging big data and artificial intelligence, and incorporating deep multidisciplinary understanding in life sciences. The CPB platform is the basis for three technology engines, each focused on the direction and acceleration of the discovery and development of products based on one of the following core components: Microbes – *MicroBoost AI*, Small molecules – *ChemPass AI*, Genetic elements – *GeneRator AI*. Evogene uses its technological engines to support the development of products for the life science industry through dedicated 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 AgPlenus Ltd., ag-biologicals by Lavie Bio Ltd. and an integrated end-to-end solution for large-scale castor bean cultivation by Casterra Ag Ltd. The Company has a history of losses and incurred operating losses of $26,508 and $26,941 during the years ended December 31, 2023, and 2022, respectively.

Furthermore, the Company intends to continue to finance its operating activities by raising capital, by seeking collaborations with multinational companies in the industry as well as from revenues derived from the sale of end-products or commercialization of product candidates.

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.

Evogene Ltd. 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's shares have been listed for trading on the Tel Aviv Stock Exchange ("TASE") since 2007, on the New York Stock Exchange ("NYSE") from November 2013 until December 2016, and on the Nasdaq Stock Market ("NASDAQ") since December 2016.

a. The Company principally derives its revenues from collaboration and licensing agreements, sales from castor seeds and sales of medical cannabis products in Israel (see Note 5). As to major customers, see Note 22c.

b. The Company has the following direct and indirect subsidiaries: Casterra Ag Ltd. (formerly Evofuel Ltd.), Evogene Inc., Biomica Ltd., AgPlenus Ltd., AgPlenus Inc., Lavie Bio Ltd., Lavie Bio Inc., Lavie Tech Inc., Taxon Biosciences, Inc. and Canonic Ltd.

Casterra Ag Ltd. was incorporated on December 29, 2011 and is currently focusing on the development and sales 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.

NOTE 1: - GENERAL (Cont.)

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.

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-biological products. In 2019, Lavie Bio Ltd. incorporated two wholly owned subsidiaries, Lavie Bio Inc., located in the City Foundry STL Project, in St. Louis, Missouri, United States, and Lavie Tech Inc. Lavie Tech Inc. wholly owns as a subsidiary Taxon Biosciences, Inc. (see item c below).

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

c. On August 6, 2019, Corteva Inc. ("Corteva"), through its subsidiary Pioneer Hi-Bred International, Inc., made an investment 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. in consideration for 27.84% of Lavie Bio Ltd.'s shares. As part of the foregoing transaction, the parties entered into a commercial arrangement, including the grant to Corteva of certain commercialization rights with respect to Lavie Bio Ltd.'s products, mainly in corn and soybean (see also Note 11 and Note 18f(1)).

d. 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) (see also Note 13).

e. 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. Following the closing of the transaction on April 27, 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.

f. In January 2021, the Company entered into a Controlled Equity Offering Sales Agreement, pursuant to which the Company issued 3,803,594 ordinary shares during January and February 2021, in an at-the-market ("ATM") offering, with a weighted average selling price of $7.36 per share, resulting in gross proceeds of approximately $28,000.

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

NOTE 1: - GENERAL (Cont.)

g. 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 approximately $19,500), 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 2023, 720,221 ordinary shares were issued through the ATM offering, with a weighted selling price of $0.96 per share, resulting in gross proceeds of approximately $695. See also Note 24e.

h. On July 17, 2023, the Company entered into securities purchase agreements with certain 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.

i. The Company's subsidiaries and divisions are split into three operating segments: (1) Agriculture – Evogene seed traits division, Lavie Bio Ltd. and AgPlenus Ltd.; (2) Human health – Biomica Ltd. and Canonic Ltd.; and (3) Industrial – Casterra Ag Ltd. (see also Note 22).

j. Definitions

In these Financial Statements –

Subsidiary	- A company that is controlled by the Company (as defined in International Financial Reporting Standards ("IFRS") 10- Consolidated Financial Statements) and whose accounts are consolidated with those of the Company.
Related parties	- As defined in International Accounting Standard ("IAS") 24- Related Party Disclosures.

NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in the financial statements for all periods presented, unless otherwise stated.

a. Basis of presentation of the financial statements:

These financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

The Company's financial statements have been prepared on a cost basis, except for financial assets and liabilities (including derivatives) which are presented at fair value through profit or loss.

The Company has elected to present profit or loss items using the function of expense method.

b. Functional currency, presentation currency and foreign currency:

1. Functional currency and presentation currency:

The presentation currency of the financial statements is the U.S. dollar.

The Company and its subsidiaries determine the functional currency of each entity, and this currency is used to separately measure each entity's financial position and operating results. The Company's functional currency is the U.S. dollar.

2. Transactions, assets and liabilities in foreign currency:

Transactions denominated in foreign currency are recorded upon initial recognition at the exchange rate at the date of the transaction. After initial recognition, monetary assets and liabilities denominated in foreign currency are translated at each reporting date into the functional currency at the exchange rate at that date. Exchange rate differences, other than those capitalized to qualifying assets or accounted for as hedging transactions in equity, are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currency and measured at cost are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are translated into the functional currency using the exchange rate prevailing at the date when the fair value was determined.

c. Cash equivalents:

Cash equivalents are considered as highly liquid investments, including unrestricted short-term bank deposits with an original maturity of three months or less from the date of investment or with a maturity of more than three months, but which are redeemable on demand without penalty, and which form part of the Company's cash management.

NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

d. Short-term deposits:

Short-term bank deposits are deposits with an original maturity of more than three months from the date of investment and which do not meet the definition of cash equivalents. The deposits are presented according to their terms of deposit.

e. Inventories:

Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprises costs of purchase and costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business. The Company reviews inventory for obsolete, redundant and slow-moving goods and any such inventory is written-down to net realizable value.

Inventories of purchased finished goods and packing materials are initially valued at cost and subsequently at the lower of cost and net realizable value.

f. Government grants:

Government grants received from the Israel Innovation Authority ("IIA") and the Israel-U.S. Binational Industrial Research and Development Foundation ("BIRD") are recognized upon receipt as a liability if future economic benefits are expected from the research project that will result in royalty-bearing sales.

A liability for the loan is first measured at fair value using a discount rate that reflects a market rate of interest. The difference between the amount of the grant received and the fair value of the liability is accounted for as a government grant and recognized as a reduction of research and development expenses. After initial recognition, the liability is measured at amortized cost using the effective interest method. Royalty payments are treated as a reduction of the liability. If no economic benefits are expected from the research activity, the grant receipts are recognized as a reduction of the related research and development expenses. In that event, the royalty obligation is treated as a contingent liability in accordance with IAS 37- Provisions, Contingent Liabilities and Contingent Assets ("IAS 37").

In each reporting date, the Company evaluates whether there is reasonable assurance that the liability recognized, in whole or in part, will not be repaid (since the Company will not be required to pay royalties) based on the best estimate of future sales and using the original effective interest method, and if so, the appropriate amount of the liability is derecognized against a corresponding reduction in research and development expenses.

Amounts paid as royalties are recognized as settlement of the liability.

NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Non-refundable grants from the IIA and the European Union Horizon 2020 for funding research and development projects are recognized at the time the Company is entitled to such grants on the basis of the related costs incurred and recorded as a deduction from research and development expenses.

g. Leases:

For leases in which the Company is the lessee, the Company recognizes on the commencement date of the lease a right-of-use asset and a lease liability, excluding leases whose term is up to 12 months and leases for which the underlying asset is of low value. For these excluded leases, the Company has elected to recognize the lease payments as an expense in profit or loss on a straight-line basis over the lease term.

1. Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Following are the amortization periods of the right-of-use assets by class of underlying asset:

	Years	Mainly
Office space	2-8	6
Laboratory space	2-8	6
Motor vehicles	3	3

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2. Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

In calculating the present value of lease payments, the Company uses its incremental borrowing rate ("IBR") at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in the consumer price index ("CPI") or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of motor vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

h. Property, plant and equipment:

Property, plant and equipment are measured at cost, including directly attributable costs, less accumulated depreciation, accumulated impairment losses and any related investment grants and excluding day-to-day servicing expenses.

Depreciation is calculated on a straight-line basis over the useful life of the assets at annual rates as follows:

	%	Mainly %
Laboratory equipment	9-30	15
Computers and peripheral equipment	15-33.33	33.33
Office equipment and furniture	6-20	6
Leasehold improvements	see below	

Leasehold improvements are depreciated on a straight-line basis over the shorter of the lease term (including the extension option held by the Company and intended to be exercised) and the expected life of the improvement.

The useful life, depreciation method and residual value of an asset are reviewed at least each year-end and any changes are accounted for prospectively as a change in accounting estimate. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

i. Intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for intangible

assets with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss (see Note 11).

A summary of the useful economic lives of the intangible assets purchased by the Company is as follows:

	Years
Pipeline Products	17
Potential Products	19
Microorganisms Collection	20

j. Impairment of non-financial assets:

The Company evaluates the need to record an impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount is not recoverable. If the carrying amount of non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount. The recoverable amount is the higher of fair value less costs of sale and value in use. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. The recoverable amount of an asset that does not generate independent cash flows is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

k. Revenue recognition:

Revenue from contracts with customers is recognized when the control over the goods or services is transferred to the customer. The transaction price is the amount of the consideration that is expected to be received based on the contract terms, excluding amounts collected on behalf of third parties (such as taxes).

If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations such as licenses, services, royalties and milestone events require an allocation of the transaction price to each performance obligation based on a relative standalone selling price ("SSP") basis. The Company establishes SSP based on management judgment, considering internal factors such as margin objectives, pricing practices and historical sales.

Revenue from each performance obligation is recognized when the performance obligation related to that revenue is satisfied and only to the extent of the consideration that is not contingent upon completion or satisfaction of future performance obligations in the contract.

Revenues from research and development services as part of the Company's collaboration agreements are recognized over time, during the period the customer simultaneously receives and consumes the benefits provided by the Company's performance. Recognition of the service is throughout the services period and is determined based on the proportion of actual costs incurred for each reporting period to the estimated total costs, subject to the enforceable rights. The Company charges its customers based on payment terms agreed upon in specific agreements. When payments are made before or after the service is performed, the Company recognizes the resulting contract asset or liability.

Revenues from milestone events stipulated in the agreements are recognized upon the occurrence of the event or achievement of the milestone specified in the agreement.

Costs to fulfill a contract*:*

Costs incurred in fulfilling contracts or anticipated contracts with customers are recognized as an asset when the costs are expected to be recovered. Costs to fulfill a contract comprise direct identifiable costs and indirect costs that can be directly attributed to a contract based on a reasonable allocation method. Costs to fulfill a contract are expensed consistently with the recognition of revenues under the specific contract.

NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

l. Taxes on income:

Current or deferred taxes are recognized in profit or loss, except to the extent that they relate to items which are recognized in other comprehensive income (loss) or equity.

1. Current taxes:

The current tax liability is measured using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date as well as adjustments required in connection with the tax liability in respect of previous years.

2. Deferred taxes:

Deferred taxes are computed in respect of temporary differences between the carrying amounts in the financial statements and the amounts attributed for tax purposes.

Deferred taxes are measured at the tax rate that is expected to apply when the asset is realized, or the liability is settled, based on tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is not probable that they will be utilized. Temporary differences for which deferred tax assets had not been recognized are reviewed at each reporting date and a respective deferred tax asset is recognized to the extent that their utilization is probable.

m. Financial instruments:

The accounting for financial instruments is in accordance with IFRS 9, “Financial Instruments” (“IFRS 9”).

1. Financial assets:

Financial assets are measured upon initial recognition at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets, except for financial assets measured at fair value through profit or loss in respect of which transaction costs are recorded in profit or loss.

The Company classifies and measures debt instruments in the financial statements based on the following criteria:

- The Company's business model for managing financial assets; and

- The contractual cash flow terms of the financial asset.

NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Debt instruments are measured at amortized cost when:

The Company's business model is to hold the financial assets in order to collect their contractual cash flows, and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, the instruments in this category are measured according to their terms at amortized cost using the effective interest rate method, less any provision for impairment.

On the date of initial recognition, the Company may irrevocably designate a debt instrument as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency, such as when a related financial liability is also measured at fair value through profit or loss.

2. Impairment of financial assets:

The Company evaluates at the end of each reporting period the loss allowance for financial debt instruments which are not measured at fair value through profit or loss.

The Company has short-term financial assets such as trade receivables in respect of which the Company applies a simplified approach and measures the loss allowance in an amount equal to the lifetime expected credit losses. An impairment loss on debt instruments measured at amortized cost is recognized in profit or loss with a corresponding loss allowance that is offset from the carrying amount of the financial asset.

3. Financial liabilities:

a) Financial liabilities measured at amortized cost:

Financial liabilities are initially recognized at fair value less transaction costs that are directly attributable to the issue of the financial liability.

After initial recognition, the accounting treatment of financial liabilities is based on their classification as follows:

After initial recognition, the Company measures all financial liabilities at amortized cost using the effective interest rate method, except for financial liabilities at fair value through profit or loss such as derivatives.

b) Financial liabilities measured at fair value through profit or loss:

At initial recognition, the Company measures financial liabilities that are not measured at amortized cost at fair value. Transaction costs are recognized in profit or loss.

After initial recognition, changes in fair value are recognized in profit or loss.

NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

4. De-recognition of financial instruments:

   a. Financial assets:

      A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or the Company has transferred its contractual rights to receive cash flows from the financial asset or assumes an obligation to pay the cash flows in full without material delay to a third party and has transferred substantially all the risks and rewards of the asset or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

   b. Financial liabilities:

      A financial liability is derecognized when it is extinguished, that is when the obligation is discharged or cancelled or expires. A financial liability is extinguished when the debtor (the Company) discharges the liability by paying in cash, other financial assets, goods or services; or is legally released from the liability.

n. Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement is based on the assumption that the transaction will take place in the asset's or the liability's principal market, or in the absence of a principal market, in the most advantageous market.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs (see also Note 13).

NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

All assets and liabilities measured at fair value or for which fair value is disclosed are categorized into levels within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement:

Level 1	-	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	-	Inputs other than quoted prices included within Level 1 that are observable directly or indirectly.
Level 3	-	Inputs that are not based on observable market data (valuation techniques which use inputs that are not based on observable market data).

o. Employee benefit liabilities:

The Company has several employee benefits plans:

1. Short-term employee benefits:

Short-term employee benefits are benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services. These benefits include salaries, paid annual leave, paid sick leave, recreation and social security contributions and are recognized as expenses as the services are rendered. A liability in respect of a cash bonus or a profit-sharing plan is recognized when the Company has a legal or constructive obligation to make such payment as a result of past service rendered by an employee and a reliable estimate of the amount can be made.

2. Post-employment benefits:

The plans are normally financed by contributions to insurance companies and classified as defined contribution plans or as defined benefit plans.

The Company has defined contribution plans pursuant to section 14 of the Israeli Severance Pay Law (the “Severance Law”) under which the Company pays fixed contributions and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient amounts to pay all employee benefits relating to employee service in the current and prior periods.

Contributions to the defined contribution plan in respect of severance or retirement pay are recognized as an expense when contributed concurrently with the performance of the employee's services.

In respect of its severance pay obligation to certain of its employees, the Company makes current deposits in pension funds and insurance companies (“the plan assets”). Plan assets comprise assets held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the Company's own creditors and cannot be returned directly to the Company.

NOTE 2: - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

p. Share-based payment transactions:

The Company's employees and consultants are entitled to remuneration in the form of equity-settled share-based payment transactions.

Equity-settled transactions:

The cost of equity-settled transactions with employees is measured at the fair value of the equity instruments granted at the grant date. The fair value is determined using an acceptable option pricing model.

As for consultants, the cost of the transactions is measured at the fair value of the services received as consideration for equity instruments granted.

The cost of equity-settled transactions is recognized in profit or loss together with a corresponding increase in equity during the period which the performance and/or service conditions are to be satisfied ending on the date on which the relevant employees become entitled to the award ("the vesting period"). The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. No expense is recognized for awards that do not ultimately vest.

If the Company modifies the conditions on which equity-instruments were granted, an additional expense is recognized for any modification that increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee or other service provider at the modification date.

q. Non-controlling interests measurement:

The profits or losses attributed to regular shares are adjusted for the dividends of non-cumulative preference shares classified as equity held by non-controlling interests. The Company allocates profit or loss and each component of other comprehensive income to the owners of the Company and to ordinary non-controlling interests in proportion to their ownership interests in the subsidiary, even if this results in the non-controlling interests having a deficit balance.

NOTE 3: - SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

In the process of applying the significant accounting policies, the Company has made the following judgments which have the most significant effect on the amounts recognized in the financial statements:

a. Judgments:

- Determining the timing of satisfaction of performance obligations:

  In order to determine the timing of recognizing revenues from contracts with customers at a point in time or over time, the Company evaluates the date of transfer of control over the assets or services promised in the contracts. Among others, the Company evaluates whether the customer obtains control of the asset at a specific point in time or consumes the economic benefits associated with the contract simultaneously with the Company's performance. In determining the timing of revenue recognition, the Company also considers the provisions of applicable laws and regulations.

- Discount rate for a lease liability:

  When the Company is unable to readily determine the discount rate implicit in the lease for calculating the lease liability, it uses an IBR that represents the rate of interest that a lessee would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. When the Company cannot rely on borrowing transactions, it determines the IBR based on its financing risk, the lease period and other economic variables dictated by the lease contract's existing conditions and restrictions. The Company occasionally hires an external valuation expert for determining the IBR.

b. Estimates and assumptions:

The preparation of the financial statements requires management to make estimates and assumptions that have an effect on the application of the accounting policies and on the reported amounts of assets, liabilities, revenues and expenses. Changes in accounting estimates are reported in the period of the change in estimate.

The key assumptions made in the financial statements concerning uncertainties at the reporting date and the critical estimates computed by the Company that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Government grants:

  Government grants received from the IIA are recognized as liabilities if future economic benefits are expected from the research and development activity that will result in royalty-bearing sales. There is uncertainty regarding the estimated future cash flows used to measure the amount of the liability.

NOTE 3: - SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS (Cont.)

- Legal claims:

  In estimating the likelihood of outcome of legal claims filed against the Company and its investees, the Company relies on the opinion of its legal counsel. These estimates are based on the legal counsel's best professional judgment, taking into account the stage of proceedings and legal precedents in respect of the different issues. Since the outcome of the claims will be determined in courts, the results could differ from these estimates.

- Determining the fair value of share-based payment transactions:

  The fair value of share-based payment transactions is determined upon initial recognition by an acceptable option pricing model. The inputs to the model include share price (as the Company's subsidiaries' shares are not publicly traded, the fair value of the subsidiaries' shares was estimated by valuation reports prepared by third-party valuation specialists) and exercise price and assumptions regarding expected volatility, expected life of share option and expected dividend yield.

- Determining the fair value of convertible SAFE:

  The fair value of the SAFE issued to ICL (see Note 5f and Note 13) is based on the weighted average value of various scenarios assuming Lavie Bio Ltd.'s estimated enterprise value at the valuation date. The enterprise value is calculated using the income approach, whereby the cash flows expected to be generated are discounted to their present value equivalent using a rate of return that reflects the relative risk of the investment, as well as the time value of money. The value of the SAFE assumes the probability of various possible scenarios to which an acceptable option pricing model is applied. The inputs to the model include the enterprise value described above, the conversion price and assumptions regarding the expected volatility and the expected life of each scenario.

- Leases - Estimating the IBR:

  The Company cannot readily determine the interest rate implicit in the lease; therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

NOTE 3: - SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS (Cont.)

The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Company's stand-alone credit rating).

- Lease extension and/or termination options:

In evaluating whether it is reasonably certain that the Company will exercise an option to extend a lease or not exercise an option to terminate a lease, the Company considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend or not exercise the option to terminate such as, but not limited to: significant amounts invested in leasehold improvements, the significance of the underlying asset to the Company's operation and whether it is a specialized asset and the Company's past experience with similar leases.

After the commencement date, the Company reassesses the term of the lease upon the occurrence of a significant event or a significant change in circumstances that affects whether the Company is reasonably certain to exercise an option to extend or not exercise an option to terminate previously included in the determination of the lease term, such as significant leasehold improvements that had not been anticipated on the lease commencement date, sublease of the underlying asset for a period that exceeds the end of the previously determined lease period, etc.

- Intangible assets - Estimating the fair value:

The fair value of intangible assets purchased is determined upon initial recognition and when the recoverability of those assets is assessed for impairment, by either one of three traditional methods in evaluating an asset. These methods include the market approach, the income approach and the cost approach. The pipeline products and potential products were valued by applying the income approach and the microorganisms collection was valued using the cost approach. The useful economic life was determined through years of development until the final year of projected sales. When applying the income approach, the cash flows expected to be generated by intangible assets are discounted to their present value equivalent using a rate of return that reflects the relative risk of the investment, as well as the time value of money. For each intangible asset, a specific discount rate was calculated using the “Modified CAPM Build-Up Method”.

NOTE 4: - DISCLOSURE OF NEW STANDARDS IN THE PERIOD PRIOR TO THEIR ADOPTION

a. Amendment to IAS 1, "Presentation of Financial Statements":

In January 2020, the IASB issued an amendment to IAS 1, "Presentation of Financial Statements" regarding the criteria for determining the classification of liabilities as current or non-current ("the Original Amendment"). In October 2022, the IASB issued a subsequent amendment ("the Subsequent Amendment").

According to the Subsequent Amendment:

- Only financial covenants with which an entity must comply on or before the reporting date will affect a liability's classification as current or non-current.
- In respect of a liability for which compliance with financial covenants is to be evaluated within twelve months from the reporting date, disclosure is required to enable users of the financial statements to assess the risks related to that liability. The Subsequent Amendment requires disclosure of the carrying amount of the liability, information about the financial covenants, and the facts and circumstances at the end of the reporting period that could result in the conclusion that the entity may have difficulty in complying with the financial covenants.

According to the Original Amendment, the conversion option of a liability affects the classification of the entire liability as current or non-current unless the conversion component is an equity instrument.

The Original Amendment and Subsequent Amendment are both effective for annual periods beginning on or after January 1, 2024 and must be applied retrospectively. Early adoption is permitted.

The above Amendments are not expected to have a material impact on the Company's consolidated financial statements.

NOTE 5: - COLLABORATION, RESEARCH AND DISTRIBUTION AGREEMENTS-

Each of the following agreements amounted to 10% or more of the Company’s total revenues in 2023, 2022 and 2021:

a. In March 2020, AgPlenus Ltd. entered into a multi-year collaboration with Corteva for the discovery and development of novel herbicides. Under the terms of the collaboration agreement, AgPlenus Ltd. and Corteva work together to optimize herbicide product candidates originating from the Company’s pipeline. Successful candidates from this collaboration are expected to be further developed by Corteva (see also Note 23e and Customer A in Note 22c).

NOTE 5: - COLLABORATION, RESEARCH AND DISTRIBUTION AGREEMENTS (Cont.)

b. In August 2021, Canonic Ltd. entered into an agreement with customer C (see Note 22c) for the distribution in Israel of Canonic Ltd.'s medical cannabis products, through its distribution channels, on a consignment basis to licensed pharmacies, under the Canonic brand. The initial term of the agreement is 36 months.

c. In November 2022, Casterra Ag Ltd. entered into an agreement with a customer, under which Casterra Ag Ltd. would sell to the customer castor seeds, equipment, machinery and materials. In November 2023, the agreement was extended until November 1, 2024.

d. In June 2023, Casterra Ag Ltd. signed a framework agreement with a leading oil and gas energy company (Customer D, see Note 22c) for the sale of castor varieties at a commercial scale for biofuel production. Under the framework of the agreement, during June 2023, Casterra Ag Ltd. received an order totaling $9,100. In addition, during June 2023 Casterra Ag Ltd. received an additional order totaling approximately $2,200 to supply castor seeds.

e. During July 2023, Lavie Bio entered a licensing agreement with Corteva, conferring exclusive rights to Corteva for advancing and commercializing Lavie Bio's lead bio-fungicides, LAV311 and LAV312. Lavie Bio received an initial payment of $5,000, in two installments, a first payment of $2,500 was received during September 2023 (see also Note 24d). In addition, Lavie Bio will also be eligible for additional future milestone payments and royalties from Corteva's sales of the products.

Additional agreements signed during 2022 and 2023:

f. 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. Under the Agreement, Lavie Bio Ltd. carries out dedicated product development programs, and Lavie Bio Ltd. and ICL will enter a licensing agreement that will define, among other aspects, Lavie Bio Ltd.'s consideration for commercialization of resulting products by ICL. As part of the collaboration, ICL invested through an affiliate company in Lavie Bio Ltd. $10,000 under a SAFE (see also Note 13).

g. In May 2023 Evogene signed an agreement for an EU Horizon grant of approximately €1.2 million to support the creation of oil-seed crops that have high carbon-dioxide assimilation and enhanced drought tolerance. The project is expected to be executed over 32 months. In May 2023 Evogene received a pre-financing payment of approximately €0.9 million (approximately $1,023) from the grant mentioned above.

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

NOTE 6: - CASH AND CASH EQUIVALENTS

	December 31,	
	2023	2022
Cash for immediate withdrawal in USD	$ 19,067	$ 22,315
Cash for immediate withdrawal in New Israeli Shekels ("NIS")	1,642	6,204
Cash for immediate withdrawal in Euro and other currencies	63	461
	$ 20,772	$ 28,980

NOTE 7: - MARKETABLE SECURITIES

Financial assets measured at fair value through profit and loss (see Note 14):

	December 31,	
	2023	2022
Corporate bonds and government treasury notes	$ -	$ 6,375

NOTE 8: - OTHER RECEIVABLES AND PREPAID EXPENSES

	December 31,	
	2023	2022
Government authorities	$ 226	$ 284
Grant receivables	88	63
Patent cost reimbursement	-	6
Prepaid expenses	909	995
Restricted cash	-	32
Suppliers advances	1,617	-
Other	133	102
	$ 2,973	$ 1,482

NOTE 9: - LEASES

The Company has entered into various lease agreements for certain of its offices and car leases with original lease periods expiring between 2024 and 2028. Most of the lease agreements include one or more options to renew. The Company does not assume renewals in determination of the lease term unless the renewals are deemed to be reasonably certain at lease commencement.

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

NOTE 9: - LEASES (Cont.)

a. Information on leases in which the Company is a lessee:

	Year ended December 31	
	2023	2022
Interest expense on lease liabilities	$ 115	$ 165
Exchange rate differences	(57)	(237)
CPI recognized on lease liabilities and right-of-use assets	39	95
Depreciation expenses on right-of-use assets	805	726
Expense due to removal of lease liabilities and right-of-use assets	-	(1)

b. Lease extension and cancelation options:

The Company has leases that include both extension and cancelation options. These are used to maximize operational flexibility in terms of managing the assets used in the Company's operations. The Company exercises significant judgements in deciding whether it is reasonably certain that the extension and cancelation options will be exercised.

In leaseholds for periods of 5-7 years, the Company recognizes any extension options exercised as per lease agreements in the lease period. In these leases, the Company usually exercises the lease extension option to avoid critical impairment to its operating activities in the event that an alternative asset is not available immediately upon termination of the noncancelable lease period.

In leases of motor vehicles, the Company does not include in the lease term the exercise of extension options since the Company does not ordinarily exercise options that extend the lease period beyond 3 years.

Moreover, the lease period subject to the termination option is accounted for as part of the lease period when it is reasonably certain that the termination option will not be exercised.

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

NOTE 9: - LEASES (Cont.)

c. Disclosures of right-of-use assets:

	Leasehold	Motor vehicles	Total
Cost:			
Balance as of January 1, 2023	$ 3,522	$ 747	$ 4,269
Additions during the year:			
Additions to right-of-use assets for new leases in the period	-	194	194
Revaluation recognized in CPI	31	8	39
Disposals during the year:			
Disposals of right-of-use assets for leases terminated in the period	-	(75)	(75)
Balance as of December 31, 2023	3,553	874	4,427
Accumulated depreciation:			
Balance as of January 1, 2023	2,276	425	2,701
Additions during the year:			
Depreciation	592	213	805
Disposals during the year:			
Disposals of right-of-use assets	-	(59)	(59)
Balance as of December 31, 2023	2,868	579	3,447
Depreciated cost on December 31, 2023	$ 685	$ 295	$ 980

	Leasehold	Motor vehicles	Total
Cost:			
Balance as of January 1, 2022	$ 3,441	$ 744	$ 4,185
Additions during the year:			
Additions to right-of-use assets for new leases in the period	-	102	102
Revaluation recognized in CPI	81	14	95
Disposals during the year:			
Disposals of right-of-use assets for leases terminated in the period	-	(113)	(113)
Balance as of December 31, 2022	3,522	747	4,269
Accumulated depreciation:			
Balance as of January 1, 2022	1,718	358	2,076
Additions during the year:			
Depreciation	558	168	726
Disposals during the year:			
Disposals of right-of-use assets	-	(101)	(101)
Balance as of December 31, 2022	2,276	425	2,701
Depreciated cost on December 31, 2022	$ 1,246	$ 322	$ 1,568

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

NOTE 9: - LEASES (Cont.)

d. Disclosures of lease liability:

	Leasehold	Motor vehicles	Total
Balance as of January 1, 2023	$ 1,536	$ 280	$ 1,816
Lease payments	(744)	(207)	(951)
Lease deposits	-	(2)	(2)
Interest expense	90	25	115
Exchange rate differences	(45)	(12)	(57)
Additions to lease liability for new leases in the period	-	194	194
Reduction of lease liability for leases terminated in the period	-	(16)	(16)
Revaluation recognized in CPI	31	8	39
Balance as of December 31, 2023	$ 868	$ 270	$ 1,138

	Leasehold	Motor vehicles	Total
Balance as of January 1, 2022	$ 2,286	$ 383	$ 2,669
Lease payments	(770)	(187)	(957)
Lease deposits	-	(10)	(10)
Interest expense	143	22	165
Exchange rate differences	(204)	(33)	(237)
Additions to lease liability for new leases in the period	-	102	102
Reduction of lease liability for leases terminated in the period	-	(11)	(11)
Revaluation recognized in CPI	81	14	95
Balance as of December 31, 2022	$ 1,536	$ 280	$ 1,816

The Company leases facilities for its offices and research and development activities, as well as motor vehicles under leases. As of December 31, 2023, the future minimum lease payments under non-cancelable leases for the years ending December 31, are as follows (see also Note 14b(3)):

	Leasehold	Motor vehicles	Total
2024	$ 727	$ 194	$ 921
2025	110	101	211
2026	70	33	103
2027	41	-	41
2028	21	-	21
Total lease payments	$ 969	$ 328	$ 1,297
Less: imputed interest	(101)	(58)	(159)
Present value of lease liabilities	$ 868	$ 270	$ 1,138

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

NOTE 10: - PROPERTY, PLANT AND EQUIPMENT, NET

	Laboratory equipment	Computers and peripheral equipment	Office equipment and furniture	Leasehold improvements	Total
Cost:					
Balance on January 1, 2023	$ 4,655	$ 2,040	$ 253	$ 13,866	$ 20,814
Additions	380	179	73	166	798
Deductions	(41)	-	-	-	(41)
Balance on December 31, 2023	4,994	2,219	326	14,032	21,571
Accumulated Depreciation:					
Balance on January 1, 2023	3,998	1,553	189	12,575	18,315
Additions	325	261	14	242	842
Deductions	(41)	-	-	-	(41)
Balance on December 31, 2023	4,282	1,814	203	12,817	19,116
Depreciated cost on December 31, 2023	$ 712	$ 405	$ 123	$ 1,215	$ 2,455

	Laboratory equipment	Computers and peripheral equipment	Office equipment and furniture	Leasehold improvements	Total
Cost:					
Balance on January 1, 2022	$ 4,256	$ 1,608	$ 253	$ 13,512	$ 19,629
Additions	399	432	-	354	1,185
Balance on December 31, 2022	4,655	2,040	253	13,866	20,814
Accumulated Depreciation:					
Balance on January 1, 2022	3,672	1,347	176	12,361	17,556
Additions	326	206	13	214	759
Balance on December 31, 2022	3,998	1,553	189	12,575	18,315
Depreciated cost on December 31, 2022	$ 657	$ 487	$ 64	$ 1,291	$ 2,499

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

NOTE 11: - INTANGIBLE ASSETS, NET

On August 6, 2019, Corteva, through its subsidiary Pioneer Hi-Bred International, Inc., made an investment in the Company's agriculture biologicals subsidiary, Lavie Bio Ltd., which included the contribution of all Corteva's holdings in its wholly owned subsidiary Taxon Biosciences, Inc. along with an amount of $10,000 in consideration for Lavie Bio Ltd.'s shares. This transaction included the following intangible assets (see also Note 18f):

	Pipeline Products	Potential Products	Microorganisms Collection	Total
Cost:				
Balance on January 1, 2023	$ 7,028	$ 4,920	$ 5,500	$ 17,448
Additions	-	-	-	-
Balance on December 31, 2023	$ 7,028	$ 4,920	$ 5,500	$ 17,448
Accumulated Depreciation:				
Balance on January 1, 2023	$ 1,374	$ 862	$ 1,072	$ 3,308
Additions	403	253	315	971
Balance on December 31, 2023	1,777	1,115	1,387	4,279
Amortized cost on December 31, 2023	$ 5,251	$ 3,805	$ 4,113	$ 13,169

	Pipeline Products	Potential Products	Microorganisms Collection	Total
Cost:				
Balance on January 1, 2022	$ 7,028	$ 4,920	$ 5,500	$ 17,448
Additions	-	-	-	-
Balance on December 31, 2022	$ 7,028	$ 4,920	$ 5,500	$ 17,448
Accumulated Depreciation:				
Balance on January 1, 2022	$ 971	$ 609	$ 661	$ 2,241
Additions	403	253	411	1,067
Balance on December 31, 2022	1,374	862	1,072	3,308
Amortized cost on December 31, 2022	$ 5,654	$ 4,058	$ 4,428	$ 14,140

Amortization expenses of intangible assets are classified in profit or loss in research and development, net.

NOTE 12: - LIABILITIES IN RESPECT OF GOVERNMENT GRANTS

	2023	2022
Balance on January 1,	$ 4,744	$ 4,396
Grants received *)	66	212
Royalties paid	(73)	(31)
Amounts recorded in profit or loss	77	167
Balance on December 31,	$ 4,814	$ 4,744

*) Excludes EU Horizon grant received in May 2023 - see also Note 5g.

NOTE 12: - LIABILITIES IN RESPECT OF GOVERNMENT GRANTS (Cont.)

The Company received research and development grants from the 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 (including accrued interest). As of December 31, 2023, the Company received grants amounting to $9,108 (including accrued interest), of which $3,601 were repaid to date.

In July 2022, Canonic Ltd. received the Israeli Ministry of Economy approval to be included in “Smart money” grants program for marketing operations in Germany. The maximum grants amount from this program is approximately $85. Canonic Ltd. undertook to pay royalties of 3% of yearly revenues above approximately $284 derived from the operation in Germany, up to 100% of the grants received. As of December 31, 2023, Canonic Ltd. received $42 for marketing expenses in Germany incurred until December 31, 2023.

In February 2024, Lavie Bio Ltd. received the Israeli Ministry of Economy approval to be included in “Smart money” grant program to begin exporting in Canada. See also Note 24b.

NOTE 13: - CONVERTIBLE SAFE

In August 2022, ICL and Lavie Bio Ltd. (“Lavie”) entered a multi-year collaboration agreement for developing novel bio-stimulant products to enrich fertilizer efficiency. As part of the collaboration, ICL (through its affiliate company) invested $10,000 in Lavie using a SAFE agreement (simple agreement for future equity). Pursuant to the terms of that agreement, the SAFE amount will automatically be converted during enumerated events, each subject to certain terms and conditions, to include (i) an equity financing (as such term is defined in the agreement), with such SAFE amount converting into equity at a 20% discount rate, or (ii) a liquidity event (as such term is defined in the agreement), with such SAFE amount converting into shares to receive a portion of proceeds due as part of the liquidity event. The price per share for future conversion is capped at a price reflecting a valuation of $130,000 prior to the relevant event. Additionally, ICL is permitted to invest an additional amount prior to, or as part of, the next financing of Lavie, which may result in ICL holding up to a maximum interest of 14.29% in Lavie on a fully diluted share capital basis. If no equity financing occurs within thirty (30) months of the effective date of the agreement, ICL shall be entitled to convert the SAFE amount at a price per share reflecting a valuation of $70,000. According to IAS 32, "Financial Instruments: Presentation", as conversion upon an equity financing requires the delivery of variable number of shares, the SAFE is accounted for as a liability and measured at fair value according to IFRS 9. The fair value of the SAFE will be remeasured at the end of each reporting period with any change to fair value recorded within financial expenses in the statements of profit or loss. The fair value of the SAFE at initial recognition equals the transaction price of $10,000. As of December 31, 2023 and 2022 the fair value of the SAFE, based on a valuation prepared by third-party valuation specialists, was $10,368 and $10,114, respectively. See also Note 14c.

NOTE 14: - FINANCIAL INSTRUMENTS

a. Classification of financial instruments by fair value hierarchy:

	December 31,	
	2023	2022
Financial assets:		
Marketable securities – Level 1	$ -	$ 6,375
	$ -	$ 6,375

During 2023 and 2022, there were no transfers due to the fair value measurement of any financial instrument to or from Levels 1, 2 and 3.

b. Financial risk factors:

The Company's operations are exposed to various financial risks, such as market risk (foreign currency risk, price risk), credit risk and liquidity risk. The Company's comprehensive risk management plan focuses on measures to minimize possible negative effects on the financial performance of the Company.

The Company's Board of Directors has provided guidelines for risk management, and specific policies for various risk exposures, such as foreign currency risk, interest-rate risk, credit risk, and the use of derivative financial instruments, non-derivative financial instruments, and excess-liquidity investments.

1. Market Risk:

   a. Foreign currency risk:

      The Company operates primarily in Israel and has an exchange rate risk as it incurs operating costs in Israel, consisting principally of salaries and related personnel expenses, and facility expenses which are denominated in NIS, which differs from its functional currency.

   b. Price risk:

      The Company has investments in bonds, classified as financial instruments, which are measured at fair value through profit and loss. Accordingly, the Company is exposed to a risk from changes in the fair value of these investments.

2. Credit Risk:

   The Company holds cash and cash equivalents, short-term investments and other financial instruments with various financial institutions. Its policy is to spread its investments among various institutions. In accordance with this policy, the Company invests its funds with stable financial institutions.

   The Company has no trade receivables balances past due, and accordingly has not recognized any provision for doubtful accounts.

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

NOTE 14: - FINANCIAL INSTRUMENTS (Cont.)

3. Liquidity Risk:

The following table presents the repayment dates of the Company's financial liabilities, by contractual terms, in nominal amounts (including interest payments):

Balance on December 31, 2023:

	Up to 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	Over 5 years	Total
Trade payables	$ 1,785	$ -	$ -	$ -	$ -	$ -	$ 1,785
Employees and payroll accruals	2,537	-	-	-	-	-	2,537
Other payables	1,019	-	-	-	-	-	1,019
Leases liability	921	211	103	41	21	-	1,297
Liabilities in respect of government grants	388	676	778	1,123	1,566	1,315	5,846
	$ 6,650	$ 887	$ 881	$ 1,164	$ 1,587	$ 1,315	$ 12,484

Balance on December 31, 2022:

	Up to 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	Over 5 years	Total
Trade payables	$ 1,036	$ -	$ -	$ -	$ -	$ -	$ 1, 036
Employees and payroll accruals	1,987	-	-	-	-	-	1,987
Other payables	1,617	-	-	-	-	-	1,617
Leases liability	943	819	131	70	41	21	2,025
Liabilities in respect of government grants	79	251	573	1,085	1,841	1,962	5,791
	$ 5,662	$ 1,070	$ 704	$ 1,155	$ 1,882	$ 1,983	$ 12,456

c. Fair Value:

The carrying amounts of cash and cash equivalents, short-term investments, other receivables, trade payables and other payables approximate their fair values due to the short-term maturities of such instruments.

The fair value of the liabilities in respect of government grants is measured using a discount rate that reflects the applicable market rate of interest at the date the grants are received, which approximates the fair value at the respective balance sheet date.

The fair value of lease liability is measured using a discount rate that reflects the IBR of interest at the date of the contract.

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

NOTE 14: - FINANCIAL INSTRUMENTS (Cont.)

The fair value measurement of the SAFE agreement as described in Note 13 is based on the weighted average value of various scenarios regarding Lavie Bio Ltd.'s estimated enterprise value at the valuation date. The fair value of the ordinary shares of Lavie Bio Ltd. is measured using the income approach, whereby the expected cash flows generated by Lavie Bio Ltd. are discounted to their present value equivalent using a rate of return that reflects its relative risk, as well as the time value of the money, and is considered to be Level 3 fair value hierarchy (see Note 2n). As of December 31, 2023 and 2022 the cash flow projections were discounted using the weighted average cost of capital rates of 25% and 26.7%, respectively, and long-term growth rates of 3% and 3%, respectively.

d. Sensitivity tests relating to changes in market factors:

	December 31,	
	2023	2022
Sensitivity test to changes in the NIS/USD exchange rate:		
Gain (loss) from the change:		
Decrease of 5% in the U.S. dollar relative to the NIS	$ (377)	$ (69)
Increase of 5% in the U.S. dollar relative to the NIS	$ 377	$ 69
Sensitivity test to changes in the market price of listed securities:		
Gain (loss) from the change:		
Increase of 5% in market price	$ -	$ 319
Decrease of 5% in market price	$ -	$ (319)

Sensitivity tests and principal work assumptions:

The selected changes in the relevant risk variables were determined based on management's estimate as to reasonable possible changes in these risk variables.

NOTE 15: - COMMITMENTS AND CONTINGENT LIABILITIES

a. Claims:

As of December 31, 2023, the Company is not involved in any material claims.

b. Government grants:

The Company received research and development grants from the IIA. See also Note 12. If no economic benefits are expected from the research activity, the royalty obligation is not recorded as a liability and instead is treated as a contingent liability in accordance with IAS 37. The grants from the IIA impose certain restrictions on the transfer outside of Israel of the underlying know-how and the manufacturing or manufacturing rights of the underlying products and technologies.

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

NOTE 16: - SEVERANCE PAY LIABILITY

Labor laws and the Severance Law require the Company to pay compensation to employees upon dismissal or retirement, or to make routine contributions in defined contribution plans pursuant to Section 14 of the Severance Law, as described below. The Company's liability is accounted for as a post-employment benefit. The Company's employee benefit liability is based on a valid labor agreement, the employee's salary, and the applicable terms of employment, which together generate a right to severance compensation.

Post-employment employee benefits are financed by deposits with defined deposit plans, as detailed below.

Contributions in accordance with Section 14 to the Severance Law release the Company from any additional liability to employees for whom said contributions were made. These contributions represent defined contribution plans.

	Year ended December 31,		
	2023	2022	2021
Expenses – defined contribution plan	$ 816	$ 877	$ 837

NOTE 17: - TAXES ON INCOME

a. Tax rates applicable to the Company and its subsidiaries:

1. The Israeli corporate income tax rate was 23% for all years presented.

2. The Company’s U.S. subsidiaries, Evogene Inc., Lavie Bio Inc., Lavie Tech Inc., Taxon Biosciences, Inc., and AgPlenus Inc., are subject to U.S. income taxes. During the years 2021 through 2023, the tax rates applicable to those companies, based on the main state where the companies had the most presence, were 21% (federal tax applicable for the years 2021, 2022 and 2023), approximately 3.41% (state tax applicable for 2023) and approximately 6.5% (state tax applicable for the years 2021and 2022).

b. Tax assessments:

Evogene Ltd. and Casterra Ag Ltd. received assessments that are considered final, up to and including the 2017 tax year.

Biomica Ltd. received assessments that are considered final, up to and including the 2018 tax year.

AgPlenus Ltd., Lavie Bio Ltd. and Canonic Ltd. have not received final tax assessments since their incorporation.

c. Carryforward losses for tax purposes and other temporary differences:

As of December 31, 2023, Evogene Ltd. and its Israeli subsidiaries have carryforward operating tax losses amounting to approximately $129,000 and $80,000, respectively, hich can be carried forward for an indefinite period.

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

NOTE 17: - TAXES ON INCOME (Cont.)

d. Deferred taxes:

The Company did not record deferred tax assets with respect to net operating losses incurred by the Company and the Israeli subsidiaries since it is not probable that they will generate a taxable income in future years.

The Company recorded a reduction in current tax liability in one of its U.S. subsidiaries in the amount of $150 offset by a decrease in deferred tax asset in the amount of $94 that was recorded as of December 31, 2022 with respect to the amortization of research and development expenses within the scope of U.S. Internal Revenue Code section 174 over five years.

e. Theoretical tax:

The Company has incurred operating losses during the years ended December 31, 2023, 2022 and 2021 for which deferred taxes were not recorded, as mentioned in Note 17d. The reconciliation between the tax expense, assuming that all the income and expenses, gains and losses in the statement of income were taxed at the statutory tax rate, and the taxes on income recorded in profit or loss, does not provide significant information and is therefore not presented.

NOTE 18: - SHAREHOLDERS' EQUITY

a. Share capital:

	December 31,			
	2023		2022	
	Authorized	Issued and Outstanding	Authorized	Issued and Outstanding
	Number of shares			
Ordinary shares of NIS 0.02 par value each	150,000,000	50,584,888	150,000,000	41,260,439

b. Changes in share capital:

Share capital issued and outstanding:

	Number of shares	NIS par value
Outstanding on January 1, 2022	41,170,168	823,404
Exercise of options and vesting of RSUs	61,764	1,235
Issuance of ordinary shares	28,507	570
Outstanding on December 31, 2022	41,260,439	825,209
Exercise of options and vesting of RSUs	104,228	2,085
Issuance of ordinary shares	9,220,221	184,404
Outstanding on December 31, 2023	50,584,888	1,011,698

NOTE 18: - SHAREHOLDERS' EQUITY (Cont.)

Issuance of ordinary shares:

1. On January 14, 2021, the Company entered a Controlled Equity Offering Sales Agreement, pursuant to which it issued 3,803,594 ordinary shares during January and February 2021, in an ATM offering, with a weighted average selling price of $7.36 per share, resulting in gross proceeds of approximately $28,000.

2. On February 19, 2021, the Company entered a new Controlled Equity Offering Sales Agreement. In accordance with the terms of the sales agreement, from time to time the Company may offer and sell its ordinary shares in an ATM offering having an aggregate offering price of up to $50,000, which was subsequently reduced to approximately $19,500. During April through September 2021, 726,832 ordinary shares were issued through the ATM offering, with a weighted average selling price of $3.64 per share, resulting in gross proceeds of approximately $2,600.

3. 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.

4. During 2023, 720,221 ordinary shares were issued through the ATM offering, with a weighted selling price of $0.96 per share, resulting in gross proceeds of approximately $695.

5. On July 17, 2023, Evogene Ltd. entered into securities purchase agreements with certain 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 gross proceeds from the offering amounted to approximately $8,500, before deducting placement agent fees and other offering expenses.

c. Rights attached to shares:

The Company's ordinary shares have voting rights at the general meeting, rights to dividends, rights upon liquidation of the Company and the right to nominate directors in the Company.

d. Rights attached to pre-funded warrants:

Until the pre-funded warrants are exercised into ordinary shares, there are no rights with respect to the ordinary shares underlying such pre-funded warrants. Upon exercise of the pre-funded warrants into ordinary shares, the holder is entitled to exercise the rights attached to shares only as to matters for which the record date occurs after the exercise date.

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

NOTE 18: - SHAREHOLDERS' EQUITY (Cont.)

e. Capital management in the Company:

The Company's objectives in managing capital are as follows:

To maintain its ability to ensure the continuity of the business, and thus to generate a return to equity holders, investors and other parties. The Company manages its capital structure and makes adjustments following changes in economic conditions and the risk-nature of its operations. In order to maintain or to adjust the necessary capital structure, the Company takes various steps, such as raising funds by capital issues.

f. Composition of non-controlling interests in the statement of financial position:

	December 31,	
	2023	2022
Balance on January 1,	$ 6,860	$ 9,767
Forfeiture of non-controlling interests regarding share-based compensation	(71)	(272)
Share-based compensation	1,351	569
Issuance of a subsidiary ordinary shares to the company	809	-
Issuance of a subsidiary preferred shares to non-controlling interests	9,761	-
Benefit to non-controlling interests regarding share-based compensation	(3)	2
Loss attributed to non-controlling interests	(2,075)	(3,206)
Balance on December 31,	$ 16,632	$ 6,860

Issuance of shares by subsidiary:

1. On August 6, 2019, Corteva, through its subsidiary Pioneer Hi-Bred International, Inc., made an investment in the Company's agriculture biologicals subsidiary, Lavie Bio Ltd., which included the contribution of all Corteva's holdings in its wholly owned subsidiary Taxon Biosciences, Inc. along with an amount of $10,000. Upon consummation of the foregoing transactions, Corteva was issued 27.84% of Lavie Bio Ltd.'s equity while Evogene Ltd. held 72.16% of Lavie Bio Ltd.'s equity following such investment. As a result, the Company recorded a share premium and a non-controlling interest in the amounts of $17,406 and $10,042, respectively.

   On November 16, 2021, 203,826 options were exercised in Lavie Bio Ltd. into its ordinary shares. Upon the exercise of options, the non-controlling interest was issued 1.99% of Lavie Bio Ltd.'s equity. As a result, the Company recorded an increase in non-controlling interest in the amount of $378.

   On January 31, 2022, 8,270 options were exercised in Lavie Bio Ltd. into its ordinary shares. Upon the exercise of options, the non-controlling interest was issued 0.08% of Lavie Bio Ltd.'s equity. As a result, the Company recorded an increase in non-controlling interest in the amount less than $1.

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

NOTE 18: - SHAREHOLDERS' EQUITY (Cont.)

2. On July 24, 2020, 36,520 options were exercised in AgPlenus Ltd. into its ordinary shares. Upon the exercise of options, the non-controlling interest was issued 1.66% of AgPlenus Ltd.'s equity. As a result, the Company recorded an increase in non-controlling interest in the amount $82.

3. On December 21, 2022, Biomica, signed a definitive agreement for a $20,000 financing round, led by 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 the amount of $809. Following the closing of the transaction on April 27, 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.

NOTE 19: - 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:

	Year ended December 31,		
	2023	**2022**	**2021**
Share-based compensation – Attributable to equity holders of the Company	$ 526	$ 617	$ 892
Share-based compensation – Attributable to non-controlling interests (see Note 18f)	1,351	569	1,717
	$ 1,877	$ 1,186	$ 2,609

b. The Company maintains four share option and incentive plans: Evogene Ltd. 2002 Share Option Plan, Evogene Ltd. 2003 Key Employee Share Incentive Plan, Evogene Ltd. 2013 Share Option Plan and 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 that generally expire 10 years from the grant date.

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

NOTE 19: - SHARE- BASED COMPENSATION (Cont.)

c. Evogene Ltd. Share-based payment plan for employees, directors and consultants:

During 2023, 2022 and 2021, the board of directors of the Company approved to grant its employees, directors and consultants 626,000, 605,500 and 987,750 options, respectively. The fair value of the options granted in 2023, 2022 and 2021 determined at their grant date using the binomial model, was approximately $204, $323 and $957, respectively.

d. Evogene Ltd. Share options activity:

The following table summarizes the number of share options, the weighted average exercise price, and the changes that were made in the option plans to employees, consultants and directors of the Company:

	2023		2022		2021	
	Number of options	Weighted average exercise prices ($)	Number of options	Weighted average exercise prices ($)	Number of options	Weighted average exercise prices ($)
Outstanding on January 1,	4,036,024	4.17	4,233,950	5.54	4,030,702	6.24
Granted	626,000	0.80	605,500	1.04	987,750	3.69
Exercised	-	-	(5,624)	1.09	(151,995)	2.81
Forfeited	(687,506)	7.81	(797,802)	5.75	(632,507)	9.06
Outstanding at December 31,	3,974,518	2.88	4,036,024	4.17	4,233,950	5.54
Exercisable at December 31,	2,841,828	3.48	2,755,280	5.32	2,558,643	7.31

The following table summarizes information about share options outstanding at December 31, 2023:

	Options outstanding		
Range of exercise prices ($)	Number outstanding	Average remaining contractual life	Weighted average exercise price
0.47 – 1.00	761,000	8.99	0.78
1.02 – 1.79	1,320,068	7.03	1.19
2.24 – 4.91	1,220,450	6.02	3.24
5.15 -7.66	419,500	3.76	5.83
10.41 – 17.80	253,500	1.14	11.49
Total	3,974,518	6.37	2.88

The weighted average outstanding remaining life contractual term of the options as of December 31, 2023 is 6.37 years (as of December 31, 2022, it was 5.82 years).

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

NOTE 19: - SHARE- BASED COMPENSATION (Cont.)

The weighted average fair value of options granted during 2023 was $0.33 (for options granted during 2022, the weighted average fair value was $0.53).

The fair value of Company share options granted to employees, directors and consultants for the years ended December 31, 2023, 2022 and 2021 was estimated using the binomial model with the following assumptions:

	2023	2022	2021
Dividend yield (%)	-	-	-
Expected volatility of the share prices (%)	51-53	48-50	43-47
Risk-free interest rate (%)	3.4-4.4	1.5-3.5	0.9-1.9
Suboptimal factor	1.8-2	1.8-2	1.8-2
Post-vesting forfeiture rate (%)	5-20	5-20	5-10

The expected volatility of the share prices reflects the assumption that the historical volatility of the share prices is reasonably indicative of expected future trends.

e. Evogene Ltd. RSUs activity:

The 2021 Plan also provides for the grant of restricted shares and RSUs. During 2023 and 2022, the board of directors of the Company approved to grant its employees, directors and consultants 352,600 and 58,200 RSUs, respectively. The fair value of the RSUs granted in 2023 and 2022, was approximately $265 and $71, 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, and the changes that were made under the 2021 Plan to employees, consultants and directors of the Company during 2023 and 2022:

	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	352,600	0.75	58,200	1.23
Vested	(104,228)	1.87	(56,140)	3.06
Forfeited	(30,750)	2.01	(53,255)	2.54
Outstanding at December 31	414,202	1.24	196,580	2.55

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

NOTE 19: - SHARE- BASED COMPENSATION (Cont.)

f. The Company's subsidiaries maintain share option and incentive plans with similar terms and conditions.

During the years ended December 31, 2023 and 2022, the Company's subsidiaries approved to grant their employees, directors and consultants 854,139 and 877,689 options, respectively. The fair value of the options determined at their grant date using the binomial model was approximately $2,121 and $1,777 respectively. The fair value was estimated using the binominal model.

The following table summarizes the number of share options, the weighted average exercise price, and the changes that were made in the option plans to employees, consultants and directors of the Company's subsidiaries:

	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	854,139	2.10	877,689	2.74
Exercised	-	-	(8,270)	0.20
Forfeited	(596,494)	2.68	(497,922)	4.05
Outstanding on December 31,	2,531,134	1.63	2,273,489	1.72
Exercisable on December 31,	1,530,420	1.09	1,194,122	0.58

g. The fair value of Company's subsidiaries' share options granted to employees, directors and consultants for the years ended December 31, 2023 and 2022 was estimated using the binomial model with the following assumptions:

	2023	2022
Dividend yield (%)	-	-
Expected volatility of the share prices (%)	61-84	65-90
Risk-free interest rate (%)	3.52-5.05	0.44-4.75
Suboptimal factor	1.8-2.0	1.8-2.0
Post-vesting forfeiture rate (%)	5-10	5-10

NOTE 20: - STATEMENTS OF PROFIT OR LOSS – ADDITIONAL INFORMATION

a. Cost of revenues:

	Year ended December 31,		
	2023	2022	2021
Salaries and benefits	$ 432	$ 238	$ 514
Materials and sub-contractors	1,260	671	253
	$ 1,692	$ 909	$ 767

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

NOTE 20: - STATEMENTS OF COMPREHENSIVE LOSS – ADDITIONAL INFORMATION (Cont.)

b. Research and development, net:

	Year ended December 31,		
	2023	2022	2021
Salaries and benefits	$ 9,862	$ 11,545	$ 10,841
Share-based compensation	764	593	1,348
Materials and sub-contractors	6,349	5,514	5,709
Plant growth and greenhouse maintenance	744	839	802
Office maintenance	639	437	682
Depreciation and amortization	2,549	2,540	2,234
Loss (Gain) from derecognition of property, plant and equipment	(26)	-	121
Participation in respect of government grants	(143)	(726)	(658)
Other	39	50	46
	$ 20,777	$ 20,792	$ 21,125

c. Sales and marketing:

	Year ended December 31,		
	2023	2022	2021
Salaries and benefits	$ 1,996	$ 2,475	$ 1,424
Share-based compensation	595	323	574
Subcontractors and professional fees	855	883	554
Travel	142	76	39
Legal	10	120	87
Other	13	56	60
	$ 3,611	$ 3,933	$ 2,738

d. General and administrative:

	Year ended December 31,		
	2023	2022	2021
Salaries and benefits	$ 2,902	$ 2,929	$ 2,866
Share-based compensation	518	270	687
Professional fees	2,281	2,876	3,484
Other	367	407	216
	$ 6,068	$ 6,482	$ 7,253

e. Other income:

During the year ended December 31, 2022, the Company received an amount of $3,500 from Bayer Cropscience LP under their joint seed traits collaboration agreement with Evogene, as part of a restructuring and release of its patent filing, prosecution, and maintenance obligation under the collaboration. According to the agreement, the Company has no further filing, prosecution, and maintenance obligation with respect to the patent rights deriving from this collaboration.

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

NOTE 20: - STATEMENTS OF COMPREHENSIVE LOSS – ADDITIONAL INFORMATION (Cont.)

f. Financing income and expenses

Financing income:

	Year ended December 31,		
	2023	2022	2021
Exchange differences	$ 167	$ 319	$ 1,525
Interest income	1,248	182	291
Financial income in respect of government grants	26	15	-
Change in the fair value of marketable securities	45	-	119
	$ 1,486	$ 516	$ 1,935

Financing expenses:

	Year ended December 31,		
	2023	2022	2021
Bank expenses and commissions	$ 56	$ 76	$ 88
Exchange differences	412	2,060	460
Change in the fair value of marketable securities	-	721	181
Revaluation of pre-funded warrants	-	-	212
Lease liability interest	115	165	315
Revaluation of Convertible SAFE	254	114	-
Financial expenses in respect of government grants	128	193	158
	$ 965	$ 3,329	$ 1,414

NOTE 21: - LOSS PER SHARE

Details of the number of shares and loss used in the computation of loss per share:

	Year ended December 31,					
	2023		2022		2021	
	Weighted number of shares *)	Loss attributable to equity holders of the Company	Weighted number of shares *)	Loss attributable to equity holders of the Company	Weighted number of shares *)	Loss attributable to equity holders of the Company
Number of shares and loss	45,685,619	(23,879)	41,210,184	(26,638)	40,433,303	(27,793)

*) To compute diluted loss per share, potential ordinary shares have not been taken into account due to their anti-dilutive effect. See Notes 19(d) and Note 19(e) for number of outstanding options and RSUs.

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

NOTE 22: - OPERATING SEGMENTS

a. General:

The Company operates across several market segments, including human health, agriculture, and other industrial applications. The agriculture segment consists of the certain parent Company's activities and two of the Company's subsidiaries, Lavie Bio Ltd. and AgPlenus Ltd. The human health segment consists of the Company's subsidiaries, Biomica Ltd. and Canonic Ltd. The industrial applications segment consists of the Company'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.
Industrial applications segment	-	Develops improved castor bean seeds to serve as a feedstock source for other industrial uses.
Human health segment	-	Discovers and develops human microbiome-based therapeutics and cannabis activity.
Unallocated	-	Other corporate expenses and general development of enabling technologies discovery and 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 our revenues and operating loss by segments:

	Agriculture	Industrial application	Human health	Unallocated	Total
For the Year Ended December 31, 2023					
Revenues	$ 3,791	$ 1,075	$ 487	$ 287	$ 5,640
Operating loss	$ (11,100)	$ (39)	$ (10,349)	$ (5,020)	$ (26,508)
Net financing income					$ 521
Loss before taxes on income					$ (25,987)

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

NOTE 22: - OPERATING SEGMENTS (Cont.)

	Agriculture	Industrial application	Human health	Unallocated	Total
For the Year Ended December 31, 2022					
Revenues	$ 876	$ 72	$ 513	$ 214	$ 1,675
Operating loss	$ (12,256)	$ (220)	$ (8,875)	$ (5,590)	$ (26,941)
Net financing income					$ (2,813)
Loss before taxes on income					$ (29,754)

	Agriculture	Industrial application	Human health	Unallocated	Total
For the Year Ended December 31, 2021					
Revenues	$ 628	$ 40	$ 183	$ 79	$ 930
Operating loss	$ (12,248)	$ (169)	$ (10,087)	$ (8,449)	$ (30,953)
Net financing expenses					$ 521
Loss before taxes on income					$ (30,432)

c. Major customers:

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 and Industrial application segment:

	Year ended December 31,		
	2023	2022	2021
Customer A (subsidiary shareholder)	62%	48%	35%
Customer B	-	-	20%
Customer C	-	26%	17%
Customer D	17%	-	-

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

NOTE 22: - OPERATING SEGMENTS (Cont.)

d. Geographical information:

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

	Year ended December 31,		
	2023	**2022**	**2021**
United States	65%	51%	56%
Israel	16%	45%	38%
Brazil	-	-	2%
Other	19%	4%	4%
	100%	100%	100%

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

	December 31,		
	2023	**2022**	**2021**
United States	80%	79%	81%
Israel	20%	21%	19%
	100%	100%	100%

NOTE 23: - BALANCES AND TRANSACTIONS WITH EXECUTIVE OFFICERS AND CERTAIN SHAREHOLDERS

a. As reported by the shareholders, and based on publicly available information, the Company believes that as of December 31, 2023, Corteva (through its subsidiary Pioneer Hi-Bred International, Inc.) holds 27.26% of the Company's subsidiary shares)Lavie Bio Ltd.'s(. In addition, Corteva is a major customer (see Note 22c, customer A).

b. Balances:

Balance at December 31, 2023:

	Executive officers	Certain shareholders
Receivables	$ -	$ 186
Other payables	$ 557	$ -

Balance at December 31, 2022:

	Executive officers	Certain shareholders
Receivables	$ -	$ 6
Other payables	$ 331	$ 47

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

NOTE 23: - BALANCES AND TRANSACTIONS WITH EXECUTIVE OFFICERS AND CERTAIN SHAREHOLDERS (Cont.)

c. Benefits to directors:

	Year ended December 31,		
	2023	2022	2021
Compensation to directors not employed by the Company or on its behalf	$ 246	$ 262	$ 279
Share-based compensation to directors not employed by the Company or on its behalf	64	83	106
	$ 310	$ 345	$ 385
Number of directors that received the above compensation by the Company	6	7	6

d. Salary and Benefits to Executive officers:

	Year ended December 31,		
	2023	2022	2021
Salary and related benefits	$ 2,441	$ 2,543	$ 2,429
Share-based compensation	869	231	731
	$ 3,310	$ 2,774	$ 3,160
Number of people that received salary and benefits	10	12	11

e. Transactions:

For the year ended December 31, 2023:

	Executive officers	Certain shareholders
Revenues (see Note 5)	$ -	$ 3,475
Participation in research and development expenses	-	115
Research and development expenses	756	125
Sales and marketing expenses	1,185	-
General and administrative expenses	$ 1,369	$ -

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

NOTE 23: - BALANCES AND TRANSACTIONS WITH EXECUTIVE OFFICERS AND CERTAIN SHAREHOLDERS (Cont.)

For the year ended December 31, 2022:

	Executive officers	Certain shareholders
Revenues	$ -	$ 811
Other income	-	3,500
Participation in research and development expenses	-	1,898
Research and development expenses	570	297
Sales and marketing expenses	1,098	-
General and administrative expenses	$ 1,111	$ -

For the year ended December 31, 2021:

	Executive officers	Certain shareholder
Revenues	$ -	$ 329
Participation in research and development expenses	-	1,946
Research and development expenses	541	54
Sales and marketing expenses	1,210	-
General and administrative expenses	1,409	-
Financing expenses	$ -	$ 212

NOTE 24: - SUBSEQUENT EVENTS

a. On February 16, 2024, AgPlenus entered into a Licensing and Collaboration Agreement with Bayer AG ("Bayer") for the development of a new sustainable weed control solution. This agreement grants Bayer an exclusive license for the development and commercialization of products developed within the collaboration. AgPlenus will be entitled to receive an upfront payment, ongoing research funding, milestone payments, and royalties based on future product sales, subject to certain conditions as stipulated in the agreement.

b. In February 2024, Lavie Bio Ltd. received the Israeli Ministry of Economy approval to be included in "Smart money" grant program for initial exporting to Canada. The maximum grant amount from this program is approximately $83. Lavie Bio Ltd. undertook to pay royalties of 3% of yearly revenues above approximately $276 derived from the operation in Canada, up to 100% of the grants received (linked to the CPI) and can choose to apply the program retroactively from August 2023.

c. In February 2024, Lavie Bio Ltd. and Syngenta Crop Protection, a leader in agricultural innovation, entered an agreement for the discovery and development of new biological insecticidal solutions. According to the agreement Syngenta shall pay Lavie Bio an upfront research fee and additional fees upon achievement of certain milestones.

NOTE 24: - SUBSEQUENT EVENTS (Cont.)

d. In March 2024, Lavie Bio Ltd. received the second payment of $2,500 as part of the licensing agreement with Corteva conferring exclusive rights to Corteva for advancing and commercializing Lavie Bio's lead bio-fungicides, LAV311 and LAV312 (see also Note 5e).

e. In March 2024, the Company entered a new At-The-Market Issuance Sales Agreement (the "Sales Agreement"), with Lake Street Capital Markets, LLC as selling agent. In accordance with the terms of the Sales Agreement, from time to time the Company may offer and sell its ordinary shares in an ATM offering having an aggregate offering price of up to $7,300.

f. The Company is in advanced discussions regarding the potential transfer of Canonic's operations to a third party. The completion and terms of such a transfer are uncertain.

Exhibit 2.1

Description of Ordinary Shares of Evogene Ltd.

The authorized share capital of Evogene Ltd. (hereinafter, "we", "us", "our" or similar expressions) consists of NIS 3,000,000 divided into 150,000,000 ordinary shares, par value NIS 0.02 per share, or ordinary shares. As of March 20, 2021, 40,414,229 ordinary shares were issued and outstanding.

Registration Number and Purposes of the Company

Our registration number with the Israeli Registrar of Companies is 51-283872-3. Our purpose as set forth in our articles, is to engage in any lawful business.

Voting Rights

Holders of our ordinary shares have one vote for each ordinary share held on all matters submitted to a vote of shareholders at a shareholder meeting. Shareholders may vote at shareholder meetings either in person, by proxy or by written ballot. Israeli law does not allow public companies to adopt shareholder resolutions by means of written consent in lieu of a shareholder meeting. Shareholder voting rights may be affected by the grant of any special voting rights to the holders of a class of shares with preferential rights that may be authorized in the future. Except as otherwise disclosed herein, an amendment to our articles to change the rights of our shareholders requires the prior approval of a simple majority of our shares represented and voting at a general meeting and, to the extent applicable, of the holders of a class of shares whose rights are being affected.

Share Ownership Restrictions

The ownership or voting of ordinary shares by non-residents of Israel is not restricted in any way by our articles of association, or the articles, or the laws of the State of Israel, except that citizens of countries that are in a state of war with Israel may not be recognized as owners of ordinary shares.

Transfer of Shares

Fully paid ordinary shares are issued in registered form and may be freely transferred under our articles unless the transfer is restricted or prohibited by another instrument, Israeli law or the rules of a stock exchange on which the shares are traded.

Election of Directors

Our ordinary shares do not have cumulative voting rights for the election of directors. Rather, under our articles, our directors, other than external directors (to the extent required to be elected), are elected at each annual general meeting of the shareholders, upon expiration of the term of office, by the holders of a simple majority of our ordinary shares present in person or by proxy at such meeting (excluding abstentions). As a result, the holders of our ordinary shares that represent more than 50% of the voting power represented at a shareholder meeting and voting thereon (excluding abstentions) have the power to elect any or all of our directors. Vacancies on our board of directors, resulting from a resignation or other termination of service by a then serving director, or an additional authorized seat on our board of directors, may be filled by a vote of a simple majority of the directors then in office.

Dividend and Liquidation Rights

Under Israeli law, we may declare and pay a dividend only if, upon the reasonable determination of our board of directors, the distribution will not prevent us from being able to meet the terms of our existing and contingent obligations as they become due. Under the Israeli Companies Law, 5759-1999, or the Companies Law, the distribution amount is further limited to the greater of retained earnings or earnings generated over the two most recent years according to our then last reviewed or audited financial statements, provided that the date of the financial statements is not more than six months prior to the date of distribution. In the event that we do not have retained earnings and earnings legally available for distribution, as defined in the Companies Law, we may seek the approval of the court in order to distribute a dividend. The court may approve our request if it is convinced that there is no reasonable concern that the payment of a dividend will prevent us from satisfying our existing and foreseeable obligations as they become due.

In the event of our liquidation, after satisfaction of liabilities to creditors, our assets will be distributed to the holders of ordinary shares on a pro-rata basis. Dividend and liquidation rights may be affected by the grant of preferential dividend or distribution rights to the holders of a class of shares with preferential rights that may be authorized in the future.

Shareholder Meetings

Under the Companies Law, we are required to convene an annual general meeting of our shareholders once every calendar year, not more than 15 months following the preceding annual general meeting. Our board of directors may convene a special general meeting of our shareholders and is required to do so at the request of two directors or one quarter of the members of our board of directors, or at the request of one or more holders of 10% or more of our share capital and 1% of our voting power, or the holder or holders of 10% or more of our voting power. All shareholder meetings require prior notice of at least 21 days and, in certain cases, 35 days. The chairperson of our board of directors or another one of our directors authorized by our board of directors presides over our general meetings. If either of such persons is not present within 15 minutes from the appointed time for the commencement of the meeting, the directors present at such meeting shall appoint one of our directors as the chairperson for such meeting, and if they fail to do so, then the shareholders present shall appoint one of our directors to act as chairperson, and if no director is present, then one of the shareholders present at such meeting shall act as chairperson. Subject to the provisions of the Companies Law and the regulations promulgated thereunder, only shareholders of record on a date decided upon by the board of directors, which may be between four and 60 days prior to the date of the meeting (depending on the type of meeting and whether written proxies are being used) are entitled to participate and vote at a general meeting of shareholders.

Quorum

Under our articles, the quorum required for a meeting of shareholders consists of at least two shareholders present in person, by proxy or by written ballot, who hold or represent between them at least 25% of our voting power. A meeting adjourned for lack of a quorum generally is adjourned to the same day in the following week at the same time and place (without requirement of additional notification to the shareholders), or to a later time, if indicated in the notice to the meeting or to such other time and place as determined by the board of directors in a notice to our shareholders. At the reconvened meeting, if a quorum is not present within half an hour from the appointed time for the commencement of the meeting, the meeting will take place so long as at least one shareholder is present (regardless of the voting power held or represented by any such shareholder(s)), unless the meeting was called pursuant to a request by our shareholders, in which case the quorum required is the number of shareholders required to call the meeting as described under "—Shareholder Meetings" above.

Resolutions

Under the Companies Law, unless otherwise provided in the articles or applicable law, all resolutions of the shareholders require a simple majority of the voting rights represented at the meeting, in person, by proxy or by written ballot, and voting on the resolution (excluding abstentions).

Access to Corporate Records

Under the Companies Law, all shareholders generally have the right to review minutes of our general meetings, our shareholder register, including with respect to material shareholders, our articles our financial statements and any document we are required by law to file publicly with the Israeli Companies Registrar or the Israeli Securities Authority. Any shareholder who specifies the purpose of its request may request to review any document in our possession that relates to any action or transaction with a related party which requires shareholder approval under the Companies Law. We may deny a request to review a document if we determine that the request was not made in good faith, that the document contains a trade secret or patent or that the document's disclosure may otherwise impair our interests.

Modification of Class Rights

The rights attached to any class of share (to the extent that we may have separate classes of shares in the future), such as voting, liquidation and dividend rights, may be amended by adoption of a resolution by the holders of a majority of our shares represented at the meeting and the holders of a majority of the shares of that class present at a separate class meeting, or otherwise in accordance with the rights attached to such class of shares, as set forth in our articles.

Acquisitions under Israeli Law

Full Tender Offer

A person wishing to acquire shares or a class of shares of an Israeli public company such as ours and who would, as a result, own more than 90% of the target company's issued and outstanding share capital or of a certain class of its shares, is required by the Companies Law to make a full tender offer (as defined in the Companies Law) to all of the company's shareholders for the purchase of all of the issued and outstanding shares of the company or class of shares. If either (i) the shareholders who do not accept the offer hold, in the aggregate, less than 5% of the issued and outstanding share capital of the company or of the applicable class, and more than half of the shareholders who do not have a personal interest in the offer accept the offer, or (ii) the shareholders who do not accept the offer hold less than 2% of the issued and outstanding share capital of the company or of the applicable class, then all of the shares that the acquirer offered to purchase will be transferred to the acquirer by operation of law. However, a shareholder that had its shares so transferred, whether or not it accepted the tender offer (unless otherwise provided in the offering memorandum for the tender offer), may, within six months from the date of acceptance of the tender offer, petition the court based on a claim that the tender offer was for less than fair value and that the fair value should be paid as determined by the court. If both of the foregoing conditions (i) and (ii) are not satisfied, the acquirer may not acquire shares of the company that will increase its holdings to more than 90% of the company's issued and outstanding share capital or of the applicable class from shareholders who accepted the full tender offer. Shares purchased not in accordance with those provisions shall become "dormant shares" and shall not grant the purchaser any rights so long as they are held by the purchaser.

Special Tender Offer

Under the Companies Law, an acquisition pursuant to which a purchaser shall hold (i) a "controlling stake", which is defined as 25% or more of the voting rights (assuming that no other shareholder holds a controlling stake), or (ii) more than 45% of the voting rights (assuming that no other shareholder owns more than 45% of the voting rights), of a public company such as ours may not be performed by way of market accumulation, but only by way of a special tender offer (as defined in the Companies Law) made to all of the company's shareholders on a pro rata basis. A special tender offer may not be consummated unless a majority of the shareholders who have submitted their response to the offer have approved it. In counting the total votes of responding shareholders, shares held by the controlling shareholders, shareholders who have a conflict of interest with respect to the offer (referred to under the Companies Law as a "personal interest"), shareholders who own 25% or more of the voting rights in the company, relatives or representatives of any of the above, and the bidder, and corporations under their respective control, shall not be taken into account. A shareholder may object to such a tender offer without such objection being deemed as a waiver of his, her or its right to sell shares to the bidder if the offer is approved by a majority of the company's shareholders despite the subject shareholder's objection. Shares purchased by the bidder in violation of the foregoing rules shall become "dormant shares" and shall not grant the bidder any rights so long as they are held by the bidder. If a special tender offer is accepted, then the purchaser or any person or entity controlling it or under common control with the purchaser or such controlling person or entity may not make a subsequent tender offer for the purchase of shares of the target company and may not enter into a merger with the target company for a period of one year from the date of the initial tender offer, unless the purchaser or such person or entity undertook to effect such an offer or merger in the initial special tender offer.

Under regulations enacted pursuant to the Companies Law, the above special tender offer requirements do not apply to companies whose shares are listed for trading on a foreign stock exchange if, among other things, the relevant foreign laws or the rules of the stock exchange include provisions limiting the percentage of control which may be acquired or requiring that the acquisition of such percentage of control requires making a tender offer to the public. However, we believe that the Israeli Securities Authority's current opinion is that such leniency does not apply with respect to companies such as ours whose shares are listed for trading on stock exchanges in the United States, including the Nasdaq.

Merger

The Companies Law requires that a merger transaction must be approved by (i) each party's board of directors, and, unless certain requirements described under the Companies Law are met, (ii) a majority of each party's shares (including, if relevant, a majority of each class of shares of each party) voted on the proposed merger at a shareholders meeting called with at least 35 days' prior notice.

For purposes of the shareholder vote, unless a court rules otherwise, the merger requires approval by a majority of the shares represented at the shareholders meeting that are held by parties other than the other party to the merger, or by any person who holds 25% or more of the outstanding shares or the right to appoint 25% or more of the directors of the other party. If the merger would have been approved if not for (a) the required separate approval of each class of shares of the merging party (if relevant), or (b) the exclusion of the votes of certain shareholders, as provided above, a court may still approve the merger upon the request of holders of at least 25% of the voting rights of the merging party, if the court holds that the merger is fair and reasonable, taking into account the value of the parties to the merger and the consideration offered to the shareholders.

Upon the request of a creditor of either party to the proposed merger, the court may delay or prevent the merger if it concludes that there exists a reasonable concern that, as a result of the merger, the surviving company will be unable to satisfy the obligations of any of the parties to the merger, and may further give instructions to secure the rights of creditors.

In addition, a merger may not be completed unless at least 50 days have passed from the date that a proposal for approval of the merger was filed by each party with the Israeli Registrar of Companies and 30 days have passed from the date the merger was approved by the shareholders of each party.

Antitakeover Measures under Israeli Law

The Companies Law allows us to create and issue shares having rights different from those accompanying our ordinary shares, including shares providing certain preferred rights, distributions or other rights, including preemptive rights. As of the date of this prospectus, we do not have any authorized or issued shares other than our ordinary shares. In the future, if we do create and issue a class of shares other than ordinary shares, the holders of such class of shares, depending on the specific rights to which they may be entitled, may delay or prevent a takeover or otherwise prevent our shareholders from realizing a potential premium over the market value of their ordinary shares. The authorization of a new class of shares would require the amendment of our articles, which requires the prior approval of the holders of a majority of our shares present and voting at a general meeting. However, the Tel Aviv Stock Exchange, or the TASE, rules and regulations prohibit a listed company from having more than one class of shares listed, and the TASE's current position is that a listed company may not issue or list preferred shares. Therefore, assuming that the TASE's current position does not change, as long as our ordinary shares are listed on the TASE, we will be prohibited from issuing preferred shares.

Exhibit 4.11

LICENSE AGREEMENT

This License Agreement (this agreement along with all Exhibits shall hereby be referred to as the "Agreement") is entered into as of this Fourteenth day of July, 2023 ("Effective Date") by and between Corteva Agriscience LLC, a Delaware limited liability company, having an office at 9330 Zionsville Road, Indianapolis, Indiana U.S.A. ("Corteva"), and Lavie Bio Ltd., a company formed under the laws of Israel, having an office at 13 Gad Feinstein St., Rehovot 7638517, Israel ("Lavie Bio"). Corteva and Lavie Bio each shall be referred to as a "Party" and shall be referred to together as the "Parties."

WHEREAS, Corteva is a leading multinational agribusiness company; and

WHEREAS, Lavie Bio is a leading microbial-based agbiologicals company; and

WHEREAS, Lavie Bio has been developing two microbial biofungicides known as LAV.311 LAV.312; and

WHEREAS, Corteva wishes to obtain a license to LAV.311 and LAV.312 and Lavie Bio is willing to grant Corteva such a license in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions.

In addition to the terms defined elsewhere in this Agreement, the following terms, whenever used in this Agreement with an initial capital letter, shall have the meanings given in this Section 1, whether used in the singular or the plural.

1.1. "Active Development" means, with respect to a Covered Strain, that such Covered Strain has been identified by Corteva as a candidate for development as a Licensed Product and is part of a budgeted program Corteva is actively pursuing in accordance with a research and development plan containing the items described in Exhibit G.

1.2. "Affiliate" means any person, corporation, firm, limited liability company, partnership or other entity that directly or indirectly controls, is controlled by, or is under common control with a Party. For purposes of this definition and the definition of "Lavie Bio Subsidiary" only, "control" means ownership, directly or through one or more Affiliates, (i) of fifty percent (50%) (or such lesser percentage which is the maximum allowed to be owned by a foreign entity in a particular jurisdiction) or more of the shares of stock entitled to vote for the election of directors, in the case of a corporation, (ii) of fifty percent (50%) (or such lesser percentage which is the maximum allowed to be owned by a foreign entity in a particular jurisdiction) or more of the equity interests in the case of any other type of legal entity, (iii) of a general partner interest in any partnership, or (iv) of any other interest that provides a Party with control or the right to control the board of directors or equivalent governing body of a corporation or other entity.

1.3. "Calendar Year" means each of the periods of twelve (12) consecutive calendar months beginning on January 1 and ending on December 31.

1.4. "Combination Product" means a product that (a) contains Covered Strain and at least one Additional Active Ingredient and (b) is sold for a single price.

1.5. "Corteva Party" means Corteva, any Affiliate of Corteva, any Sublicensee, any Affiliate of a Sublicensee and any distributor of any of the foregoing.

1.6. **"Covered"** means, with respect to a product, composition of matter or other material, that the making, using, selling, offering for sale, importation or other exploitation of such product, composition of matter or other material would (absent a license thereunder or ownership thereof) infringe at least one Valid Claim. Cognates of the word "Cover" shall have correlative meanings. For purposes of this definition, "infringed" means any infringement as determined by applicable law, including, without limitation, direct infringement, contributory infringement or any inducement to infringe.

1.7. **"Covered Strain" means (a) any LAV.311 Strain and (b) any LAV.312 Strain.**

1.8. **"Field" means any agricultural use within the Territory including, but not limited to, animal health.**

1.9. **"LAV.311 Strain" means (a) a microbial strain** deposited under Accession Number [***] ("**Original LAV.311 Strain**") and (b) any other microbial strain described in Exhibit A**.**

1.10. **"LAV.312 Strain" means (a) a microbial strain** deposited under Accession Number [***] ("**Original LAV.312 Strain**") **and** (b) any other microbial strain described in Exhibit B.

1.11. **"Lavie Bio Subsidiary"** means any Affiliate that is controlled by Lavie Bio.

1.12. **"Licensed Know-How"** means all information, sequences, data, results, knowledge, biological material, processes and/or protocols that (a) are not generally available, (b) relate directly to a Covered Strain or are otherwise needed or useful for the development and use of Covered Strains as part of Licensed Products and (c) are provided to Corteva in connection with this Agreement.

1.13. **"Licensed IP"** means Licensed Patent Rights and Licensed Know-How.

1.14. **"Licensed Patent Rights"** means any all patents and patent applications in the Territory that are in-licensed (with rights to grant sublicenses hereunder) or owned by Lavie Bio or a Lavie Bio Subsidiary on and after the Effective Date, that claim a Covered Strain, or the use of a Covered Strain within the Field, in each case solely to the extent the claims are directed at such Covered Strain or the use of such Covered Strain. Notwithstanding the foregoing, "Licensed Patent Rights" does not include: (a) patents and patent applications that, as of the date of a sale or merger of Lavie Bio or its assets, are (i) owned or controlled by any Affiliate that becomes an Affiliate as the result of such transaction, or (ii) owned or controlled by any entity with which Lavie Bio merges or combines in connection with such transaction; nor (b) patents and patent applications that have been excluded from the definition of Licensed Patent Rights in accordance with Section 4.2.3.

1.15. **"Licensed Product"** means any commercially available product for use in the Field that contains one or more Covered Strain(s) and/or biofungicidal compositions produced by one or more Covered Strains.

1.16. **"Net Sales"** means, in accordance with US GAAP guidelines, the gross amount invoiced by or on behalf of Corteva Parties on Sales, less, to the extent applicable with respect to such Sales and not previously deducted from the gross invoice price: (a) any discounts, including promotional allowances, to the extent actually allowed and taken; (b) to the extent separately stated on purchase orders, invoices or other documents of sale, any sales, value added or similar taxes, custom duties or similar governmental charges levied directly on the sale of products (but, for clarity, excluding any tax levied with respect to income); (c) rebates to the extent actually paid by a Corteva Party, (d) to the extent separately stated on purchase orders, invoices or other documents of sale, charges from freight and shipping insurance that are paid by or on behalf of a Corteva Party; and (e) amounts allowed or credited for returns of previously Sold Licensed Products, provided that:

1.15.1 in the case of end use by the Corteva Party or in any transfers of Licensed Products between a Corteva Party and another Corteva Party for end use by the latter, Net Sales will be equal to the fair market value of the Licensed Products so used or transferred, as applicable, assuming an arm's length transaction made in the ordinary course of business;

1.15.2 in the event that a Corteva Party receives non-cash consideration for any Licensed Products, Net Sales will be calculated based on the average sales price of such Licensed Products in the applicable region during the one year period preceding the date of Sale;

1.15.3 Sales of Licensed Products by one Corteva Party to another Corteva Party for resale by the latter will not be deemed Net Sales; instead, Net Sales will be determined based on re-Sale by the latter to a Third Party; and

In the event that a Licensed Product is Sold for a single price in combination with an Other Active Ingredient for which no royalty would be due hereunder if sold separately, Net Sales from such combination sales, for purposes of calculating the applicable royalty due under Section 5.3 shall be calculated by multiplying the Net Sales of the Combination Product by the fraction A/(A + B), where A is the average gross selling price of the Licensed Product Sold separately (without the Other Active Ingredient) during the previous quarter, and B is the gross selling price during the previous quarter of the Other Active Ingredient(s) contained in such Combination Product. In the event that separate sales of the Licensed Product or Other Active Ingredient were not made during the previous quarter, then the Net Sales shall be reasonably allocated between such Licensed Product and such Other Active Ingredient as agreed upon by the Parties, or failing agreement, determined in accordance with Section 13.9 (Dispute Resolution).

If Licensed Products or Combination Products are Sold for a single price in combination with services, Net Sales shall be based on the fair market value of such Licensed Products or Combination Products, as applicable, (based on the average sales price in such region) when Sold separately not as part of services.

1.17. **"Non-Royalty Sublicense Income"** means any payments or other consideration received by or on behalf of Corteva or any of its Affiliates in connection with a Sublicense, other than royalties on account of Net Sales by a Sublicensee or an Affiliate of a Sublicensee. If Corteva or its Affiliate receives non-cash consideration in connection with a Sublicense or in the case of transactions not at arm's length, Non-Royalty Sublicense Income will be calculated based on the fair market value of such consideration or transaction, at the time of the transaction, assuming an arm's length transaction made in the ordinary course of business.

1.18. **"Other Active Ingredient"** means any active chemical or biological ingredient that (a) is not a Covered Strain; and (b) is effective in protecting or materially benefiting crops when applied independently of Covered Strains (i.e. as a stand-alone product or in combination with other ingredient(s) that are not Covered Strains).

1.19. **"Regulatory Approval"** means the deregulating or granting of all governmental regulatory approvals required for the commercial sale of a Licensed Product in a country within the Territory.

1.20. **"Sale"** means the sale or other commercial transfer of Licensed Products. Notwithstanding the foregoing, "Sale" shall not include the transfer by a Corteva Party of samples of Licensed Products for product development purposes, regulatory purposes, to promote Sales or for test marketing purposes, in each case in amounts consistent with normal business practices of such Corteva Party and provided that such Corteva Party receives no consideration for such transfer. Cognates of the word "Sale" shall have correlative meanings.

1.21. **"Sublicense"** means any right granted or license given by a Corteva Party permitting any use, practice or exploitation of any Licensed IP or otherwise permitting the development or making of Licensed Products. For clarity, rights granted under Section 2.3 shall not be deemed a "Sublicense".

1.22. **"Sublicensee"** means any person or entity granted a Sublicense by a Corteva Party.

1.23. **"Territory"** means all countries and territories of the world.

1.24. **"Third Party"** means any person or entity other than Corteva Parties, Lavie Bio and Lavie Bio's Affiliates.

1.25. **"Third Party Infringed Patent"** means an issued and unexpired patent owned or controlled by a person or entity that is not a Corteva Party, the claims of which would be infringed by the making, using or selling of the Covered Strain contained in the relevant Licensed Product.

1.26. "**Transition Plan**" means the plan attached hereto as Exhibit C for the sharing of the Licensed Know-How and strains from Lavie Bio to Corteva.

1.27. **"Trigger Sale"** means the date of the first Sale, in a country, by a Corteva Party of a Licensed Product to a Third Party following: (a) receipt of first Regulatory Approval with respect to such Licensed Product in such country; (b) commercial launch of such Licensed Product in such country; and (c) Corteva Parties generating [***] of total Net Sales of such Licensed Product in such country.

1.28. **"Valid Claim"** means a claim of an issued and unexpired patent within the Licensed Patent Rights that has not been (a) held permanently revoked, unenforceable, unpatentable or invalid by a decision of a court or governmental body of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, (b) rendered unenforceable through disclaimer or otherwise, (c) abandoned or (d) permanently lost through an interference, opposition or similar proceeding without any right of appeal or review.

2. License.

2.1. **License Grant.** Subject to the terms and conditions set forth in this Agreement, Lavie Bio hereby grants to Corteva an exclusive, royalty-bearing license, with the right to grant Sublicenses (subject to Subsection 2.3), under the Licensed IP to make, have made and use Covered Strains within the Field to develop, have developed, make, have made, use, have used, import, offer for sale and sell Licensed Products within the Territory (subject to Subsection 4.2.1). Notwithstanding the foregoing, the license with respect to LAV.312 Strains will only go into effect upon payment of the LAV.312 License Issuance Fee in accordance with Section 5.1.2.

2.2 **Research Grant**. Subject to the terms and conditions set forth in this Agreement, Lavie Bio hereby retains (for itself and its Affiliates) and grants to Corteva a co-exclusive, royalty-free license under the Licensed IP to make, use, have made, have used and import Covered Strains solely for internal research purposes only.

2.3. **Affiliates and contractors.** The license granted to Corteva under Subsection 2.1. includes the right to have some or all of Corteva's rights under Subsection 2.1. exercised or performed by one or more of Corteva's Affiliates and/or contractors on Corteva's behalf for Corteva's benefit without such right being deemed a Sublicense; provided, however, that:

2.3.1. no such Affiliate or contractor shall be entitled to grant, directly or indirectly, any Sublicenses; and

2.3.2. any act or omission taken or made by an Affiliate or contractor of Corteva under this Agreement will be deemed an act or omission by Corteva under this Agreement.

2.4. **Sublicenses.**

2.4.1. **Sublicense.** Corteva will be entitled to grant Sublicenses to third parties under the license granted pursuant to Subsection 2.1., subject to the terms of this Subsection 2.4. Any such Sublicense shall be on terms and conditions in compliance with and not inconsistent with the terms of this Agreement and may only be made pursuant to written agreements, which will be subject and subordinate to the terms and conditions of this Agreement. Such Sublicense agreements will contain, among other things, the following:

2.4.1.1. all provisions necessary to ensure Corteva's ability to perform its obligations under this Agreement;

2.4.1.2. a section substantially the same as Subsection 11.1 of this Agreement, which also will state that the Lavie Bio Indemnitees (as defined in Section 11.1) are intended third party beneficiaries of such Sublicense agreement for the purpose of enforcing such indemnification;

2.4.1.3. a section setting forth Corteva's right to audit Sublicensee's records to verify Sublicensee's compliance with the terms of the Sublicense agreement;

2.4.1.4. a provision clarifying that, in the event of termination of the license grant set forth in Subsection 2.1. (in whole or in part), any existing Sublicense agreement shall terminate to the extent of such terminated license, subject to Section 12.3.1;

2.4.1.5. if the Sublicense agreement allows for the grant of a further Sublicense by the Sublicensee, a provision stating that any further Sublicense may only be made in compliance with, and shall be subject to, the terms of this Subsection 2.4.1.; and

2.4.1.6. a section setting forth Corteva's right to terminate the Sublicense agreement in case of a material breach by the Sublicensee.

2.4.2. Breach by Sublicensee. In the case of any act or omission by any Sublicensee that would result in a material breach of this Agreement by Corteva, Corteva will notify Lavie Bio of such act or omission promptly after Corteva becomes aware thereof. Corteva and Lavie Bio will discuss possible courses of action, including, if necessary, terminating such Sublicense agreement if the breach is not cured within sixty (60) days of Corteva providing notice of breach to Sublicensee. If such breach is not cured within such period and Lavie Bio requests Corteva to terminate such Sublicense agreement, Corteva will do so.

2.5. No Other Grant of Rights. Except for the licenses expressly granted in this Agreement, nothing in this Agreement will be construed to confer any ownership interest, license or other rights upon either Party by implication, estoppel or otherwise as to any technology, intellectual property rights, products, regulatory filing or biological materials of the other Party, or any other entity.

3. Transition; Secondary Metabolite Data; Regulatory Approval.

3.1. Know-How Sharing.

3.1.1. [***]

3.1.2. [***]

3.2. Transition Plan. [***]

3.3. Secondary Metabolite Data. [***]

3.4 Follow-Up Support. [***]

3.5. Reimbursement. [***]

3.6. Regulatory Approval.

3.6.1. [***]

3.6.2. [***]

3.6.3. [***]

3.6.4. [***]

3.6.4.1. [***]

3.6.4.2. [***]

4. Development and Commercialization.

4.1. General. Corteva, at its sole discretion, by itself and/or through another Corteva Party shall use commercially reasonable, good faith efforts to develop, obtain Regulatory Approval for, manufacture and market Licensed Products. For clarity, Corteva, at its sole discretion, by itself and/or through other Corteva Parties, shall have the right to prepare and present all regulatory filings necessary or appropriate in any territory and to obtain, maintain and renew any Regulatory Approval with respect to products covered by Corteva's rights under this Agreement.

4.2. Specific Milestones.

4.2.1. Without limiting Subsection 4.1, in order for Corteva to maintain the exclusive rights granted hereunder with respect to the applicable country, state or territory, the applicable milestone(s) below will have to be achieved by a Corteva Party within the applicable time period.

4.2.1.2. United States. A milestone will have been achieved upon a Trigger Sale by Corteva of a Licensed Product in the United States ("**US Trigger Sale**") [***]

4.2.1.3. Europe.

(a) A milestone will have been achieved if [***]

(b) [***]

4.2.2. Non-Exclusive Territories.

4.2.2.1. [***]

4.2.2.2. [***]

4.2.3. djustment to Definition of Licensed Patent Rights. [***]

4.3. Diligence Reporting.

4.3.1. [***]

4.3.2. [***]

4.3.3. Any written request by Lavie Bio pursuant to Subsection 4.3 shall be sent to:

[***]

With a copy to:
[***]

5. Consideration.

5.1. License Issuance Fee.

5.1.1. LAV.311. Corteva shall pay Lavie Bio an upfront license issuance fee in a total amount of Two Million Five hundred thousand US Dollars ($2,500,000.00US) within [***] of the Lavie Bio's delivery of the Licensed Know and starter cell cultures pursuant to Section 3.1.1 and receipt by Corteva of a properly submitted invoice from Lavie Bio.

5.1.2. **LAV.312.** Corteva shall pay Lavie Bio a second upfront license issuance fee of Two Million Five Hundred Thousand US Dollars ($2,500,000US) ("**LAV.312 License Issuance Fee**") within [***] of Lavie Bio's delivery of the Licensed Know and starter cell cultures pursuant to Section 3.1.2 and receipt by Corteva of a properly submitted invoice from Lavie Bio.

5.2. Milestone Payments.

5.2.1 Patent Milestone. Corteva shall pay Lavie Bio a one-time payment of [***].

5.2.2 US Sale Milestone. Corteva shall pay Lavie Bio a one-time payment of [***].

5.2.3 EU Sale Milestone. Corteva shall pay Lavie Bio a one-time payment of [***].

5.3. Royalties on Net Sales.

5.3.1. Rate. Corteva shall pay Lavie Bio royalties on all Net Sales as follows:

5.3.1.1. [***]

5.3.1.2. [***]

5.3.2. Royalty Term. Such royalties will be due on a Licensed Product-by-Licensed Product and country-by-country basis until the later of [***].

5.3.3. Third Party Royalty. In the event that Corteva is required to obtain a license from a third party that is not a Corteva Party to a Third Party Infringed Patent in order to sell a Licensed Product in a country, and Corteva obtains such a license after arm's length negotiations, Corteva may offset [***].

5.4. Non-Royalty Sublicense Income.

5.4.1. [***]

5.4.2. [***]

5.5. Complex Consideration. [***]

6. Sales; Reports; Payments; Records.

6.1. Reports and Payments.

6.1.1. Reports on Net Sales. [***]

6.1.1.1. [***]

6.1.1.2. [***]

6.1.1.3. [***]

6.1.1.4. [***]

6.1.1.5 [***]

[***]

6.1.2. Reports on Non-Royalty Sublicense Income. [***]

6.2. Payment.

6.2.1. Payment on Net Sales. [***]

6.2.2. Payment on Non-Royalty Sublicense Income. [***]

6.3. Currency. [***]

6.4. Records. [***]

6.5. Late Payments. [***]

6.6. Payment Method. [***]

6.7. Withholding and Similar Taxes. [***]

7. Patent Filing, Prosecution and Maintenance of Licensed Patent Rights.

7.1. Control.

7.1.1. Lavie Bio shall be responsible for the preparation, filing, prosecution, defense and maintenance of all Licensed Patent Rights that claim microbial strains (or the use of microbial strains) other than Covered Strains (i.e. claim both Covered Strains or the use thereof, and one or more microbial strains that are not Covered Strains or the use thereof).

7.1.2. With respect Licensed Patent Rights directed solely at Covered Strains or the use thereof ("Covered Strain Only Patent Rights"), (i) Corteva shall be responsible for the filing, prosecution and maintenance of such Covered Strain Only Patent Rights in all countries and jurisdictions in which Corteva's license under this Agreement remains exclusive and (ii) Lavie Bio shall be responsible for the preparation, filing, prosecution and maintenance of such Covered Strain Only Patent Rights in all countries and jurisdictions in which Corteva's license under this Agreement has become non-exclusive.

7.2. Licensed Patent Rights Controlled by Corteva. The following shall apply with respect to Covered Strain Only Patent Rights for which Corteva is responsible in accordance with Section 7.1.2:

7.2.1. Corteva shall: (a) use patent counsel acceptable to Lavie Bio, in its reasonable discretion; (b) instruct such patent counsel to furnish Lavie Bio with copies of all correspondence relating to such Covered Strain Only Patent Rights from all patent offices, as well as copies of all proposed responses to such correspondence in time for Lavie Bio to review and comment on such responses; (c) give Lavie Bio an opportunity to review the text of each patent application before filing; (d) consult with Lavie Bio with respect thereto; (e) keep Lavie Bio advised of the status of actual and prospective patent filings; and (f) give Lavie Bio the opportunity to provide comments on and make requests of Corteva, and shall consider such comments and requests in good faith;

7.2.2.1. Corteva shall pay all expenses with respect to the preparation, filing, prosecution and maintenance of such Covered Strain Only Patent Rights, subject to the following provisions;

7.2.2.2. Corteva shall inform Lavie Bio at least [***] before abandoning any such Covered Strain Only Patent Rights (or any claim therein) in any country and Lavie Bio shall be entitled to continue prosecution and maintenance of such Covered Strain Only Patent Rights in such country at its expense; and

7.2.2.3. Lavie Bio shall be entitled to request that continuations based on inventions disclosed in the relevant Covered Strain Only Patent Rights be filed; Corteva shall inform Lavie Bio promptly whether it wishes to file such continuations and if not, Lavie Bio shall be entitled to do so and to prosecute such continuation at its own expense.

7.3. Licensed Patent Rights Controlled by Lavie Bio. With respect to Licensed Patent Rights for which Lavie Bio is responsible in accordance with Section 7.1.1 Lavie Bio shall have the right, at any time and for whatever reason, to abandon or withdraw prosecution and/or maintenance of any such Licensed Patent Rights; provided however, that it shall not abandon or withdraw prosecution and/or maintenance of any of the Licensed Patent Rights existing as of the Effective Date so long as a Covered Strain is claimed, or the use of a Covered Strain within the Field is claimed. If Lavie Bio decides to abandon or withdraw prosecution and/or maintenance of any such Licensed Patent Rights in any country, Lavie Bio shall provide Corteva with sixty (60) days prior written notice of such abandonment or withdrawal, and Corteva will have the right, but not the obligation, to require Lavie Bio to continue the prosecution and/or maintenance with respect to such Licensed Patent Rights in such country, at Corteva's sole cost and expense. Lavie Bio shall use reasonable efforts to keep Corteva reasonably informed as to matters relevant to such Licensed Patent Rights to the extent relevant to Covered Strains, including the prosecution process and decision matters, and shall give reasonable consideration to any recommendations made by Corteva concerning the patent prosecution process and decision matters of such Licensed Patent Rights to the extent relevant to Covered Strains.

8. Enforcement of Patent Rights.

8.1. Notice. If either Party becomes aware of any possible or actual infringement of any Licensed Patent Rights in the Territory due to the making, using or selling of a Covered Strain by an unlicensed third party (a "Infringement"), that Party shall promptly notify the other Party and provide it with details regarding such Infringement.

8.2. Infringement in Exclusive Countries. The provisions of this Section 8.2 shall apply in the case of an Infringement in a country in in which Corteva's license under this Agreement remains exclusive ("**Exclusive Country Infringement**").

8.2.1. Suit by Corteva. Subject to the terms and conditions set forth in this Agreement, Lavie Bio hereby grants to Corteva the first right to take action in the prosecution, prevention or termination of any Exclusive Country Infringement. For clarity, Corteva shall not be obligated to take such Exclusive Country Infringement action. Before Corteva commences an action with respect to any Exclusive Country Infringement, Corteva shall consider in good faith the views of Lavie Bio in making its decision whether to sue. Should Corteva elect to bring suit against such an infringer in an Exclusive Country Infringement, Corteva shall keep Lavie Bio reasonably informed of the progress of the action and shall give Lavie Bio a reasonable opportunity in advance to consult with Corteva and offer its views about major decisions affecting the litigation. Corteva shall give reasonable consideration to those views, but shall have the right to control the action; provided, however, that (a) if the validity and/or enforceability of the Licensed Patent Rights are questioned in the action, Lavie Bio may take over the action solely with respect to the defense of the validity and enforceability of the Licensed Patent Rights, and (b) if Corteva's license to the Licensed Patent Rights in the suit terminate or become non-exclusive, Lavie Bio may elect to take control of the action pursuant to Section 8.3. Corteva shall have the right to join Lavie Bio as a plaintiff if Lavie Bio is needed to maintain any Exclusive Country Infringement action, including but not limited to, the right to join Lavie Bio if Corteva does not have sufficient standing to bring suit alone, and Lavie Bio shall agree to such joinder and shall provide Corteva with reasonable assistance and authority to file and prosecute the suit. Should Corteva elect to bring suit against such an infringer and Lavie Bio is joined as a party plaintiff in any such suit, Lavie Bio shall have the right to approve the counsel selected by Corteva to represent Corteva and Lavie Bio, such approval not to be unreasonably withheld. Except for the defense of the validity and enforceability of the Licensed Patent Rights which Lavie Bio decides to take over in accordance with clause (a) above, which shall be borne solely by Lavie Bio, all other expenses of such suit or suits that Corteva elects to bring, including any reasonable expenses of Lavie Bio incurred in conjunction with the prosecution of such suits or the settlement thereof, shall be paid for entirely by Corteva and Corteva shall hold Lavie Bio free, clear and harmless from and against any and all costs of such litigation, including reasonable attorneys' fees. Corteva shall not compromise or settle such litigation in a manner that would adversely affect the validity, enforceability or scope of any of the Licensed Patent Rights or that would admit fault or wrongdoing by, or impose liability on, Lavie Bio without the prior written consent of Lavie Bio. If Corteva exercises its right to sue pursuant to this Section 8.2.1, it shall first reimburse the parties on a pro-rata basis out of any sums recovered in such suit or in settlement thereof for all costs and expenses of every kind and character, including reasonable attorneys' fees, incurred in the prosecution of any such suit, including all Lavie Bio costs to be reimbursed by Corteva and Lavie Bio's costs in cases in which it decides to take over the defense of the validity and enforceability of the Licensed Patent Rights in accordance with clause (a) above. If, after such reimbursement, any funds shall remain from said recovery, then Lavie Bio shall receive an amount equal to twenty-five percent (25%) of such funds and the remaining seventy-five percent (75%) of such funds shall be retained by Corteva.

8.2.2. Suit by Lavie Bio. If Corteva does not take action in the prosecution, prevention, or termination of any Exclusive Country Infringement pursuant to Section 8.2.1 above, and has not commenced negotiations with the infringer for the discontinuance of said Exclusive Country Infringement, within ninety (90) days after receipt of notice to Corteva by Lavie Bio of the existence of an Exclusive Country Infringement, Lavie Bio may elect to do so. Should Lavie Bio elect to bring suit against such an infringer and Corteva is joined as a party plaintiff in any such suit, Corteva shall have the right to approve the counsel selected by Lavie Bio to represent Lavie Bio and Corteva, such approval not to be unreasonably withheld. The expenses of such suit or suits that Lavie Bio elects to bring, including any reasonable expenses of Corteva incurred in conjunction with the prosecution of such suits or the settlement thereof, shall be paid for entirely by Lavie Bio and Lavie Bio shall hold Corteva free, clear and harmless from and against any and all costs of such litigation, including reasonable attorneys' fees. Lavie Bio shall not compromise or settle such litigation in a manner that would adversely affect the validity, enforceability or scope of any Licensed Patent Rights or that would admit fault or wrongdoing by, or impose liability on Corteva without the prior written consent of Corteva. If Lavie Bio exercises its right to sue pursuant to this Section 8.2.2, it shall first reimburse itself out of any sums recovered in such suit or in settlement thereof for all costs and expenses of every kind and character, including reasonable attorneys' fees, incurred in the prosecution of any such suit including all Corteva costs to be reimbursed by Lavie Bio. If, after such reimbursements, any funds shall remain from said recovery, then Corteva shall receive an amount equal to twenty-five percent (25%) of such funds and the remaining seventy-five percent (75%) of such funds shall be retained by Lavie Bio.

8.3. Infringement in Non-Exclusive Countries. Lavie Bio shall have the sole right, acting in its sole discretion, to take action in the prosecution, prevention, or termination of any Infringement of Licensed Patent Rights in any country in in which Corteva's license under this Agreement becomes non-exclusive or terminates, at Lavie Bio's or a third party's own expense.

8.4. Own Counsel. Notwithstanding anything to the contrary herein, each Party shall always have the right to be represented by counsel of its own selection and at its own expense in any suit instituted under this Section 8 by the other Party for an Infringement.

8.5. Cooperation. Each Party agrees to cooperate fully in any action under this Section 8 that is controlled by the other Party, provided that the controlling Party reimburses the cooperating Party promptly for any costs and expenses incurred by the cooperating Party in connection with providing such assistance.

8.6. Declaratory Judgment. If a declaratory judgment action is brought naming a Party as a defendant and alleging invalidity or unenforceability of any claims within the Licensed Patent Rights, such Party shall promptly notify the other in writing and Lavie Bio may elect, upon written notice to Corteva within thirty (30) days after Lavie Bio receives notice of the commencement of such action, to take over the sole defense of the invalidity and/or unenforceability aspect of the action at its own expense.

9. Confidential Information.

9.1. Definition. "Confidential Information" means information disclosed by or on behalf of one Party (the "Disclosing Party") to the other Party (the "Receiving Party") in connection with the subject matter of this Agreement that is visibly marked or otherwise indicated as confidential or proprietary, or that the Receiving Party should reasonably understand is confidential to the Disclosing Party, except that Confidential Information does not include information that: (i) was known to the Receiving Party at the time it was disclosed, other than by previous disclosure by or on behalf of the Disclosing Party, as evidenced by written records at the time of disclosure; (ii) is at the time of disclosure or later becomes publicly known under circumstances involving no breach of this Agreement; (iii) is lawfully and in good faith made available to the Receiving Party by a third party who is not subject to obligations of confidentiality to the Disclosing Party with respect to such information; or (iv) is independently developed by the Receiving Party without the use of or reference to Confidential Information, as demonstrated by documentary evidence.

9.2. Restrictions. Receiving Party agrees to maintain Confidential Information of the Disclosing Party in confidence and not disclose such Confidential Information to any third party, except as specifically permitted in this Agreement, without the prior written approval of the Disclosing Party, or make any use of such Confidential Information, except as required for Receiving Party to perform its obligations and/or exercise its rights under this Agreement. Receiving Party may disclose Confidential Information of Disclosing Party only to employees and contractors of Receiving Party, its Affiliate or Sublicensees and any Affiliate of such Sublicensees who have a need to know such information for purposes of enabling such Party to exercise its rights or perform its obligations under this Agreement and who are legally bound to protect such Confidential Information by agreements that impose confidentiality and non-use obligations comparable to those set forth in this Agreement. Receiving Party shall protect the Disclosing Party's Confidential Information by using the same degree of care, but not less than a reasonable degree of care, as it uses to protect its own Confidential Information of like nature to prevent the unauthorized disclosure of such Confidential Information.

9.3. Disclosures Required by Law. Notwithstanding the above, the Receiving Party may disclose Confidential Information of the Disclosing Party as required to comply with any order of a court or any applicable rule, regulation, or law of any jurisdiction or securities exchange, provided that it (a) shall promptly notify the Disclosing Party and allow the Disclosing Party a reasonable time to oppose such disclosure, (b) shall use reasonable efforts to obtain an appropriate protective order or confidential treatment authorization that preserves the confidentiality of the information to the greatest extent practical, and (c) shall limit the scope of such disclosure only to such portion of such Confidential Information that is legally required to be disclosed.

9.4. Documents. All documents containing Confidential Information of Disclosing Party and provided by the Disclosing Party shall remain the property of the Disclosing Party, and all such documents, and copies thereof, shall be returned or destroyed upon the written request of the Disclosing Party. Documents prepared by the Receiving Party using Confidential Information of the Disclosing Party, or derived therefrom, shall be destroyed upon request of the Disclosing Party, confirmation of which shall be provided in writing. The Receiving Party, however, may keep one copy of any document requested to be returned or destroyed only for purposes of demonstrating compliance with this Agreement.

9.5. Terms of Agreement. This Agreement and the relationship between the Parties shall be considered Confidential Information of both Parties for purposes of this Section 9, with the exception that: (a) each Party will have the right to disclose this Agreement and their relationship in confidence to any current or bona fide prospective investor in such Party, or any bona fide prospective purchaser of a business or technology to which this Agreement pertains, or a prospective Sublicensee; (b) each Party shall have the right to disclose this Agreement and their relationship as required by any securities or stock exchange laws or regulations, provided that the Party that so discloses this Agreement shall give reasonable advance notice, as legally permissible, to the other Party and, at the other Party's request, shall involve the other Party in discussions with the relevant government agency with respect to the items that may be redacted from such disclosure, and (c) the Parties shall have the right to disclose information as set forth in Subsection 9.6.

9.6. Press Release and Other Public Disclosures. Any press release or other public disclosure with respect to this Agreement is subject to review and prior approval by the other Party, such approval not to be unreasonably withheld.

9.7. Duration. The foregoing obligations in this Section 9 shall remain in force for a period of five (5) years following expiration or termination of this Agreement.

10. Representations, Warranties and Covenants; Limitation of Liability; Disclaimers

10.1. Representations, Warranties and Covenants.

10.1.1. Lavie Bio represents and warrants that (a) it has the power, authority and capacity to enter into this Agreement and the right to grant the licenses herein granted, (b) it has not entered into any agreements, commitments or other arrangement with any third party, that would (i) prohibit it from fulfilling its obligations hereunder or (ii) be inconsistent or in any way conflict with the rights granted to Corteva hereunder, and (c) that as of the execution date of this Agreement, Lavie Bio is not aware of any third-party claims, liens, judgments, challenges, oppositions, interferences, protests, or existing or threatened legal or other adversarial actions against Lavie Bio in respect to the Licensed Patent Rights.

10.1.2. Lavie represents and warrants that: (a) it is the owner of all rights, title, and interest in and to the Licensed IP; (b) it has obtained proper assignments from all of the inventors of the Licensed Patent Rights to Lavie Bio, and has paid the applicable filing, examination, and maintenance fees; and (c) it is not aware of any third party patent that would be infringed by the practice of the inventions disclosed in the Licensed Patent Rights owned or controlled by Lavie Bio as of the Effective Date.

10.1.3. Corteva represents and warrants that (a) it has the power, authority and capacity to enter into this Agreement and perform its obligations hereunder and the right to grant the licenses herein granted, and (b) it has not entered into any agreements, commitments or other arrangement with any third party, that would prohibit it from fulfilling its obligations hereunder.

10.2. Limitations of Liability

10.2.1. Warranty Disclaimer. EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO ANY MATTER RELATING TO THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR USE, NON-INFRINGEMENT AND ANY OTHER STATUTORY WARRANTY. WITHOUT LIMITING THE FOREGOING, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY WARRANTY REGARDING ITS INTELLECTUAL PROPERTY OR THE ACHIEVEMENT OF ANY RESULTS.

10.2.2. Responsibilities. Each Party shall be responsible for its, its Affiliates', its contractors' and its Sublicensees' activities under this Agreement.

10.3. Limitation of Liability. Except with respect to a Party's confidentiality and limitation of use obligations under Section 9, neither Party will be liable to the other with respect to any subject matter of this Agreement under any contract, negligence, strict liability or other legal or equitable theory for any indirect, incidental, consequential or punitive damages or lost profits. Except with respect to a Party's confidentiality and limitation of use obligations under Section 9 and payments due by Corteva under Section 5, under no circumstance shall either Party's liability to the other Party arising out of a breach of this Agreement exceed in the aggregate the amount of Five Million US Dollars ($5,000,000 US). For clarity, nothing in this Subsection 10.3. is intended to limit a Party's indemnification obligations under Section 11.

11. Indemnification.

11.1. Indemnification of Lavie Bio. Corteva shall indemnify, defend and hold Lavie Bio and its Affiliates and their respective directors, officers, employees, agents, consultants and counsel, and the successors and assigns of the foregoing (the "Lavie Bio Indemnitees") harmless from and against any and all liabilities, damages, losses, costs or expenses (including reasonable attorneys' and professional fees and other expenses of litigation and arbitration) resulting from a claim, suit or proceeding brought by a third party against an Lavie Bio Indemnitee, arising from or occurring as a result of (a) Corteva's breach of its representations, warranties or covenants set forth in Subsection 10.1.3, (b) any personal injury, death, property or environmental damage suffered as a result of any Licensed Product made, used or sold by or on behalf of a Corteva Party or otherwise under the licenses granted to Corteva hereunder or (c) Corteva's breach of this Agreement; except, in the case of each of clauses (a), (b) or (c) to the extent caused by a breach of this Agreement by Lavie Bio or by the negligence or willful misconduct of any of the Lavie Bio Indemnitees.

11.2. Indemnification of Corteva. Lavie Bio shall indemnify, defend and hold Corteva and its Affiliates and their respective directors, officers, employees, agents, consultants and counsel, and the successors and assigns of the foregoing (the "Corteva Indemnitees") harmless from and against any and all liabilities, damages, losses, costs or expenses (including reasonable attorneys' and professional fees and other expenses of litigation and arbitration) resulting from a claim, suit or proceeding brought by a third party against a Corteva Indemnitee arising from or occurring as a result of (a) Lavie Bio's breach of its representations, warranties or covenants set forth in Subsections 10.1.1. or 10.1.2, (b) actual or alleged injury to any person (including death) or property to the extent caused by the gross negligence or willful misconduct of Lavie Bio, or (c) Lavie Bio's breach of this Agreement; except, in the case of each of clauses (a), (b) or (c), to the extent caused by a breach of this Agreement by Corteva or by the gross negligence or willful misconduct of any of the Corteva Indemnitees.

11.3. Procedure. A Party that intends to claim indemnification under this Section 11 (the "Indemnitee") shall promptly notify the other Party (the "Indemnitor") of any loss, claim, damage, liability or action in respect of which the Indemnitee intends to claim such indemnification, and the Indemnitor shall have the right to participate in, and, to the extent the Indemnitor so desires, to assume sole control of the defense thereof with counsel mutually satisfactory to the Parties, including, the right to settle the action on behalf of the Indemnitee on any terms the Indemnitor deems desirable in the exercise of its sole discretion, except that the Indemnitor shall not, without the Indemnitee's prior written consent, settle any such claim if such settlement contains a stipulation to or admission or acknowledgment of any liability or wrongdoing on the part of the Indemnitee or imposes any obligation on the Indemnitee other than a monetary obligation, and only to the extent the Indemnitor assumes in full such obligation. The failure to deliver notice to the Indemnitor within a reasonable time after the commencement of any such action shall not impair Indemnitor's duty to defend such action but shall relieve Indemnitor of any liability to the Indemnitee to the extent the Indemnitor is prejudiced materially by the delay. At the Indemnitor's request and cost, the Indemnitee shall cooperate reasonably with the Indemnitor and its legal representatives in the investigation and defense of any action, claim or liability covered by this indemnification and provide full information with respect thereto. Subject to the Indemnitee's fulfillment of its obligations under this Subsection 11.3., the Indemnitor shall pay any damages, costs or other amounts awarded against the Indemnitee, or payable by the Indemnitee pursuant to a settlement agreement entered into by the Indemnitor, in connection with such claim.

12. Term and Termination

12.1. Term. The term of this Agreement shall commence on the Effective Date and, unless earlier terminated in accordance with provisions of Subsection 12.2. below, shall continue in full force and effect until the last-to-expire period during which Corteva is obligated to pay Lavie Bio royalties or fees in accordance with Section 5. Following the expiration of this Agreement pursuant to this Subsection 12.1. (and provided the Agreement has not been earlier terminated pursuant to any of the provisions of Subsection 12.2 in which case the provisions of Subsection 12.3. will apply), the licenses granted to Corteva under Section 2 shall become fully-paid up and shall survive expiration.

12.2. Termination.

12.2.1. Termination by Corteva without Cause. This Agreement may be terminated by Corteva without cause at any time upon ninety (90) days written notice to Lavie Bio of Corteva's intent to terminate this Agreement before such termination becomes effective.

12.2.2. Termination for Default. In the event that either Party commits a material breach of its obligations under this Agreement and fails to cure that breach within forty-five (45) days after receiving a written demand to cure from the non-breaching Party, the non-breaching Party may terminate this Agreement immediately upon written notice of termination to the breaching Party.

12.3. Effect of Termination.

12.3.1. Termination of Rights. Upon termination of this Agreement by either Party pursuant to any of the provisions of Subsection 12.2.: (a) the rights and licenses granted to Corteva under this Agreement shall terminate and Corteva Parties shall not (i) develop or have developed Licensed Products; (ii) make, use, import or export Licensed Products; (iii) have Licensed Products made, used, imported, or exported; or (iv) market, sell, have sold, offer for sale, have offered for sale, transfer or have transferred Licensed Products (except as permitted in Subsection 12.3.2.); and (b) any existing agreements that contain a Sublicense shall terminate; provided, however, that, for each Sublicensee, upon termination of the Sublicense agreement with such Sublicensee, if the Sublicensee is not then in breach of its Sublicense agreement with Corteva such that Corteva would have the right to terminate such Sublicense, such Sublicensee shall have the right to seek a license from Lavie Bio. Lavie Bio agrees to negotiate such licenses in good faith under reasonable terms and conditions, which shall not impose any representations, warranties, obligations or liabilities on Lavie Bio or such Sublicensee that are not included in this Agreement.

12.3.2. Accruing Obligations. Termination or expiration of this Agreement shall not relieve the Parties of obligations accruing prior to such termination or expiration. After the date of termination or expiration (except in the case of termination by Lavie Bio pursuant to Subsection 12.2.2), Corteva Parties (a) may sell Licensed Products then in stock and (b) may complete the production of Licensed Products then in the process of production and sell the same; provided that, in the case of both (a) and (b), Corteva shall pay the applicable royalties and payments to Lavie Bio in accordance with Subsections 5.3, and provide reports and audit rights to Lavie Bio pursuant to Section 6.

12.3.3. Survival. The Parties' respective rights, obligations and duties under Sections 5.2 (with respect to milestones achieved prior to termination), 5.3 (with respect to Sales made during the term of the Agreement or in accordance with Section 12.3.2), 6, 9, 10.2, 11, 12.3 and 13, as well as any rights, obligations and duties which by their nature extend beyond the expiration or termination of this Agreement, shall survive any expiration or termination of this Agreement. In addition, Corteva's obligations under Section 5.4 with respect to Sublicenses granted prior to expiration or termination of this Agreement shall survive such expiration or termination of this Agreement solely with respect to and to the extent any Non-Royalty Sublicense Income is received after expiration or termination of this Agreement. Further, if after the effective date of termination of this Agreement, any Licensed Product(s) that is/are not Covered by Valid Claims (including Licensed Products which are no longer Covered by a Valid Claim) are developed or sold (despite Section 12.3.1) then for the remaining duration of any royalty term applicable to any such Licensed Product(s) (as set forth in Section 5.3.2), Licensee shall pay the applicable royalties and other payments as set forth in Sections 5.3.

13. Miscellaneous.

13.1. Force Majeure. Neither Party will be responsible to the other Party for damages or breach of the Agreement, or for delay or failure in performance of any of the obligations imposed by this Agreement, if the delay or failure is occasioned by a cause beyond the reasonable control of (and without the fault or negligence of), the Party, such as pandemics, fire, flood, explosion, lightning, windstorm, earthquake, subsidence of soil, failure of equipment or supply of materials, court order or interference by other authorized government officials, riot or war. The Party seeking such relief shall (a) take all reasonable steps to overcome or minimize such delay or failure in performance as promptly as is practical; (b) promptly notify the other Party of the nature and particulars thereof and expected duration of the delay or failure of performance; (c) promptly notify the other Party when the cause beyond its reasonable control no longer is causing delay or failure in performance; and (d) quickly continue performance when these causes are removed. Notwithstanding the aforesaid, no such Force Majeure circumstance or event will excuse any failure or delay beyond a period exceeding one hundred and twenty (120) days from the date such performance would have been due but for such circumstance or event.

13.2. Independence. The relationship between the Parties established by this Agreement is that of independent contractors, and nothing contained herein shall be construed to (a) give a Party the power to direct or control the day-to-day activities of the other, (b) constitute a Party as the legal representative or agent of the other Party, or the Parties as partners, joint venturers, or otherwise as participants in a joint or common undertaking, or (c) allow a Party to bind the other Party or to create or assume any liability or obligation of any kind, express or implied, against or in the name of, or on behalf of the other Party for any purpose whatsoever, except as expressly set forth in this Agreement.

13.3. Use of Names, Marks. Neither Party shall use the name, trademarks or service marks of the other Party in any advertising, publicity, news release, product labeling or for any commercial purpose, without the prior written consent of the other Party. Except as otherwise provided herein or agreed to in advance in writing, no right, express or implied, is granted by this Agreement to use in any manner the names "Corteva" or "Lavie Bio" or any other trade name, trademark or service mark of the other Party for any purpose other than for a Party's own internal purposes.

13.4. Defense of Trade Secrets. The Parties hereby agree that under 18 U.S.C. §1832 an action that would otherwise be considered trade secret misappropriation will be immunized if the disclosure: (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

13.5. Notices. Any notices to be given hereunder shall be sufficient if signed by the Party giving same and delivered in one of the following manners: (a) hand delivery; (b) certified mail, return receipt requested; (c) overnight delivery via an internationally recognized courier service; or (d) facsimile if the sender retains evidence of successful transmission and if the sender promptly sends the original by ordinary mail, in any event to the following addresses:

If to Corteva:

[***]

If to Lavie Bio:

[***]

By such notice, either Party may change its address for future notices. Notices mailed shall be deemed given on the date postmarked on the envelope. Notices sent by overnight courier shall be deemed given on the date received by such courier, as indicated on the shipping manifest or waybill. Notices sent by fax shall be deemed given on the date faxed.

13.6. Modification. No modification or waiver of this Agreement or of any covenant, condition or limitation herein contained shall be valid unless in writing and executed by duly-authorized representatives of both Parties. A failure by a Party to assert its rights under, including upon any breach or default of, this Agreement shall not be deemed a waiver of such rights. No such failure or waiver in writing by either Party with respect to any rights shall extend to or affect any subsequent breach or impair any right consequent thereon. No provision of this Agreement will be varied, contradicted, or explained by any oral agreement, course of dealing or performance, or any other matter not set forth in an agreement in writing and signed by both Parties.

13.7. Export Control Laws. The rights and obligations of the Parties under this Agreement shall be subject in all respects to laws and regulations as shall from time to time govern the license and delivery of technology and products abroad, including the U.S. Export Control Regulations, and any successor legislation or regulations issued by the U.S. Department of Commerce, International Trade Administration, or Office of Export Licensing.

13.8. Governing Law and Jurisdiction. This Agreement will be governed by, and construed in accordance with, the laws of the State of Delaware, USA, without reference to the choice of law rules, except for matters of inventorship which will be decided in accordance with US Patent Law. The Parties hereby consent to personal jurisdiction in the State of Delaware and agree that any lawsuit they file to enforce their respective rights under this Agreement shall be brought in the competent court in Delaware.

13.9. Dispute Resolution. Any and all disputes, controversies or claims ("**Disputes**") arising under, out of, or in relation to this Agreement, its formation, performance or termination will initially be referred to a committee (the "**Dispute Resolution Committee**") consisting of two individual representatives of each Party. If the Dispute Resolution Committee cannot resolve the Dispute within thirty (30) days of referral, a Party may institute proceedings in accordance with Section 13.8. Notwithstanding the foregoing, neither Party will be prevented from seeking a temporary restraining order and/or preliminary injunction exclusively in a competent court in Delaware (unless the federal courts have exclusive jurisdiction over the matter, in which case the United States District Court located in the City of Wilmington, Delaware).

13.10. Severability. If any part of this Agreement shall become void or invalid by virtue of law or government order, the remaining parts shall stay valid and the Parties shall use all commercially reasonable endeavors to ensure this Agreement shall be fulfilled by the Parties in accordance with its general principles, and the void or invalid provisions replaced by such valid provisions reflecting as closely as possible the intentions of the Parties at the time of signing this Agreement.

13.11. Assignment. This Agreement may not be assigned by either party without the consent of the other, which consent shall not be unreasonably withheld, except that each party may, without such consent, assign this Agreement and the rights, obligations and interests of such party to any of its Affiliates, to any purchaser of all or substantially all of its assets to which the subject matter of this Agreement relates, or to any successor corporation resulting from any merger or consolidation of such party with or into such corporation; provided, in each case, that the assignee agrees in writing to be bound by the terms of this Agreement. Any assignment purported or attempted to be made in violation of the terms of this Section 13.11 shall be null and void and of no legal effect.

13.12. Section Headings; Construction. The headings of Sections and Subsections in this Agreement are provided for convenience only and shall not affect its construction or interpretation.

13.13. Entire Agreement. This Agreement, including the Appendices referenced herein, constitutes the entire agreement between the Parties pertaining to the subject matter contained herein and is the sole agreement with respect to the subject matter hereof and supersedes all other prior and contemporaneous agreements, understandings, commitments, and representation (oral or written) between the Parties with respect to the same.

13.14. Counterparts. This Agreement may be executed in any number of counterparts, including facsimile, scanned PDF documents, or electronic signature rendered via an electronic signature service (e.g. DocuSign or Acrobat Sign) or by any other electronic means which preserves the original graphic and pictorial appearance of this Agreement. Each such counterpart, facsimile or scanned PDF document shall be deemed an original instrument, and all of which, together, shall constitute one and the same executed Agreement.

[Signature page follows]

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed by its duly authorized representative as of the date first written above.

Corteva Agriscience LLC

By:_____

Name: Vidyadhar Hegde

Title: VP, Crop Protection Discovery & Development

Lavie Bio Ltd.

By:_____

Name: Ofer Haviv

Title: Chairman of the Board

Lavie Bio Ltd.

By:_____

Name: Amit Noam

Title: Chief Executive Officer

Exhibit A
LAV.311

[***]

Exhibit B
LAV.312

[***]

Exhibit C
Transition Plan

[***]

Exhibit D
Licensed Know-How

[***]

Exhibit E

Secondary Metabolite Work

[***]

Exhibit F

[***]

Exhibit 4.12

MASTER SUPPLY AGREEMENT

for

SUPPLY OF CASTOR PLANTING SEEDS

BETWEEN

ENI KENYA B.V.

AND

CASTERRA AG LTD

CONTRACT NO: [***]

THIS MASTER SUPPLY AGREEMENT is made on 2 June 2023 by and between:

CASTERRA AG LTD. a company organized and existing under the law of ISRAEL, under registration number **514706522**, with its registered office at **GAD FINESTEIN 13, ROHOVOT, ISRAEL**, VAT number 514706522, duly represented by **EYAL RONEN**
in his capacity of ***CEO*** (hereinafter referred to as "**SELLER**");

and

Eni Kenya B.V., a company organized and existing under the laws of the Netherlands, having its registered office in Strawinskylaan 1725, 1077 XX Amsterdam, The Netherlands acting through its registered branch in Kenya, at Eaton Place, 5th Floor, Gigiri, United Nations Crescent Road, Off Limuru Road – P.O. Box 2913-00621 Nairobi, Kenya, represented by Enrico Tavolini in his capacity of Managing Director (hereinafter referred to as "**Eni**" or the "**BUYER**");

SELLER and BUYER will also be referred to as each a "**PARTY**" and together the "**PARTIES**".

ARTICLE 1 - DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this supply agreement, the following expressions shall have the meaning set forth herein below:

"**AFFILIATE**" with respect to any Person, means any Person who directly or indirectly controls, or is controlled by, or is under common control with, such Person. For purposes of this definition, "control" or "controlled" means ownership, directly or through one or more affiliates, of fifty percent (50%) or more of the shares of stock entitled to vote for the election of directors, in the case of a corporation, or fifty percent (50%) or more of the equity interest in the case of any other type of legal entity, or any other arrangement whereby a Person controls or has the right to control the Board of Directors or equivalent governing body of a corporation or other entity, or the ability to cause the direction of the management or policies of a corporation or other entity.

"**AGREEMENT**" means this master supply agreement, including its Exhibit(s).

"**ANNUAL PLAN**": means the annual plan estimating the quality and quantity of PRODUCTS that, subject to CALL OFF ORDERS, may be sold and purchased under this AGREEMENT in the period of the following fifteen (15) months.

"**AUTHORISED RECIPIENTS**" means any third-party engaged by the Buyer for planting the Product to grow Seed Beans for the Buyer's vegetable oil extraction facilities.

"**BUSINESS DAY**" means a day other than: any Friday, Saturday and Sunday, Israeli and Kenyan public holidays and any other day in which Israeli and Kenyan banks do not operate.

"**CALENDAR YEAR**" means a period of twelve (12) consecutive calendar months, commencing January 1 and ending December 31.

"**CALL OFF ORDER**" means the written document specifying the applicable DELIVERY PLACE and the type and quantity of PRODUCTS that SELLER commits to sell and deliver to BUYER, and that the BUYER commits to take and purchase from the SELLER with respect of a given SEASON, all in accordance with Article 3. The model form of the CALL OFF ORDER is in Exhibit B**.**

"DELIVERY DOCUMENTS" means the following documents, to be handed over, by or on behalf of the SELLER to the BUYER or its representative for each delivery of PRODUCTS:

- bill of lading
- phytosanitary certificate
- certificate of fumigation, to the extent applicable.
- ISTA orange certificate
- commercial invoice
- packing list
- certificate of origin and / or certificate of conformity
- any other relevant delivery documentation which may be required under the Kenyan applicable laws and regulations.

"**DELIVERY PLACE**" means the place designated in a CALL OFF ORDER where PRODUCTS shall be delivered on an FCA basis and where title and risk to the PRODUCTS shall pass from the SELLER to the BUYER.

"**DELIVERY SCHEDULE**" has the meaning given to it in Clause 3.4.

"**FCA**" means "Free Carrier" commercial terms as set out in the INCOTERMS 2020, according to which the SELLER must deliver the PRODUCTS to the BUYER at the DELIVERY PLACE.

"**EFFECTIVE DATE**" means the date, specified in Clause 10, in which this AGREEMENT becomes effective.

"FORCE MAJEURE EVENT" has the meaning set forth in Article 9.

"ISTA" means the International Seed Testing Association.

"**KILOGRAM**" or "**KG**" has the meaning set forth in the International Systems of Units.

"**LIABILITIES**" means any damages, claims, actions, suits, proceedings, demands, losses, liabilities, costs and expenses of any kind (including reasonable legal costs on a full indemnity basis) whether arising by way of breach of contract, tort (including negligence), equity, statute or otherwise under applicable laws.

"**PRODUCTS**" means the Casterra Seeds described in the Exhibit A.

"**UNIT PRICE**" has the meaning given to it in Article 7.

"**QUALITY SPECIFICATIONS"** means the quality specification and production methods of the PRODUCTS set out in Exhibit A.

"**SEASON**" means either of the two (2) periods commencing on (i) [***] (the "Spring SEASON"), and (ii) [***] (the "Autumn SEASON") of each CALENDAR YEAR, during which the agricultural cycles of sowing and harvesting are normally conducted in Kenya.

"**SEED BEANS"** means the beans/fruits produced by the Buyer or its AFFILIATE, or their respective AUTHORISED RECIPIENTS, from the cultivation of the PRODUCT for the purposes of the BUYER's or its AFFILIATE's vegetable oil extraction facilities.

"SHORTFALL" means an amount equal to the difference between the quantity of PRODUCTS to be delivered by the SELLER and to be purchased by the BUYER according to the CALL OFF ORDER agreed for the relevant SEASON and the quantity of PRODUCTS effectively delivered or purchased in such a SEASON as evidenced by the applicable DELIVERY DOCUMENTS.

"TERRITORY" means Kenya or the AFFILIATE's country of operation.

1.2 Interpretation

In this AGREEMENT:

(a) reference to an article, clause, paragraph or schedule is a reference to an article, clause, paragraph or schedule of or to this AGREEMENT, unless the context requires otherwise.

(b) reference to one gender includes a reference to the other gender, and words in the singular include the plural and, in the plural, include the singular.

(c) reference to a statute or statutory provision is a reference to it as it is in force for the time being taking account of any amendment, extension, or re-enactment and includes any subordinate legislation for the time being in force made under it.

(d) Unless otherwise specifically provided for, any monetary sum payable by either PARTY under or pursuant to this AGREEMENT shall be made in USA Dollars (USD).

(e) References to **month** means the period beginning on the first day of a calendar month and ending on the last day of such calendar month and **monthly** shall be construed accordingly.

(f) reference to writing includes typing, printing, lithography and photography and facsimile but excludes email or any other form of electronic communication except for notification of a FORCE MAJEURE EVENT.

(g) reference to a document is to that document as amended, varied or novated from time to time otherwise than in breach of this AGREEMENT or that document.

(h) unless the context otherwise requires, the words **including** and **include** and words of similar effect shall not be deemed to limit the general effect of the words which precede them.

(i) the headings in this AGREEMENT are for ease of reference only and shall not affect its construction or interpretation.

(j) references to a **person** shall be construed so as to include any individual, firm, company, government, state or agency of a state or any joint venture, association, partnership, works council or employee representative body (whether or not having separate legal personality).

(k) if a definition of a particular term or expression in this AGREEMENT imposes substantive rights and obligations on a PARTY such rights and obligations shall be given effect to and shall be enforceable notwithstanding that they are contained in a definition.

(l) where there is any inconsistency between the definitions set out in Clause 1.1 and the definitions set out in any other clause or a schedule, then for the purposes of construing such clause or schedule, the definitions set out in such other clause or schedule shall prevail.

ARTICLE 2 - SCOPE OF THE AGREEMENT

2.1 On the terms and conditions set out herein, SELLER shall sell and deliver to BUYER, and BUYER shall take and purchase from SELLER, the type and quantity of PRODUCTS specified in each agreed CALL OFF ORDER in accordance with the provisions of Article 3. BUYER undertakes to purchase the PRODUCTS for the purpose of:

(i) growing Seed Beans, directly or through its AUTHORISED RECEPIENTS for its own internal use in the TERRITORY;

(ii) reselling of any non-used PRODUCTS (excess) to its AFFILIATES for the purpose of growing Seed Beans, directly or through the AFFILIATES' AUTHORISED RECEPIENTS for the AFFILIATE's own internal use in the TERRITORY, provided that any resale to an AFFILIATE shall be subject to the prior written consent of the SELLER.

In any event, the BUYER or its AFFILIATE shall not resale or transfer to any third party, excluding resale or transfer to AUTHORIZED RECIPIENT or to an AFFILIATE as set forth above. For the avoidance of doubt, BUYER, its AFFILIATE or AUTHORIZED RECIPIENTS will not use the SEED BEANS for re-sowing.

2.2 Neither the general terms and conditions of sale of SELLER, nor the general terms and conditions of purchase of BUYER, shall apply to this AGREEMENT or to the sale and purchase of the PRODUCTS (whether or not they are provided to the BUYER). The terms and conditions of sale and purchase applicable to the sale and purchase of PRODUCTS shall be exclusively those expressly included in this AGREEMENT and the CALL OFF ORDER and any changes to these terms and conditions of sale and purchase shall be negotiated and agreed in writing between the PARTIES.

2.3 The SELLER has and shall maintain in force for the term of this AGREEMENT all licenses, permits, authorizations and consents needed to supply the PRODUCTS in accordance with this AGREEMENT as well as with any applicable laws.

ARTICLE 3 – ANNUAL PLAN, CALL OFF ORDERS & SCHEDULING OF DELIVERIES

3.1 Not later than [***] month prior to the beginning of each CALENDAR YEAR, the PARTIES shall agree on the ANNUAL PLAN for the next following [***] SEASONS.

3.2 Unless otherwise agreed, not later than [***] months before the beginning of each SEASON, the BUYER shall submit to SELLER a proposed CALL OFF ORDER specifying the type and quantity of PRODUCTS that BUYER would be ready to take and purchase from SELLER at the DELIVERY PLACE in respect of such SEASON.

3.3 In the event that a CALL OFF ORDER requires multiple deliveries, then as soon as practical after agreement of a CALL OFF ORDER, the BUYER and the SELLER shall agree upon a delivery schedule applicable to such CALL OFF ORDER setting out the date, quantity and DELIVERY PLACE of each individual delivery of PRODUCTS pertaining to such CALL OFF ORDER ("**DELIVERY SCHEDULE**"). As a general rule, there shall be no less than 2 and no more than [***] deliveries per [***], unless the PARTIES agree otherwise.

3.4 Any request by a PARTY to change the date of a delivery of PRODUCTS agreed under the DELIVERY SCHEDULE shall be notified by such PARTY to the other PARTY no later than [***] calendar [***] prior to the date in question. In such event, the date of such delivery shall be re-scheduled by PARTIES to a date acceptable to both PARTIES which is as close as possible to the originally agreed date. Any request for change of the date of DELIVERY SCHEDULE will not be made more than [***] with respect to each CALL OFF ORDER. In case the DELIVRY SCHEDULE is delayed by more than [***], the BUYER shall be required to pay the SELLER the storge costs of the SEEDS during such term.

3.5 It is understood and agreed that, by virtue of this AGREEMENT, BUYER shall have no obligation to purchase, and SELLER shall have no obligation to sell, if and to the extent an agreement on a CALL OFF ORDER is not reached by the Parties in accordance with this ARTICLE 3.

ARTICLE 4 - DELIVERY TERMS – QUANTITY AND QUALITY DETERMINATION

4.1 PRODUCTS shall be delivered by the SELLER on an [***] basis at the DELIVERY PLACE.

4.2 SELLER shall ensure, with respect to each delivery, that the PRODUCTS are packaged and loaded in such a way as to prevent losses of, and damage to, PRODUCTS. SELLER shall also ensure that its own employees and/or contractors and/or employees of such contractors handling, packaging and loading the PRODUCTS pursuant to this AGREEMENT: (i) are provided with all properly working machinery and with the individual and collective protection devices necessary for the proper and safe performance of their respective duties; (ii) properly use the machineries, devices, and safety garments provided to them; (iii) comply with the safety and health regulations in force and applicable laws.

4.3 Each delivery of PRODUCTS shall be accompanied by its related DELIVERY DOCUMENTS.

4.4 The PRODUCTS' quality determinations shall be carried out by SELLER through an accredited independent laboratory and in accordance with the ISTA standard procedures as required by Kenya's regulations at the time of delivery, and verified by BUYER's representative or an inspector appointed by the BUYER. The final quality certificate issued shall demonstrate that the PRODUCTS meet the specifications set forth in Exhibit A, and upon acceptance by the PARTIES' representatives, shall be final and binding as to the quality of PRODUCTS of a given delivery, save in case of fraud or manifest error ("**ISTA ORANGE CERTIFICATE**"). For the avoidance of doubt all quality and quantity tests shall be made before packaging and shipment of the Products to BUYER.

4.5 The Parties agree that if the PRODUCTS' quality does not meet the specifications set forth in Exhibit B, then the PARTIES shall meet and agree appropriate measures.

4.6 Title to, risk of loss of or damage to the PRODUCTS shall pass from SELLER to BUYER, at the DELIVERY PLACE at the time both PARTIES shall have signed the DELIVERY DOCUMENTS.

4.7 With regard to all other matters concerning delivery, taxes, risk, and obligations of each PARTY concerning delivery of PRODUCTS, the commercial terms of [***] as set out in INCOTERMS 2020 shall apply to the extent that these are not inconsistent with the terms of this AGREEMENT.

ARTICLE 5 - QUALITY OF PRODUCTS AND QUALITY CLAIMS

5.1 Following the quality and quantity verifications set forth in Clause 4.4, and delivery of the PRODUCTS, the BUYER shall not be entitled to any cancellation, return, or any claims related to the PRODUCTS' quality or quantity delivered, except in case of fraud or manifest error (including typographical error).

5.2 The SELLER shall also comply with applicable laws, enactments, orders, regulations and other instruments relating to the packaging, storage, and handling of PRODUCTS.

5.3 If the SELLER fails to deliver PRODUCTS complying with the QUALITY SPECIFICATIONS for [***] or more deliveries under an agreed DELIVERY SCHEDULE, [***].

ARTICLE 6 - FAILURE TO COMPLY WITH AGREED QUANTITIES

6.1 In the event that at the end of any SEASON as evidenced by the applicable DELIVERY DOCUMENTS:

(i) BUYER shall have failed to take delivery and purchase from the SELLER the quantity of PRODUCTS specified in the agreed CALL OFF ORDER, or

(ii) SELLER shall have failed to deliver and sell to the BUYER the quantity of PRODUCTS specified in the agreed CALL OFF ORDER,

then the PARTY incurring in such failure ("**BREACHING PARTY**") shall:

[***]

6.2 If any such SHORTFALL persists for the next [***], such occurrence shall be considered a material breach by the BREACHING PARTY, and [***].

ARTICLE 7 - UNIT PRICE

7.1 During the term of this AGREEMENT, the per-KG unit price of PRODUCTS (the "**UNIT PRICE**") shall be agreed by the PARTIES within, and as part of, each applicable CALL OFF ORDER, and the UNIT PRICE so agreed shall be and remain valid for any and all deliveries of PRODUCTS in the applicable SEASON, including any quantity carried-over under Article 6.

7.2 The UNIT PRICE shall be:

(i) expressed in USD and invoiced; and

(ii) net of Value Added Tax.

7.3 [***]

ARTICLE 8 - INVOICING AND PAYMENTS

8.1 SELLER shall issue an invoice to BUYER for each delivery of PRODUCTS. The amount of the invoice shall be equal to the then applicable UNIT PRICE multiplied by the quantity of PRODUCTS delivered to the BUYER, as evidenced in the relevant DELIVERY DOCUMENTS.

8.2 Each invoice issued by the SELLER shall include the following:

(a) the reference numbers: (i) of the CALL OFF ORDER; and (ii) of each of the deliveries made in the month in question as shown in the relevant DELIVERY DOCUMENTS;

(b) the total quantity expressed in KG of the PRODUCTS delivered and accepted by BUYER.

(c) the DELIVERY PLACE named in the CALL OFF ORDER;

(d) the UNIT PRICE;

(e) the relevant DELIVERY DOCUMENTS;

(f) the total amount due, equal to the quantity in (b) multiplied by the applicable UNIT PRICE;

(g) any applicable Value Added Tax.

(h) the total payable, equal to the sum of the values in (f) plus (g).

Where VAT is applicable, the invoice issued under this Clause shall be a valid tax invoice.

Invoices shall be addressed to [***], and delivered in PDF via email to [***]

8.3 Each undisputed invoice shall be paid in [***] instalments, being [***] of the total amount due paid by BUYER upon [***], together with the other documents and as set forth in clause 8.2, and the remaining [***] upon [***], but in any event no later than [***] days from [***] (each, a "**PAYMENT DUE DATE**"). In the event that the PAYMENT DUE DATE falls on a non-BUSINESS DAY, then payment shall be made on the next BUSINESS DAY. In case of late payment, a late interest payment will apply, at the rate of [***].

8.4 Payment shall be made, by bank transfer to the following SELLER's bank account opened and maintained in the name and to the benefit of the SELLER and in a jurisdiction where the SELLER is incorporated or has its centralized cash management unit:

- Account Name: [***]
- Bank: [***]
- Account Number: [***]

- Swift Number: [***]
- Bank Code: [***]
- Branch Code: [***]
- Currency: [***]
- Address of Bank: [***]
- Corresponding bank:

8.5 To the extent permitted by [***] applicable laws, any PARTY may, without limiting any other rights or remedies it may have, set-off any amounts owed by it to the other PARTY under this AGREEMENT against any amounts owed to it by the other PARTY under this AGREEMENT.

ARTICLE 9 - FORCE MAJEURE

9.1 If a PARTY (the "**AFFECTED PARTY**") is prevented, hindered or delayed from or in performing its contractual obligations by Force Majeure (the "**FORCE MAJEURE EVENT**"):

(a) the AFFECTED PARTY's obligations under this AGREEMENT shall be suspended while the FORCE MAJEURE EVENT continues to the extent that they are prevented, hindered or delayed;

(b) as soon as reasonably possible after the start of the Force Majeure Event, the AFFECTED PARTY shall notify the other PARTY in writing of the occurrence of the Force Majeure Event, the date on which the FORCE MAJEURE EVENT started and the effects of the FORCE MAJEURE EVENT on its ability to perform its obligations under this AGREEMENT;

(c) the AFFECTED PARTY shall make all reasonable efforts to mitigate the effects of the FORCE MAJEURE EVENT on the performance of its obligations under this AGREEMENT;

(d) if the Affected PARTY does not comply with Clause 9.1 (b) and (c) it shall forfeit its rights under this Clause 9.1; and

(e) as soon as reasonably possible after the end of the FORCE MAJEURE EVENT, the AFFECTED PARTY shall notify the other PARTY that the FORCE MAJEURE EVENT has ended and resume performance of its obligations under this AGREEMENT.

9.2 If the FORCE MAJEURE EVENT continues for more than [***] starting on the day the Force Majeure starts, a PARTY may terminate this AGREEMENT by giving not less than [***] prior written notice to the other PARTY.

9.3 In this Clause 9, FORCE MAJEURE EVENT means an event beyond the reasonable control of the AFFECTED PARTY including, without limitation, dry or extreme weather conditions, act of God, pandemics, war, riot, civil commotion, malicious damage, embargos, explosion, accident, breakdown or shutdown of plant or machinery, fire, flood and storm, occurred during the performance of this AGREEMENT, provided that the Affected PARTY cannot reasonably foresee the occurrence of the event at the time of execution of this AGREEMENT.

ARTICLE 10 - DURATION

This AGREEMENT shall become effective on the date of the Agreement (the "**EFFECTIVE DATE**"), notwithstanding its later execution by the Parties, and shall expire five (5) years from the date of the Agreement unless terminated earlier in accordance with Article 16.

ARTICLE 11 - GOVERNING LAW AND JURISDICTION

11.1 This AGREEMENT and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England.

11.2 *Arbitration Clause*

(a) Each PARTY shall settle amicably any dispute arising out of or in connection with this AGREEMENT or in its validity, interpretation or termination.

(b) Save as herein otherwise specifically provided, any dispute (including as to the interpretation validity enforceability or termination of this AGREEMENT) between the PARTIES as to matters arising under or pursuant to this AGREEMENT as aforesaid which cannot be settled amicably within fifteen (15) days after receipt by one PARTY of the other PARTY's request for such amicable settlement may be submitted by either PARTY to arbitration in accordance with the provisions of Clauses 11.2(c) to 11.2(f) (both inclusive).

(c) If the PARTIES so agree, the dispute shall be referred to a single arbitrator or if they are unable to agree upon the person to be appointed as arbitrator within sixty (60) days from the date of the notice requesting arbitration, the arbitrator shall, at the request of either PARTY, be appointed by the Chairman of the Chartered Institute of Arbitrators of the United Kingdom, London Branch. The venue and seat of the arbitration shall be London.

(d) Arbitration proceedings shall be conducted in accordance with the rules or procedures for arbitration of England, which rules are deemed to be incorporated by reference into this clause.

(e) If for any reason an arbitrator is unable to perform his/her function, a substitute shall be appointed in the same manner as the original arbitrator.

(f) The decision of the arbitrator shall be final and binding on the PARTIES.

11.3 Exclusion of Vienna Convention: the terms of the United Nations Convention on Contracts for the International Sale of Goods will not apply to this AGREEMENT.

ARTICLE 12 - CONFIDENTIALITY

12.1 Each PARTY shall keep confidential and shall not disclose to any other third party any business secrets or other confidential information it acquires in connection with or as a consequence of the performance of this AGREEMENT. Confidential information shall mean any and all confidential and/or proprietary knowledge, data, or information that was disclosed in the past or which may be disclosed at any time after the signing of this AGREEMENT to a PARTY or any of its associated companies by or on behalf of the other PARTY, either directly or indirectly, in writing, graphically, electronically, orally or by inspection. By way of illustration but not limitation, confidential information includes trade secrets, inventions, germplasm (including but not limited to the Casterra's castor varieties, all progenies and parts thereof, and all substances isolated therefrom), seeds, cultivation methods, machinery, biological materials, genes, data including data generated from field trials, ideas, processes, formulas, protocols, including without limitation, growth protocols, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques, information regarding plans for research or development, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, suppliers and customers.

12.2 The PARTEIS' obligations under this Article 12 shall survive expiration or termination of this AGREEMENT for three (3) years.

12.3 The obligations of this Article 12 shall not apply, however, to confidential information which:

a) prior to the transmission to the receiving PARTY was of general public knowledge or becomes, subsequent to the time of transmission to the other PARTY, a matter of general public knowledge, otherwise than as a consequence of a breach by the receiving PARTY or its employees of its obligations hereunder;

b) was in the possession of the receiving PARTY in documentary form prior to the time of disclosure by the disclosing PARTY, and was not acquired, directly or indirectly from the disclosing PARTY and is held by the receiving PARTY free of any obligation of confidence to the disclosing PARTY or any third PARTY;

c) is received in good faith from a third PARTY having the right to disclose it, and who, to the best of the receiving PARTY's knowledge, did not obtain the same from the disclosing PARTY and who imposes no obligation of secrecy on the receiving PARTY with respect to such information; or

d) Confidential information which any PARTY, as the case may be, is required to disclose by any authority, law or regulation, or on the basis of any applicable judgment, order or decree of any court or governmental body or agency having jurisdiction over the respective PARTY, provided that such PARTY shall give to the other one reasonable prior notice of the requirement to disclose such confidential information.

12.4 BUYER acknowledges that the SELLER is a subsidiary of Evogene Ltd., which is a publicly-traded company listed on the Nasdaq and Tel-Aviv Stock Exchange, and therefore BUYER is required to comply with the restrictions set-forth in the Israeli and US Securities Law with respect to the prohibition on use and disclosure of any "Inside Information" (as defined in the Israeli and US Securities Law) pertaining to Evogene Ltd. of which it may become aware.

12.5 Any public disclosure or issue of any press release, and their content, in connection with this Agreement or any transactions contemplated by this Agreement shall be agreed in advance by the PARTIES. No PARTY shall use the name, trade name, trademarks, or other distinctive sign of the other PARTY without its prior written consent.

ARTICLE 13 - ADMINISTRATIVE RESPONSIBILITY CLAUSE

13.1 The SELLER declares to have reviewed and acknowledged of: (a) the Eni's Code of Ethics, adopted by the BUYER, (b) the Eni's "Anti-Corruption Management System Guideline" and (c) the Eni's Statement on Respect for Human Rights. The SELLER acknowledges that the documents referred to in (a), (b) and (c) above are available on the website www.eni.com and agrees to respect their principles.

13.2 With reference to the performance of the activities covered by this AGREEMENT, the SELLER undertakes to respect and ensure that its directors and employees - as well as any collaborators (consultants, agents, intermediaries, sub-contractors and any third PARTIES involved in the performance of this AGREEMENT) - comply with the applicable regulations aimed at combating and punishing the phenomenon of corruption, such as (i) Legislative Decree 231/200112, (ii) the FCPA, (iii) the UK Bribery Act 2010, (iv) other applicable anti-corruption laws in force worldwide and (v) international anti-corruption treaties such as the Organisation for Economic Cooperation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the United Nations Convention against Corruption (hereinafter "anti-corruption laws").

13.3 With reference to the performance of the activities covered by this AGREEMENT, the SELLER declares and guarantees that it has given and implemented instructions to its directors, employees and/or any collaborators, aimed at preventing the commission, even attempted, of the conduct contrary to the anti-corruption laws, and undertakes with respect to the BUYER to ensure the full implementation of these provisions for the entire duration of the AGREEMENT.

13.4 The SELLER declares that it has no conflict of interest with respect to the performance of this AGREEMENT and agrees to promptly inform the BUYER in the event that such a situation should arise during execution thereof. For the purposes of this AGREEMENT, by conflict of interest is meant any situation referring to the SELLER that can interfere with the ability of the directors, employees and collaborators of the BUYER to make impartial decisions in the latter's interest.

13.5 With regard to the performance of the activities covered by this AGREEMENT, the SELLER agrees to:

a) record every amount received or paid in relation to this AGREEMENT in its accounting books, in a clear and transparent manner;

b) promptly inform the BUYER of any information relating to pending investigations, proceedings, sanctions or decisions against it and its owners (for the purpose of this clause, owners mean each direct shareholder of the SELLER, each member of the Board of Directors, Chief Operating Officer or equivalent figure), even if not definitive, related to conduct contrary to anti-corruption laws and anti-mafia regulations;

c) timely inform the BUYER of any request or demand relative to any undue payment of money or other advantage received in relation to the performance of this AGREEMENT;

d) not to subject its workers to working conditions, methods of surveillance or degrading housing situations in violation of applicable legislation. The BUYER reserves the right to carry out inspections and audits in the event that it becomes aware of circumstantial information that reasonably infers the violation of the provisions contained in this letter. For this purpose, the SELLER agrees to provide the BUYER with all the information related to the performance of the contract in the manner agreed to by the PARTIES.

13.6 The PARTIES agree that even partial failure by the SELLER to comply with the declarations, guarantees and obligations referred to in this article that could reasonably determine negative consequences for the BUYER will constitute a serious breach and will give the BUYER the right to terminate this AGREEMENT in accordance with law, as this express termination clause.

13.7 In the presence of formal documents of the judicial authority, learned also from any media, from which such a breach may be inferred, while awaiting investigations or the final decisions of the law the BUYER will have the right to suspend the performance of the AGREEMENT. In any case, the SELLER shall indemnify the BUYER from any direct loss and/or damage suffered by the BUYER and hold the BUYER harmless from any third PARTY action arising from to such a breach.

ARTICLE 14 – WARRANTIES; INDEMNIFICATION; LIMITATION OF LIABILITY

14.1 The SELLER warrants to the BUYER that, at the time of the delivery of the PRODUCTS:

(i) it has the full title and right over the PRODUCTS and that it has the right to transfer the title to the PRODUCTS to the BUYER;

(ii) the PRODUCTS are free from any liens, charges and/or encumbrances of any kind;

(iii) the PRODUCTS are compliant with any applicable laws, regulations and with the QUALITY SPECIFICATIONS; and

(iv) the packages containing the PRODUCTS are fit for the purpose of safely carrying, holding, and transporting the PRODUCTS and comply with any applicable laws and regulations.

14.2 The SELLER shall not be liable or responsible for any act or omission of the BUYER's AUTHORIZED RECIPIENTS.

14.3 Each PARTY represents and warrants to the other PARTY that:

(i) it is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, it is in good standing;

(ii) it has the power to execute and perform the AGREEMENT and has taken all necessary action to authorize the execution and the performance;

(iii) the execution and the performance of this AGREEMENT do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(iv) all governmental and other consents or permits or license, which are required to have been obtained by it with respect to the AGREEMENT, have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(v) its obligations under the AGREEMENT constitute its legal, valid and binding obligations, enforceable in accordance with its respective terms (subject to applicable bankruptcy, re-organization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to the enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law).

14.4 Each PARTY shall indemnify and hold harmless the other PARTY from and against any liability suffered by, brought or threatened against the other PARTY as a result of and to the extent caused by any breach of the warranties set forth in clauses 14.1 and 14.3 by the indemnifying PARTY. Nothing in this AGREEMENT shall operate to exclude or restrict the SELLER's liability for breach of its warranties in article 14.1(i) and article 14.1(ii).

14.5 EXCEPT AS EXPRESSLY PROVIDED IN SECTION 14 ABOVE, NEITHER PARTY MAKES ANY WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AND HEREBY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. EXCEPT AS EXPRESSLY SET OUT HEREIN THE SEEDS ARE PROVIDED "AS-IS" AND "AS-AVAILABLE", AND SELLER DOES NOT WARRANT THAT: (I) BUYER'S USE OF THE SEEDS WILL SECURE ANY SUCCESS OR GENERATE ANY REVENUE.

14.4 The SELLER will be responsible for and will indemnify, save, defend and hold harmless the BUYER and its personnel against all LIABILITIES arising out of or in connection with:

(i) any claim made against the BUYER or its personnel for actual or alleged infringement of a third PARTY's intellectual property rights arising out of, or in connection with, the supply, receipt, possession or use of the PRODUCTS; and

(ii) any environmental contamination or pollution caused by or attributable to the packaging and loading of any PRODUCTS at the DELIVERY PLACE, except to the extent such contamination or pollution is attributable to the fault of the BUYER or its personnel.

14.5 Without prejudice to the above, SELLER shall not be held liable for the infringement of a third PARTY's intellectual property rights caused:

(i) by the use by BUYER of PRODUCTS in combination with goods and/or services not supplied by the SELLER provided such use is not set in this AGREEMENT;

(ii) when the PRODUCTS have been modified, designed and/or produced on the basis of specific requests of BUYER;

(iii) by unauthorized additions or modifications by BUYER to the PRODUCTS; and

(iv) where the use by BUYER of the PRODUCTS does not correspond to the SELLER'S standards and specifications provided under this AGREEMENT.

14.6 IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR TO ANY THIRD PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OR LOSSES, LOSS OF USE, DATA, BUSINESS OR PROFITS, NOR COSTS OF PROCURING SUBSTITUTE SERVICES OR PRODUCTS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES OR ANY DELIVERABLES PROVIDED HEREUNDER, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EXCLUDING LIABILITY FOR BREACHES OF CONFIDENTIALITY OR INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT CLAIMS, EACH PARTY'S TOTAL LIABILITY TO THE OTHER WILL BE LIMITED TO AND WILL NOT EXCEED THE AMOUNTS PAID TO SELLER BY BUYER FOR THE SEEDS UNDER THE APPLICABLE CALL OFF ORDER [***] PRIOR TO THE EVENT GIVING RISE TO SUCH LIABILITY. Nothing in this AGREEMENT shall operate to exclude or restrict a PARTY's liability for:

(i) death or personal injury resulting from negligence; and

(ii) fraud.

14.7 Each PARTY must indemnify the other PARTY and the other PARTY's personnel from and against any claim or loss that any of them may suffer or incur in connection with:

(i) illness, injury to, or death of, any person;

(ii) the loss of, or damage to, any third-party property; or

(iii) violation of any applicable laws,

in each case, directly in connection with the performance of its obligations under this AGREEMENT.

14.8 BUYER undertakes to (i) promptly notify the SELLER in writing of any third party claim arising from this AGREEMENT and cooperate with the SELLER in the defense of such claim; and (ii) refrain from admitting liability or otherwise compromising the claim in whole or in part without the express prior written permission of SELLER.

ARTICLE 15 - EARLY TERMINATION

15.1 Each PARTY shall have the right, without prejudice to its other rights or remedies, to terminate this AGREEMENT, with effect from the date of the termination notice, by giving a written notice to the other PARTY, if such other PARTY:

(a) is in material breach of this AGREEMENT and either such breach is incapable of remedy or the PARTY in breach shall have failed to remedy such breach within [***] BUSINESS DAYS after receiving written notice requiring it to remedy that breach;

(b) is unable or is deemed unable or admits inability to pay its debts as they fall due or is liable to be wound up by a court of competent jurisdiction;

(d) enters into a composition or arrangement with its creditors or a moratorium is declared in respect of any of its indebtedness or any creditor action;

(e) takes any action to appoint, to request the appointment of, or suffers the appointment of, a receiver, administrative receiver, administrator, trustee or similar officer over all or a material part of its assets or undertaking;

(f) has a winding-up or administration petition presented in relation to it or has documents filed with a court for an administration in relation to it provided that, in the case of a winding up petition, if the other PARTY is contesting the winding up petition in good faith and with due diligence it shall not be in default until a period of five BUSINESS DAYS has expired since the presentation of the winding up petition without it having been either discharged or struck out.

15.2 Party may also, upon a [***] prior written notice to the other Party, terminate the AGREEMENT, provided however, that any CALL OF ORDER, which was agreed upon by the parties shall remain in effect for its term.

15.3 Any termination or expiry of this AGREEMENT shall not affect any accrued rights or LIABILITIES of either PARTY (including LIABILITIES accrued under an agreed CALL OFF ORDER), nor shall it affect clauses which shall survive such termination or expiry.

ARTICLE 16 - HEALTH AND SAFETY

16.1 The PARTIES pursue excellence in health, safety and environment protection management.

16.2 **SELLER's Obligations in respect of health and safety.**

SELLER, when delivering the PRODUCTS at the DELIVERY PLACE, undertakes to

a) respect and comply with all procedures, laws, directives and regulations in respect of health, safety and environment protection as well as with any instructions provided by the BUYER and procedures and discharge practices applicable at the DELIVERY PLACE;

b) carry out the activities hereunder with its own employees and/or contractors and/or with third PARTY's employees and/or contractors, qualified for the performance of such activities;

c) warrant and ensure that its own employees and/or contractors and/or third PARTY's employees and/or contractors carrying out the activities under this AGREEMENT: (i) are provided with all working machinery and with the individual and collective protection devices, necessary for the proper and safe performance of the loading/unloading activities in respect of the specific risks connected to the performance of such activities, environmental risks, and the risks connected to the use of the machinery in the DELIVERY PLACE, (ii) properly use the machineries, devices, and safety garments attributed to them, (iii) perform the activities in compliance with the safety and health regulations in force at each DELIVERY PLACE and in compliance with the regulations set out is the present article; and

d) organize for all its own employees and for third PARTY's employees carrying out the delivery activities at the DELIVERY PLACE, professional training and information courses.

ARTICLE 17 - HUMAN RIGHTS AND ENVIRONMENT

17.1 The PARTIES declare that they comply with the principles contained in the applicable norms, laws, regulations, conventions and guidelines, whether national or international, aimed at preventing and contrasting violations in relation to human rights, in particular in relation to slavery, forced labour, child labour and human trafficking, including the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Declaration on Fundamental Principles and Rights at Work and relative fundamental Conventions (hereinafter "**Human Rights**"). In this regard, the SELLER declares that it has reviewed and has knowledge of Eni's Statement on Respect for Human Rights and its Slavery and Human Trafficking Statement, available on the website www.eni.com. The SELLER also declares that it operates according to principles in line with those expressed in said documents.

17.2 With reference to the performance of the activities under this AGREEMENT, SELLER shall, in any case:

(i) respect Human Rights and make the utmost effort to avoid violating and/or contributing to violating Human Rights;

(ii) ensure working conditions through the entire supply chain in line with applicable standards, laws and conventions, in particular those regarding pay, hours, discrimination, slavery, forced labour, child labour and human trafficking or the like;

(iii) monitor its supply chain to ensure it does not, in performing its obligations under this AGREEMENT, procure or use any resources, materials, goods or services from suppliers or subcontractors who violate Human Rights or use forced labour or the like per Article 18.2(ii) above;

(iv) negotiate contractual provisions containing the same warranties, declarations and obligations as contained in this clause in any agreements entered into with third PARTIES – including suppliers and subcontractors – involved in carrying out the activities referred to in this Contract, in order to ensure their respect for Human Rights;

(v) notify the BUYER immediately in writing in case of any suspected or actual violations of Human Rights by it or any of its directors, employees, agents, suppliers or subcontractors, of which it becomes aware and, in any case, make itself available for any verifications.

17.3 The SELLER warrants that neither it, nor to the best of its knowledge, its legal representatives are involved in investigations or proceedings concerning Human Rights violations.

17.4 With reference to the performance of the activities, including those performed by suppliers or subcontractors, under this AGREEMENT, SELLER shall also:

(i) ensure the rationale use of natural resources and the environmentally responsible production to protect soil, water and air;

(ii) preserve the ecosystem and the biodiversity, and conserve forest and wildlife, including the protection of threatened or vulnerable species, or which are of other ecological or cultural importance;

(iii) guarantee the sustainable exploitation of the land, and in any case the protection of land with high biodiversity value or high carbon stock;

(iv) in the event the PRODUCTS sold by the SELLER under this AGREEMENT are not produced by the SELLER but acquired by the SELLER from third parties suppliers: (i) recognize them a fair price and timely pay a fair compensation for the PRODUCTS; (ii) ensure a fair treatment for its third parties suppliers and duly comply with and fulfil its undertakings towards them;

(v) take all actions necessary to recognize safe working conditions to any and all employees through the entire supply chain, as well as compliance with human and labour laws and international treaties and comply with and/or ensure compliance with all applicable national and international laws, treaties and regulations on on land rights;

17.5 The PARTIES agree that even partial failure by the SELLER to comply with the declarations, guarantees and obligations referred to in this Article that could reasonably determine negative consequences – even if only reputational – for the BUYER, will constitute a material breach and grant the BUYER right to terminate the AGREEMENT in accordance with law.

ARTICLE 18- MISCELLANEOUS

18.1 Nothing in this AGREEMENT and no action taken by the PARTIES pursuant to this AGREEMENT shall constitute, or be deemed to constitute, a partnership, association, joint venture or other co-operative entity between the PARTIES.

18.2 This AGREEMENT constitutes the whole and only agreement between the PARTIES concerning the subject matter of this AGREEMENT and supersedes and extinguishes any prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature whatsoever, whether or not in writing, concerning the subject matter of this AGREEMENT.

18.3 Each PARTY acknowledges that, in entering into this AGREEMENT on the terms set out in this AGREEMENT, it is not relying upon any representation, warranty, promise or assurance made or given by the other PARTY or any other person, whether or not in writing, at any time prior to the execution of this AGREEMENT, which is not expressly set out herein.

18.4 The failure or delay of a PARTY to exercise or enforce any right or privilege under this AGREEMENT shall not be deemed a waiver of that right nor shall a partial exercise thereof preclude any other or future exercise of any such right.

18.5 Any amendment to, or variation of, this AGREEMENT must be in writing and signed by the duly authorized representatives of the PARTIES. No amendment to this AGREEMENT shall be effected by the acknowledgement or acceptance by any of the PARTIES of Orders, invoices, shipping instructions, forms or other similar documents which contain terms at variance with or in addition to those set forth in this AGREEMENT, unless such acknowledgement or acceptance specifically states that it is intended to amend this AGREEMENT and it is accepted by the other PARTY.

18.6 Failure by a PARTY at any time to require performance by another PARTY or to claim a breach of any provision of this AGREEMENT shall not be construed as a waiver of any right accruing hereunder, nor shall it affect any subsequent breach or the effectiveness of this AGREEMENT or any part of this AGREEMENT, or prejudice either PARTY as regards any subsequent action. The rights and remedies contained in this AGREEMENT are cumulative and not exclusive of any rights or remedies provided by applicable laws.

18.7 All notices, reports or other communications between the PARTIES given pursuant to this AGREEMENT shall be in writing, in the English language, delivered by courier, registered mail, certified e-mail or fax (with a copy anticipated via e-mail) to the PARTY for whom it is intended, at the address of such PARTY set forth below or to such different address as such PARTY may hereafter notify in writing to the other. Notice shall be deemed given on the date of actual receipt by the addressee. The addresses of the PARTIES hereto are as follows:

For the SELLER:

[***]

E-mail: [***]

For the BUYER:

[***]

[***]

Email: [***]

18.8 This AGREEMENT is personal to the PARTIES and may not be assigned, by a PARTY, in whole or in part, without the prior written consent of the other PARTY, except that BUYER may, upon prior written notice to the SELLER, assign this AGREEMENT to any member of BUYER's group.

18.9 This AGREEMENT may be executed in counterparts, each of which shall be deemed to be an original and each of which together shall constitute one and the same document.

18.10 In the event any provision of this AGREEMENT is declared illegal or unenforceable in any respect under any law of any jurisdiction, it shall automatically be severed here from and neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction (as applicable) will in any way be affected or impaired; provided, however, that should such invalidity substantially injure the rights of either PARTY, the PARTIES shall promptly renegotiate the relevant terms of this AGREEMENT.

18.11 A Person who is not a PARTY to this AGREEMENT has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this AGREEMENT.

ARTICLE 19 - PERSONAL DATA PROTECTION

The PARTIES declare that they have mutually acknowledged compliance with the obligations related to personal data protection, each for the part under its responsibility. The PARTIES acknowledge that they both act as autonomous data controllers and are committed to operating in full compliance with the applicable personal data protection legislation in relation to the data processing activities related to the execution of this contract. Such data will be processed exclusively to enter into and manage the contractual relationship referred to in this contract and to fulfil the legal and administrative obligations to which the PARTIES are subject.

ARTICLE 20 - SANCTIONS AND EXPORT CONTROL

In the performance of this AGREEMENT and in the conduct of any activities directly or indirectly connected to it, the PARTIES undertake to comply at any time with all applicable economic and financial sanction and/or export control laws, regulations and orders adopted by the United Nations, the European Union and/or the United States of America ("SANCTIONS LAWS"). To this extent SELLER represents and warrants that the PRODUCTS purchased or to be purchased under this AGREEMENT is not produced, sold, exported, transferred or transported in violation of, or in a manner that would put BUYER at risk of punitive measures under SANCTIONS LAWS.

ARTICLE 21 – INTELLECTUAL PROPERTY

21.1 As between the parties, all right, title and interest in and to: (a) the PRODUCTS, the castor varieties, all progenies and parts thereof, all substances isolated therefrom, and all data, inventions, know how, growth protocols and results relating to any of the foregoing, and (b) all patents, plant variety protection rights, plant breeders rights, trade secrets, copyrights, trademarks or other intellectual property rights in respect of any of the foregoing, whether now existing or hereafter created, developed, arising or otherwise coming into being, and whether patentable or not, vest and shall vest solely in SELLER (all the foregoing, collectively, "Casterra IP").

21.2 If BUYER becomes aware of any third-party breach of any of Casterra IP rights relating to the Casterra castor varieties, any progenies or parts thereof or any substances isolated therefrom, it shall promptly notify Casterra in writing thereof.

21.3 BUYER shall not (i) reverse engineer, disassemble, decompile, modify or alter the PRODUCTS, (ii) use the PRODUCTS for any unlawful purpose or any purpose other than the purposes set forth in this Agreement. BUYER agrees that any breach of the provisions in this Section will constitute a material breach of this AGREEMENT and shall grant SELLER the right (without derogating from any other remedy available to it) to terminate this Agreement with immediate effect upon written notice to BUYER.

[signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement in two (2) counterparts of equal content, on the dates stated above.

For Eni Kenya B.V.:

Signature: _____

Name: Enrico Tavolini

Title: Managing Director

For CASTERRA AG LTD.

Signature:_____

Name: Eyal Ronen

Title: CEO

Signature:_____

Name: Ofer Haviv

Title: Chairman of the Board

EXHIBIT A

PRODUCTS AND QUALITY SPECIFICATIONS

PRODUCTS	SPECIFICATION
Castor Seeds:	[***]
	[***]
	[***]
	[***]
	[***]
	[***]
	[***]
	[***]
	[***]
	[***]

EXHIBIT B

MODEL FORM OF CALL OFF ORDER

Date	xxxxxx		To:	
CALL-OFF ORDER No.	xxxxxx		Contractor's Name	xxxx
CONTRACT No.	xxxxx		Contractor's Address	xxx
COMPANY Department	AGRI DEV			
SAP Call-Off No.				
Start Date of SERVICES	xxxxx			
End Date of SERVICES	xxxx			

In accordance to the Terms and Conditions of the above-mentioned CONTRACT, this document constitutes a specific request for purchase of castor seeds.

List of requested material/service

Item Number	Description	Quantity	Rate	Duration of Service	Notes	Estimated Amount in USD exc. of VAT
1.	xxx	xxx tons	xxxx	xxx		xxx
Total						**xxx**

		This CALL-OFF ORDER is issued on behalf of Eni Kenya B.V		
Prepared By;				
Name		**xxxxx**	**xxxxxxx**	
Title		AGRICULTURE DEVELOPMENT MANAGER		Signature
Date		xxx		
Approved By:				(COMPANY's Authorized Signatory)
Name:		**Xxxxxx**	**xxxxxx**	
Title:		MANAGING DIRECTOR		
Date:				
		For information concerning this CALL-OFF ORDER, please, contact: Contract Admin Name: xxxxxxx Contract Admin Tel: xxxxx Contract Admin Email: xxxxxxxx		
s		Please, confirm acceptance of this CALL-OFF ORDER by signing and returning the enclosed duplicate copy of this CALL-OFF ORDER:		
By:				(CONTRACTOR's Authorized Signatory)
Name:				
Title:				
Date:				

Exhibit 12.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/ 15d-14(a)

I, Ofer Haviv, certify that:

1. I have reviewed this annual report on Form 20-F of Evogene Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

/s/ Ofer Haviv
Ofer Haviv
President and Chief Executive Officer
(principal executive officer)

Date: March 28, 2024

Exhibit 12.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO EXCHANGE ACT RULE 13a-14(a)/ 15d-14(a)

I, Yaron Eldad, certify that:

1. I have reviewed this annual report on Form 20-F of Evogene Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

/s/ Yaron Eldad
Yaron Eldad
Chief Financial Officer
(principal financial and accounting officer)

Date: March 28, 2024

Exhibit 13.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the Annual Report of Evogene Ltd. (the "Company") on Form 20-F for the fiscal year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ofer Haviv, do certify, pursuant to 18 U.S.C. § 1350, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ofer Haviv
Ofer Haviv
President and Chief Executive Officer
(principal executive officer)

Date: March 28, 2024

Exhibit 13.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the Annual Report of Evogene Ltd. (the "Company") on Form 20-F for the fiscal year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Yaron Eldad, do certify, pursuant to 18 U.S.C. § 1350, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Yaron Eldad
Yaron Eldad
Chief Financial Officer
(principal financial and accounting officer)

Date: March 28, 2024

Exhibit 15.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-193788) pertaining to the 2013 Share Option Plan of Evogene Ltd.,

(2) Registration Statement (Form S-8 No. 333-201443) pertaining to the 2013 Share Option Plan of Evogene Ltd.,

(3) Registration Statement (Form S-8 No. 333-203856) pertaining to the 2013 Share Option Plan of Evogene Ltd.,

(4) Registration Statement (Form S-8 No. 333-259215) pertaining to the 2021 Share Option Plan of Evogene Ltd.,

(5) Registration Statements (Form F-3 Nos. 333-253300 and 333-277565) and related Prospectus of Evogene Ltd.,

of our report dated March 28, 2024, with respect to the consolidated financial statements of Evogene Ltd. included in this Annual Report (Form 20-F) of Evogene Ltd. for the year ended December 31, 2023.

/s/ KOST FORER GABBAY & KASIERER

Tel-Aviv, Israel
March 28, 2024

KOST FORER GABBAY & KASIERER
A Member of Ernst & Young Global

Exhibit 97.1

EVOGENE LTD.

POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

Evogene Ltd. (the "***Company***") has adopted this Policy for Recovery of Erroneously Awarded Compensation (the "***Policy***"), effective as of August 16, 2023 (the "***Effective Date***"). Capitalized terms used in this Policy but not otherwise defined herein are defined in Section 11.

1. Persons Subject to Policy

This Policy shall apply to and be binding and enforceable on current and former Officers. In addition, the Committee and the Board may apply this Policy to persons who are not Officers, and such application shall apply in the manner determined by the Committee and the Board in their sole discretion.

2. Compensation Subject to Policy

This Policy shall apply to Incentive-Based Compensation received on or after the Effective Date. For purposes of this Policy, the date on which Incentive-Based Compensation is "received" shall be determined under the Applicable Rules, which generally provide that Incentive-Based Compensation is "received" in the Company's fiscal period during which the relevant Financial Reporting Measure is attained or satisfied, without regard to whether the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.

3. Recovery of Compensation

In the event that the Company is required to prepare a Restatement, the Company shall recover, reasonably promptly and in accordance with Section 4 below, the portion of any Incentive-Based Compensation that is Erroneously Awarded Compensation, unless the Committee and the Board have determined that recovery from the relevant current or former Officer would be Impracticable. Recovery shall be required in accordance with the preceding sentence regardless of whether the applicable Officer engaged in misconduct or otherwise caused or contributed to the requirement for the Restatement and regardless of whether or when restated financial statements are filed by the Company. For clarity, the recovery of Erroneously Awarded Compensation under this Policy will not give rise to any Officer's right to voluntarily terminate employment for "good reason" or due to a "constructive termination" (or any similar term of like effect) under any plan, program or policy of or agreement with the Company or any of its affiliates.

4. Manner of Recovery; Limitation on Duplicative Recovery

The Committee and the Board shall, in its sole discretion, determine the manner of recovery of any Erroneously Awarded Compensation, which may include, without limitation, reduction or cancellation by the Company or an affiliate of the Company of Incentive-Based Compensation or Erroneously Awarded Compensation, reimbursement or repayment by any person subject to this Policy, and, to the extent permitted by law, an offset of the Erroneously Awarded Compensation against other compensation payable by the Company or an affiliate of the Company to such person. Notwithstanding the foregoing, unless otherwise prohibited by the Applicable Rules, to the extent this Policy provides for recovery of Erroneously Awarded Compensation already recovered by the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 or Other Recovery Arrangements, the amount of Erroneously Awarded Compensation already recovered by the Company from the recipient of such Erroneously Awarded Compensation may be credited to the amount of Erroneously Awarded Compensation required to be recovered pursuant to this Policy from such person.

5. Administration

This Policy shall be administered, interpreted and construed by the Committee, which is authorized to make all determinations necessary, appropriate or advisable for such purpose. The Board may re-vest in itself the authority to administer, interpret and construe this Policy in accordance with applicable law, and in such event references herein to the "Committee" shall be deemed to be references to the Board. Subject to any permitted review by the applicable national securities exchange or association pursuant to the Applicable Rules, all determinations and decisions made by the Committee pursuant to the provisions of this Policy shall be final, conclusive and binding on all persons, including the Company and its affiliates, shareholders and employees. The Committee may delegate administrative duties with respect to this Policy to one or more directors or employees of the Company, as permitted under applicable law, including any Applicable Rules.

6. Interpretation

This Policy shall be interpreted and applied in a manner that is consistent with the requirements of the Applicable Rules, and to the extent this Policy is inconsistent with such Applicable Rules, it shall be deemed amended to the minimum extent necessary to ensure compliance therewith.

7. No Indemnification; No Liability

The Company shall not indemnify or insure any person against the loss of any Erroneously Awarded Compensation pursuant to this Policy, nor shall the Company directly or indirectly pay or reimburse any person for any premiums for third-party insurance policies that such person may elect to purchase to fund such person's potential obligations under this Policy. None of the Company, an affiliate of the Company or any member of the Committee or the Board shall have any liability to any person as a result of actions taken under this Policy.

8. Application; Enforceability

Except as otherwise determined by the Committee or the Board, the adoption of this Policy does not limit, and is intended to apply in addition to, any Other Recovery Arrangements. Without limiting the foregoing, in the event of a conflict between this Policy and the Compensation Policy, the latter shall prevail, except with respect to the recovery of any portion of Incentive-Based Compensation that is Erroneously Awarded Compensation that would not be recoverable under the Compensation Policy, in which case this Policy shall prevail. Subject to Section 4, the remedy specified in this Policy shall not be exclusive and shall be in addition to every other right or remedy at law or in equity that may be available to the Company or an affiliate of the Company or is otherwise required by applicable law and regulations.

9. Severability

The provisions in this Policy are intended to be applied to the fullest extent of the law; provided, however, to the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

10. Amendment and Termination

The Board or the Committee may amend, modify or terminate this Policy in whole or in part at any time and from time to time in its sole discretion. This Policy will terminate automatically when the Company does not have a class of securities listed on a national securities exchange or association in the U.S.

11. Definitions

"***Applicable Rules***" means Section 10D of the Exchange Act, Rule 10D-1 promulgated thereunder, the listing rules of the national securities exchange or association on which the Company's securities are listed, and any applicable rules, standards or other guidance adopted by the Securities and Exchange Commission or any national securities exchange or association on which the Company's securities are listed.

"***Board***" means the Board of Directors of the Company.

"***Compensation Policy***" means the Company's compensation policy for officers and directors, as adopted in accordance with the Israeli Companies Law 5759-1999 and as in effect from time to time.

"***Committee***" means the Compensation Committee of the Board or, in the absence of such a committee, a majority of the independent directors serving on the Board.

"***Erroneously Awarded Compensation***" means the amount of Incentive-Based Compensation received by a current or former Officer that exceeds the amount of Incentive-Based Compensation that would have been received by such current or former Officer based on a restated Financial Reporting Measure, as determined on a pre-tax basis in accordance with the Applicable Rules.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

"***Financial Reporting Measure***" means any measure determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures, including GAAP, IFRS and non-GAAP/IFRS financial measures, as well as stock price and total shareholder return.

"***GAAP***" means United States generally accepted accounting principles.

"***IFRS***" means international financial reporting standards as adopted by the International Accounting Standards Board.

"***Impracticable***" means (a) the direct expense paid to third parties to assist in enforcing recovery would exceed the Erroneously Awarded Compensation; provided that the Company has (i) made reasonable attempt(s) to recover the Erroneously Awarded Compensation, (ii) documented such reasonable attempt(s) and (iii) provided such documentation to the relevant listing exchange or association, (b) the recovery would violate the Company's home country laws adopted prior to November 28, 2022 pursuant to an opinion of home country counsel; provided that the Company has (i) obtained an opinion of home country counsel, acceptable to the relevant listing exchange or association, that recovery would result in such a violation and (ii) provided such opinion to the relevant listing exchange or association, or (c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and the regulations thereunder.

"***Incentive-Based Compensation***" means, with respect to a Restatement, any compensation that is granted, earned, or vested based wholly or in part upon the attainment of one or more Financial Reporting Measures and received by a person: (a) after such person began service as an Officer; (b) who served as an Officer at any time during the performance period for that compensation; (c) while the Company has a class of securities listed on a national securities exchange or association; and (d) during the applicable Three-Year Period.

"***Officer***" means each person who the Company determines serves as a Company officer, as defined in Section 16 of the Securities Exchange Act of 1934, as amended.

*"**Other Recovery Arrangements**"* means any clawback, recoupment, forfeiture or similar policies or provisions of the Company or its affiliates, including any such policies or provisions of such effect contained in any employment agreement, bonus plan, incentive plan, equity-based plan or award agreement thereunder or similar plan, program or agreement of the Company or an affiliate or required under applicable law (including, without limitation, the Compensation Policy).

"***Restatement***" means an accounting restatement to correct the Company's material noncompliance with any financial reporting requirement under securities laws, including restatements that correct an error in previously issued financial statements (a) that is material to the previously issued financial statements or (b) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

"***Three-Year Period***" means, with respect to a Restatement, the three completed fiscal years immediately preceding the date that the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare such Restatement, or, if earlier, the date on which a court, regulator or other legally authorized body directs the Company to prepare such Restatement. The "Three-Year Period" also includes any transition period (that results from a change in the Company's fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence. However, a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months shall be deemed a completed fiscal year.

ACKNOWLEDGMENT AND CONSENT TO
POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

The undersigned has received a copy of the Policy for Recovery of Erroneously Awarded Compensation (the "Policy") adopted by Evogene Ltd. (the "Company"), and has read and understands the Policy. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Policy.

As a condition of receiving Incentive-Based Compensation from the Company, the undersigned agrees that any Incentive-Based Compensation received on or after the Effective Date is subject to recovery pursuant to the terms of the Policy. To the extent the Company's recovery right conflicts with any other contractual rights the undersigned may have with the Company, the undersigned understands that the terms of the Policy shall supersede any such contractual rights. The terms of the Policy shall apply in addition to any right of recoupment against the undersigned under the Compensation Policy or applicable law and regulations.

_____ _____
Date Signature

_____
Name

_____
Title