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## **Aquagro Fund of Gaon and Faktor Would Invest \$2 Mill in Evogene**

By Yoram Gabizon

Evogene, managed by Ofer Haviv would allocate 1.1 million shares, which are 5.8% of its equity after the allocation, to the Aquagro fund for 7.2 Mill NIS.

The deal indicates a rate of 6.5 NIS per share which is 33% higher than the share market value, and a market value of 135 Mill NIS after the allocation. This price is 1.5% higher than the share peak price in the end of September 2007.

Evogene would allocate Aquagro 651,000 options from series 2 which can be realized within 3 years, at a realization price of 11.05 NIS per share which indicates company value of 236 Mill NIS.

The deal price is slightly higher, since Evogene received from Aquagro put option that allows Evogene to make Aquagro purchase shares at 4.5 NIS per share and at a total of 2 Mill NIS.

Evogene developed a computer technology which identifies DNA sequence that can improve the qualities of agriculture crops such as crop levels in normal growth conditions and in conditions of dryness, and the level water and fertilizers the plant consumes.

Evogene technology is a type of search engine that can identify 50-80 genes out of tens to hundreds genes, which are relevant to the target quality of the development. Evogene signed agreements for cooperation with leading companies in the world. One of the prominent agreements was signed in September 2007 with Monsanto, which is the largest company in the world for seeds and a leading company in genetically engineered seed's development. As part of the agreement, Monsanto received from Evogene an exclusive research license with an option to receive a trade license to use certain genes, which have been discovered and identified by Evogene in order to check their influence on corn, soy and cotton. Evogene discovered genes, which may enable the plant to keep the same crop level even when it receives 20%-30% smaller quantities of nitrogen.

The Aquagro fund was established 6 months ago by Gaon Agro, Robert Faktor and Ainsbury.

The fund specializes in investments in clean-tech companies, including desalination, agriculture and electricity management. The fund, which raised \*\$40 Mill since the beginning of 2008, set a target to complete a raise of \$100M by the end of the year. Evogene, which was issued on June 2007, is traded at a 91 Mill NIS value, 18% lower than the issue price.

\* As far as we know the fund raised approx. \$31 Mill.



## Monsanto invests in Israeli plant biotech co Evogene

The deal values Evogene at 3.5 times its market cap.

Gali Weinreb — 28 Aug 08 10:55

International seeds company Monsanto (NYSE: MON) is to invest a total of \$65 million in Israeli company Evogene (TASE: EVGN) in stages. Evogene has developed technology for discovering and developing genes for the improvement of plant traits.

Initially, Monsanto will invest \$18 million for 13.5% of Evogene. This implies a company value of \$133 million for Evogene, 3.5 times its market cap at the close of trading yesterday. Monsanto has an option to buy shares for another \$12 million, at a higher value, if Evogene meets certain commitments.

In addition, Evogene will receive some \$35 million as an advance payment and in annual research payments for carrying out research for Monsanto. It will also be entitled to milestone payments, and to royalties if the product reaches the market.

The investment is part of a five-year agreement for collaboration on identifying genes that affect a plant's yield, its ability to withstand harsh environments, and its use of fertilizers.

Evogene will provide Monsanto with genes it identifies that can improve the properties of seeds. The genes will be tested by the two companies jointly in model plants, and if they are found to lead to improvement, Monsanto will incorporate them in the seeds it sells. Monsanto will receive an exclusive license on these genes for several crop plants, among them maize, soy, canola, and cotton.

Evogene shares are currently up 35% on the Tel Aviv Stock Exchange, at NIS 8.36.

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