

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(U.S. dollars in thousands, except for share and per-share amounts)

|                                                                                                         | Three Months Ended<br>September 30, |                   | Nine Months Ended<br>September 30, |                   |
|---------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------|------------------------------------|-------------------|
|                                                                                                         | 2014<br>Unaudited                   | 2013<br>Unaudited | 2014<br>Unaudited                  | 2013<br>Unaudited |
| <b>Revenues</b>                                                                                         | 1,718                               | 1,590             | 5,815                              | 1,774             |
| Cost of revenues                                                                                        | 741                                 | 1,465             | 2,357                              | 1,699             |
| <b>Gross profit</b>                                                                                     | <b>977</b>                          | <b>125</b>        | <b>3,458</b>                       | <b>75</b>         |
| <b>Operating expenses</b>                                                                               |                                     |                   |                                    |                   |
| Research and development expenses, net                                                                  | 3,910                               | 2,842             | 10,226                             | 9,018             |
| Marketing and business development expenses                                                             | 156                                 | 415               | 438                                | 767               |
| General and administrative expenses                                                                     | 1,504                               | 1,270             | 4,016                              | 3,375             |
| <b>Total operating expenses *</b>                                                                       | <b>5,570</b>                        | <b>4,527</b>      | <b>14,680</b>                      | <b>13,160</b>     |
| <b>Operating loss</b>                                                                                   | <b>(4,593)</b>                      | <b>(4,402)</b>    | <b>(11,222)</b>                    | <b>(13,085)</b>   |
| Financing income (loss), net **                                                                         | (802)                               | (185)             | 1,670                              | 2,085             |
| <b>Net loss before taxes</b>                                                                            | <b>(5,395)</b>                      | <b>(4,587)</b>    | <b>(9,552)</b>                     | <b>(11,000)</b>   |
| Taxes on income                                                                                         | -                                   | 155               | 60                                 | 155               |
| <b>Net loss</b>                                                                                         | <b>(5,395)</b>                      | <b>(4,742)</b>    | <b>(9,612)</b>                     | <b>(11,155)</b>   |
| Basic and diluted net loss per ordinary share                                                           | (0.11)                              | (0.12)            | (0.20)                             | (0.29)            |
| Weighted average number of Ordinary shares<br>used in computing basic and diluted net loss per<br>share | 49,089,165                          | 39,145,119        | 47,021,655                         | 38,217,843        |

\* Includes non-cash stock based compensation.

\*\* Includes non-cash income (expenses) related to the Baize research and development funding arrangement.

**COMPUGEN LTD.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS DATA**  
(U.S. dollars, in thousands)

|                                                             | September 30,<br>2014 | December 31,<br>2013 |
|-------------------------------------------------------------|-----------------------|----------------------|
|                                                             | Unaudited             | Audited              |
| <b>ASSETS</b>                                               |                       |                      |
| <b>Current assets</b>                                       |                       |                      |
| Cash, cash equivalents and short-term bank deposits         | \$ 107,383            | \$ 46,766            |
| Investment in Evogene                                       | 1,453                 | 4,565                |
| Other accounts receivable and prepaid expenses              | 1,272                 | 1,885                |
| <b>Total current assets</b>                                 | <b>110,108</b>        | <b>53,216</b>        |
| <b>Non-current investments</b>                              |                       |                      |
| Severance pay fund                                          | 2,075                 | 2,129                |
| <b>Total non-current investments</b>                        | <b>2,075</b>          | <b>2,129</b>         |
| <b>Non-current prepaid expenses</b>                         |                       |                      |
|                                                             | 100                   | 158                  |
| <b>Property and equipment, net</b>                          |                       |                      |
|                                                             | 2,349                 | 1,208                |
| <b>Total assets</b>                                         | <b>\$ 114,632</b>     | <b>\$ 56,711</b>     |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                 |                       |                      |
| <b>Current liabilities</b>                                  |                       |                      |
| Other accounts payable, accrued expenses and trade payables | \$ 3,091              | \$ 2,421             |
| Deferred revenues                                           | 2,018                 | 5,318                |
| <b>Total current liabilities</b>                            | <b>5,109</b>          | <b>7,739</b>         |
| <b>Non-current liabilities</b>                              |                       |                      |
| Research and development funding arrangement                | 526                   | 13,189               |
| Deferred revenues                                           | 326                   | 1,454                |
| Accrued severance pay                                       | 2,356                 | 2,441                |
| <b>Total non-current liabilities</b>                        | <b>3,208</b>          | <b>17,084</b>        |
| <b>Total shareholders' equity</b>                           | <b>106,315</b>        | <b>31,888</b>        |
| <b>Total liabilities and shareholders' equity</b>           | <b>\$ 114,632</b>     | <b>\$ 56,711</b>     |