

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

	<b>Three Months Ended December 31,</b>		<b>Year Ended December 31,</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Revenues</b>	53	8,313	712	9,277
Cost of revenues	35	1,036	223	1,633
<b>Gross profit</b>	<u>18</u>	<u>7,277</u>	<u>489</u>	<u>7,644</u>
<b>Operating expenses</b>				
Research and development expenses, net	6,308	5,801	24,549	21,245
Marketing and business development expenses	433	564	1,174	1,309
General and administrative expenses	2,014	1,639	7,349	6,008
<b>Total operating expenses</b>	<u>8,755</u>	<u>8,004</u>	<u>33,072</u>	<u>28,562</u>
<b>Operating loss</b>	<b>(8,737)</b>	<b>(727)</b>	<b>(32,583)</b>	<b>(20,918)</b>
Financing and other income, net	245	645	1,097	1,145
<b>Net loss before taxes</b>	<u><b>(8,492)</b></u>	<u><b>(82)</b></u>	<u><b>(31,486)</b></u>	<u><b>(19,773)</b></u>
Taxes on income	-	390	20	390
<b>Net loss</b>	<u><b>(8,492)</b></u>	<u><b>(472)</b></u>	<u><b>(31,506)</b></u>	<u><b>(20,163)</b></u>
Basic and diluted net loss per ordinary share	(0.17)	(0.01)	(0.62)	(0.40)
Weighted average number of ordinary shares used in computing basic and diluted net loss per share	51,044,938	50,526,584	50,855,908	50,437,040

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

	<b>December 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash, cash equivalents, short-term bank deposits and restricted cash	61,527	81,421
Investment in marketable securities	-	426
Trade receivable	-	7,800
Other accounts receivable and prepaid expenses	1,153	1,352
<b>Total current assets</b>	<b>62,680</b>	<b>90,999</b>
<b>Non-current assets</b>		
Long-term prepaid expenses	92	101
Severance pay fund	2,402	2,179
Property and equipment, net	5,965	6,028
<b>Total non-current assets</b>	<b>8,459</b>	<b>8,308</b>
<b>Total assets</b>	<b>71,139</b>	<b>99,307</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Other account payables, accrued expenses and trade payables	4,740	6,542
Deferred revenues	-	312
<b>Total current liabilities</b>	<b>4,740</b>	<b>6,854</b>
<b>Non-current liabilities</b>		
Accrued severance pay	2,880	2,556
<b>Total non-current liabilities</b>	<b>2,880</b>	<b>2,556</b>
<b>Total shareholders' equity</b>	<b>63,519</b>	<b>89,897</b>
<b>Total liabilities and shareholders' equity</b>	<b>71,139</b>	<b>99,307</b>