Ceres, Inc.
Form 424B2
July 28, 2015

Filed Pursuant to Rule 424(b)(2)
Registration Statement No. 333-204024

PROSPECTUS SUPPLEMENT
(To Prospectus dated July 8, 2015)

1,200,000 Shares
Common Stock

We are offering 1,200,000 shares of our common stock, par value $0.01 per share (the Common Stock). In a concurrent private placement, we are selling to the purchasers of shares of our Common Stock in this offering a warrant to purchase 1,200,000 shares of our Common Stock (the Series A-1 Warrants). The Series A-1 Warrants and the shares of our Common Stock issuable upon the exercise of the Series A-1 Warrants, are not being registered under the Securities Act of 1933, as amended, (the Securities Act), are not being offered pursuant to this prospectus supplement and the accompanying prospectus and are being offered pursuant to the exemption provided in Section 4(a)(2) under the Securities Act and Rule 506(b) promulgated thereunder.

Our Common Stock is listed on the Nasdaq Capital Market under the symbol CERE. The last reported sale price of our Common Stock on July 24, 2015 was $1.62 per share. We are an emerging growth company as that term is used in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act.

You should read this prospectus supplement and the accompanying prospectus and the documents incorporated by reference in this prospectus supplement carefully before you invest.

See Risk Factors on page S-15 of this prospectus supplement to read about factors you should consider before buying shares of our Common Stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

We have retained Ladenburg Thalmann & Co. Inc. to act as our exclusive placement agent in connection with this offering. The placement agent has agreed to use its reasonable best efforts to place the securities offered by this prospectus supplement. We have agreed to pay the placement agent the fee set forth in the table below.

	Per Share	Total
Public offering price	$ 1.296	$ 1,555,200
Placement agent fees[(1)]	$ 0.104	$ 124,416
Proceeds, before expenses, to Ceres	$ 1.192	$ 1,430,784

(1) In addition, we have agreed to reimburse the placement agent s actual out-of-pocket expenses up to $100,000 and to

issue the placement agent compensation warrants equal to 2% of the number of shares of Common Stock sold in this offering. See Plan of Distribution .

We expect that delivery of the shares of our Common Stock being offered pursuant to this prospectus supplement and the accompanying prospectus will be made to purchasers through the facilities of The Depository Trust Company on or about July 30, 2015.

LADENBURG THALMANN

The date of this prospectus supplement is July 26, 2015.

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of the offering and other matters relating to us. The second part is the accompanying prospectus, which provides more general information about the securities we may offer from time to time, some of which may not apply to this offering of Common Stock. This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the Securities and Exchange Commission (the SEC) using the SEC s shelf registration rules. You should read both this prospectus supplement and the accompanying prospectus, together with the documents incorporated by reference and the additional information described under the heading Where You Can Find More Information in this prospectus supplement and the accompanying prospectus before making an investment decision.

To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus, on the other hand, the information contained in this prospectus supplement shall control. If any statement in this prospectus supplement conflicts with any statement in a document that has been incorporated herein by reference, then you should consider only the statement in the more recent document. You should assume that the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates.

We have not, and the placement agent has not, authorized any person to provide you with any information or to make any representation other than as contained in this prospectus supplement or in the accompanying prospectus and the information incorporated by reference herein and therein. We and the placement agent do not take any responsibility for, and can provide no assurance as to the reliability of, any information that others may provide you. The information appearing or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of the date of this prospectus supplement or the date of the document in which incorporated information appears unless otherwise noted in such documents. Our business, financial condition, results of operations and prospects may have changed since those dates.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the Common Stock in certain jurisdictions may be restricted by law. We are not, and the placement agent is not, making an offer of the Common Stock in any jurisdiction where the offer is not permitted. Persons who come into possession of this prospectus supplement and the accompanying prospectus should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

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WHERE YOU CAN FIND ADDITIONAL INFORMATION

We file annual, quarterly and other periodic reports, proxy statements and other information with the SEC. You can read our SEC filings over the Internet at the SEC s website at *www.sec.gov*. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street NE, Washington, D.C. 20549. You may also obtain copies of these documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

Our Internet address is *www.ceres.net*. There we make available free of charge, on or through the investor relations section of our website, annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with the SEC. The information found on our website is not part of this prospectus supplement or the accompanying prospectus.

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INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

We are incorporating by reference specific documents that we file with the SEC, which means that we can disclose important information to you by referring you to those documents that are considered part of this prospectus supplement and the accompanying prospectus. Information that we file subsequently with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below, and any documents that we file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act, after the date of this prospectus supplement until the termination of the offering of all of the securities registered pursuant to the registration statement of which the accompanying prospectus is a part (excluding any portions of such documents that have been furnished but not filed for purposes of the Exchange Act):

1. Annual Report on Form 10-K for the fiscal year ended August 31, 2014 filed on November 20, 2014.
2. Quarterly Report on Form 10-Q for the quarters ended November 30, 2014, February 28, 2015 and May 31, 2015, filed on January 13, 2015, April 9, 2015 and July 10, 2015, respectively.
3. Current Reports on Form 8-K filed on December 15, 2014, March 17, 2015, April 8, 2015, June 22, 2015 and July 17, 2015.
4. Proxy Statement on Schedule 14A for our Annual Meeting of Stockholders filed on February 11, 2015.
5. The description of our Common Stock contained in our Form 8-A filed on February 3, 2012.

You may request, and we will provide you with, a copy of these filings, at no cost, by calling us at (805) 376-6500 or by writing to us at the following address:

Ceres, Inc.
1535 Rancho Conejo Blvd.
Thousand Oaks, CA 91320
Attn: General Counsel

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus supplement and the accompanying prospectus to the extent that a statement contained herein or therein, in any other subsequently filed document that also is or is deemed to be incorporated by reference herein and in any accompanying prospectus supplement, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified and superseded, to constitute a part of this prospectus supplement.

Any statement made in this prospectus supplement and the accompanying prospectus concerning the contents of any contract, agreement or other document is only a summary of the actual contract, agreement or other document. If we have filed or incorporated by reference any contract, agreement or other document as an exhibit to the registration statement, you should read the exhibit for a more complete understanding of the document or matter involved. Each statement regarding a contract, agreement or other document is qualified by reference to the actual document.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein contain forward-looking statements. All statements, other than statements of historical facts contained in this prospectus supplement, the accompanying prospectus and in the documents incorporated by reference herein, including statements regarding our efforts to develop and commercialize our products, anticipated yields and product performance, our short-term and long-term business strategies, market and industry expectations and future results of operations and financial position are forward-looking statements. In many cases, you can identify forward-looking statements by terms such as may , will , should , expect , plan , anticipate , could , intend , target , pro believe , estimate , potential , continue or other similar words.

We based these forward-looking statements largely on our current expectations and projections about future events or trends that we believe may affect our business and financial performance. These forward-looking statements involve known and unknown risks and uncertainties that may cause our actual results, performance or achievements to materially differ from any future results, performance or achievements expressed or implied by these forward-looking statements. We have described in the Risk Factors section and elsewhere in this prospectus supplement and in the documents incorporated by reference herein the material risks and uncertainties that we believe could cause actual results to differ from these forward-looking statements. Because forward-looking statements are inherently subject to risks and uncertainties, some of which we cannot predict or quantify, you should not rely on these forward-looking statements as guarantees of future results, performance or achievements.

The forward-looking statements in this prospectus supplement, the accompanying prospectus and in the documents incorporated by reference herein represent our views as of the date of the document in which the forward-looking statement appears. We undertake no obligation to update publicly, except to the extent required by law, any forward-looking statements for any reason to conform these statements to actual results or to changes in our expectations.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus and does not contain all of the information you should consider in making your investment decision. You should read this summary together with the more detailed information, including our financial statements and the related notes, contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. You should carefully consider, among other things, the matters discussed in Risk Factors , before making an investment decision. You should also read and consider the information in the documents to which we have referred you in Where You Can Find Additional Information. Unless otherwise indicated in this prospectus, Ceres , our company , the Company , we , us and our refer to Ceres, Inc. and our subsidiaries, Ceres Sementes do Brasil Ltda., Ceres Agrotechnologies Intl LLC and CS Semillas de México, S. de L. de C.V.

Business Overview

We are an agricultural biotechnology company that develops and markets seeds and traits to produce crops for animal feed, sugar and other markets. We use a combination of advanced plant breeding, biotechnology and bioinformatics to develop seed products and biotechnology traits to address many of the current limitations and future challenges facing agriculture. These technology platforms, which can increase crop productivity, improve quality, reduce crop inputs and improve cultivation on marginal land, have broad application across multiple end markets, including food, feed, fiber and fuel. Our bioinformatics technologies can also improve and accelerate discovery and development in biomedical research and diagnostics.

In 2014, we began realigning our business to focus on food and forage opportunities and biotechnology traits for sugarcane and other crops. Previously, we prioritized our working capital in Brazil, where, since 2010 we were focused on the large-scale evaluation and adoption of our high biomass sorghum for power generation and sweet sorghum for ethanol production. Due in part to the economic challenges faced by the Brazilian ethanol industry including low oil prices, the struggling Brazilian economy and unfavorable government policies in Brazil, in June 2015, we began restructuring our operations in Brazil. We believe that these changes represent an important step in the transformation of our business as we refocus on our strengths in agricultural technology and redirect our existing seed products and trait pipelines toward food and feed markets being fueled by global prosperity growth.

Increased global agricultural demand is being driven by both population growth and increased prosperity. As human societies become wealthier, they tend to increase meat and dairy consumption. As a result, demand for forage, feed and hay crops is expected to continue to increase. We believe that growers of forage crops, including vertically integrated businesses such as dairies, will need to seek improved sources of forage as well as utilize more marginal quality cropland or cropland with limited water availability, to meet their feedstock requirements. To maximize milk and meat production, dairies and livestock producers frequently supplement rations of grasses with other crops and nutritional sources. We believe that a single crop plant with improved forage quality can provide a preferable solution. Using biotechnology, we are developing forage and feed crops with a better balance of energy and nutrition. In forage sorghum, we are taking advantage of the natural drought tolerance of sorghum and combining it with biotech traits for enhanced biomass yield and quality. We also believe there is an opportunity to utilize these traits in other forage crops, such as alfalfa and silage corn. Many of these traits have already been developed as part of our historical activities in bioenergy.

We market and sell our seed products under our Blade brand. In certain crops, including corn, rice and sugarbeet, we

have out-licensed a portion of our traits and gene technology to existing market participants and continue to pursue opportunities to out-license these technologies, among other go-to-market strategies. We believe that the strength of our technology has been validated by our receipt of multiple competitive grants as well as collaborations with leading companies, such as Syngenta Biotechnology and Bayer CropScience. We also have significant intellectual property rights to our technology platforms, traits and seed products.

Forage Sorghum Seed and Traits

In 2015, we expanded our sorghum offerings to include hybrids for use as livestock feed and forage. We are leveraging our core capabilities in plant transformation and biotech traits and combining them with proprietary forage sorghum hybrids and breeding lines. Our goal is to expand forage sorghum into a major

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feed crop with higher yield and nutritional quality. In addition to our direct sales efforts, we entered into several distribution agreements with well-established distributors of crop inputs and services in North America. For the 2015 growing season in North America, which begins in the spring and summer months, we have sold enough seed of our forage sorghum to plant more than 3,000 acres compared to approximately 600 acres the previous season due to an increase in the number of customers evaluating our products for potentially larger-scale use. We believe drought and water supply concerns in certain regions of the U.S. positively influenced customer planting decisions to plant our forage sorghum hybrids.

Our current hybrids, which are traditionally bred and do not yet contain biotech traits, have performed well in numerous commercial and multi-hybrid field trials in the United States and have demonstrated a number of favorable attributes for forage feed, such as high yields and lower water requirements, as well as competitive production costs relative to corn and certain hay crops. For example, in two university-led evaluations, which included products from well-known seed companies, we achieved the highest milk production yield per acre, which is a key metric for dairy operations. For the 2015 growing season in North America, we plan to evaluate more than a dozen new hybrids that offer performance advantages such as higher yields and improved nutrition.

We have also advanced our biotech traits in sorghum for additional field evaluations in the United States. In a 2014, in a U.S. field evaluation, one of our leading biotech traits provided a greater than 20% biomass yield advantage in a commercial-type sorghum. In 2014, we received confirmation from the U.S. Department of Agriculture (USDA) that our high biomass trait was not considered a regulated article under 7 CFR §340 of the USDA s mandate to regulate genetically engineered traits. This determination is likely to make it more cost-effective and timely for us to develop this trait in sorghum, and as a result, we believe we have a clear and near-term path forward to the commercialization of this trait. Performance results for both our traditionally developed hybrids and biotech traits are expected by the end of the calendar year.

Biotech Traits for Sugarcane and Other Crops

Our biotechnology traits include traits that increase yields and provide greater yield stability and resilience to drought and other stress conditions. Biotechnology, also known as genetic engineering, allows us to precisely add traits not readily achievable through conventional breeding methods. In most cases, the same trait can be added to multiple crops with similar effect. Our strategy is to focus on genes that have shown large, step increases in performance, and whose benefits are largely maintained across multiple species. Trait performance is evaluated in target crops, such as corn, rice and sugarcane, through multi-year field tests in various locations. To date, our field evaluations have largely confirmed earlier results obtained in greenhouse and laboratory settings.

We believe that a number of our biotech traits could provide significant benefits to sugarcane production, such as improved biomass yields and greater resilience to drought and other stress conditions. Biotech solutions are particularly attractive in sugarcane because improvements through plant breeding have been cumbersome and slow compared to other crops. According to the United Nations Food and Agriculture Organization crop database, FAOSTAT, sugarcane is cultivated on approximately 65 million acres worldwide, including approximately 25 million acres in Brazil, 1 million acres in Colombia and 1 million acres in the U.S., all of which are initial target markets for our traits. In research-scale field evaluations completed in March 2015, our biotech traits demonstrated significant advantages in enhancing and protecting yields in commercial sugarcane varieties under tropical conditions in Latin America. Our yield traits accelerated maturation and ripening while demonstrating significant increases in overall biomass yields over controls. In addition, plants with one of our drought tolerance traits maintained biomass yields under low water conditions, and in certain cases, maintained yields with as little as half the water normally required during production. Plantings for the next stage of field trials were completed in June 2015 ahead of our original

schedule. At this current pace, commercial sugarcane cultivars with our traits could be ready for commercial scale-up, in select markets, as early as 2018.

In addition, in December 2014, we completed a second year of field evaluations of our multi-gene biotech traits in corn. These multi-gene combinations demonstrated a significant yield advantage over controls in many of our research-scale field evaluations. Field evaluations represent a critical stage in the development of biotech crop traits, as they provide greater insight into how traits may perform in an agricultural setting.

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We have since advanced our best multi-gene combinations for additional testing of corn in China. We have expanded the scope of our trials, including evaluations of our traits in a more diverse set of corn breeding lines. The trials will be independently designed and managed by our collaborators in China. Favorable results from small-scale evaluations and research settings are not a guarantee of future commercial performance, and further evaluations will be necessary to confirm results.

We believe that our results represent an important step forward in crop biotechnology. We have optimized the expression of our genes in a more precise and sophisticated manner than is usually the case. In addition, we believe that combining genes together, to either create a stronger trait or combine complementary traits, provides the best approach to generate high impact advantages, such as increased grain yield or drought tolerance. We have also developed a new high-throughput, low-cost approach called iCODE, to empirically evaluate large numbers of promising genes and related control components and to select the best combinations for deployment in a crop. We believe that iCODE may have application in multiple row crops, including canola, corn, cotton, rice, sorghum, soybean and wheat. In 2014, we filed an application for a patent covering our iCODE technology.

In the third quarter of fiscal 2015, we entered into a multi-year collaboration with a leading agricultural producer to develop biotech traits for our collaborator s crop in a defined geography. We expect the development and commercialization program will be fully funded by our collaboration partner, with payments to us expected to exceed $1.0 million by mid-2016. Under the agreement, we will also receive royalties for new cultivars commercialized under the collaboration. We are also exploring discussions with other agricultural companies to develop and commercialize our biotech traits in crops, such as alfalfa, corn and sugarcane, for certain geographies.

Persephone Bioinformatics Software

We have developed proprietary bioinformatics software, known as Persephone, to deal with the massive amounts of data generated in plant genomics. Persephone has been licensed to major plant science companies and is being evaluated by new potential customers in plant genomics as well as in biomedical research and diagnostics, where genomic and genetic data is analyzed and viewed in a similar manner to plant genomics.

Persephone is a proprietary bioinformatics platform that enables storage and access to large, complex datasets as well as optimized data visualizations to view genetic data from public sources and proprietary databases. Our early need for the ability to manage large amounts of plant genomic data led to the effort to develop a scalable informatics platform, which resulted in our Persephone software. We believe that Persephone today is significantly more advanced than comparable products, including many in the human healthcare space. The software includes a number of proprietary data management optimizations to quickly access and visualize very large datasets. This speed enables more dynamic visualizations, intuitive discovery and greater insights into genetic information. We believe that our direct experience using Persephone internally and our ability to continually develop and launch new versions with additional features and functions will enable us to further establish our market position in the plant sciences and expand into new markets, such as biomedical research and diagnostics.

In May 2015, we licensed Persephone to global seed potato developer, HZPC Holland BV. HZPC is the third multi-national life sciences company to adopt Persephone as its primary genome browser, following Bayer CropScience and Syngenta Biotechnology.

Competitive Strengths

We believe that we possess a number of competitive strengths that position us to become a leading provider of seeds, traits and bioinformatics technologies, including:

Positioned to Capitalize on Growth of Large End Markets

Our biotechnology platform, which has proven to increase biomass productivity, raise quality, reduce crop inputs and improve cultivation on marginal land, has broad application across multiple end markets and crops.

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Current Commercial Products with Multiple Advanced Products in Pipeline

Our current commercial products and product pipeline contains numerous traits and seed products with potential across multiple crops including sorghum, sugarcane and corn, among others. Moreover, we are focused on crops and traits outside the primary market areas of major international agrochemical and agricultural biotechnology corporations.

Leading Platform with Full Agricultural Biotech Seed Company Capabilities

We are an agricultural biotechnology company that uses biotechnology, advanced plant breeding and genomic technologies to create high value traits and seeds to produce agricultural crops. Our integrated technology platform delivers a combination of valuable genetic assets and competencies in genomics and gene mapping, biotechnology and bioinformatics. Our iCODE™ technology enables high throughput genetic testing that can speed up the trait development process. In addition to possessing the research and development capabilities necessary to generate new product candidates, we are vertically integrated, which gives us the ability to bring agricultural biotechnology products to market in select crops.

Extensive Intellectual Property Portfolio of High Value Traits and Germplasm

We have an extensive intellectual property portfolio of both field-validated high value traits and germplasm, which includes thousands of specimens and breeding lines, as well as multiple pools of regionally adapted germplasm spanning multiple climates. We have extensive filings around unique combinations of gene promotors and protein coding sequences. Having both germplasm and field-validated trait portfolios allows us to leverage the synergies created to facilitate innovation in a way that is not possible with germplasm or traits alone. In our focus geographies, we believe that we have a significant advantage over new entrants who would need several generations of germplasm development and/or access to biotech traits to achieve performance equivalent to our current product portfolio and pipeline.

Multiple Out-Licensing Opportunities

Our biotech traits and core technology platforms provide multiple opportunities for exclusive or non-exclusive out-licensing, by crop and/or geography and market. Traits developed through biotechnology, also known as genetic engineering, can be added to multiple crops with similar effect in most cases. Our strategy is to focus on genes that have shown large, step increases in performance and whose benefits are largely maintained across multiple species.

Validated, Robust Bioinformatics Platform

We have established our Persephone bioinformatics software as a preeminent platform for storing, organizing, accessing and visualizing genetic information, and have displaced incumbent solutions at major life science companies. The software includes a number of proprietary data management optimizations to quickly access and visualize very large datasets. This speed enables more dynamic visualizations, intuitive discovery and greater insights into genetic information. We believe that our direct experience using Persephone internally and our ability to continually develop and launch new versions with additional features and functions will enable us to further establish our market position in the plant sciences and expand into new markets, such as biomedical research and diagnostics.

Attractive Business Model

Seed businesses traditionally incur significant research and development expenditures and have long product development time lines, but benefit from a combination of high gross margins, low capital expenditure requirements and intellectual property protection. Once developed, seeds require little physical infrastructure or production cost to be replicated for sale. Seeds are typically priced, however, based on a share of the value created to the customer as opposed to their cost of production. In general, seed costs to growers are a relatively small percentage of their total production cost, but the performance of those seeds is critical to the growers economics. We believe we can position our business to take advantage of low production costs relative to the high value of our products to our customers.

Management Team with Significant Industry Experience

Our management team includes leading scientists and industry experts who have extensive experience in the field of agricultural biotechnology and possess a deep understanding of a variety of agricultural and biotechnology businesses, including the seed industry.

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Our Strategy

Our objective is to be a leading provider of seeds and traits to a variety of agricultural markets, including livestock feed and forage, sugar and other markets. In our realigned business, we plan to leverage many of the advances we made historically for bioenergy markets. Key elements of our business strategy include:

Expand forage sorghum s use into a major feed crop with greater yield and nutritional quality, increased value capture and expanded market potential;
Make use of the positive regulatory landscape to introduce biotech traits in our branded sorghum seed products, beginning in the U.S.;
Explore additional license and royalty-based collaborations with market leaders in multiple geographies to introduce our biotechnology traits to other forage crops and sugarcane;
Realign our business operations in Brazil toward sugarcane trait development and commercialization, and work with well-established local partners;
Advance our biotechnology traits in grain crops and further validate our iCODE multi-gene trait development system; and
Increase the number of plant sciences customers utilizing our Persephone platform and expand into the biomedical fields, where genetic information is analyzed and viewed in a similar manner to plant genomics.

Summary of Risk Factors

Our business is subject to a number of risks and uncertainties that you should understand before making an investment decision. For example, we have a history of net losses, we expect to continue to incur net losses and we may not achieve or maintain profitability. Furthermore, our products are in the early stages of commercialization and we have generated limited revenue from seed sales. Substantially all of our revenue to date has been derived from collaborations and government grants. Over the next several years, we expect our revenue to shift from being derived primarily from collaborations and government grants to sales of our seed products. As of May 31, 2015, we had an accumulated deficit of $323.9 million. We have incurred substantial net losses since our inception, including net losses of $29.4 million, $32.5 million and $29.3 million and $20.0 million for the years ended August 31, 2012, 2013 and 2014 and the nine months ended May 31, 2015, respectively. We expect to incur additional losses for at least the next several years as we continue to invest in our research and development programs, develop new products and move forward with our commercialization activities. Additional risks are discussed more fully in the section entitled Risk Factors following this prospectus summary. These risks include, but are not limited to, the following:

We have a history of net losses; we expect to continue to incur net losses and we may not achieve or maintain profitability.
We will require additional financing and may not be able to obtain such financing on favorable terms, if at all, which would force us to significantly curtail our operations.
We are at the beginning stages of developing our brand awareness for our crops, and we have limited experience in marketing and selling our products and will need to expand our sales and marketing infrastructure.
We have only completed a limited number of evaluations and commercial-scale production of our sorghum products in the U.S. forage market and, to the extent that our sorghum products do not result in expected yields, we may have difficulty commercializing our sorghum products.
Our biotech products require a multi-year development process and are not yet available for commercial use.
Our business will be adversely affected if the field trials being conducted by our collaborators or potential customers fail to perform as expected.

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Our product development efforts use complex integrated technology platforms and require substantial time and resources to develop and our efforts may not be successful or the rate of product improvement may be slower than expected.

We face significant competition in all areas of our business, and if we do not compete effectively, our business will be harmed. We are relatively new to the forage sorghum seeds market and face competition from a number of well-established market participants.

The realignment of our business announced on June 19, 2015 to focus on food and forage opportunities and biotechnology traits for sugarcane and other crops may not deliver the expected results and we may not be able to execute on our new strategy.

The timely introduction of our biotech traits in the United States for our sorghum and other crops relies on non-regulated status under certain USDA regulations. We may lose such non-regulated status in the U.S. or we may face other regulations that could limit or block the introduction of our biotech traits in the U.S. or other markets.

Our software products are complex, which makes it difficult to innovate and avoid costs related to correction of program errors.

A significant portion of our revenue to date is generated from government grants and continued availability of government grant funding is uncertain and contingent on compliance with the requirements of the grant.

Compliance with applicable government regulations, particularly with respect to biotechnology products, is time-consuming and costly.

The degree of public understanding and acceptance or perceived public acceptance of our biotechnology products can affect our sales and results of operations by affecting approvals, regulatory requirements and customer purchase decisions.

Our inability to adequately protect our proprietary technologies and products could harm our competitive position. The value of our intellectual property could diminish due to technological developments or challenges by competitors, making our products less competitive.

Corporate Information

We were incorporated in the State of Delaware in March 1996 under the name Ceres, Inc. Our corporate headquarters are located at 1535 Rancho Conejo Boulevard, Thousand Oaks, California 91320, and our telephone number is +1 (805) 376-6500. Our website address is *www.ceres.net*. The information contained on our website or that can be accessed through our website is not part of this prospectus supplement and the accompanying prospectus and investors should not rely on any such information in deciding whether to purchase our Common Stock.

Our logos, Ceres® , Blade® , Skyscraper® , Persephone™ and iCODE™ and other trademarks or service marks of Ceres, Inc. appearing or incorporated by reference in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference are the property of Ceres, Inc. This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein contain additional trade names, trademarks and service marks of other companies. We do not intend our use or display of other companies trade names, trademarks or service marks to imply relationships with, or endorsement or sponsorship of us by, these other companies.

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THE OFFERING

Common stock offered

1,200,000 shares.

Common stock to be outstanding after this offering

7,232,222 shares.

Use of proceeds

We expect to receive net proceeds of approximately $1.0 million from this offering after deducting the placement agent fees and estimated offering expenses payable by us. We intend to use the net proceeds from this offering for general corporate purposes, including working capital. See Use of Proceeds .

Nasdaq Market trading symbol

CERE .

Risk factors

See Risk Factors on page S-15 of this prospectus supplement to read about factors you should consider before buying shares of our Common Stock.

Concurrent private placement

In a concurrent private placement, we are selling to the purchasers of shares of our Common Stock in this offering a Series A-1 Warrant to purchase 1,200,000 shares of our Common Stock, or 1,200,000 Series A-1 Warrants. The Series A-1 Warrants will be exercisable on the six month anniversary of the date of issuance at an exercise price of $1.62 per share and will expire on the fifth anniversary of the date that the Series A-1 Warrants become exercisable. The Series A-1 Warrants and the shares of our Common Stock issuable upon the exercise of the Series A-1 Warrants, are not being offered pursuant to this prospectus supplement and the accompanying prospectus and are being offered pursuant to the exemption provided in Section 4(a)(2) under the Securities Act and Rule 506(b) promulgated thereunder. See Private Placement Transaction.

The number of shares of Common Stock that will be outstanding after this offering is based on 6,032,222 shares outstanding as of May 31, 2015, and excludes:

423,082 shares of Common Stock issuable upon exercise of options to purchase our Common Stock outstanding as of May 31, 2015 at a weighted average exercise price of $42.82 per share;

320,255 shares of Common Stock issuable upon exercise of warrants to purchase our Common Stock outstanding as of May 31, 2015 at a weighted average exercise price of $134.48 per share;

5,200 shares of Common Stock reserved as of May 31, 2015 for future issuance under our 2010 Stock Option/Stock Issuance Plan;

122,137 shares of Common Stock reserved as of May 31, 2015 for future issuance under our Amended and Restated 2011 Equity Incentive Plan; and

1,200,000 shares of Common Stock issuable upon the exercise of the Series A-1 Warrants to be issued in the concurrent private placement. See Private Placement Transaction.

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SUMMARY CONSOLIDATED FINANCIAL DATA

The summary data presented below for each of the years in the three-year period ended August 31, 2014, are derived from the consolidated financial statements of Ceres, Inc. and subsidiaries, which financial statements have been audited by KPMG LLP, an independent registered public accounting firm. The consolidated financial statements as of August 31, 2014 and 2013, and for each of the years in the three-year period ended August 31, 2014, and the report thereon, are incorporated by reference in this prospectus supplement. The summary consolidated financial data for the nine months ended May 31, 2014 and 2015 and as of May 31, 2015 has been derived from our unaudited consolidated financial statements incorporated by reference in this prospectus supplement. The unaudited consolidated financial statements have been prepared on a basis consistent with our audited consolidated financial statements and include, in the opinion of management, all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of such consolidated financial data. You should read the summary of our consolidated financial data set forth below together with the more detailed information contained in Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended August 31, 2014 and our Quarterly Report on Form 10-Q for the quarter ended May 31, 2015 and our consolidated financial statements and the related notes incorporated by reference in this prospectus supplement.

	Year Ended August 31,			Nine Months Ended May 31,	
	2012	2013	2014	2014	2015
				(Unaudited)	
	(In thousands, except share and per share data)				
Consolidated Statement of Operations					
Revenues					
Product sales	$432	$462	$146	$229	$300
Collaborative research and government grants	4,939	4,781	2,258	1,835	1,568
Total revenue	5,371	5,243	2,404	2,064	1,868
Cost and operating expenses					
Cost of product sales	2,384	6,245	3,021	2,440	3,436
Research and development	19,155	16,401	14,156	11,579	7,469
Selling, general and administrative	12,634	15,187	14,484	10,732	10,949
Other				464	
Total cost and operating expenses	34,173	37,833	31,661	25,215	21,854
Loss from operations	(28,802)	(32,590)	(29,257)	(23,151)	(19,986)
Interest expense	(560)	(46)	(68)	(44)	(32)
Interest income	39	126	5	39	37
Other income (expense)	(84)				
Loss before income taxes	(29,407)	(32,510)	(29,320)	(23,156)	(19,981)
Income tax benefit (expense)	(3)	(1)	(1)	(1)	(1)
Net loss	$(29,410)	$(32,511)	$(29,321)	$(23,157)	$(19,982)
Basic and diluted net loss per share[(1)]	$(17.44)	$(10.48)	$(6.48)	$(5.76)	$(3.31)
Weighted average outstanding common shares used for net loss per share attributable to common stockholders:					

Basic and diluted[1]	1,686,042	3,099,503	4,525,745	4,020,656	6,032,347

(1) The basic and diluted loss per share are computed by dividing the net loss by the weighted average number of common shares outstanding during the period. As we have losses in all periods presented, all potentially dilutive common shares comprising of stock options, warrants, convertible notes and convertible preferred stock are anti-dilutive.

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	As of May 31, 2015 (In thousands) (Unaudited)
Consolidated Balance Sheet Data:	
Cash and cash equivalents	$ 5,429
Marketable securities	$ 3,653
Total assets	$ 13,411
Total indebtedness (including short-term indebtedness)	$ 28
Total stockholders equity	$ 9,368

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RISK FACTORS

You should carefully consider the risks and uncertainties set forth below, together with all of the other information set forth in this prospectus supplement, the accompanying prospectus and in the documents incorporated by reference herein. If any of these risks actually occur, our business, financial condition, results of operations and future prospects could be materially and adversely affected.

Risks Related to our Business

We have a history of net losses; we expect to continue to incur net losses; we may not achieve or maintain profitability.

With the exception of the fiscal years ended December 31, 2003, 2005 and 2006, we have incurred net losses each fiscal year since our inception. As of May 31, 2015, we had an accumulated deficit of $323.9 million. We expect to incur additional losses for at least the next several years as we continue move forward with our commercialization activities, invest in our research and development programs and develop new products. The extent of our future net losses will depend, in part, on our product sales growth and revenue from collaborations and government grants, and on the level of our operating expenses. To date, substantially all of our revenue has been derived from collaboration agreements and government grants, and we have had very limited revenue from seed sales. Over the next several years, we expect our revenue will shift from being derived primarily from collaborations and government grants to product sales. However, this may take longer than expected due to the time it takes to evaluate our seeds in various markets. Our ability to generate future revenue will depend upon our ability to meet our obligations under our collaborations and government grants, to enter into new collaborations or out-licensing agreements and to successfully commercialize our products. Our success in generating revenue from product sales depends in large part on the success of our sorghum products in the United States, and in the future, on the adoption of our traits or genetic technologies, such as Persephone bioinformatics software and iCODE multi-gene trait development system. Even if we do achieve profitability, we may not be able to sustain or increase our profitability on a quarterly or annual basis.

We have shifted our business focus and strategy from seeds for dedicated energy crops to seeds and traits for food and forage markets and other crops and we may not be successful in implementing this new strategy.

In 2014, we began realigning our business to focus on food and forage opportunities and biotechnology traits for sugarcane and other crops. Previously, we prioritized our working capital in Brazil, where, since 2010 we were focused on the large-scale evaluation and adoption of our high biomass sorghum for power generation and sweet sorghum for ethanol production. Due in part to the economic challenges faced by the Brazilian ethanol industry, including low oil prices, the struggling Brazilian economy and unfavorable government policies in Brazil, in June 2015, we began restructuring our operations in Brazil to scale back those operations. We cannot assure you that as a new entrant to these markets, we will be successful in commercializing our products and services, recouping development and commercialization-related expenses, or competing against established market participants. If we are not able to bring our existing products or new products and services with significant commercial potential to market in a timely manner, we will not be successful in building a sustainable or profitable business.

The realignment of our business announced on June 19, 2015 to focus on food and forage opportunities and biotechnology traits for sugarcane and other crops may not deliver the expected results.

On June 19, 2015, we announced the continued realignment of our business to focus on food and forage opportunities and biotechnology traits for sugarcane and other crops. As part of the realignment, we are restructuring our Brazilian seed operations and exploring discussions with local partners and collaborators to support the continued development and commercialization of our technology in Brazil. We expect a workforce reduction that will impact 14 positions in Brazil primarily related to administration, operations and manufacturing as well as 2 support positions in the United States that will save up to approximately $4.0 to $5.0 million in cash in fiscal 2016. Additional cost reductions may include additional workforce reductions in Brazil and the United States and the suspension of our sorghum seed research and development activities in

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Brazil which we expect to save up to approximately $2.0 to $3.0 million in fiscal 2016. Upon completion of our realignment plan, the realignment plan is expected to deliver cash savings of up to approximately $6.0 to $8.0 million in fiscal year 2016. There can be no assurance that we will achieve the cost savings we expect in fiscal 2016 after fully implementing the realignment plan.

Our realignment plan and its implementation may interfere with our ability to achieve our business objectives, may be difficult to manage and may increase the likelihood of turnover of other key employees, all of which may have an adverse impact on our business. In addition, we cannot be sure that the realignment plan will be as successful in reducing our overall expenses as expected, that we will be successful in our new markets or that additional costs will not offset any cost reductions from our realignment plan. If our realignment plan does not achieve the expected results, our business and results of operations will be adversely impacted.

We will require additional financing and may not be able to obtain such financing on favorable terms, if at all, which would force us to significantly curtail our operations.

We will continue to need capital to fund our research and development projects, to commercialize our products and to provide working capital to fund other aspects of our business. As of May 31, 2015, we believe that our existing cash and cash equivalents and marketable securities will provide adequate resources to fund our operations, including research and development expenses, planned capital expenditures and working capital requirements for the next four to six months. In order to fund our operations beyond that time, we will need to raise additional funds. If future financings involve the issuance of equity securities, our existing stockholders would suffer dilution. If we are able to raise additional debt financing, we may be subject to restrictive covenants that limit our operating flexibility. We may not be able to raise sufficient additional funds on terms that are favorable to us, if at all. If we fail to raise sufficient funds and continue to incur losses, our ability to fund our operations, take advantage of strategic opportunities, develop and commercialize products or technologies, or otherwise respond to competitive pressures will be significantly limited. If this happens, we may be forced to obtain funds through collaborative and licensing arrangements that may require us to relinquish commercial rights grant licenses to our technology and sell assets on terms that are not favorable to us or delay or terminate research and development programs or the commercialization of products or significantly curtail or cease our operations.

Our products are in the early stages of commercialization and we have generated minimal sales from our products.

Our existing products are in the early stages of commercialization and our efforts to commercialize our products may not be successful. Our seed product sales for the years ended August 31, 2013, August 31, 2014 and the nine months ended May 31, 2015 were minimal and were derived mainly from sales to third parties that were evaluating our products in the Brazilian market. We began selling seed in the Brazilian market in November 2011 and in the U.S. in 2009, and entered into the forage sorghum seeds market in 2014. As of May 31, 2015, product sales, which include both seed sales and biomass sold under our various sales incentive and promotional programs, have been approximately $1.9 million in the aggregate since our inception. We have refocused our business on new market opportunities, including the forage feed markets and sugarcane markets, and our products for these markets are also still in the early stages of commercialization.

One of our largest immediate commercial opportunities is the U.S. forage market. Since 2014, we have completed a limited number of commercial-scale evaluations of our sorghum products in the U.S. forage market with growers,

dairies and livestock producers, and we have limited experience in the sorghum market. To the extent that our sorghum products do not result in expected yields, we may have difficulty convincing customers to purchase or trial our current and future sorghum products.

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Even if we are successful in commercializing our biotechnology traits in sugarcane, the pace of adoption may be constrained by the relatively lower multiplication rates of vegetatively propagated crops like sugarcane compared to seeded crops like sorghum.

Sugarcane is a vegetatively propagated crop, meaning that commercial fields are planted with segments of living plant stalks rather than seeds. Sugarcane seed plantings are typically managed by mills and growers themselves in close proximity to their commercial fields. In a commercial setting, one acre of seed sugarcane can be used to plant up to approximately 10 acres of commercial sugarcane. For seeded crops, like sorghum, one acre of a seed production can plant up to 500 acres or more. While faster multiplication methods for sugarcane exist, they are significantly more costly than current methods. While we believe the improved yields and other potential benefits of our traits will convince customers to employ these more costly methods, they may not be willing or able to do so, and our sales may grow more slowly than our expectations.

We are at the beginning stages of developing our brand awareness for our crops, and we have limited experience in marketing and selling our products and will need to expand our sales, marketing and distribution support capabilities.

We are in the beginning phases of building brand awareness for our crops. To date, we have had limited experience selling our products. In addition there is limited public data available regarding the sorghum market which makes it more difficult to direct and implement an effective sales and marketing strategy. We currently have limited resources to market and sell products and support our distributors on a commercial-scale across various geographic regions. As of May 31, 2015, we had approximately 7 employees in various sales, marketing and business development functions. Developing our sales and marketing support capabilities and gaining the necessary expertise will require that we hire additional personnel, which could take longer than we expect and may require significant resources. We may be unable to grow our sales and marketing or business development capabilities to adequately cover the geographic regions where we see the most opportunity, which could slow the adoption of our products and the growth of product revenue.

We license our biotechnology traits in certain crops to third parties, and are dependent on them to successfully reach development milestones, commercialize our traits and generate royalties.

In crops such as corn, rice and sugarcane, we have licensed or intend to license our biotechnology traits to third parties, including other agricultural biotechnology companies, mills, germplasm providers and growers. Once we provide a trait to our collaborators, they typically oversee the development and commercialization, and, if applicable, the deregulation of our trait in their products. In such crops, our ability to achieve milestone payments or generate royalties is not within our direct control. If our partners are delayed or not successful in introducing our traits to their products, conducting field trials, deregulating or commercializing products containing traits, among other activities, we may not receive royalties or milestone payments as expected and our financial results could suffer.

Our biotech products require a multi-year development process and are not yet available for commercial use.

Our business strategy going forward includes the introduction of crops with genetically engineered, or biotech, traits. The commercial development of biotech traits in commercial crops is a multi-year process. Following transformation, when the selected gene is inserted in a target crop, the resulting plants are evaluated in the greenhouse for one to two years, and then in the field to confirm results for at least two to four years. Following field trials, specific gene-trait combinations are typically selected and, if required, submitted for regulatory approval, or deregulation, which has historically been a multi-year process in the United States and other countries. By contrast, our existing commercial sorghum products have all been created through the use of conventional and marker-assisted breeding. As a result, even if these products are successfully sold and adopted by customers, they do not necessarily demonstrate our ability to successfully develop, market and sell biotechnology products. If we are not able to bring our existing products or new products with significant commercial potential to market in a timely manner, we will not be successful in building a sustainable or profitable business.

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Environmental factors, including weather, moisture, and pest infestations, may negatively affect the crops grown from our seeds or our seed inventories.

The plants grown from our seeds are subject to the vagaries of the weather and the environment, either of which can reduce crop yields. Weather conditions and natural disasters, such as heavy rains, hurricanes, hail, floods, tornados, freezing conditions, drought, fire or other natural disasters, can affect the timing of planting or harvesting and the acreage planted, as well as yields. The effects of disease, pests, fungi, bacteria and insect infestations can also be unpredictable and devastating to crops, potentially rendering all or a substantial portion of the affected harvests unsuitable for use. In addition, our crops and harvests may be adversely affected by climate change resulting from global warming, including changes in precipitation patterns and the increased frequency of extreme weather events. Each of these weather and environmental factors affects geographic regions differently. Should these or other environmental factors adversely affect the crops grown from our products, growers may be unable or unwilling to purchase our seeds or they may choose to purchase other seeds deemed better adapted to the particular climatic or environmental conditions they are facing.

The quality of our seed inventory could deteriorate due to a variety of factors, including the passage of time, temperature variations, moisture, insects, fungi, bacteria, disease or pests. If the quality of our seed inventory were to deteriorate below an acceptable level, the value of our seed inventory would decrease significantly and we might not be able to meet product demand. Should a substantial portion of our seed inventory be damaged by moisture, insects, fungi, bacteria, disease or pests, our business and financial condition could be materially and adversely harmed.

Our seed business is highly seasonal and subject to weather conditions and other factors beyond our control, which may cause our sales and operating results to fluctuate significantly.

The sale of seeds is dependent upon planting and growing seasons, which vary from year to year, and are expected to result in both highly seasonal patterns and substantial fluctuations in quarterly sales and profitability. Our product sales for the years ended August 31, 2013, August 31, 2014 and the nine months ended May 31, 2015 were minimal and, accordingly, we have not yet experienced the full nature or extent to which our business may be seasonal. As we increase our sales in our current markets, and as we expand into new markets in different geographies, it is possible that we may experience different seasonality patterns in our business. Weather conditions and natural disasters, such as heavy rains, hurricanes, hail, floods, tornadoes, freezing conditions, drought or fire, also affect decisions by our customers about the types and amounts of seeds to plant and the timing of harvesting and planting such seeds. Disruptions that cause delays by our customers in harvesting or planting can result in the movement of orders to a future quarter, which would negatively affect the quarter and cause fluctuations in our operating results.

The cropland made available by our customers for sorghum production may be limited by the relative attractiveness of producing other crops.

The decision to devote land and resources to a particular crop is dependent on many factors, some of which are outside of our control. To the extent that our customers select other potentially more profitable crops over our products, the cropland available for our products within a given geography and the overall size of our market opportunity may be limited. For example, increases in the price of certain commodities, such as other crops, may encourage growers to dedicate more land to these crops instead of sorghum. In addition, our success is dependent, in part, on our gaining acreage from other forage crops like alfalfa and silage corn.

Loss of or damage to our germplasm collection would significantly slow our product development efforts.

We have access to comprehensive collections of germplasm for sorghum, switchgrass and miscanthus, in part, through strategic collaborations with leading institutions. Germplasm comprises collections of genetic resources covering the diversity of a crop, the attributes of which are inherited from generation to generation. Germplasm is a key strategic asset since it forms the basis of plant breeding programs. To the extent that we lose access to these germplasm collections because of the termination or breach of our collaboration agreements, our product development capabilities could be negatively impacted. In addition, loss of or damage to our germplasm collections would significantly impair our research and development activities. Although we

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restrict access to our germplasm at our research facilities to protect this valuable resource, we cannot guarantee that our efforts to protect our germplasm collection will be successful. The destruction or theft of a significant portion of our germplasm collection would adversely affect our business and results of operations.

The successful commercialization of our products depends on our ability to produce high quality seeds cost-effectively on a large scale.

The production of commercial-scale quantities of seeds requires the multiplication of the seeds through a succession of plantings and seed harvests, and if the product is a hybrid, it must be produced from parental lines, which are mated under controlled conditions. The cost-effective production of high quality, high-volume quantities of some of our products depends on our ability to scale our production processes to produce seeds in sufficient quantity to meet demand. We cannot assure you that our existing or future seed production techniques will enable us to meet our large-scale production goals cost-effectively for the products in our pipeline. Even if we are successful in developing ways to increase seed yields and enhance seed quality, we may not be able to do so cost-effectively or on a timely basis, which could adversely affect our ability to achieve profitability. If we are unable to maintain or enhance the quality of our seeds as we increase our production capacity, including through the expected use of third parties, we may experience reductions in customer demand, higher costs and increased inventory write-offs.

We depend, in part, on third parties to produce our seeds.

We produce commercial seed either on leased land managed by us or with contract seed producers. Our primary production sites are located in the United States and Brazil. We also multiply seeds in other countries in North and South America. In order to meet increased demand for our seeds, we will need to enter into additional land leases or arrangements with contract seed producers. If we need to engage contract seed producers, we may not be able to identify suitable producers in a specific region and if we do, we do not know whether they will have available capacity when we need their production services, that they will be willing to dedicate a portion of their production capacity to our products or that we will be able to enter into an agreement with them on acceptable terms. If any contract seed producer that we engage fails to perform its obligations as expected or breaches or terminates their agreements with us, or if we are unable to secure the services of such third parties when and as needed, we may lose opportunities to generate revenue from product sales.

Our business will be adversely affected if the field trials being conducted by our collaborators or potential customers fail to perform as expected.

We and our collaborators and potential customers are currently conducting field trials of our products in various geographies around the world. We have limited control over field trials that are conducted by third parties and are dependent on their ability to follow our suggested protocols. There are various reasons these trials may fail to succeed, including weather, disease or pests, planting our seeds too late in the growing seasons or the incorrect use of fertilizers, and we have in the past conducted trials that we believe failed to fully meet the expectations of our collaborators. Statements by our collaborators or potential customers about negative field trial experiences could harm our reputation and the decision by these parties not to proceed with large-scale trials or seed purchases based on negative results could harm our business, revenue and profitability.

Our failure to accurately forecast demand for our seeds could result in an unexpected shortfall or surplus that could negatively affect our results of operations or our brand.

Because of the length of time it takes to produce commercial quantities of seeds, we must make seed production decisions well in advance of product bookings. For example, we must determine our expected demand for our sorghum varieties approximately six to twelve months in advance of delivery, on average, while our customers make seed purchase decisions sometimes as late as 30 days in advance of planting. Our ability to accurately forecast demand can be adversely affected by a number of factors outside of our control, including changes in market conditions, environmental factors, such as pests and diseases, and adverse weather conditions. A shortfall in the supply of our products may reduce product sales revenue, damage our reputation in the market and adversely affect customer relationships. Any surplus in the amount of seed we

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have on hand, may negatively impact cash flows, reduce the quality of our inventory and ultimately result in write-offs of inventory. Any failure on our part to produce sufficient inventory or overproduction of a particular product could harm our business, results of operations and financial condition. Additionally, our customers may generally cancel an order or request a decrease in quantity at any time prior to delivery of the seed, which may lead to a surplus of our products. Even after delivery, a customer may occasionally return our seeds.

Our product development efforts use complex integrated technology platforms and require substantial time and resources to develop and our efforts may not be successful or the rate of product improvement may be slower than expected.

The development of successful agricultural products using complex technology discovery platforms such as ours requires significant levels of investment in research and development, including field testing, to demonstrate their effectiveness and can take several years or more. For the fiscal year ended August 31, 2014 and the nine months ended May 31, 2015, we spent $14.2 million and $7.5 million respectively, on research and development. We intend to continue to spend significant amounts on research and development in the future to continue to improve the performance of our products and to develop new products. Our substantial investment in research and development may not result in significant product revenues, particularly over the next several years.

Development of new or improved agricultural products involves risks of failure inherent in the development of products based on innovative and complex technologies. These risks include the possibility that:

our products will fail to perform as expected in the field or fail to perform consistently;
our products will not receive necessary regulatory permits and governmental clearances in the markets in which we intend to sell them;
our products will be viewed as too expensive by our potential customers compared to competitive products;
our products will be difficult to produce on a large scale or will not be economical to grow;
proprietary rights of third parties will prevent us, our collaborators, or our licensees from marketing our products; and
third parties may develop superior or equivalent products.

We face significant competition in all areas of our business, and if we do not compete effectively, our business will be harmed. We are relatively new to the forage sorghum seeds market and face existing competitors.

The seed, agricultural biotechnology and genomics industries are rapidly evolving and new competitors with competing technologies and products are regularly entering the market. We expect to compete with other providers of seed and vegetative propagation materials in the market for our crops as well as other developers of biotech traits, genetic technologies and bioinformatics software.

In the seed industry, our principal competitors include major international agrochemical and agricultural biotechnology corporations, such as Advanta India Limited, The Dow Chemical Company, Monsanto Company, Pioneer Hi Bred (DuPont), KWS Saat AG and Syngenta AG, all of which have substantially greater resources to dedicate to research and development, production, and marketing than we have and some of which are selling competitive products in our markets. We also face direct competition from other seed companies, such as Chromatin, Inc., S&W Seed Company and Winfield Solutions LLC, a subsidiary of Land O Lakes, as well as biotechnology companies, and from academic and government research institutions. New competitors may emerge, including through consolidation within the seed industry. We are unable to predict what effect evolution of the industry may

have on price, selling strategies, intellectual property or our competitive position.

We face significant competition in all areas of our business, and if we do notcompete effectively, our business will b

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We anticipate that as our seed products gain market acceptance, existing competitors may increase their focus and new competitors may be attracted to this opportunity in forage sorghum and produce their own sorghum seed varieties. Changes in technology and customer preferences may result in short product life cycles. To remain competitive, we will need to develop new products and enhance and improve our existing products in a timely manner. Our failure to maintain our competitive position could have a material adverse effect on our business and results of operations.

In the broader market for renewable energy, we expect to face competition from other potential feedstocks, such as biomass residues from food crops, forestry trimmings and municipal waste materials, other renewable alternatives, such as algae, solar and wind-generated electricity, and other energy crops. There are multiple technologies that process biomass into biofuels and we have yet to determine compatibility of our feedstocks with all of these processes. Our failure to develop new or enhanced products that are compatible with these alternative technologies, or a lack of market acceptance of our products as the common denominator in a broad array of bio-based products that are alternatives to petroleum based products, could have an adverse effect on our business. Significant developments in alternative technologies, such as the inexpensive and large-scale storage of solar or wind-generated energy, may materially and adversely affect our business in ways that we do not currently anticipate.

In the genomics and bioinformatics market, we face direct competition from academic and government-funded research institutions as well as commercial software developers. In addition, well established companies, such as Illumina, Inc., F.Hoffmann-La Roche Ltd. and Google Inc., may expand the scope of their current analytical software and services to include visualization and exploration functions and features similar to Persephone. We are unable to predict what effect evolution of these industries and potential new entrants may have on price, selling strategies, intellectual property or our competitive position.

A portion of our revenue to date is generated from our collaboration agreements and we must meet our obligations under these agreements in order to be entitled to the revenue streams from these agreements.

Historically, a significant portion of our revenue has been generated from payments to us under collaborative research agreements with third parties and we continue to opportunistically pursue new strategic collaborations. We are obligated under these agreements to perform research activities over a particular period of time. Certain of our agreements may entitle us to milestone payments in the event the specified milestone is met. If we fail to perform our obligations under these agreements or any new collaborative research agreements we may enter into in the future, our revenues may decrease, or our collaborative partners may terminate or fail to renew the agreements. In addition, any of our collaborators may fail to perform their obligations as expected, which may hinder our research and development efforts. We and our collaborators may disagree as to which party had rights to intellectual property developed under the agreements. Disagreements with our collaborators could develop and any conflict with a collaborator may negatively affect our relationship with one or more existing collaborators or our ability to enter into future collaboration agreements.

Our results of operations will be affected by the level of royalty payments that we are required to pay to third parties.

We are a party to license agreements with third party collaborators that require us to remit royalty payments to these third parties if we incorporate their licensed intellectual property into our products. While we are currently working on developing numerous products that incorporate aspects of this intellectual property, we have to date only sold small amounts of such products. The amount of royalties that we could owe under these license agreements is a function of

our sales and the applicable royalty rates depend on a number of factors, including the portion of our third-party collaborator s intellectual property that is present in our products.

Because of our historical limited sales volume, we have had little experience in calculating royalties under these license agreements and it is unclear exactly how much of this licensed intellectual property will be included in any final products we offer for commercial sale. As a result we cannot precisely predict the amount, if any, of royalties we will owe in the future. If, once we commence sales of these products, we determine that the products include more intellectual property of our third party collaborators than we had

Our results of operations will be affected by the level of royalty payments thatwe are required to pay to third parties. 87

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previously determined, or if our calculations of royalty payments are incorrect, we may owe more royalties, which could negatively affect our results of operations. As our product sales increase, we may, from time-to-time, disagree with our third party collaborators as to the appropriate royalty rate and the resolution of such disputes may be costly and may consume management s time. Furthermore, we may enter into additional license agreements in the future, which may also include royalty payments.

We are also a party to license agreements pursuant to which we have received licenses on certain intellectual property related to biotechnology products. When we commence sales of our biotechnology products in the future, or grant licenses to third parties to commercialize such products, we will be required to remit royalty payments to the parties from whom we have licensed intellectual property that covers such products.

Our business is affected by changes in general economic conditions and a prolonged downturn could affect the demand for our products and our ability to fund our working capital.

Economic conditions in the United States, Brazil and Europe could adversely affect our efforts to achieve profitability. The purchasing decisions of utilities, growers, dairies, livestock producers, other potential customers, and their ability to timely pay for our products, are impacted by their economic health. We have extended credit to our customers for our seed products or for certain planting and crop management services that we have provided from time to time and may continue to do so in the future. For instance, during the 2014 2015 sweet sorghum productions season, we may extend credit to participants in certain of our sales incentive and promotional programs in Brazil. These credit practices may expose us to credit risk of utilities, mill operators and growers and other potential customers, and combined with the seasonality of our sales, make us dependent on our ability to fund our working capital requirements through other means. If the economic health of our customers and potential customers deteriorates as a result of general economic trends, our business could be harmed.

Our activities are currently conducted at a limited number of locations, which makes us susceptible to damage or business disruptions caused by natural disasters.

Our headquarters and certain research and development operations are located at a single facility in Thousand Oaks, California. We have a breeding facility in Brazil, with additional breeding and agronomy trials situated in select locations across the world. Our primary seed production sites are located in the United States and Brazil. We also multiply seeds in other countries in North and South America. Warehousing for seed storage is located primarily in Texas and the state of São Paulo, Brazil. We take precautions to safeguard our facilities, including insurance, health and safety protocols, and off-site storage of critical research results and computer data. However, a natural disaster, such as a hurricane, fire, flood, tornado or earthquake, could cause substantial delays in our operations, damage or destroy our equipment, inventory or development projects, and cause us to incur additional expenses.

We rely on the experience and expertise of our senior management team and other key personnel.

We depend on the experience and expertise of our senior management team and other key personnel, many of whom have been with our company for more than a decade. Our senior management team and key personnel bring extensive experience in a variety of agricultural and biotechnology businesses, including the seed industry. The loss or unavailability of key members of our senior management team or other key personnel could impact the execution of

our business strategy and make it more difficult to maintain and expand our important relationships in the bioenergy industry. The replacement of key members of our senior management team or other key personnel likely would involve significant time and costs.

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Unexpected fluctuations in our quarterly operating results may cause our stock price to fluctuate widely.

Due in part to our significant research and development and production costs and general and administrative expenses, even a small decline in revenue could disproportionately affect our quarterly operating results and could cause such results to differ materially from expectations. If this occurs, we may fail to meet analyst and investor expectations, which could cause our stock price to decline. Other factors that could affect our quarterly operating results or cause them to differ materially from expectations include:

demand for and acceptance of our products;
weather conditions or the occurrence of natural disasters;
changes in government regulations and incentives;
competitive pressures; and
unanticipated delays or problems in the introduction of new products.

We expect to derive a portion of our revenues from markets outside the United States, which will subject us to additional business risks.

Changes in exchange rates between the U.S. dollar and other currencies will result in increases or decreases in our costs and earnings, and also may affect the book value of our assets outside the United States. To date, most of our contracts have been entered into in the United States and accordingly have been denominated in U.S. dollars. Going forward we anticipate that our sales will be denominated in the local currency of the country in which the sale occurs. In addition, most of our operating expenses to date have been denominated in the currencies of the countries in which our operations are located, which have historically been in the United States and Brazil. As a result, while our revenue and operating expenses are mostly hedged on a transactional basis, the translation of our operating results into U.S. dollars may be adversely impacted by strengthening U.S. currency.

In addition, international operations are subject to a number of other risks and uncertainties, including:

changes in political, social or economic conditions;
tariffs, trade protection measures and trade agreements;
import or export licensing requirements;
changes in regulatory requirements;
reduced protection for intellectual property rights in some countries;
economic downturns, civil disturbances or political instability;
difficulties and costs of staffing and managing international operations;
fluctuations in currency exchange rights;
land reform movements;
price controls;
nationalization; and
potentially burdensome taxation.

Our ability to use our net operating loss carryforwards to offset future taxable income may be subject to certain limitations.

As of August 31, 2014, we had approximately $247.2 million of federal, $174.1 million of state and $24.3 million of foreign net operating loss carryforwards, or collectively, NOLs, available to offset future taxable income, if any, which expire in varying amounts from 2018 through 2034 for federal tax purposes and from 2015 through 2034 for

state tax purposes if unused. The carryforward period for the foreign net operating loss is indefinite. It is possible that we will not generate taxable income in time to use these

Our ability to use our net operating loss carryforwards to offset future taxableincome may be subject to certain limita

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NOLs before their expiration. In addition, under Section 382 of the Code (as defined below), a corporation that undergoes an ownership change is subject to limitations on its ability to utilize its pre-change federal NOLs to offset future taxable income. We have not completed a Section 382 analysis to determine if an ownership change has occurred or if one will occur as the result of this offering of shares. Until such analysis is completed, we cannot be sure that the full amount of the existing federal NOLs will be available to us, even if we do generate taxable income before their expiration.

We use hazardous materials in our business. Any claims relating to improper handling, storage or disposal of these materials could be time consuming and costly.

Our research and development processes involve the controlled use of hazardous materials, including chemical and biological materials. Federal, state and local laws and regulations govern the use, manufacture, storage, handling and disposal of these materials. Our operations also produce hazardous waste. We cannot eliminate entirely the risk of accidental contamination or discharge and any resultant injury from these materials. We may face liability for any injury or contamination that results from our use or the use by third parties of these materials, which depending on the severity of the injury or contamination could be significant. In addition, compliance with applicable environmental laws and regulations may be expensive, and current or future environmental regulations may impair our research, development or production efforts.

We may suffer liabilities relating to soil and/or groundwater contamination at current and former properties and at third-party sites to which we sent hazardous wastes for disposal.

We are exposed to environmental risks associated with the ownership and operation of real property and the disposal of hazardous wastes. Environmental laws can require current owners and operators of real property to remediate soil and groundwater contamination even if such contamination was caused by another party, such as a former owner or operator. These laws can also require companies to clean up real property that they formerly owned or operated if releases of hazardous materials or wastes occurred during the period of their ownership or operation. Moreover, in certain circumstances these laws require companies to clean up third-party sites to which hazardous wastes were sent for disposal, notwithstanding that the original disposal activity accorded with all regulatory requirements. The discovery of previously unknown contamination at our current or former facilities, or at third-party sites to which we sent hazardous wastes for disposal, could require us to conduct or fund expensive cleanup efforts, which could materially and adversely affect our operating results.

We may be sued for product liability and if such lawsuits were determined adversely, we could be subject to substantial damages.

We may be held liable if any product we develop, or any product that uses or incorporates, any of our technologies, causes injury or is found otherwise unsuitable during product testing, production, marketing or sale. For example, the detection of unintended biotechnology material in pre-commercial seed, commercial seed varieties or the crops and products produced may result in the inability to market the crops grown, resulting in potential liability for us as the seed producer or technology provider. In the event this was to occur, we could be subject to claims by multiple parties based not only on the cost of our products but also on their lost profits and business opportunities. In addition, the detection of unintended biotechnology material in our seeds or in the environment could result in governmental actions such as mandated crop destruction, product recalls or environmental cleanup or monitoring. Concerns about

seed quality related to biotechnology could also lead to additional regulations being imposed on our business, such as regulations related to testing procedures, mandatory governmental reviews of biotechnology advances, or the integrity of the food supply chain from the farm to the finished product.

We currently have limited product liability insurance coverage and additional insurance may be prohibitively expensive, or may not fully cover potential liabilities. If we are unable to obtain sufficient insurance coverage at an acceptable cost or otherwise or if the amount of any claim against us exceeds the coverage under our policy, we may face significant expenses.

We may be sued for product liability and if such lawsuits were determinedadversely, we could be subject to substan

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Interruptions or delays in service from our third-party data center hosting facilities could impair the delivery of any cloud-based Persephone services and harm our business.

In addition to custom installations on customer-owned hardware, we intend to serve future Persephone software customers, in part, from cloud-based third-party data center hosting facilities. Any damage to, or failure of, our systems generally could result in interruptions in our service. Interruptions in our service may reduce our revenue, cause us to issue credits or pay penalties, cause customers to terminate their service and adversely affect our renewal rates and our ability to attract new customers. Our business will also be harmed if our customers and potential customers believe our service is unreliable.

Our software products are complex, which makes it difficult to innovate and avoid costs related to correction of program errors.

Despite testing by us, our software programs, like all software programs generally, may contain a number of undetected errors or bugs when we first introduce them or as new versions are released. We do not discover some errors until we have installed the product and our customers have used it. Errors may result in the delay or loss of revenues, diversion of software engineering resources, material non-monetary concessions, negative media attention, or increased service or warranty costs as a result of performance or warranty claims that could lead to customer dissatisfaction, resulting in litigation, damage to our reputation, and impaired demand for our products. Correcting bugs may result in increased costs and reduced acceptance of our software products in the marketplace. Further, such errors could subject us to claims from our customers for significant damages, and we cannot assure you that courts would enforce the provisions in our customer agreements that limit our liability for damages.

Some of our products contain open source software which may pose particular risks to our proprietary software and products.

We use open source software in some of our products and expect to use open source software in the future. From time to time, we may face claims from third parties claiming ownership of, or demanding release of, the open source software or derivative works that we developed using such software, which could include our proprietary source code, or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation, could require us to make our software source code freely available, purchase a costly license or cease offering the implicated products or services unless and until we can re-engineer them to avoid infringement. This re-engineering process could require significant additional research and development resources, and we may not be able to complete it successfully. In addition to risks related to license requirements, use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. Any of these risks could be difficult to eliminate or manage, and, if we do not address them effectively, could have a negative effect on our ability to develop and use our products that contain open source software. Additionally, compliance with open source licensing requirements is complex and challenging. Failure to comply with these requirements could have an adverse effect on our business and prospects.

The pricing for our products, including our sorghum products may be negatively affected by factors outside our control.

Our products are in the early stages of commercialization. We have based the pricing of our products on our assessment of the value that our products provide to the customer, rather than on the cost of production. We may include trait fees in our seed prices, but our potential customers may be unwilling to pay such fees. If our customers attribute a lower value to our products than we do, they may not be willing to pay the premium prices we expect to charge. Pricing levels may also be negatively affected if our products are unsuccessful in producing the yields we expect. In addition, if our competitors are able to develop competitive products and offer them at lower prices, we may be forced to lower our prices.

The pricing for our products, including our sorghum products may benegatively affected by factors outside our contr

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The customers we are targeting for forage sorghum products are generally large dairies and livestock producers with long operating histories. They will have significant leverage in negotiating commercial relationships with us. As a result, we do not know whether these pricing negotiations will result in adequate margins or accurately reflect our pricing strategies, which could have a material adverse effect on our results of operations.

A significant portion of our revenue to date is generated from government grants and continued availability of government grant funding is uncertain and contingent on compliance with the requirements of the grant.

Historically, a significant portion of our revenue has been generated from payments to us from government entities in the form of government grants whereby we are reimbursed for certain expenses incurred in connection with our research and development activities, subject to our compliance with the specific requirements of the applicable grant, including rigorous documentation requirements. To the extent that we do not comply with these requirements, our expenses incurred may not be reimbursed. Any of our existing grants or new grants that we may obtain in the future may be terminated or modified.

Our ability to obtain grants or incentives from government entities in the future is subject to the availability of funds under applicable government programs and approval of our applications to participate in such programs. The application process for these grants and other incentives is highly competitive. We may not be successful in obtaining any additional grants, loans or other incentives. Recent political focus on reducing spending at the U.S. federal and state levels may continue to reduce the scope and amount of funds dedicated to renewable energy products, if such funds will continue to be available at all. To the extent that we are unsuccessful in being awarded any additional government grants in the future, we would lose a potential source of revenue.

Our government grants may subject us to government audits, which could expose us to penalties.

We may be subject to audits by government agencies as part of routine audits of our activities funded by our government grants. As part of an audit, these agencies may review our performance, cost structures and compliance with applicable laws, regulations and standards and the terms and conditions of the grant. If any of our costs are found to be allocated improperly, the costs may not be reimbursed and any costs already reimbursed for such contract may have to be refunded. Accordingly, an audit could result in a material adjustment to our results of operations and financial condition. Moreover, if an audit uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions.

Risks Related to Regulatory Requirements

Compliance with applicable government regulations, particularly with respect to biotechnology products, is time-consuming and costly.

There are certain regulatory requirements affecting the field testing and commercialization of our biotechnology products in each of the markets in which we operate. In the United States, the USDA must review and deregulate many of our biotechnology products prior to commercial sale. The Biotechnology Regulatory Services, or BRS, within the USDA s Animal and Plant Health Inspection Service, or APHIS, has direct oversight of the field testing and deregulation of our regulated biotechnology products. The deregulation process for these biotechnology products is a

costly, multi-year process, with no guarantee of success. The length of the deregulation process varies based on a number of factors, including the extent of the supporting information required, the nature and extent of review by the USDA, including the type and scope of the environmental review conducted, and the number and types of public comments received. For example, after the initial filing of a petition for deregulation, the USDA may ask for additional data, including data on new areas of inquiry that might require us to conduct additional field tests or analyses, which may cause delays in the deregulation process. Deregulation of a product is not a guaranteed outcome. The USDA or other regulators may also impose costly monitoring requirements on the planting of our biotechnology products.

Compliance with applicable government regulations, particularly with respectto biotechnology products, is time-cons

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In Brazil, the commercialization of biotechnology products is regulated by the National Technical Commission of Biosafety, *Comissão Técnica Nacional de Biossegurança*, or CTNBio under the Ministry of Science and Technology. The approval process involves data collection and analysis, environmental impact assessments and public hearings on certain products. We anticipate introducing biotechnology products, including sugarcane, in Brazil in the future. At such time, we will be subject to the approval processes dictated by CTNBio.

We have not obtained approval in Brazil for field trials of our biotech traits, however, we are conducting such field trials in the U.S. Any delays in obtaining or failure to obtain deregulation or regulatory approval, as the case may be, for any of the biotechnology products in our pipeline could delay or prevent the commercialization of our products. Regulatory authorities can block the sale or import of our products or can impose conditions that delay production and sale of our products, or that make the sale of our products technically or commercially unfeasible.

Before the USDA will review and deregulate our biotechnology products subject to regulation, the USDA requires us to obtain permits to plant and test these products, and there are similar permitting requirements in other countries. In determining whether to grant a field test permit and what conditions to impose, regulators consider any significant impacts that field tests may have on the environment and on endangered or threatened species. In the United States, the permitting process for the initial field tests typically ranges from two to four months, but this time period can be significantly longer for novel products or circumstances. There can be no assurance that we will not encounter material delays in the future as we test new biotechnology products. While to date our permits for our U.S. field trial locations have been obtained with minimal delays, we have not yet obtained approval for a field trial permit request for several traits for sorghum in Brazil. Field evaluations of our traits in rice have been affected recently by regulatory delays in India as well. If we are not able to obtain the necessary field test permits or if there are significant delays in the permitting process, the commercialization of our products may be delayed or prevented and our business and results of operations may be adversely affected. A prolonged delay in the regulatory process could adversely affect our ability to generate product revenues.

The timely introduction of our biotech traits in the United States for our sorghum and other crops relies on non-regulated status under certain USDA regulations. We may lose such non-regulated status in the U.S. or we may face other regulations that could limit or block the introduction of our biotech traits in the U.S. or other markets.

In 2014, we received confirmation from the USDA that our high biomass trait in sorghum was not considered a regulated article under 7 CFR §340 of the USDA s mandate to regulate genetically engineered traits. This determination is likely to make it more cost-effective and timely for us to develop this trait in sorghum. We have since requested confirmation of non-regulated status for additional crops for certain of our biotech traits; however, there is no guarantee that we will obtain non-regulated status in the U.S. for all products for which we apply or that we will retain it for existing products, or that our third-party collaborators in certain other crops will utilize this option. In addition, the USDA could still regulate products under other regulatory sections, such as 7 CFR §360, which relates to weed control, if they determine there is a scientific basis to do so. Outside the U.S., our non-regulated traits will in many cases be regulated by other countries and require a multi-year deregulation process, which may limit or delay expansion our expansion to other markets. Other countries could also limit the use or importation of products directly or indirectly derived from our seeds grown in the U.S., for example, milk from cows that were fed non-regulated sorghum with our traits.

The degree of public understanding and acceptance or perceived public acceptance of our biotechnology products can affect our sales and results of operations by affecting approvals, regulatory requirements and customer purchase decisions.

Although all of our products go through rigorous testing, some opponents of our technology actively raise public concern about the potential for adverse effects of biotechnology products on human or animal health, other plants and the environment. Public concern can affect the timing of, and whether we are able to obtain, government approvals. Even after approvals are granted, or non-regulated status has been achieved, public concern may lead to increased regulation or legislation or litigation against government regulators

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concerning prior regulatory approvals, which could affect our sales and results of operations, and may adversely affect sales of our products to growers for dairies and livestock producers, due to their concerns about available markets for the sale of crops derived from biotechnology. In addition, opponents of agricultural biotechnology have attacked farmers fields and facilities used by agricultural biotechnology companies, and may launch future attacks against farmers fields and our field testing sites and research, production, or other facilities, which could affect our sales and our costs.

Ethical, legal, environmental and social concerns about biotechnology products could limit or prevent the use of our products and technologies, which could negatively affect our ability to generate revenue.

Some of our products in development contain biotech traits. The commercial success of our products that contain biotech traits may be adversely affected by claims that biotechnology plant products are unsafe for consumption or use, pose risks of damage to the environment and create legal, social and ethical dilemmas. For example, some countries, primarily in the European Union, have instituted a de facto moratorium on the planting of some genetically engineered seeds. The import of products derived from genetically engineered seeds may also be regulated by the European Union. While our current sorghum products are not subject to this restriction, we may in the future introduce biotech traits that may be subject to such regulation. If we are not able to overcome these concerns and comply with these regulations, our products that contain these traits may not achieve market acceptance and third parties may be unwilling to commercialize our biotech traits. Any of the risks discussed below could result in expenses, delays or other impediments to our development programs or the market acceptance and commercialization of our products that contain biotech traits. Our ability to develop and commercialize one or more of our technologies and products could be limited or prevented by the following factors:

Public attitudes about the safety and environmental hazards of, and ethical concerns over, genetic research and biotechnology products, which could influence public acceptance of our technologies and products;
Public attitudes regarding, and potential changes to laws governing, ownership of genetic material, which could weaken our intellectual property rights with respect to our genetic material and discourage collaborators from supporting, developing or commercializing our products and technologies;
Governmental reaction to negative publicity concerning genetically engineered plants, which could result in greater government regulation of genetic research and derivative products; and
Failure to maintain or secure consumer confidence in, or to maintain or receive governmental approvals for, our products.

We cannot predict whether or when any jurisdiction will change its regulations with respect to biotechnology products. Problems with any product could lead to increased scrutiny or regulation for our products. Limitations on the development of biotechnology products could be imposed that could delay, prevent or make more costly the development of such products, which would negatively affect our ability to commercialize products using our traits.

Advocacy groups have engaged in publicity campaigns and filed lawsuits in various countries against companies and regulatory authorities, seeking to halt biotechnology approval activities or influence public opinion against genetically engineered products. On occasion, there has been vandalism and destruction of property of companies in the biotechnology industry.

Our non-biotechnology products, the products of third parties or the environment may be negatively affected by the unintended appearance of our transgenes.

Ethical, legal, environmental and social concerns about biotechnology products could limit or prevent the use of our

The development and commercial success of our non-biotechnology products may be delayed or negatively affected because of adverse public perception or regulatory concerns about the safety of our products and the potential effects of these products on other plants, animals, human health and the environment. The potential for unintended but unavoidable trace amounts, sometimes called adventitious presence, of transgenes in conventional seed, or in the grain or products produced from conventional or organic crops, is another factor that could affect general public acceptance of these traits. For example, our

Our non-biotechnology products, the products of third parties or theenvironment may be negatively affected by the

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current sorghum and switchgrass products have been produced exclusively through conventional breeding and have not been genetically engineered by us. It is possible, however, that trace amounts of our transgenes are nevertheless in our conventional products. In addition, trace amounts of transgenes may unintentionally be found outside our containment area in the products of third parties, which may result in negative publicity and claims of liability brought by such third parties against us. Furthermore, in the event of an unintended dissemination of our genetically engineered materials to the environment, we could be subject to claims by multiple parties, including environmental advocacy groups, as well as governmental actions such as mandated crop destruction, product recalls or additional stewardship practices and environmental cleanup or monitoring.

Development and commercialization, if any, of our products may incur scrutiny under the Convention on Biological Diversity Treaty.

The Convention on Biological Diversity, or the Convention, is an international treaty that was adopted at the Earth Summit in Rio de Janeiro, Brazil in 1992. The treaty provides that if a company uses genetic resources, such as an indigenous plant, from a participating country to develop a product, then such company must obtain the prior informed consent of the participating country and owes fair and equitable compensation to such country. Although the United States is not a participating country, most countries where we currently obtain or may obtain germplasm in the future, have ratified the treaty and are currently participants in the Convention. We may fall under scrutiny of the Convention with respect to the development or commercialization of any of our products derived from the germplasm originating from any of the countries that are participants in the Convention. There can be no assurances that the government of a participating country will not assert that it is entitled to fair and equitable compensation from us. Such compensation, if demanded, may make commercialization of our products not feasible.

Risks Related to our Intellectual Property

Our inability to adequately protect our proprietary technologies and products could harm our competitive position.

Our success depends in part on our ability to obtain patents and maintain adequate protection of our other intellectual property for our technologies and products in the United States and other countries. The laws of some foreign countries do not protect proprietary rights to the same extent as the laws of the United States, and many companies have encountered significant problems in protecting their proprietary rights in these foreign countries. These problems can be caused by, for example, a lack of rules and methods for defending intellectual property rights. Many countries, including Brazil, do not allow patenting of plants, whether genetically engineered or traditionally bred. Accordingly, our proprietary position for our products in countries such as Brazil relies to a large extent on Plant Variety Protection certificates. This type of protection is more limited than patents in the United States. As a result, Plant Variety Protection certificates may provide only a limited competitive advantage in the marketplace. In many countries, patentability criteria are generally more restrictive and our filings more limited than in the United States, weakening our prospects of obtaining an equal scope of corresponding patent protection. Because Brazil is one of our initial target markets, the lack of more robust patent protection for plant varieties in that country could expose us to the risk of misappropriation of our intellectual property. In addition, the legal systems of certain other countries do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biotechnology. This could make it difficult for us to stop the infringement of our patents or misappropriation of our other intellectual property rights. Proceedings to enforce our patents and other proprietary rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. Accordingly, our efforts to enforce our intellectual property rights in such countries may be inadequate to obtain a significant commercial

advantage from the intellectual property that we develop. Even if we enforce our rights aggressively, injunctions, fines and other penalties may be insufficient to deter violations of our intellectual property rights. Changes in either the patent laws or in interpretations of patent laws in the United States and other countries may diminish the value of our intellectual property.

The patent positions of biotechnology companies, including our patent position, are generally uncertain and involve complex legal and factual questions. In many cases, we will be able to protect our proprietary rights from unauthorized use by third parties only to the extent that our proprietary technologies are covered

Our inability to adequately protect our proprietary technologies and productscould harm our competitive position.

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by valid and enforceable patents or Plant Variety Protection certificates. We will apply for patents covering both our technologies and products as we deem appropriate. However, we cannot assure you that any pending or future patent applications held by us will result in an issued patent, or that if patents are issued to us, such patents will provide meaningful protection against competitors or against competitive technologies. Our existing patents and Plant Variety Protection certificates and any future patents or Plant Variety Protection certificates we obtain may not be sufficiently broad to prevent others from practicing our technologies or from developing competing products. Furthermore, others may independently develop similar or alternative technologies or design around our patented technologies. In addition, our patents may be challenged, invalidated or fail to provide us with any competitive advantages.

The value of our intellectual property could diminish due to technological developments or challenges by competitors, making our products less competitive.

Our intellectual property rights are important to the operation of our business and to our early mover advantage in crop biotechnology. We rely on a combination of patents, plant variety protection, plant breeders rights, copyrights, trademarks, trade secret laws, confidentiality provisions, and licensing arrangements to establish and protect our intellectual property. However, the importance of technology development and intellectual property protection in the agricultural industry increases the risk that technological advances by others could render our products less competitive. Our business could be negatively affected by any of the following:

our issued patents, Plant Variety Protection certificates, plant breeders rights and trademark registrations may; be successfully challenged by our competitors;

our pending patent, Plant Variety Protection certificates, plant breeders rights and trademark registration; applications may not be allowed or may be challenged successfully by our competitors;

our products may inadvertently use the technology of others and, therefore, require us to obtain intellectual; property licenses from other parties in order for us to sell our products;

we may be unable to obtain intellectual property licenses that are necessary or useful to our business on favorable terms, or at all;

new technology that is independently developed by others may supersede our technology and make our products less desirable or more costly in the marketplace;

competitors may design around our patented technologies or may reverse engineer our trade secret technologies;

the scope of our Plant Variety Protection certificates in many countries is narrow and subject to a breeder s exemption, which allows breeders to use our varieties in a breeding program; as a result, these certificates may not provide a sustained competitive advantage in the marketplace; and

we do not have any issued patents in Brazil and we may be unable to obtain meaningful patent protection in Brazil, further, the scope of any patents that might issue in where we intend to do business is uncertain and may not be sufficient to deter competition due to restrictions on plant claims under Brazilian patent laws and our limited filings in Brazil.

While we have exclusive rights to certain proprietary lines of sorghum and certain other crops our collaborations with leading institutions, other parties may have access to certain lines of sorghum developed or released by such institutions, proprietary lines of such crops from other sources, and publicly available lines of such crops, from which they may develop products that compete with our products.

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Litigation or other proceedings or third party claims of infringement could require us to spend time and money and could severely disrupt our business.

Our commercial success depends on not infringing patents or proprietary rights of third parties, nor breaching any licenses or other agreements that we have entered into with regard to our technologies, products and business. The patent positions of biotechnology and seed companies involve complex legal and factual questions and, therefore, enforceability cannot be predicted with certainty. Patents, if issued, may be challenged, invalidated or circumvented. We cannot be sure that relevant patents have not been issued that could block our ability to obtain patents or to operate as we would like without infringing patents or proprietary rights of other parties.

The biotechnology and seed industries have a history of litigation regarding patents and other intellectual property rights. Many biotechnology companies have employed intellectual property litigation as a way to gain a competitive advantage. We cannot assure you that we will not be sued by third parties for infringement of patents they may have relating to biotechnological traits or technologies in various crops.

Should any of our competitors have filed patent applications prior to March 16, 2013 or obtain patents based on patent applications filed before March 16, 2013 that claim inventions also claimed by us, we may have to participate in an interference proceeding declared by the U.S. Patent and Trademark Office to determine priority of invention and, thus, the right to a patent for these inventions in the United States. Such a proceeding could result in substantial cost to us even if the outcome is favorable. Even if successful on priority grounds, an interference proceeding may result in loss of claims based on patentability grounds raised in the proceeding. If we become involved in litigation or interference or post-grant review proceedings declared by the U.S. Patent and Trademark Office to defend our intellectual property rights or as a result of alleged infringement of the rights of others, or oppositions or other intellectual property proceedings outside of the United States, we might have to spend significant amounts of money to resolve such matters. We are aware of a significant number of pending patent applications relating to biotechnological traits or technologies in various crops filed by third parties.

Even if we prevail, litigation, interference or post-grant review proceedings or opposition proceedings could result in significant legal fees and other expenses, could divert our management time and efforts and could severely disrupt our business. Uncertainties resulting from initiation and continuation of any patent or related litigation could harm our ability to compete.

An adverse ruling arising out of any intellectual property dispute could undercut or minimize our intellectual property position. An adverse ruling that our operations violate a third party s intellectual property rights could also subject us to significant liability for damages, prevent us from using processes or products, or require us to license disputed rights from third parties. Claims of intellectual property infringement against us may require us to enter into costly royalty or license agreements, subject us to substantial damage claims or cause us to stop using such technology absent a license agreement. Although patent and intellectual property disputes in the biotechnology area are often settled through licensing or similar arrangements, costs associated with these arrangements may be substantial and could include ongoing royalties. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all.

Third parties may infringe on our intellectual property rights, and we may expend significant resources enforcing our rights or be competitively disadvantaged.

If we fail to protect our intellectual property rights from infringement by third parties, our competitive position could suffer, which could make it more difficult to grow our business. We may not be able to detect or prevent infringement of our intellectual property or may lose our competitive position in the market before we do so.

Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information.

In order to protect our proprietary technology and processes, we also rely in part on trade secret protection for our confidential and proprietary information. For example, we consider our genetic transformation methods, markers for marker-assisted breeding and sequence databases as trade secrets.

Third parties may infringe on our intellectual property rights, and we mayexpend significant resources enforcing our

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We have taken security measures to protect our trade secrets and proprietary information. These measures may not provide adequate protection for our trade secrets or other proprietary information. We also seek to protect our proprietary information by entering into confidentiality agreements with employees, with potential and actual collaborators and licensees and with consultants and other advisors. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently develop substantially equivalent proprietary information or techniques and trade secret laws do not allow us to protect against such independent development. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

We have received funding from U.S. government agencies that is subject to federal regulation under the Bayh-Dole Act of 1980. Failure to comply with the requirements of the Bayh-Dole Act could negatively affect our intellectual property and have an adverse effect on our business and results of operations.

Some of our research and development activities have been funded by grants from U.S. government agencies. For example, a portion of our research and development used to develop our nitrogen use efficiency trait was funded by a U.S. Department of Energy ARPA-E grant. When new technologies are developed with U.S. government funding, the government obtains certain rights under the Bayh-Dole Act in any resulting patents and technical data, generally including, at a minimum, a nonexclusive, nontransferable license authorizing the government to practice or have practiced the invention or technical data for non-commercial purposes. U.S. government funding must be disclosed in any resulting patent applications, and our rights in such inventions will normally be subject to government license rights, periodic progress reporting, foreign manufacturing restrictions and march-in rights. March-in rights refer to the right of the U.S. government, under certain limited circumstances, to require us to grant a license, which may possibly be an exclusive license, to technology developed under a government grant to a responsible applicant, or, if we refuse, to grant such a license itself. March-in rights can be triggered if the government determines that we have failed to comply with the applicable rules and regulations related to U.S. government funded innovation, or if we have failed, within a reasonable time, to take effective steps to achieve practical application of a technology or, if action is necessary to alleviate health or safety needs, to meet requirements for public use specified by federal regulations or to give preference to U.S. industry. The U.S. government also has the right to take title to these inventions if we fail to disclose the invention to the government and fail to file an application to register the intellectual property within specified time limits and the U.S. government may acquire title in any country in which a patent application is not filed within specified time limits. Additionally, under the Bayh-Dole Act, a party which acquires an exclusive license for an invention that was partially funded by a federal research grant is subject to the following government rights: (x) products using the invention which are sold in the United States are to be manufactured substantially in the United States, unless a waiver is obtained; (y) the government may force the granting of a license to a third party who will make and sell the needed product if the licensee does not pursue reasonable commercialization of a needed product using the invention; and (z) the United States government may use the invention for its own needs. Compliance with the requirements of the Bayh-Dole Act is complex and challenging. If we fail to comply with these guidelines or any other requirements under the Bayh-Dole Act, we may lose our exclusive rights to these products, and we may lose potential revenue derived from the sale of these products. We may also enter into collaborations with entities outside the United States that receive government funding or, in the future, we may apply for government funding from other countries. Regulations in these countries may provide for similar march-in rights. Any government s rights in our intellectual property may lessen its commercial value, which could adversely affect our business.

We have received funding from U.S. government agencies that is subject tofederal regulation under the Bayh-Dole

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Risks Related to this Offering and Ownership of our Common Stock

The price of our Common Stock may be volatile which may cause the value of our Common Stock to decline.

Our stock price has been in the past, and may continue to be subject to wide fluctuations in response to the risks our business faces including those contained in, or incorporated by reference into this prospectus supplement and the accompanying prospectus, and others beyond our control, including:

actual or projected fluctuations in our financial condition and operating results;
our cash and cash equivalents position;
actual or projected changes in our growth rate relative to our competitors;
actual or projected fluctuations in our competitors financial condition or operating results;
actual cost savings realized from our restructuring plan and cost reduction initiates;
announcements of technological innovations by us, our collaborators or our competitors;
announcements by us, our collaborators or competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
the entry into, modification or termination of collaborative arrangements;
changes in our customer base;
additions or departures of key management or other key personnel;
competition from existing products or new products that may emerge;
issuances of new or updated research reports by securities or industry analysts;
fluctuations in the share prices of companies perceived by investors to be comparable to us;
fluctuations in the size of our public float or trading volume;
disputes or other developments related to proprietary rights, including patents, litigation matters, the countries in which we source our germplasm, and our ability to obtain patent protection for our technologies;
disputes or other developments relating to genetically engineered products, including claims of adventitious presence or environmental harm;
changes in existing laws, regulations and policies applicable to our business and products;
announcements or the expectation of raising additional financing;
sales of our Common Stock by us, our insiders or other stockholders;
the status of our listing on Nasdaq;
general market conditions in our industry; and
general economic conditions, affecting the U.S. and other markets in which we operate.

The stock markets in general, and the small biotech market, in particular, have experienced extreme volatility that have affected and continue to affect the trading prices of equity securities of many companies. These market fluctuations often have been unrelated or disproportionate to changes in the operating performance of those companies. These fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes, international currency fluctuations or regulatory changes may negatively impact the market price of our Common Stock. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management s attention from other business concerns.

The price of our Common Stock may be volatile which may cause the value ofour Common Stock to decline.

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Our Common Stock is thinly traded and there may not be an active, liquid trading market for our Common Stock.

There is no guarantee that an active trading market for our Common Stock will be maintained on Nasdaq, or that the volume of trading will be sufficient to allow for timely trades. Investors may not be able to sell their shares quickly or at the latest market price if trading in our stock is not active or if trading volume is limited. In addition, if trading volume in our Common Stock is limited, trades of relatively small numbers of shares may have a disproportionate effect on the market price of our Common Stock. There will be no market for the Series A-1 Warrants issued in the concurrent private placement.

If there are substantial sales of our Common Stock, or the perception that these sales could occur in the future, the trading price of our Common Stock could decline.

The trading price of our Common Stock could decline as a result of sales of a large number of shares of our Common Stock in the public market. The perception that these sales could occur may also depress the trading price of our Common Stock. As of May 31, 2015, we had 6,032,222 shares of Common Stock outstanding. Certain of our stockholders are entitled, under contracts providing for registration rights, to require us to register shares of our Common Stock owned by them for public sale in the United States. We have received waivers of these registration rights with respect to this offering from all of the requisite stockholders. In addition, certain stockholders, including stockholders owning a majority of our outstanding shares as well as current and former employees, are eligible to resell shares of Common Stock in the public market under Rule 144, which, in the case of our affiliates, would be subject to volume limitations and certain other restrictions under Rule 144. We have also registered 672,644 shares of Common Stock previously issued or reserved for future issuance under our equity compensation plans and agreements. Subject to the satisfaction of applicable exercise periods and vesting requirements, the shares of Common Stock issued upon exercise of outstanding options will be available for immediate resale in the United States in the open market.

If securities or industry analysts do not publish research or reports about our business or our industry, or publish negative reports about our business or our industry, our stock price and trading volume could decline.

The trading market for our Common Stock will be influenced by the research and reports that securities or industry analysts publish about us, our business, our industry and our competitors. If one or more of the analysts who cover us change their recommendation regarding our stock adversely, change their opinion of the prospects for our company in a negative manner, or provide more favorable relative recommendations about our competitors, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline.

We are an emerging growth company, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our Common Stock less attractive to investors.

We are an emerging growth company, as defined in the JOBS Act and, for as long as we continue to be an emerging growth company, we intend to take advantage of exemptions from various reporting requirements applicable to other

public companies but not to emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements related to our internal controls over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We will remain an emerging growth company for up to five years from the date of the completion of our IPO, or until the earlier of (1) the last day of the fiscal year in which our total annual gross revenues exceed $1 billion, (2) the date that we become a large accelerated filer as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common equity that is held by non-affiliates exceeds $700 million as of the last business day our most recently completed second fiscal quarter or (3) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three year period. We cannot predict if investors will find our Common Stock less attractive if we continue to rely on these exemptions. If some investors find our Common

We are an emerging growth company, and we cannot be certain if the reduceddisclosure requirementsapplicabl

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Stock less attractive as a result of any choices that we make to reduce our disclosure, there may be a less active trading market for our Common Stock and our stock price may be more volatile.

In addition, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Under this provision, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to delay such adoption of new or revised accounting standards, and as a result, we may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for public companies that are not emerging growth companies. As a result of such election, our financial statements may not be comparable to the financial statements of other public companies. If some investors find our Common Stock less attractive as a result, there may be a less active trading market for our Common Stock and our stock price may be more volatile.

We incur significant costs as a result of operating as a public company, and our management will be required to devote substantial time to comply with the laws and regulations affecting public companies. Failure to implement and maintain the appropriate internal controls over financial reporting could negatively affect our ability to provide accurate and timely financial information.

We became a public company in February 2012. Although we are an emerging growth company as defined under the JOBS Act, as a public company, we incur significant legal, accounting and other expenses that we did not incur as a private company, including costs associated with public company reporting and corporate governance requirements, in order to comply with the rules and regulations imposed by the Sarbanes-Oxley Act, as well as rules implemented by the SEC and the Nasdaq Stock Market. In addition, management and other personnel will need to devote a substantial amount of time to comply with these requirements.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective internal controls over financial reporting. Effective internal controls are necessary for us to provide reliable financial reports and detect fraud. In addition, Section 404 of the Sarbanes-Oxley Act of 2002 requires us to evaluate and report on our internal control over financial reporting, and have our chief executive officer and chief financial officer certify as to the accuracy and completeness of our financial reports. The process of implementing internal controls and complying with Section 404 is expensive and time consuming, and requires significant attention from management. We cannot be certain that these measures will ensure that we continue to implement and maintain adequate controls over our financial processes and reporting in the future.

Our management has concluded that there are no material weaknesses in our internal controls over financial reporting as of August 31, 2014. However, there can be no assurance that our controls over financial processes and reporting will be effective in the future or that material weaknesses or significant deficiencies in our internal controls will not be discovered in the future. Because of its inherent limitations, internal control over financial reporting may not prevent or detect fraud or misstatements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause us to fail to meet our reporting obligations. If we or our independent registered public accounting firm discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market s confidence in our financial statements and cause our stock price to decline.

For so long as we remain an emerging growth company as defined in the JOBS Act, we intend to take advantage of certain exemptions from various reporting requirements that are applicable to public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. Once we are no longer an emerging growth company or, if prior to such date, we opt to no longer take advantage of the applicable exemption, we will be required to include an opinion from our independent registered public accounting firm on the effectiveness of our internal controls over financial reporting. To date, our independent registered public accounting firm has not expressed an opinion on the effectiveness of our internal controls.

We incur significant costs as a result of operating as a public company, and our management will be required to dev

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Anti-takeover provisions in our certificate of incorporation and bylaws and under Delaware law could delay or prevent an acquisition of our company, even if the acquisition may be beneficial to our stockholders.

Provisions in our amended and restated certificate of incorporation and our bylaws may delay or prevent an acquisition of our company deemed undesirable by our board of directors. Among other things, our amended and restated certificate of incorporation and bylaws (i) provide for a board of directors that is divided into three classes, with staggered three-year terms, (ii) provide that all stockholder action must be effected at a duly called meeting of the stockholders and not by a consent in writing, (iii) provide that only a majority of our board of directors, the chairman of the board of directors, our chief executive officer or president (in the absence of a chief executive officer) may call a special meeting of the stockholders, (iv) provide for the ability of our board of directors to issue undesignated preferred stock, (v) require that certain amendments to the amended and restated certificate of incorporation be approved by a 66 2/3% stockholder vote, and (vi) establish advance notice requirements for nominations for election to our board of directors and for proposing matters that can be acted upon at stockholders meetings. These provisions may also frustrate or prevent any attempt by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors who are responsible for appointing the members of our management team. As a Delaware corporation, we are subject to the provisions of Section 203 of the Delaware General Corporation Law, which prohibits, with some exceptions, stockholders owning in excess of 15% of our outstanding stock from merging or combining with us without board of directors or stockholder approval. Although we believe these provisions together provide for an opportunity to receive higher bids by requiring potential acquirers to negotiate with our board of directors, they would apply even if an offer to acquire our company may be considered beneficial by some stockholders and could limit the opportunity for our stockholders to receive a premium for their shares.

We do not expect to declare any dividends in the foreseeable future.

We do not anticipate declaring any cash dividends to holders of our Common Stock in the foreseeable future. Consequently, investors may need to rely on sales of their Common Stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment. Investors seeking cash dividends should not purchase our Common Stock.

If we fail to adhere to the listing criteria of the Nasdaq Capital Market, our Common Stock may be delisted, which may adversely affect the liquidity and market price of our Common Stock, our ability to raise additional financing and may subject us to certain penny stock restrictions, which may further adversely affect the liquidity and market price of our Common Stock.

Our Common Stock is currently listed on the Nasdaq Capital Market. If we fail to adhere to the market s listing criteria, our Common Stock may be delisted. If our Common Stock were to be delisted, the liquidity of our Common Stock would be adversely affected and the market price of our Common Stock could decrease, as would our ability to raise additional financing through public or private sales of equity securities. In addition, if delisted we would no longer be subject to Nasdaq rules, including rules requiring us to have a certain number of independent directors and to meet other corporate governance standards. Our failure to be listed on Nasdaq or another established securities market would have a material adverse effect on the value of your investment in us. Delisting could also have other negative results, including the potential loss of confidence by employees, the loss of institutional investor interest and

fewer business development opportunities.

If our Common Stock is delisted by Nasdaq or another national exchange, our Common Stock may be eligible for quotation on an over-the-counter quotation system or on the pink sheets. Upon any such delisting, our Common Stock would likely become subject to the regulations of the SEC relating to the market for penny stocks. A penny stock is any equity security not traded on a national securities exchange that has a market price of less than $5.00 per share, subject to certain exceptions. The regulations applicable to penny stocks may severely affect the market liquidity for our Common Stock and could limit the ability of shareholders to sell securities in the secondary market. In such a case, an investor may find it more difficult to dispose of or obtain accurate quotations as to the market value of our Common Stock, and there can be no

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assurance that our Common Stock will be eligible for trading or quotation on any alternative exchanges or markets. Under these rules, broker-dealers who recommend such securities to persons other than institutional accredited investors must:

make a special written suitability determination for the purchaser;
receive the purchaser s written agreement to the transaction prior to sale;
provide the purchaser with risk disclosure documents which identify certain risks associated with investing in penny stocks and which describe the market for these penny stocks as well as a purchaser s legal remedies; and
obtain a signed and dated acknowledgment from the purchaser demonstrating that the purchaser has actually received the required risk disclosure document before a transaction in a penny stock can be completed.

As a result of these requirements, the market price of our securities may be adversely impacted, and current stockholders may find it more difficult to sell our securities.

We are a smaller reporting company and we cannot be certain if the reduced disclosure requirements applicable to smaller reporting companies will make our Common Stock less attractive to investors.

We are currently a smaller reporting company as defined in the Securities Exchange Act of 1934, and in the event that we are still considered a smaller reporting company at such time as we cease being an emerging growth company, we will be required to provide additional disclosure in our SEC filings. However, similar to emerging growth companies, smaller reporting companies are able to provide simplified executive compensation disclosures in their filings, are exempt from the provisions of Section 404(b) of the Sarbanes-Oxley Act requiring that an independent registered public accounting firm provide an attestation report on the effectiveness of internal control over financial reporting, and have certain other decreased disclosure obligations in their SEC filings. We cannot predict whether investors will find our Common Stock less attractive because of our reliance on any of these exemptions. If some investors find our Common Stock less attractive as a result, there may be a less active trading market for our Common Stock and our stock price may be more volatile.

Our management may not apply the net proceeds from this offering in ways that increase stockholder value.

We currently intend to use the net proceeds from this offering as described in the Use of Proceeds section of this prospectus. However, our management may not apply the net proceeds in ways that ultimately increase stockholder value. Investors will not have the opportunity to influence our decisions on how to use the net proceeds from this offering.

We are a smaller reporting company and we cannot be certain if the reduced disclosure requirements applicable to

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MARKET AND INDUSTRY DATA

Market data and certain industry data and forecasts included in this prospectus supplement, the accompanying prospectus and in the documents incorporated by reference herein and therein were obtained from internal company surveys, market research, consultant surveys, publicly available information, governmental agency reports and industry publications and surveys, including reports by the following authorities:

Food and Agriculture Organization of the United Nations (FAOSTAT);
USDA;
The International Service for the Acquisition of Agri Biotech Applications; and
National Science Board.

This information involves a number of assumptions and limitations. These industry and government publications, surveys and forecasts generally indicate that the information has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Although we believe the third party market and industry data and forecasts included in the prospectus and in the documents incorporated by reference herein are generally reliable, we have not independently verified any of the data from third party sources nor have we ascertained the underlying economic assumptions relied upon therein. Similarly, internally generated industry forecasts, which we believe to be reliable based on our management s knowledge of the industry, have not been independently verified by a third party. We are responsible for all of the disclosure in this prospectus supplement, the accompanying prospectus and in the documents incorporated by reference herein and therein.

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USE OF PROCEEDS

We expect to receive net proceeds of approximately $1.0 million from this offering, after deducting the placement agent fee and estimated offering expenses payable by us.

We intend to use the net proceeds from this offering for general corporate purposes, including working capital. Pending the use of the net proceeds of this offering, we intend to invest the net proceeds in short-term investment-grade, interest-bearing securities.

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RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges on a historical basis for the periods indicated.

	Year Ended August 31,					Nine Months Ended May 31, 2015
	2010	2011	2012	2013	2014	
	(in millions)					
Deficiency of earnings available to cover fixed charges[1][2]	$22.4	$35.9	$28.9	$32.5	$29.3	$ 20.0

(1) For the purposes of computing the ratio of earnings to fixed charges, earnings consist of our net loss for the period less fixed charges. Fixed charges consist of interest expense on our outstanding debt. The ratio of earnings available to pay fixed charges was less than one-to-one for all periods presented. Earnings were insufficient to cover fixed charges by $22.4 million in 2010, $35.9 million in 2011, $28.9 million in 2012, $32.5 million in 2013, $29.3 million in 2014, and $20.0 million for the nine months ended May 31, 2015.

(2) We have not included a ratio of earnings to fixed charges and preferred stock dividends as we do not have any preferred stock outstanding as of the date of this prospectus supplement. If we issue preferred stock in the future, we will set forth in any prospectus supplement the ratio of earnings to combined fixed charges and preferred dividends for the last five fiscal years.

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PRICE RANGE OF OUR COMMON STOCK

Our Common Stock began trading on Nasdaq under the symbol CERE on February 22, 2012. Prior to that time, there was no public market for our Common Stock. The following table sets forth the high and low sales prices per share of our Common Stock for each of the quarters in fiscal 2013, 2014 and 2015 (through July 24, 2015). All of the share prices are adjusted to reflect the 1-for-8 reverse stock split of our Common Stock, which took effect on April 8, 2015.

	High	Low
Fiscal 2013		
First quarter (September 1, 2012 November 30, 2012)	$ 65.52	$ 27.44
Second quarter (December 1, 2012 February 28, 2013)	39.52	28.88
Third quarter (March 1, 2013 May 31, 2013)	32.64	14.96
Fourth quarter (June 1, 2013 August 31, 2013)	44.80	8.80
Fiscal 2014		
First quarter (September 1, 2013 November 30, 2013)	$ 17.12	$ 9.28
Second quarter (December 1, 2013 February 28, 2014)	14.56	10.24
Third quarter (March 1, 2014 May 31, 2014)	11.60	4.00
Fourth quarter (June 1, 2014 August 31, 2014)	6.56	4.08
Fiscal 2015		
First quarter (September 1, 2014 November 30, 2014)	$ 4.48	$ 1.76
Second quarter (December 1, 2015 February 28, 2015)	3.20	1.44
Third quarter (March 1, 2015 May 31, 2015)	4.48	1.63
Fourth quarter (June 1, 2015 July 24, 2015)	2.69	1.60

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DIVIDEND POLICY

We have never declared or paid cash dividends on our Common Stock. We currently intend to retain any future earnings and do not expect to declare or pay any cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our Board of Directors, subject to applicable laws, and will depend on our financial condition, results of operations, capital requirements, general business conditions and other factors that our Board of Directors considers relevant.

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DILUTION

As of May 31, 2015, our net tangible book value was $9.4 million, or $1.55 per share of our Common Stock, which is greater than the public offering price of our Common Stock in this offering. Net tangible book value per share represents the amount of our total tangible assets less our total liabilities, divided by the total number of shares of our Common Stock outstanding as of May 31, 2015.

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SELECTED CONSOLIDATED FINANCIAL DATA

The selected data presented below for, and as of the end of, the years ended August 31, 2011, 2012, 2013 and 2014, are derived from the consolidated financial statements of Ceres, Inc. and subsidiaries, which financial statements have been audited by KPMG LLP, an independent registered public accounting firm. The consolidated financial statements as of August 31, 2014 and 2013, and for each of the years in the three-year period ended August 31, 2014, and the report thereon, are incorporated by reference in this prospectus supplement. The selected consolidated financial data for the nine months ended May 31, 2015 and 2014 and as of May 31, 2015 has been derived from our unaudited consolidated financial statements incorporated by reference in this prospectus. The unaudited consolidated financial statements have been prepared on a basis consistent with our audited consolidated financial statements and include, in the opinion of management, all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of such consolidated financial data.

Historical results are not necessarily indicative of results for future periods. You should read the following selected consolidated financial data in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended August 31, 2014 and our consolidated financial statements incorporated by reference in this prospectus.

	Year Ended August 31,					Nine Months ended May 31,	
	2010	2011	2012	2013	2014	2014	2015
	(In thousands, except share and per share data)						
Revenues							
Product sales	$288	$116	$432	$462	$146	$229	$300
Collaborative research and government grants	6,326	6,500	4,939	4,781	2,258	1,835	1,568
Total revenues	6,614	6,616	5,371	5,243	2,404	2,064	1,868
Cost and operating expenses[2]							
Cost of product sales	2,946	2,492	2,384	6,245	3,021	2,440	3,436
Research and development	16,697	19,014	19,155	16,401	14,156	11,579	7,469
Selling, general and administrative	9,207	10,008	12,634	15,187	14,484	10,732	10,949
Other						464	
Total cost and operating expenses	28,850	31,514	34,173	37,833	31,661	25,215	21,854
Loss from operations	(22,236)	(24,898)	(28,802)	(32,590)	(29,257)	(23,151)	(19,986)
Interest expense	(153)	(456)	(560)	(46)	(68)	(44)	(32)
Interest income	23	7	39	126	5	39	37
Other income (expense)	(152)	(11,020)	(84)				
Loss before income taxes	(22,518)	(36,367)	(29,407)	(32,510)	(29,320)	(23,156)	(19,981)
Income tax benefit (expense)	(65)	31	(3)	(1)	(1)	(1)	(1)
Net loss	$(22,583)	$(36,336)	$(29,410)	$(32,511)	$(29,321)	$(23,157)	$(19,982)
Basic and diluted net loss per share attributable to common stockholders[1]	$(93.60)	$(146.72)	$(17.44)	$(10.48)	$(6.48)	$(5.76)	$(3.31)
Weighted average outstanding common shares used for net loss							

per share attributable to common stockholders[(1)]:							
Basic and diluted	241,299	247,703	1,686,042	3,099,503	4,525,745	4,020,656	6,032,347

(1) The basic and diluted loss per share are computed by dividing the net loss attributable to common stockholders by the weighted average number of common shares outstanding during the period. For the periods where we presented losses, all potentially dilutive common shares comprising of stock options, warrants, convertible notes and convertible preferred stock are anti-dilutive.

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(2) Our stock-based compensation expense is as follows (in thousands):

	Year Ended August 31,					Nine Months Ended May 31,	
	2010	2011	2012	2013	2014	2014	2015
Cost of product sales	$	$	$152	$(170)	$174	$150	$109
Research and development	409	1,895	293	1,189	1,031	1,023	516
Selling, general and administrative	891	815	1,464	2,291	1,863	1,631	1,155
Total stock-based compensation expense	$1,300	$2,710	$1,909	$3,310	$3,068	$2,804	$1,780

Our consolidated balance sheet data is as follows (in thousands):

	As of August 31,					As of May 31, 2015 (Unaudited)
	2010	2011	2012	2013	2014	
Cash and cash equivalents	$33,055	$21,911	$21,069	$8,881	$3,423	$5,429
Marketable securities			33,565	21,630	24,579	3,653
Working capital	28,325	16,739	51,226	28,439	24,607	6,962
Total assets	46,648	36,797	69,247	37,178	32,424	13,411
Common and preferred stock warrant liabilities	8,911	17,726				
Convertible notes		13,630				
Total long-term liabilities	13,310	33,518	344	175	93	
Convertible preferred stock	197,502	197,502				
Total stockholders equity (deficit)	$(170,829)	$(204,318)	$62,561	$33,006	$27,609	$9,368

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BUSINESS

Overview

We are an agricultural biotechnology company that develops and markets seeds and traits to produce crops for animal feed, sugar and other markets. We use a combination of advanced plant breeding, biotechnology and bioinformatics to develop seed products and biotechnology traits to address many of the current limitations and future challenges facing agriculture. These technology platforms, which can increase crop productivity, improve quality, reduce crop inputs and improve cultivation on marginal land, have broad application across multiple end markets, including food, feed, fiber and fuel. Our bioinformatics technologies can also improve and accelerate discovery and development in biomedical research and diagnostics.

In 2014, we began realigning our business to focus on food and forage opportunities and biotechnology traits for sugarcane and other crops. Previously, we prioritized our working capital in Brazil, where, since 2010 we were focused on the large-scale evaluation and adoption of our high biomass sorghum for power generation and sweet sorghum for ethanol production. Due in part to the economic challenges faced by the Brazilian ethanol industry, including low oil prices, the struggling Brazilian economy and unfavorable government policies in Brazil, in June 2015, we began restructuring our operations in Brazil. We believe that these changes represent an important step in the transformation of our business as we refocus on our strengths in agricultural technology and redirect our existing seed products and trait pipelines toward food and feed markets being fueled by global prosperity growth.

Increased global agricultural demand is being driven by both population growth and increased prosperity. As human societies become wealthier, they tend to increase meat and dairy consumption. As a result, demand for forage, feed and hay crops is expected to continue to increase. We believe that growers of forage crops, including vertically integrated businesses such as dairies, will need to seek improved sources of forage as well as utilize more marginal quality cropland, or cropland with limited water availability, to meet their feedstock requirements. To maximize milk and meat production, dairies and livestock producers frequently supplement rations of grasses with other crops and nutritional sources. We believe that a single crop plant with improved forage quality can provide a preferable solution. Using biotechnology, we are developing forage and feed crops with a better balance of energy and nutrition. In forage sorghum, we are taking advantage of the natural drought tolerance of sorghum and combining it with biotech traits for enhanced biomass yield and quality. We also believe there is an opportunity to utilize these traits in other forage crops, such as alfalfa and silage corn. Many of these traits have already been developed as part of our historical activities in bioenergy.

We market and sell our seed products under our Blade brand. In certain crops, including corn, rice and sugar beet, we have out-licensed a portion of our traits and gene technology to existing market participants and continue to pursue opportunities to out-license these technologies, among other go-to-market strategies. We believe that the strength of our technology has been validated by our receipt of multiple competitive grants as well as collaborations with leading companies, such as Syngenta Biotechnology and Bayer CropScience. We also have significant intellectual property rights to our technology platforms, traits and seed products.

Forage Sorghum Seed and Traits

In 2015, we expanded our sorghum offerings to include hybrids for use as livestock feed and forage. We are leveraging our core capabilities in plant transformation and biotech traits and combining them with proprietary forage sorghum hybrids and breeding lines. Our goal is to expand forage sorghum into a major feed crop with higher yield

and nutritional quality. In addition to our direct sales efforts, we entered into several distribution agreements with well-established distributors of crop inputs and services in North America. For the 2015 growing season in North America, which begins in the spring and summer months, we have sold enough seed of our forage sorghum to plant more than 3,000 acres compared to approximately 600 acres the previous season due to an increase in the number of customers evaluating our products for potentially larger-scale use. We believe drought and water supply concerns in certain regions of the U.S. positively influenced customer decisions to plant our forage sorghum hybrids.