



Moolec

2nd Quarter Fiscal Year 2024
Business Update

March 13th, 2024



Moolec Science Presents Second Quarter Fiscal Year 2024 Business Update

Luxembourg. March 13, 2024 – Moolec Science SA (NASDAQ: MLEC) a science-based food ingredient company focused on producing animal proteins in plants through Molecular Farming technology, announced today its Business Update for the second quarter of Fiscal Year 2024 ended December 31, 2023.

The main highlights of Moolec’s business update are as follows:

- **SOOY1 | Piggy Sooy™ Platform:** Third generation (T3) soybean seed propagation has started, and fourth generation (T4) seeds are expected to be harvested in April 2024. A molecular analysis reveals that the current T3 soybean population contains a stable number of porcine myoglobin gene copies consistent with a population that is not segregating.
- **PEEA1:** Scientific team confirms the presence of bovine myoglobin gene in pea seeds and the gene’s stable inheritance across plant generations.
- **YEEA1:** Moolec’s prototyping platform includes a novel yeast strain that is being developed as a dietary supplement and food ingredient, and Moolec has begun the first of several pre-submission consultations with US-FDA.
- **Product Marketing:** The next generation of textured plant-protein prototypes produced at Moolec’s industrial and commercial R&D center were presented to the public in Gulfood 2024.
- **Financial highlight:** Capital Raise of ~\$30M with \$10M in cash and ~\$20M in kind contributions materialized in October 2023 with strategic investors through a convertible note followed by an additional ~\$1M raised with farmers in December 2023. Revenues and other income (Ex-IAS 29) of ~\$1.7M slightly down QoQ. R&D, Admin and other Expenses in line with historical track record of cost efficiency. Operational cash utilization of ~\$4M includes ~\$2.7M allocated to lower accounts payable.

"This quarter has been a testament to the dedication and hard work of our team. We have made steady progress in our research and development efforts as well as product development. I am incredibly proud of our team's delivery and execution. Thank you to the

Moolers, and to our partners for their continued support," stated Gastón Paladini, Chief Executive Officer and Co-Founder of Moolec Science.

"Our financial position reflects our commitment on multiple fronts. The strategic partnerships we have formed, most recently with farmers, will be instrumental not only in our funding health, but also contribute to support Moolec's product growth and commercialization in the near future," declared José López Lecube, Chief Financial Officer for the company. He then continued by saying: *"As we move forward, we remain focused on maintaining a healthy financial position and are confident in our ability to navigate the next stages of our growth."*

Conference Call

Management will host a Conference Call and question-and-answer session, which will be accompanied by a presentation available during the webinar.

To access the call, please use the following information:

- Date: Wednesday, March 13, 2024
- Time: 08:30 AM Eastern Time (US and Canada)
- Link to join the webinar:
<https://icrinc.zoom.us/j/92375922161?pwd=Qmt6NzdVUGNwaEhTT1NDOHU3Tjlydz09>
- One tap mobile: +13017158592,,92375922161#,,,,*888246# US
- Dial In: +1 301 715 8592 US | Webinar ID: 923 7592 2161, Passcode: 888246
- International numbers available: <https://icrinc.zoom.us/u/acVKYeTjwM>

Please connect 5 minutes prior to the start time to register and join.

A recording of the call and the pdf version of the presentation will be available after the conclusion of the live event via Moolec's [Investor Relations website](#).

About Moolec Science SA

Moolec is a science-based ingredient company leader in the use of Molecular Farming technology for food. The Company's mission is to create unique food ingredients by engineering plants with animal protein genes. Its purpose is to redefine the way the

world produces animal-based food, for good and for all. Moolec’s technological approach aims to have the cost structure of plant-based solutions with the organoleptic properties and functionality of animal-based ones. Moolec’s technology has been under development for more than a decade and is known for pioneering the production of a bovine protein in a crop for the food industry. The Company’s product portfolio and pipeline leverages the agronomic efficiency of broadly used target crops, like soybean and safflower. Recently, it acquired plant-based ingredient capabilities to consolidate Molecular Farming Technology. Moolec has a growing international patent portfolio (26, both granted and pending) for its Molecular Farming technology. The Company is run by a diverse team of Ph.Ds and Food Insiders, and operates in the United States, Europe, and South America.

Forward-Looking Statements

This press release contains “forward-looking statements.” Forward-looking statements may be identified by the use of words such as “forecast,” “intend,” “seek,” “target,” “anticipate,” “believe,” “expect,” “estimate,” “plan,” “outlook,” and “project” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Such forward-looking statements with respect to performance, prospects, revenues, and other aspects of the business of Moolec are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Although we believe that we have a reasonable basis for each forward-looking statement contained in this press release, we caution you that these statements are based on a combination of facts and factors, about which we cannot be certain. We cannot assure you that the forward-looking statements in this press release will prove accurate. These forward-looking statements are subject to a number of significant risks and uncertainties that could cause actual results to differ materially from expected results, including, among others, changes in applicable laws or regulations, the possibility that Moolec may be adversely affected by economic, business and/or other competitive factors, costs related to the scaling up of Moolec’s business and other risks and uncertainties, including those included under the header “Risk Factors” in the Moolec’s Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (“SEC”), as well as Moolec’s other filings with the SEC. Should one or more of these risks or uncertainties materialize, or should any of Moolec’s assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to update

or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. Accordingly, you should not put undue reliance on these statements.

1. Scientific and Operational Progress

a. SOOY1 | Piggy Sooy™ Platform

Moolec selected 10 T3 events for propagation based on the high levels of heterologous protein expression obtained at the T2 and T3 generations as well as based on other agro-economics. T3 propagation has been initiated in our partner facility at the Wisconsin Crop Innovation Center (WCIC) in Madison, Wisconsin, US. T4 seeds will be harvested in April 2024.

During the month of January of 2024, Moolec performed molecular analyses to determine the number of porcine myoglobin gene copies per plant in each of the selected 10 T3 events.

The results were favorable, indicating a stable number of porcine myoglobin gene copies per event. This is consistent with a population where the number of transgene copies is fixed and no longer segregating. This reduces further variability in the expression of the porcine protein.

b. PEEA1

Moolec's scientific team has confirmed till now a total of 104 positive pea transgenic lines. These lines are at different stages of development but are all currently being propagated from T0 into the next plant generations (T1 and T2).

Preliminary molecular tests, performed by Moolec's Scientific Team, have identified the presence of the bovine gene in the seeds of these T1 and T2 generations.

Results demonstrate that the bovine gene was stably inserted into the genome of pea explants during genetic engineering and was further stably inherited to next generations.

c. YEEA1

Moolec Science's (via its joint venture *Microo Food Ingredients S.L.*) YEEA1 project focuses on harnessing the unique properties of a novel yeast strain as a dietary supplement and food ingredient.

After significant investigations in the upstream process, the team has focused on designing the YEEA1 with streamlined and ecologically friendly unit operations for cell lysis, followed by filtering, drying, and packing.

The safety of proprietary yeast strain as a dietary supplement and food ingredient is paramount, and the results of studies to date are encouraging for continued development of YEEA1.

Initial genomic scrutiny has yet to identify any problematic genetic elements, whilst *in silico* proteomic evaluation has as of today not yielded any food allergens. Moreover, currently no toxins have been identified which cannot be found in *S. cerevisiae*. This rigorous safety assessment indicates that the potential risks are limited, opening the pathway to the safe utilization in dietary applications. Further using the Kegg, and NCBI databases the novel yeast strain is currently being screened for any other potential underlying toxic metabolites in genomic and metabolic pathways.

A regulatory pre-submission consultation meeting was held with the US-FDA. The Moolec team feels encouraged to continue further development of the yeast strain first as a dietary supplement.

d. Product Marketing

Moolec Science, through its subsidiary Valorasoy Food Ingredients, is working to shape the next generation of affordable meat replacement ingredients. After significant investment in development time, the Company has identified a cost-in-use white space in the meat replacement ingredient industry.

Using a combination of more complex base ingredients and hardware adjustments, a new category of ingredients have been developed and presented to potential buyers at a leading global trade-show Gulfood 2024, one of the largest gatherings of food and ingredient buyers in the world.

The team's presence in the show yielded over 50 qualified leads active in the purchasing of soy and legume-based products.

2. Financial overview

In October 2023, Moolec closed a convertible note due 2026 with Grupo Insud (“Insud”) and Bioceres Crop Solution (“BIOX”) in a principal amount of approximately US\$30 million with cash contributions of US\$10 million and in-kind contributions of ~\$20M.

Additionally, in December 2023, Moolec issued Convertible Notes to farmers for a total amount of ~\$1M for cash contributions. At maturity, Moolec will hold the option to deliver ordinary shares, cash, or a combination of cash and ordinary shares for all issued Convertible Notes.

Review of consolidated results

Company reported numbers are presented applying IAS 29 accounting for the Argentinean subsidiary. The following table and highlights present “As reported” in conjunction with “Excluding IAS 29” results in order to provide more context for the evolution of the underlying business in light of the recent devaluation of the local currency in Argentina.

<i>In thousands of US Dollars</i>	As reported FY2024		Ex-IAS 29 FY2024	
	Q1	Q2	Q1	Q2
Revenue	1,740.1	252.1	1,746.0	1,327.8
Other income	0.0	210.9	0.0	337.0
<i>Cost of sales</i>	<i>-1,519.6</i>	<i>-20.0</i>	<i>-1,383.9</i>	<i>-759.9</i>
<i>R&D expenses</i>	<i>-387.7</i>	<i>-516.0</i>	<i>-387.7</i>	<i>-516.0</i>
<i>Marketing expenses</i>	<i>-219.3</i>	<i>-13.7</i>	<i>-207.2</i>	<i>-133.0</i>
<i>Admin expenses</i>	<i>-1,863.4</i>	<i>-1,685.3</i>	<i>-1,863.9</i>	<i>-1,762.7</i>
<i>Other operating loss</i>	<i>-17.9</i>	<i>-20.9</i>	<i>-17.9</i>	<i>-20.9</i>
Loss from operations	-2,267.8	-1,792.9	-2,114.6	-1,527.6

Unaudited Financial Statements Highlights Q2FY24 vs Q1FY24

a) Statement of Operations

- Revenues and other income of \$1,327.8 thousand and \$337.0 thousand, respectively, during Q2FY24 slightly decreased 5% compared to Q1FY24, when excluding the impact of IAS 29 mainly driven by a slight decrease in volume.

- Cost of sales of \$759.9 thousand during Q2FY24 decreased 45% compared to Q1FY24, when excluding the impact of IAS 29 mainly driven by slightly lower sales and devaluation impact on value of inventories at the end of the period.
- R&D expenses of \$516.0 thousand during Q2FY24 increased 33% compared to Q1FY24, which is aligned with our overall business strategy for the long-term. In addition, during Q22024 the Company started to amortize the intangibles related to GLASO and SPC2.
- Administrative expenses of \$1,762.7 thousand during Q2FY24 decreased 5% compared to Q1FY24, when excluding the impact of IAS 29, which is aligned with our historical administrative expenses.

b) Statement of Financial Position

- As of December 31, 2023 there was a decrease of \$2,730.4 thousand or 11% in our total assets arising to \$21,320.9 thousand compared to June 30, 2023.
- Current assets, which mainly comprise cash and cash equivalents, inventories and trade receivables decreased by 33% compared to June 30, 2023, mainly driven by the decrease in cash and cash equivalents as a result of various operational and financing activities inherent in the normal conduct of business.
- Non-current assets slightly decreased by 5% amounting to \$17,770.6 thousand since June 30, 2023 mainly related to the accrual of interest receivable and partially offset by the effect of changes in foreign currency over intangibles denominated in Argentine Pesos.
- Current liabilities decreased by \$4,317.8 thousand or 34% amounting to \$8,281.4 thousand compared to June 30, 2023, due to the decrease in accounts payables and a decrease in the fair value of our warrant liabilities.
- Non-current liabilities increased by 372% amounting to \$6,355.5 thousand since June 30, 2023 mainly related to the issuance of the convertible note and classified as a financial liability.

c) Statement of Cash Flows

- Our principal source of liquidity has been through shareholders funding, and which have historically been sufficient to meet our working capital and capital expenditure requirements. During the quarter ended December 31, 2023 Moolec raised \$5.6 million in cash through a convertible note issued in October 2023. As of December 31, 2023 and June 30, 2023, we had cash and cash equivalents of

\$1,701.4 thousand and \$2,527.7 thousand, respectively. Subsequent to December 31, 2023, and as mentioned previously, Moolec raised additional \$5 million in cash through the same convertible note.

- We have used net cash in operating activities for the six months ended December 31, 2023 for \$5,647.9 thousand mainly related to payments of accrued expenses from the de-SPAC transaction, research and development, administrative and payroll among other recurrent administrative expenses paid within the six-month period ended on December 31, 2023.
- We have generated net cash inflows of \$46.4 thousand for the six months ended December 31, 2023 in investing activities related to short-term investment withdrawals partially offset by short-term investment subscriptions and additions to fixed assets.
- We have generated net cash in financing activities for the six months ended December 31, 2023 for \$4,692.5 thousand mainly related to cash inflows related to the issuance of the convertible note.

ANNEX: Statement of Operations, Statement of Financial Position and Cash Flow Statement

Consolidated statements of operations

	For the three months ended December 31, 2023	For the three months ended September 30, 2023	Change	For the six months ended December 31, 2023	For the six months ended December 31, 2022	Change
	<i>(In thousands of U.S. dollars, unless otherwise noted)</i>		(%)	<i>(In thousands of U.S. dollars, unless otherwise noted)</i>		(%)
Continuing operations						
Revenue	252.1	1,740.1	(86%)	1,992.2	-	N/A
Other income	210.9	-	N/A	210.9	-	N/A
Cost of sales	(20.0)	(1,519.6)	(99%)	(1,539.7)	-	N/A
Research and development expense	(516.0)	(387.7)	33%	(903.8)	(404.5)	123%
Marketing expense	(13.7)	(219.3)	(94%)	(232.9)	(39.8)	485%
Administrative expense	(1,685.3)	(1,863.4)	(10%)	(3,548.8)	(725.4)	389%
Other operating expense	(20.9)	(17.9)	17%	(38.8)	(21.1)	84%
Loss from operations	(1,792.9)	(2,267.8)	(21%)	(4,060.9)	(1,190.8)	241%
Financial cost	(103.4)	(93.3)	11%	(196.7)	-	N/A
Other financial results	(123.1)	554.9	(122%)	431.9	(316.5)	(236%)
Transaction expenses	-	-	-	-	(4,470.0)	(100%)
Share based payment cost of listing of shares	-	-	-	-	(42,705.1)	(100%)
Loss before income tax	(2,019.4)	(1,806.2)	12%	(3,825.7)	(48,682.4)	(92%)
Income tax	236.0	215.3	10%	451.3	-	N/A
Loss of the period	(1,783.4)	(1,590.9)	12%	(3,374.4)	(48,682.4)	(93%)
Foreign exchange differences on translation of foreign operations	(882.9)	(30.7)	2,776%	(913.5)	-	N/A

Total comprehensive loss for the period	(2,666.3)	(1,621.6)	64%	(4,287.9)	(48,682.4)	(91%)
Basic and diluted loss per share	(0.05)	(0.04)	12%	(0.09)	(1.57)	(94%)

Condensed consolidated statements of financial position

	As of December 31, 2023	As of June 30, 2023	Change
<i>(In thousands of U.S. dollars, unless otherwise noted)</i>			(%)
Current assets	3,550.3	5,331.8	(33%)
Non-current assets	17,770.6	18,719.5	(5%)
Total assets	21,320.9	24,051.3	(11%)
Equity	6,684.0	10,105.9	(34%)
Current liabilities	8,281.4	12,599.2	(34%)
Non-current liabilities	6,355.5	1,346.2	372%
Total liabilities	14,636.9	13,945.4	5%
Total liabilities and equity	21,320.9	24,051.3	(11%)

Condensed consolidated statements of cash flows

	For the six months ended December 31, 2023	For the six months ended December 31, 2022	Change
<i>(In thousands of U.S. dollars, unless otherwise noted)</i>			(%)
Net cash (used) / generated in operating activities	(5,647.9)	(583.0)	869%
Net cash (used) / generated from investing activities	46.4	(66.4)	(170%)
Net cash (used) / generated from financing activities	4,692.5	10,000.0	(53%)
Net (decrease) / increase in cash and cash equivalents	(909.0)	9,350.6	(110%)

Cash and cash equivalents at beginning of the period	2,527.7	1,081.8	134%
Effect of exchange rate changes and inflation on cash equivalents	82.7	(3.1)	(2,768)%
Cash and cash equivalents at end of the period	1,701.4	10,429.3	(84%)

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Let's redefine
the way we
produce
animal-based
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Moolec
food
needs
nerds