



Moolec™



4th Quarter FY 2023
Business Update

October 20, 2023





Luxembourg, October 20, 2023 – Moolec Science SA (NASDAQ: MLEC) a science-based food ingredient company focused on producing animal proteins in plants through Molecular Farming, today reported its Business Update for the fourth quarter of Fiscal Year 2023 ended June 30, 2023.

The main highlights of the Company's business update are as follows:

- **PIGGY SOOY™:** introducing a soybean platform that can produce high amounts of pork protein.
 - The animal protein reached high expression levels of up to 26.6% of total soluble protein in soy seeds, 4x higher than initially projected by the Company.
 - Completed Regulatory Status Review submission from USDA-APHIS and engaged in pre-submission discussions with FDA.
 - New patent was successfully filed.
- **Moolabs:** New Moolec's Molecular Biology Lab in Texas A&M University Bioscience Business Accelerator.
- **GLASO:** 2023 safflower campaign finished with ~50% above average crop yields.
- **Capital Raise:** ~\$30 million from strategic investors in cash and in-kind contributions.

"Looking back, I am incredibly proud of what Moolec has accomplished. We set ambitious goals, and our unwavering commitment to innovation and excellence has allowed us to not only meet but exceed our objectives. Our team's relentless dedication and innovations achieved unprecedented scientific results," stated Gastón Paladini, Chief Executive Officer and Co-Founder of Moolec Science.

"This year, Moolec achieved important milestones that not only reflect our technological ability but also our investment backing. In addition to the \$10 million raised during Fiscal Year 2023, we were able to commit \$30 million from strategic investors in a challenging financial market environment. These commitments will drive Moolec's business model forward through additional liquidity and enhanced capabilities," said José Lopez Lecube, Chief Financial Officer and Director of Moolec Science. He added, *"Our sources of financial support and funding avenues are adequate and work to support our commitment to innovate in the food industry."*



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: Monday October 23, 2023
- Time: 09:00 am ET
- Link to join the webinar: <https://us06web.zoom.us/j/84198066199>
- Dial In: +1 507 473 4847 US | Webinar ID: 841 9806 6199
- International numbers available: <https://us06web.zoom.us/j/84198066199>

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

A replay and the pdf version of the presentation will be available approximately two hours after the conclusion of the live event via the company's [Investor Relations website](#).

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-Filled 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 our 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. Moolec's New Laboratory - Moolabs

Moolec has set-up a self-owned Plant Molecular Biology Laboratory at Texas A&M University (Moolabs), with Chief Science Officer Amit Dhingra leading the plant molecular farming team. The Company will be able to perform a significant part of R&D plant biology projects at this location. The immediate focus for R&D will be on SOOY1 and PEEA1.

This initiative to centralize Moolec's molecular farming research will result in a focused vision, reduced costs, a clear chain of command, quick implementation of decisions, higher control standards, and improved quality of work. The company expects these new facilities to accelerate and streamline the development of the molecular farming platform.

Pipeline Status



b. Nutritional Supplements and Food Ingredients

In May, 35 hectares were planted in Idaho state (USA). An additional 15 hectares from what was originally planned were added during the final planting opportunity from a seed lot. At the end of September Safflower was harvested with yields of approximately 1.8 tons per hectare, that is approximately 50% above normalized yields. The seeds will be used mainly as seed material for next year, and some of it would be used for pilot oil crushing.

Since the investment and strategic participation from Grupo Insud – a biotechnology and life science player– the current yeast pipeline has been



consolidated to focus on a single and more robust yeast project (YEEA1), which targets the nutraceutical supplements markets in addition to the food ingredients market. This decision was prompted by the outstanding performance in YEEA1.

c. Meat Replacements

SOOY2 and SOOY3 projects have reached and partially completed the initial phases of the transformation stage in transient expression, prior to stable soybean transformation.

PEEA1 project has almost completed the transformation stage with 104 pea events identified so far as positive transgenics. Seeds are being moved to Moolec's lab for level of expression analysis.

Piggy Sooy™ (SOOY): Scientific, Regulatory and IP

The company has developed a unique, successful, and patentable platform for the expression of highly valuable proteins in seeds of economically important crops such as soybean. The soybean platform is now rebranded under the trademark Piggy Sooy™.

In Piggy Sooy™ the detection of the desired protein has been optimized and subsequently quantified for each of the 115 transgenic events. Results show porcine protein expression levels up to 26.6% TSP (total soluble protein). The high levels of heterologous protein expression have not been previously documented in the scientific literature for soybean seeds nor for an animal protein in plants.

Based on the expression values as well as other agro-economics, a total of 24 T2 events were selected for propagation. This T2 propagation is being performed in the Wisconsin Crop Innovation Center (WCIC), and T3 seeds will be harvested in November 2023.

Beyond Moolec's core purpose of applying this to innovative food ingredients, Piggy Sooy™ platform could eventually be used in animal feed, and also across a wide variety of proteins of interest for a wide range of industries such as the pharma, cosmetic, research and diagnostic reagents, and food industries.

d. Regulatory

Moolec has submitted its request to USDA-APHIS for Regulatory Status Review of the Moolec soybean engineered to produce pork protein in the seed, and APHIS has confirmed that the request is administratively and technically complete to move forward through the APHIS review procedure outlined in the regulation found at 7 CFR part 340. On the food safety side, Moolec has engaged in pre-submission discussions with FDA as part of FDA's Consultation Programs on Food from New Plant Varieties (<https://www.fda.gov/food/food-new-plant-varieties/consultation-programs-food-new-plant-varieties>).



e. IP

Piggy Sooy™ is a technological platform which allows the production of a myriad of animal proteins in soy seed with a considerable high yield. In this way the submitted patent covers not just the soybean plant, but also the seeds, the genetic constructs, the method to obtain the plant, and any application using the Piggy Sooy™ platform ingredients.

During the R&D stage, pertinent analyses were made to understand if the results could be protected through patents. After the analysis, the company decided to draft and file a provisional patent in the US (US63/378661) in June 2022. This filing allowed it to have a priority over the technology developed.

After all the experimental data was collected and showed the high expression levels and results achieved, the patent was converted from provisional into a non-provisional Patent Cooperation Treaty (PCT) patent application (PCT/IB2023/056287).

A PCT patent application enables the patenting of Piggy Sooy technology through 157 member states, which are going to be selected according to strategic planning based on markets, competitors, clients and partners, among others factors.

At the same time, a patent was filed (ARP20230101673) in Argentina, since the country is not a member of the PCT but is an important territory in terms of production capability and technology development.



2. Industrial & Commercial R&D Center

Moolec has integrated processing and commercial capabilities that are now being used as an R&D Center for product development, industrial process calibration for protein treatment, and collaboration and innovation with customers.

The industrial plant was successfully marketed for soy-based ingredients and, to a lesser extent, the sale of byproducts in the domestic market. Between the months of May and June, more than 900 tons of texturized soy protein ingredients were sold to markets such as Chile, South Africa, the Philippines, Costa Rica, Nicaragua, and others. Approximately 200 tons of oil and 200 tons of expeller were sold to the domestic market as byproducts.

Operating margins were impacted by a historical drought in Argentina (the worst in the last 100 years). Consequently, the supply of soybeans was very low, making it difficult to source soybeans, and in turn, increasing the prices of raw materials.

From a strategic perspective, laboratory tests were conducted during this period to refine and develop new solutions for the food industry.

On the R&D of production, a new series of experiments have been performed in generating new recipes for the next generation of extruded products, effectively upgrading the quality from fillers to meat analogues / replacers. The new recipe has been designed in our R&D labs in the Netherlands to target the white spaces in the market improving functionality and quality. Over 50 lab scale trials have yielded 3 main recipes for scaling up in production from which one has successfully undergone pilot production. More pilot trials are planned in order to characterize the performance of the new recipe.



3. Financial Overview

Consolidation of newly acquired subsidiary

As a result of the newly acquired subsidiary, Moolec Science SA consolidated results, including approximately two months of the results from operations and the assets and liabilities of the Acquired Entity as of June 30, 2023.

Financial Statements Highlights FY23 vs FY22

a. Statement of Operations

- Revenues for FY23 increased from none to \$905,049.
- Cost of sales for FY23 increased from none to \$1,048,354.
- R&D expenses of \$1,351,217 during FY23 increased 37% compared to FY22. Moolec is a science-based ingredient company, committed to innovating and investing in our existing platforms like Piggy Sooy or developing new ones. As such, the increase year over year is aligned with our strategic short and long-term goals with the aim of generating future revenue streams. The increase was primarily driven to the different stages and nature of the projects.
- Administrative expenses of \$4,808,655 during FY23 increased 91% compared to FY22, primarily due to an increase of expenses related to audit, legal and accountancy fees, which is primarily derived of maintaining a compliance status of a public company, together with an increase of share-based payments and to a lesser extent, to the incorporation of the newly acquired subsidiary. Included within our administrative expenses there is a significant portion of non-cash items, mainly related to share-based payments, amortization and depreciation amounting to \$1,263,680 in June 30, 2023 compared to \$838,576 in June 30, 2022.
- Other financial results of \$1,030,525 during FY23 increased 218% mainly due to the effect of the warrants revaluation gain, investment gain related to money market funds, interest gains and the gain generated by the application of IAS 29 in our newly acquired subsidiary, partially offset by a loss of exchange rate differences.
- Transaction expenses for FY23 increased from none to \$3,535,046 due to one-time transaction costs related to the consummation of the Business Combination Agreement (excluding those that have been recognized in Equity in accordance with IFRS-IASB).
- For FY23 we recorded a charge for the cost relating to the listing of shares of \$42,705,061, accounted as non-cash share-based payment in accordance with IFRS 2. We recognized such cost of listing shares for the excess of the



fair value of shares deemed to have been issued by Moolec over the fair value of LightJump's identifiable net assets at the date of the reorganization.

b. Statement of Financial Position

- As of June 30, 2023 there was an increase of \$18,359,572 in our total assets arising to \$24,051,289 compared to June 30, 2022 mainly related to the incorporation of the cash resulting from the consummation of the Business Combination Agreement and the recording of non-current receivables with some of our existing shareholders together with the consolidation of assets related to the newly acquired subsidiary. Our total liabilities have increased \$9,857,972, arising to \$13,945,356 mainly due to the recording of transaction costs payable to third parties together with the effect of the consolidation of liabilities related to the newly acquired subsidiary.
- Current assets, which mainly comprise cash and cash equivalents, short term investments and current receivables, increased since June 30, 2022 due to the funds received after Business Combination Agreement together with the effect of consolidating assets as a result of the newly acquired subsidiary.
- Non-current assets increased because of the subscription of 1.5 million shares before the transaction at \$10 to be paid after 5 years (whose present value as of June 30, 2023, is \$8,763,027) together with the incorporation of intangible assets related to customer relationship of the newly acquired subsidiary for \$3,819,009.
- Current liabilities increased because of the recognition of transaction costs payables related to the Business Combination Agreement. We have agreed with the majority of our creditors different payment schedules up to 2024. In addition, we have recorded some other liabilities with related parties and other creditors of our newly acquired subsidiary. Also included under current liabilities the Warrants for a total of \$887,689.

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. As of June 30, 2023 and June 30, 2022, we had cash and cash equivalents of \$2,527,673 and \$1,081,808, respectively. Also as of June 30, 2023, we have \$306,034 in short-term investments.
- We have used net cash in operating activities for FY2023 for \$7,511,353 mainly related to one time transaction expenses paid for \$3,378,075 jointly with research and development, administrative and payroll among other recurrent administrative expenses paid within the fiscal year.
- We have generated \$11,281,661 for FY2023 in financing activities, \$10,000,015 of those were related to the inflows resulting from the Business Combination Agreement. Also, we have received \$2,000,000 related to promissory notes agreed by one of our subsidiaries.



- We have used \$2,336,820 for FY2023 in investing activities mainly related to the additions of intangible assets related to our Research and Development process and for the immediate cash payment related to the newly acquired subsidiary for \$1,930,883 (net of the cash acquired with the Company). The newly acquired subsidiary acquisition included the customer relationship which was considered a separate intangible.

Capital Raise Subsequent Events

a. Convertible Note with Grupo Insud for ~\$21 million.

On October 17th, the company issued a note purchase agreement with a strategic investor in the biotech and life science space, Grupo Insud.

Grupo Insud is committed to providing a total investment of up to ~\$21 million. This contribution comprises \$10 million in cash and an estimated additional \$11 million of in-kind contributions, consisting of credits to access Insud's state-of-the-art industrial capabilities, operational services, and the incorporation of Joint Venture participation, started with Moolec in 2021. In-kind contributions to be made by Grupo Insud to Moolec are subject to the completion of an independent appraisal procedure in accordance with Luxembourg law.

Conditions are as follows:

- Principal: ~\$21 million.
- Tenor: 3 years.
- Strike: \$6/share.
- Interest: variable up to 10%.
- Settlement: Principal plus Interest paid in shares or cash at Moolec's discretion.

b. BIOX HB4[®] Soybean Supply Agreement paid with a Convertible Note

On October 17th, the company subscribed a binding MOU with key partner and shareholder Bioceres Crop Solutions (NASDAQ: BIOX).

Upon sign-off of definitive documentation, BIOX will supply approximately 15,000 tons of ESG-linked HB4[®] soybean to be delivered in Argentina, the US or Brazil within a period of 24 months. This agreement may be upsized for a similar volume and conditions. Definitive documentation sign-off pending independent appraisal procedure in accordance with Luxembourg law.

Under the BIOX Supply Agreement, Bioceres Crop Solutions will engage with Generation HB4[®] farmers to source and deliver to Moolec soybeans with a sustainability-linked premium, which are produced under regenerative agricultural practices, minimizing water, carbon, and chemical footprints. The Generation HB4[®] program is an identity-preserved farming program that utilizes HB4[®] drought-



tolerance technology to enable soybean-wheat crop rotations and improve agricultural sustainability.

The BIOX Supply Agreement will be paid through the issuance of a convertible note:

- Principal: \$9 million which may be upsized.
- Interest: up to 10% - dependent on the soy delivery schedule.
- Tenor: 3 years.
- Strike: \$6/share.
- Contributions: approximately 15,000 tons of HB4[®] soybean.
- Settlement: Principal plus interest paid in shares or cash at Moolec's discretion.



4. Strategic Focus for Fiscal Year 2024

For next fiscal year, the company is poised for a year of transformative growth and innovation. Strategic focus will revolve around four core pillars to unlock value creation: Science and Product development, Intellectual Property, Regulatory Approvals and Strategic Alliances.

- **Science and Product Development:** includes several significant aspects, including research and development, product creation and improvement, as well as associated processes. It also extends to ensuring the highest standards of food and environmental safety and quality. The primary focus will be on developing disruptive solutions using innovative technology for the food industry. Specifically on the Piggy Sooy platform, Moolec expects to continually refine the selection process for transgenic events, aiming to identify the event that strikes the optimal balance between achieving the highest levels of animal protein expression and delivering the most favorable agronomic Key Performance Indicators (KPIs). In this way and with the excellent results obtained in FY23, the company will continue to de-risk this platform by delivering exceptional results.
- **Intellectual Property:** Moolec's strategy is to establish a formidable intellectual property portfolio and become an IP powerhouse. This portfolio aims to incorporate a wide spectrum of patents covering methods, processes, and applications. Additionally, the company will continuously have a proactive approach on monitoring the market to identify the most valuable geographic areas for IP efforts, ensuring that assets align with market demands.
- **Regulatory approvals:** the strategy is to navigate the regulatory landscape fast and efficiently, ensuring compliance while minimizing time-to-market.
- **Strategic alliances:** includes building strategic partnerships with key industry players which is integral for the company's growth strategy. By forging alliances with experts in complementary fields, Moolec aims to accelerate its business. These alliances will also facilitate the sharing of technology, expertise, and industrial processes, ultimately enhancing Moolec's competitiveness in the market. The deals closed during the first quarter of FY24 with Grupo Insud and Bioceres Crops Solutions are set to greatly amplify the company's growth potential. Bioceres' soybean supply agreement of HB4 soybean will not only introduce enhanced traceability but also offer a comprehensive CO₂ footprint map, thus elevating the company's product offerings for both current and potential clients. Regarding Grupo Insud, their in-kind contributions will play a pivotal role in expediting and advancing Moolec's fermentation prototyping platform, with a primary focus on product development. Moolec will continue to foster collaborations and partnerships with industry players to expand and leverage research and development and accelerate product development. The company's dedication to delivering shareholder value and shaping the future of food technology remains resolute.



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

Condensed Consolidated Statements of Operations

	For the twelve months ended June 30, 2023	For the twelve months ended June 30, 2022	Change	For the three months ended June 30, 2023	For the three months ended June 30, 2022	Change
	(in USD)		(%)	(in USD)		(%)
Continuing operations						
Revenue	905,049	-	N/A	905,049	-	N/A
Cost of sales	(1,048,354)	-	N/A	(1,048,354)	-	N/A
Research and development expense	(1,351,217)	(985,158)	37%	(370,632)	(276,947)	34%
Marketing expense	(256,421)	(105,060)	144%	(202,266)	(21,707)	832%
Administrative expense	(4,808,655)	(2,523,230)	91%	(3,322,277)	(1,005,259)	230%
Other operating expense	(94,207)	(38,985)	142%	(44,955)	2,035	(2,309%)
Loss from operations	(6,653,805)	(3,652,433)	82%	(4,083,435)	(1,301,878)	214%
Financial cost	(160,035)	(2,130)	7,413%	(152,156)	(1,005)	15,040%
Other financial results	1,030,525	(872,342)	(218%)	1,253,021	(215,688)	(681%)
Transaction expenses	(3,535,046)	-	N/A	-	-	-
Share based payment cost of listing shares	(42,705,061)	-	N/A	-	-	-
Loss before income tax	(52,023,422)	(4,526,905)	1,049%	(2,982,570)	(1,518,571)	96%
Income tax	234,542	-	N/A	234,542	-	N/A
Loss of the period	(51,788,880)	(4,526,905)	1,044%	(2,748,028)	(1,518,571)	81%
Foreign exchange differences on translation of foreign operations	18,112	-	N/A	18,112	-	N/A
Total comprehensive loss for the period	(51,770,768)	(4,526,905)	1,044%	(2,729,916)	(1,518,571)	80%
Basic and diluted loss per share	(1.51)	(0.15)	907%	(0.07)	(0.05)	43%



Condensed Consolidated Statements of Financial Position

	As of June 30, 2023	As of June 30, 2022	Change
	<i>(in USD)</i>		(%)
Non-current assets	18,719,453	4,607,848	306%
Current assets	5,331,836	1,083,869	392%
Total assets	24,051,289	5,691,717	323%
Equity	10,105,933	1,604,333	530%
Current liabilities	12,599,191	4,087,384	208%
Non-current liabilities	1,346,165	-	N/A
Total liabilities	13,945,356	4,087,384	241%
Total liabilities and equity	24,051,289	5,691,717	323%

Condensed Consolidated Statements of Cash Flows

	For the twelve months ended June 30, 2023	For the twelve months ended June 30, 2022	Change
	<i>(in USD)</i>		(%)
Net cash used in operating activities	(7,511,353)	(1,885,979)	298%
Net cash used in investing activities	(2,336,820)	-	N/A
Net cash generated from financing activities	11,281,661	2,000,000	464%
Net increase in cash and cash equivalents	1,433,488	114,021	1,157%
Cash and cash equivalents at beginning of the period	1,081,808	980,527	10%
Effect of exchange rate changes on cash equivalents	12,377	(12,740)	(197%)
Cash and cash equivalents at end of the period	2,527,673	1,081,808	134%



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Let's redefine
the way we
produce
animal-based
food, for good
and for all.

Moolec
food
needs
nerds