

1st Quarter Fiscal Year 2024 Business Update



Moolec Science Presents First Quarter Fiscal Year 2024 Business Update

Luxembourg. December 14, 2023 – Moolec Science SA (NASDAQ: MLEC) a sciencebased food ingredient company focused on producing animal proteins in plants through Molecular Farming technology, announced today its Business Update for the first quarter of Fiscal Year 2024 ended September 30, 2023.

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

- **GLASO:** Moolec harvested 35 hectares with a yield of 1.8 tons per hectare. Currently, the company is preparing for the next campaign getting closer to commercialization.
- SOOY1 | Piggy Sooy™ Platform: Moolec's soybeans have been propagated to the next generation (T3) and T3 seed analyses confirmed high levels of porcine myoglobin protein for a second consecutive generation.
- **Moolabs:** Moolec's self-owned Molecular Biology Lab at Texas A&M University's Bioscience Business Accelerator has been successfully set-up and is fully operational.
- Financial highlight: Revenue increased 92% QoQ to \$1.74 million given full quarter consolidation of acquired business and higher volume and prices. Lower COGS impact given stable soy origination and more favorable local market conditions. Low cash utilization of ~\$1.74 million remains in line with historical track record.

"We are pleased to report a solid business update. I commend our team's efforts to succeed in all facets of R&D. Moreover, we are encouraged by the progress made on the scientific development of products, which address an attractive opportunity to bring new integral and sustainable solutions to the food market and beyond," stated Gastón Paladini, Chief Executive Officer and Co-Founder of Moolec Science.

"We are happy to share the financial progress for the first quarter of fiscal year 2024." said José López Lecube, Chief Financial Officer of Moolec Science. He then continued by saying: "While we focus our resources on the scientific front, we are also pleased to see the progress in our 'R&D and Commercial Center' generating revenues and providing a centralized location for pilot runs of our promising portfolio of R&D projects."





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: Thursday December 14, 2023
- Time: 08:30 am ET
- Link to join the webinar: <u>https://icrinc.zoom.us/j/98069578649?pwd=bHNaQnI0RXRUZ2I0R</u> <u>FR2VU8wQnZidz09</u>
- One tap mobile: +13017158592,,98069578649#,,,,*881714# US
- Dial In: +1 301 715 8592 US | Webinar ID: 980 6957 8649, Passcode: 881714
- International numbers available: <u>https://icrinc.zoom.us/u/abCKbnCHri</u>

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 approximately two hours after the conclusion of the live event via Moolec's <u>Investor</u> <u>Relations website</u>.

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 forwardlooking 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.



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1. Scientific and Operational Progress

a. <u>GLASO</u>

A total of 35 hectares of GLASO (GLA Safflower Oil) were cultivated in the state of Idaho, USA. During the harvest, the safflower yielded an outstanding output of approximately 1.8 tons per hectare. It's noteworthy to mention that this yield surpassed the expected yields by about 50%. This exceptional performance could be attributed to various factors such as favorable weather conditions and optimized cultivation practices. This outcome not only demonstrates the successful cultivation of GLA Safflower Oil in the Idaho region but also signifies a remarkable increase in productivity compared to standard projections.

Our safflower maintained expression levels at ~60% from the previous harvest, which exceeded our initial expectations by 10%.

The primary use of the harvested seeds will be for next year's seed material, while some of the remaining seeds would be used for pilot oil crushing.

b. <u>SOOY1 | Piggy Sooy™ Platform: Expression level and journey of the seeds</u>

Moolec's proprietary soybean platform is branded under the trademark Piggy Sooy[™]. This unique and patentable platform uses the seeds of economically important soybean crops for the expression of highly valuable proteins.

Moolec has been optimizing the detection and quantification of the desired porcine protein: myoglobin. The detection was optimized and quantified for each of the 115 transgenic events. Results also showed porcine protein expression levels from 5% to 26.6% total soluble protein (TSP). This is the first documented animal protein expressed in plants exhibiting such high levels of heterologous protein expression.

Moolec selected 24 T2 events for propagation based on the expression values and other agroeconomics. This T2 propagation was performed at the Wisconsin Crop Innovation Center (WCIC). T3 seeds were harvested in October 2023, slightly earlier than previously expected.

During the month of November of 2023, Moolec scientists performed meat protein expression analysis of T3 seeds. The expression values of meat protein reached up to 20.4% TSP and, as expected by the scientific team, T3 expression values correlate with the previously obtained T2 expression values. We expect these expression values to keep stabilizing with the advancement of generations and identification of truly homozygous lines. These T3 expression analyses were performed at Moolabs (College Station, Texas, United States).





Not only does Moolec intend to use the Piggy Sooy™ platform for innovative food ingredients, but also to eventually address the protein requirements in other industries such as pharma, cosmetics, research, diagnostic reagents, and other food industries.

On the regulatory front, Moolec submitted its application for obtaining Regulatory Status Review clearance from USDA-APHIS during the month of September 2023.

c. Moolabs: Moolec-owned lab

Moolec set up a fully-owned Plant Molecular Biology Laboratory in Texas A&M University's campus, where lab work began in September this year, led by Chief Science Officer Amit Dhingra overseeing the plant molecular farming team. The laboratory is currently 100% operational.

The Company is now able to perform a significant part of R&D plant biology projects at this location. The immediate focus for R&D is the PEAA1, and SOOY1 molecular seeds as well as the certain molecular analyses for GLASO.

This initiative to centralize Moolec's Molecular Farming research results in a focused vision, reduced costs, a clear chain of command, quick implementation of decisions, higher control standards, and improved quality of work.

These new facilities have already come to generate cost and time savings per R&D project, accelerating and streamlining the development of our Molecular Farming platform.





2. Financial overview

Unaudited Financial Statements Highlights Q1FY24 vs Q4FY23

a. Statement of Operations

- Revenues of \$1,740,050 during Q1FY24 increased 92% compared to Q4FY23, primarily due to the difference in consolidating periods of our newly acquired subsidiary starting on April 24, 2023, considering Q1FY24 revenue consolidates three months of operations, while Q4FY23 only consolidates two months of the subsidiary's revenue. Also, our operations were impacted during Q1FY24 by higher sales volume and higher pricing.
- Cost of sales of \$1,519,642 during Q1FY24 increased 45% compared to Q4FY23, primarily due to the difference in consolidating periods of our newly acquired subsidiary starting on April 24, 2023, considering Q1FY24 figures consolidates three months of operations consolidated, while in Q4FY23 only two months have been included. Also, during Q1FY24, a lower cost of raw materials, given more favorable local market conditions for soy origination, have positively impacted our operations.
- R&D expenses of \$387,736 during Q1FY24 increased slightly 5% compared to Q4FY23, which is aligned with Moolec's long-term business strategy.
- Administrative expenses of \$1,863,418 during Q1FY24 decreased 44% compared to Q4FY23 primarily due to a decrease in professional fees, end-of-year payroll expenses including non-cash items such as expenses related to our ESOP and the recognition in Q4FY23 of provisions to cover expenses payable during FY2024.
- Other financial results of \$554,938 during Q1FY24 decreased 56% compared to Q4FY23 mainly due to a lower gain related to the warrants revaluation, less investment gains related to money market funds, and lower interest gains.

b. Statement of Financial Position

- As of September 30, 2023, there was a decrease of \$1,559,290 or 6% in our total assets arising to \$22,491,999 compared to June 30, 2023.
- Current assets, which mainly comprised cash and cash equivalents, inventories and trade receivables decreased by 40% compared to June 30, 2023, mainly driven by the decrease in cash and cash equivalents as a result of various operational and financial activities inherent in the normal conduct of business.





- Non-current assets slightly increased by 3% amounting to \$19,294,817 since June 30, 2023, mainly related to the accrual of interest-bearing receivables.
- Current liabilities decreased by 1% amounting to \$12,513,424 compared to June 30, 2023, due to the increase in trade payables denominated in a foreign currency and offset by a decrease in the fair value of our warrant liabilities.
- Non-current liabilities decreased by 19% amounting to \$1,086,965 since June 30, 2023, mainly related to a decrease in our deferred tax liability.

c. Statement of Cash Flows

- Moolec's principal source of liquidity has been through shareholders funding, and which has historically been sufficient to meet our working capital and capital expenditure requirements. As of September 30, 2023, and June 30, 2023, we had cash and cash equivalents of \$853,594 and \$2,527,674 respectively. Subsequent to September 30, 2023, and as mentioned previously, Moolec has raised \$10 million in cash and \$21 million in kind contributions through a convertible note issued on October 17th, 2023.
- We have used net cash in operating activities for the Q1FY24 for \$1,743,563 mainly related to research and development, administrative and payroll among other recurrent administrative expenses paid within the three-month period ended on September 30, 2023.
- We have generated \$174,563 for the Q1FY24 in investing activities related to short-term investment withdrawals partially offset by additions of fixed assets.
- We have used net cash in financing activities for the Q1FY24 for \$127,444 mainly related to repayment of our current consolidated debt and partially offset by cash inflows from financial debts.





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

Consolidated statements of operations

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	Change	For the three months ended September 30, 2023	For the three months ended June 30, 2023	Change
	(in L	ISD)	(%)	(in L	ISD)	(%)
Continuing operations						
Revenue	1,740,050	-	N/A	1,740,050	905,049	92%
Cost of sales	(1,519,642)	-	N/A	(1,519,642)	(1,048,354)	45%
Research and development expense	(387,736)	(372,932)	4%	(387,736)	(370,632)	5%
Marketing expense	(219,260)	(19,318)	1,035%	(219,260)	(202,266)	8%
Administrative expense	(1,863,418)	(314,565)	492%	(1,863,418)	(3,322,277)	(44%)
Other operating expense	(17,909)	(11,500)	56%	(17,909)	(44,955)	(60%)
Loss from operations	(2,267,915)	(718,315)	216%	(2,267,915)	(4,083,435)	(44%)
Financial cost	(93,317)	-	N/A	(93,317)	(152,156)	(39%)
Other financial results	554,938	(3,111)	(17,938%)	554,938	1,253,021	(56%)
Loss before Income tax	(1,806,294)	(721,426)	150%	(1,806,294)	(2,982,570)	(39%)
Income tax	215,291	-	N/A	215,291	234,542	(8%)

Loss of the period	(1,591,003)	(721,426)	121%	(1,591,003)	(2,748,028)	(42%)
Foreign exchange differences on translation of foreign operations	(30,677)	-	N/A	(30,677)	18,112	(269%)





Total comprehensive loss for the period	(1,621,680)	(721,426)	125%	(1,621,680)	(2,729,916)	(41%)
Basic and diluted loss per share	(0.04)	(0.02)	100%	(0.04)	(0.07)	(43%)

Condensed consolidated statements of financial position

	As of September 30, 2023	As of June 30, 2023	Change
	(in L	(%)	
Non-current assets	19,294,817	18,719,453	3%
Current assets	3,197,182	5,331,836	(40%)
Total assets	22,491,999	24,051,289	(6%)
Equity	8,891,610	10,105,933	(12%)
Current liabilities	12,513,424	12,599,191	(1%)
Non-current liabilities	1,086,965	1,346,165	(19%)
Total liabilities	13,600,389	13,945,356	(2%)
Total liabilities and equity	22,491,999	24,051,289	(6%)



Condensed consolidated statements of cash flows

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	Change
	(in L	(%)	
Net cash (used) / generated in operating activities	(1,743,563)	9,648	(18,172%)
Net cash generated from investing activities	174,563	-	N/A
Net cash used from financing activities	(127,444)	-	N/A
Net (decrease) / increase in cash and cash equivalents	(1,696,444)	9,648	(17,683%)
Cash and cash equivalents at beginning of the period	2,527,674	1,081,808	134%
Effect of exchange rate changes and inflation on cash equivalents	22,364	(3,084)	(825%)
Cash and cash equivalents at end of the period	853,594	1,088,372	(22%)

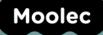
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Let's redefine the way we produce animal-based food, for good and for all.





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