

ANNUAL REPORT OF THE BIOTECHUSA GROUP



BioTechUSA™ **SCITEC®**
NUTRITION **BUILDER** SHAKERSTORE vitaminSHOP.hu

Over 40% growth, investment surge, crisis-resistant brand

BioTechUSA faced a number of challenges in 2022, but still saw a significant growth in the year, with revenues exceeding **EUR 200 million**. It has responded quickly and effectively to changes in industry, foreign policy, and the economy: In Europe, it has expanded its network with **17 new stores**, launched more than **300 new products** and continues to strengthen its international position with record sales in France, Germany, and Austria.

In 2022, the Group launched the biggest wave of investment in its history: it is building a new plant for the production of premium protein bars, as well as warehousing and social facilities. It also built a new raw materials warehouse and is in the final stages of renovating its former office building and adding more workstations. The company continues to focus on social responsibility and customer education, and its owners have been awarded the **Business Person of the Year award**.

The BioTechUSA Group is one of Europe's largest and fastest growing manufacturers and distributors of food supplements and speciality foods. In addition to the **BioTechUSA** brand, the Group also includes four other brands: **Scitec Nutrition**, the brand of those committed to long-term gym training; **Builder**, Hungary's most popular online store for food supplements, which also sells its private label products; **ShakerStore**, a manufacturer of unique shaker bottles; and **VitaminShop**, a multi-brand online store for the average vitamin consumer.



FIVE BRANDS, ONE COMMON JOURNEY



100
countries

50
online stores

286
franchise stores

1800
employees

4500
partners

203 million
revenue of EUR

EUR 29 million
EBITDA

41%
increase in turnover
compared to 2021

BioTechUSA™

SCITEC
NUTRITION

BUILDER

SHAKERSTORE

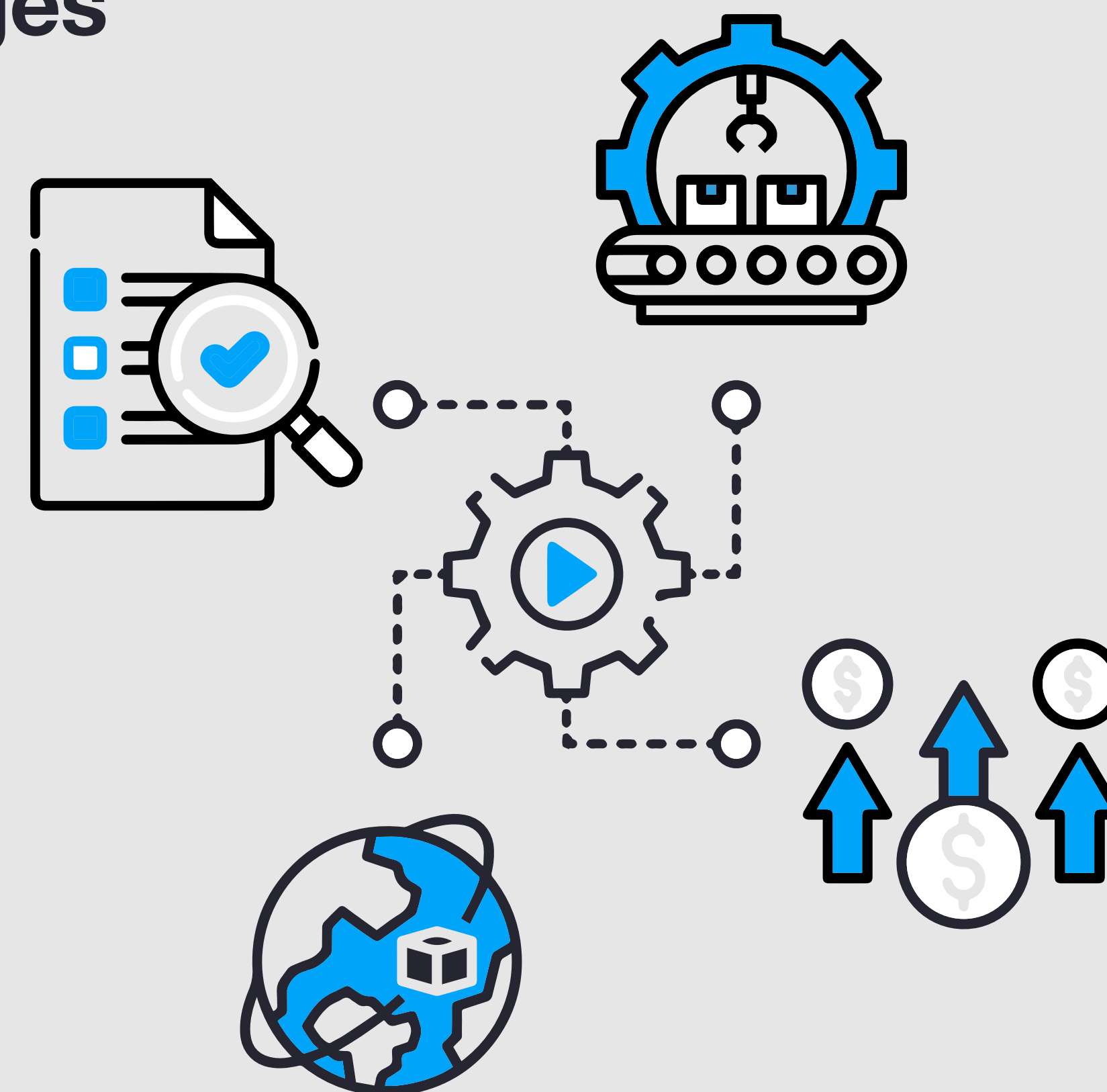
vitaminSHOP.hu

ANNUAL REPORT - 2022

Foreword and owner's message: constant innovation is the answer to challenges

The market for food supplements and speciality foods is booming, continuing to grow at 8-10% per year, and the consumer base for these products is expanding. At the same time, manufacturers and distributors had to find answers to a number of new challenges in 2022, including, but not limited to the following:

- shortage of many raw materials
- then the price of packaging and raw materials increased significantly —it became a challenge to achieve procurement prices that would allow competitive operations
- transport and energy costs have also increased dramatically
- the value of inventories has increased, making it essential to increase the company's cash holdings
- the exchange rate fluctuation and its effects were inevitable
- labour shortages still persist
- new import rules had to be met in some Eastern countries



„It’s almost a cliché, but it is undeniable that the Covid-19 pandemic has created an environment that is changing even faster than before, and since then we have faced even more challenges. However, in our case, it was during these years that the benefits of the long-term strategy that differentiates us from our competitors, and according to which we think and work, really began to bear fruit. Even in »peacetime« we were characterized by a high level of professional compliance; we not only want to comply with the current regulations, but we also create extra rules for ourselves– says Bálint Lévai, CEO and co-owner, highlighting the key competitive advantages of the company. – We work with the highest quality raw materials, we invest considerable time and energy in product development, we monitor our processes closely and train our staff continuously. By now, both our partners and our consumers know that we are crisis-resilient and that they are happy to turn to our trusted brands in times of crisis. After the pandemic, we did not make the mistake of focusing only on online sales, we continued to sell on all possible platforms. Many competing brands jumped on the bandwagon, but customers returned to brick-and-mortar stores over time and investors saw little or no further interest in financing companies with an exclusively online platform. At critical times, our company did not have a shortage of raw materials because our suppliers offered us the quantities they had available as a result of a good partnership over the years, and we were one of the few that could continue to finance this. The result of this was also reflected on the consumer side: while many competitor products were experiencing supply problems, our protein powders and vitamins continued to be present on the shelves waiting to be picked up.”

““””



Bálint Lévai
CEO, co-owner



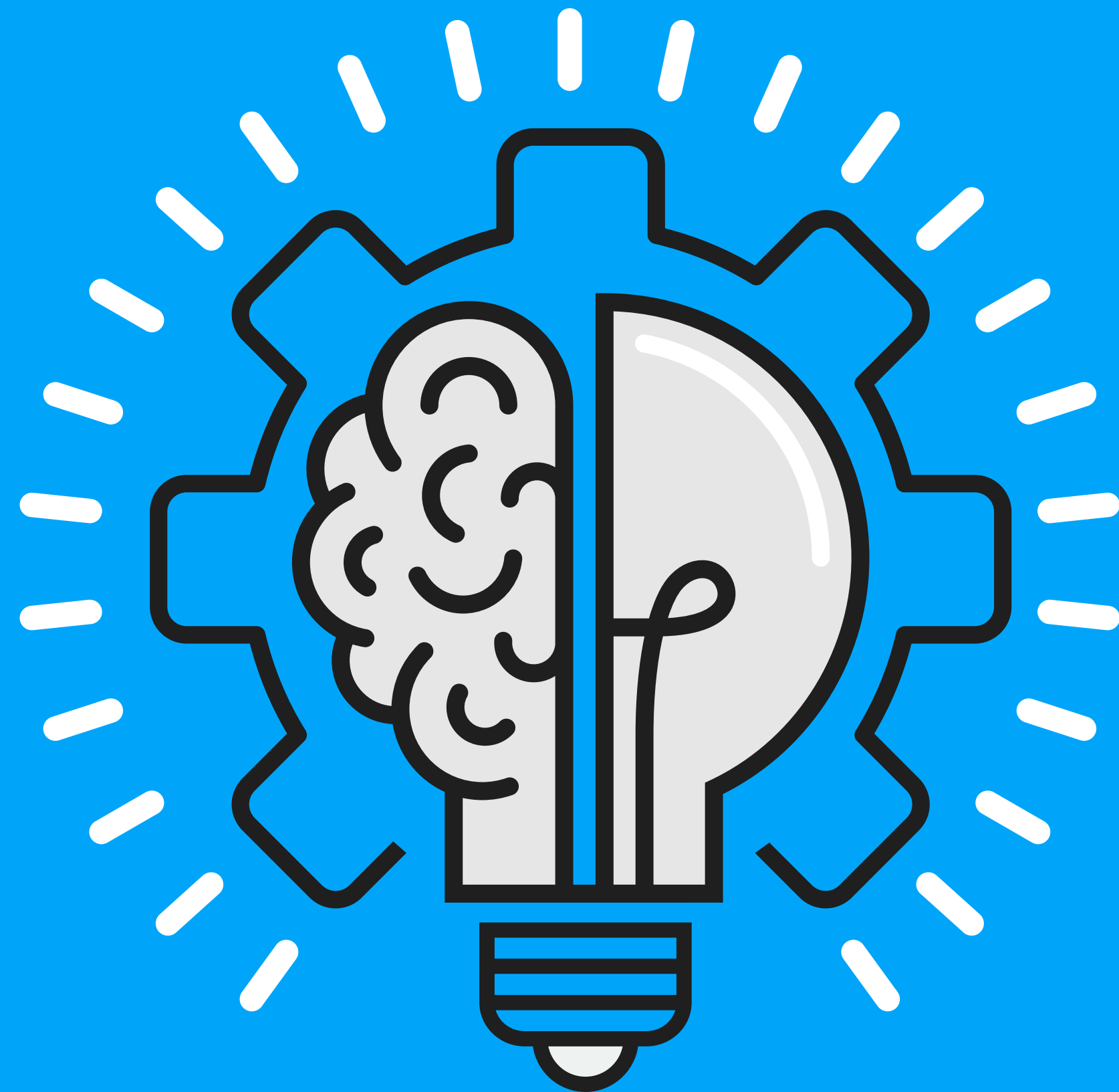


In 2022, the Hungarian company, owned by the Lévai family, launched the biggest **wave of investments** in the company's history, which won a **EUR 6.8 million** grant from the Hungarian state. The investment will include the construction of two new lines for the production of **premium protein bars** at the Szada plant, as well as the construction of warehouse and social facilities to create **additional jobs**. The project is currently in the planning phase, the necessary land has been purchased by the company and the implementation phase will start in 2023.

At the same time, the renovation of the former office building is in its final phase on Huszti út in Budapest, located next to the new BioTechUSA headquarters, which was opened in 2020 and has been awarded the title of **Office of the Year**. The modernized building also includes a dedicated gym for the exclusive use of employees, as well as 160 workstations, allowing for further staff expansion.



INNOVATION: THE ANSWER TO CHALLENGES



100
new jobs

110 million
bar per year production capacity

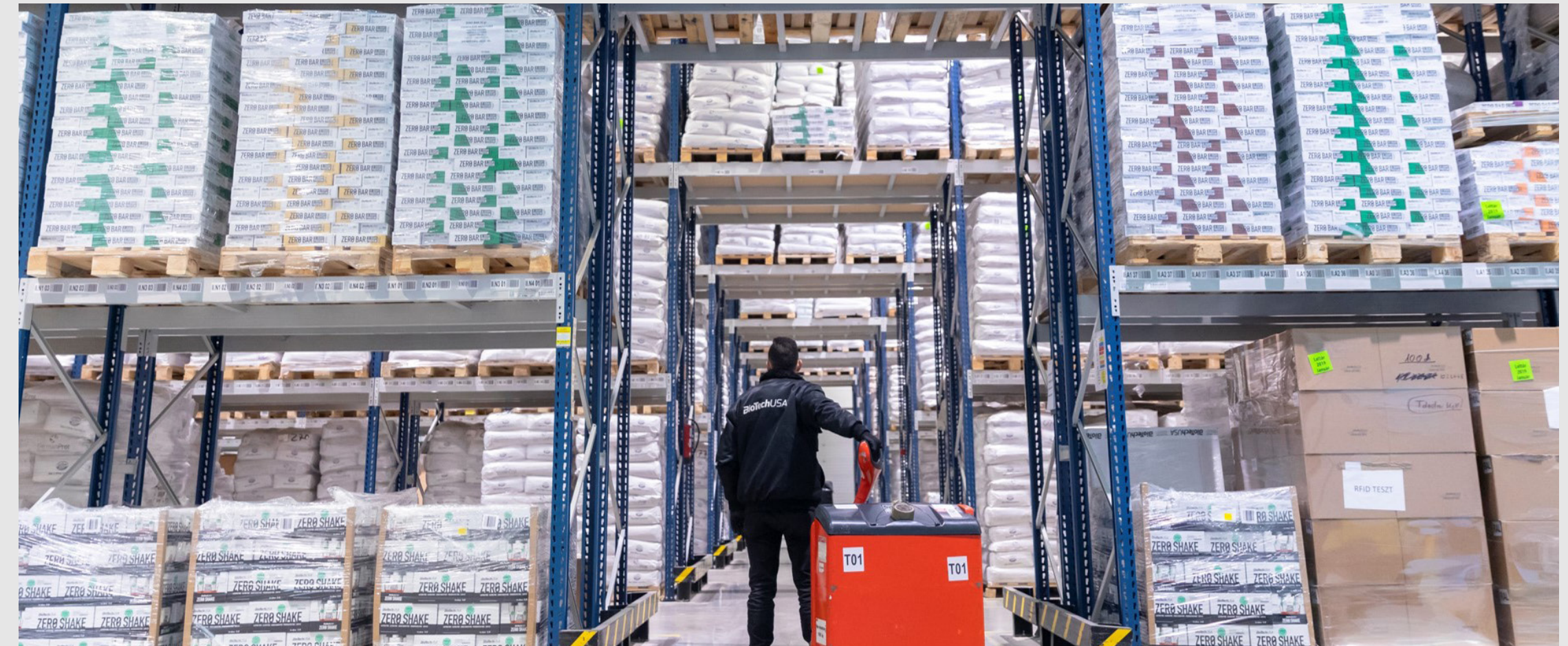
EUR 29 million
investment of

modernizing the former office
building (recreation room and gym)

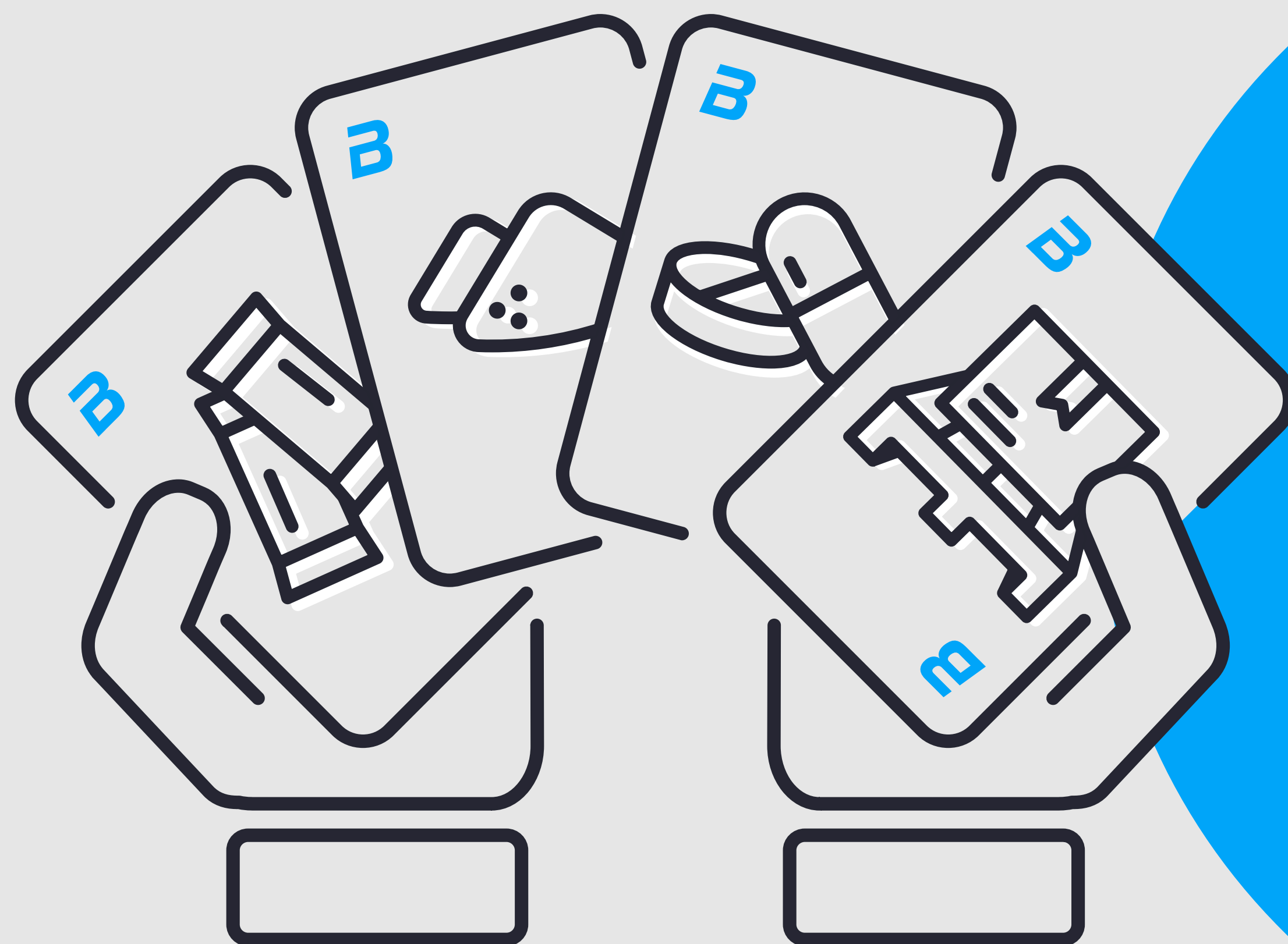
The trump cards: own production and logistics

The company has established manufacturing plants in Szada and Dunakeszi, and logistics centres in Szada and Budapest. „Few food supplement companies in the world can claim to have their own factory. This gives us the opportunity to produce truly unique and high-quality products, and to meet customer needs quickly, flexibly and to a high quality standard, unlike our competitors, who rely predominantly on contract manufacturing. In addition, in such a critical economic situation, it provides an opportunity to compensate for the shortage of raw materials in the entire industry, to accumulate, store and use the large quantities of stocks needed for production” — says Bálint Lévai.

The vast majority of BioTechUSA, Scitec Nutrition and Builder brand products are therefore made in these plants. Among others, these plants manufacture and package powder, capsule and tablet products, bars, and healthy lifestyle products, and also engage in contract manufacturing. The logistics centres in Hungary also serve customer and partner orders from all over the world. The 3 sites together provide a livelihood for nearly 700 people.



TRUMP CARDS: OWN PRODUCTION AND LOGISTICS



the size of our manufacturing and logistics centres:

80 406 sqm

annual production capacity:

20 million bars

20 000 tonnes of powder

1 billion capsules and tablets

32 000 pallets

Product development: a dynamically expanding product portfolio

It is important for the BioTechUSA Group to be able to provide solutions to the specific needs of its customers. These needs are followed up by a dedicated product development team, mainly composed of food engineers. The current portfolio includes sugar-free and lactose-free products, but those with gluten intolerance or a vegan lifestyle can also find product versions that are suitable for them. The company develops the flavours of its products to make them enjoyable and varied. In addition to the classic food supplement formulas, pills and capsules, there is a growing demand for fortified foods, which are similar in terms of appearance and enjoyment to normal foods for general consumption, but have proven positive physiological effects in addition to their nutritional function.

Among the new products, vegan, natural products (containing natural ingredients) and gamer products are currently in greatest demand. Functional foods such as the high-fibre and high-protein **Prenatal Shake** drink powder for pregnant women, ready-to-eat and drink foods, collagen products and beauty vitamins are also popular.

In addition, more and more people are looking for protein drink products that are more like soft drinks (Iso Whey Zero Clear) instead of the usual creamy protein powders.

The product development milestones of the year in the case of BioTechUSA are dedicated to gamers: the **Mission** drink powder, the **Juicy Isolate** protein drink powder, the **Neuro** and **Relax** vitamin products and the **Baking Mix** line. For Scitec Nutrition, they were the **MyoFactor** drink powder, the **Jumbo** and **Jumbo Hardcore** mass gainers, the pre-workout **Superhero** and the proprietary **Choco Pro** and **Prime Bite** protein bars, as well as the renewed range of the mostly single-ingredient **Builder** range comprising products that offer good value for money.



TOP 5 BioTechUSA products

portfolio of
2000
products

more than
300
new products

- **Arthro Forte**
food supplement tablet
- **Iso Whey Zero**
whey protein isolate
- **BCAA Zero**
amino acid formula
- **Zero Bar**
protein bar
- **Multivitamin for Men / Multivitamin for Women**
food supplement containing vitamins and minerals

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TOP 5 Scitec Nutrition products



- **Jumbo**
mass gainer
- **Prime Bite**
protein bar
- **100% Whey Protein Professional**
whey protein concentrate
- **Multi-Pro Plus**
vitamin formula
- **BCAA+ Glutamine Xpress**
amino acid formula

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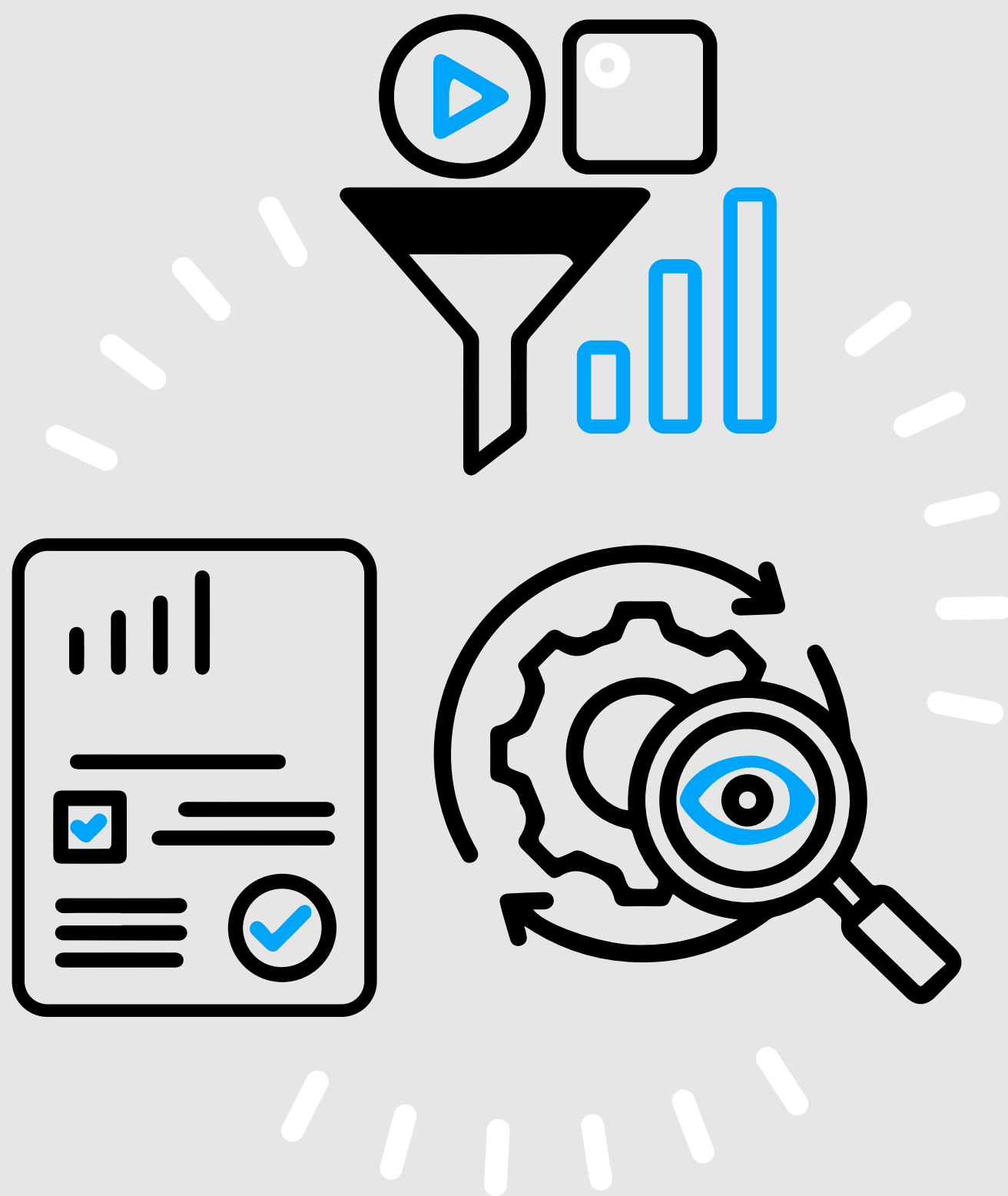
No compromise on quality

Maintaining product quality and consumer satisfaction is a key part of the company's long-term strategy. To this end, an in-house team of specialists continuously monitors quality in Szada and in Dunakeszi, in close cooperation with the production. This includes the operation of control laboratories, quality and production quality control tasks, as well as internal and external audits. 70 million is spent on external laboratory tests yearly.

In 2022, the Szada and Dunakeszi sites operated under the same quality management and food safety systems, namely **ISO 9001, ISO 22000, FSSC 22000, GMP, IFS Food** and **Halal**. A special focus was given to automation and software data processing projects in the quality management area.



NO COMPROMISE ON QUALITY



100 000+

internal laboratory tests per year

13 external audits

38 member product development team

17 internal audits

32 member quality management team





Modernization, mechanization, developments

In 2022, the Group continued to invest in automation and mechanization in its production areas, making production faster and more efficient. It also made a number of changes to production planning and inventory management. The biggest investment in the logistics area was the installation of an **automated warehouse system**, which will make the order-picking process even more efficient by applying the „**goods-to-person**” principle. A new raw material warehouse has also been built, providing space for an additional **5,000 pallets**.

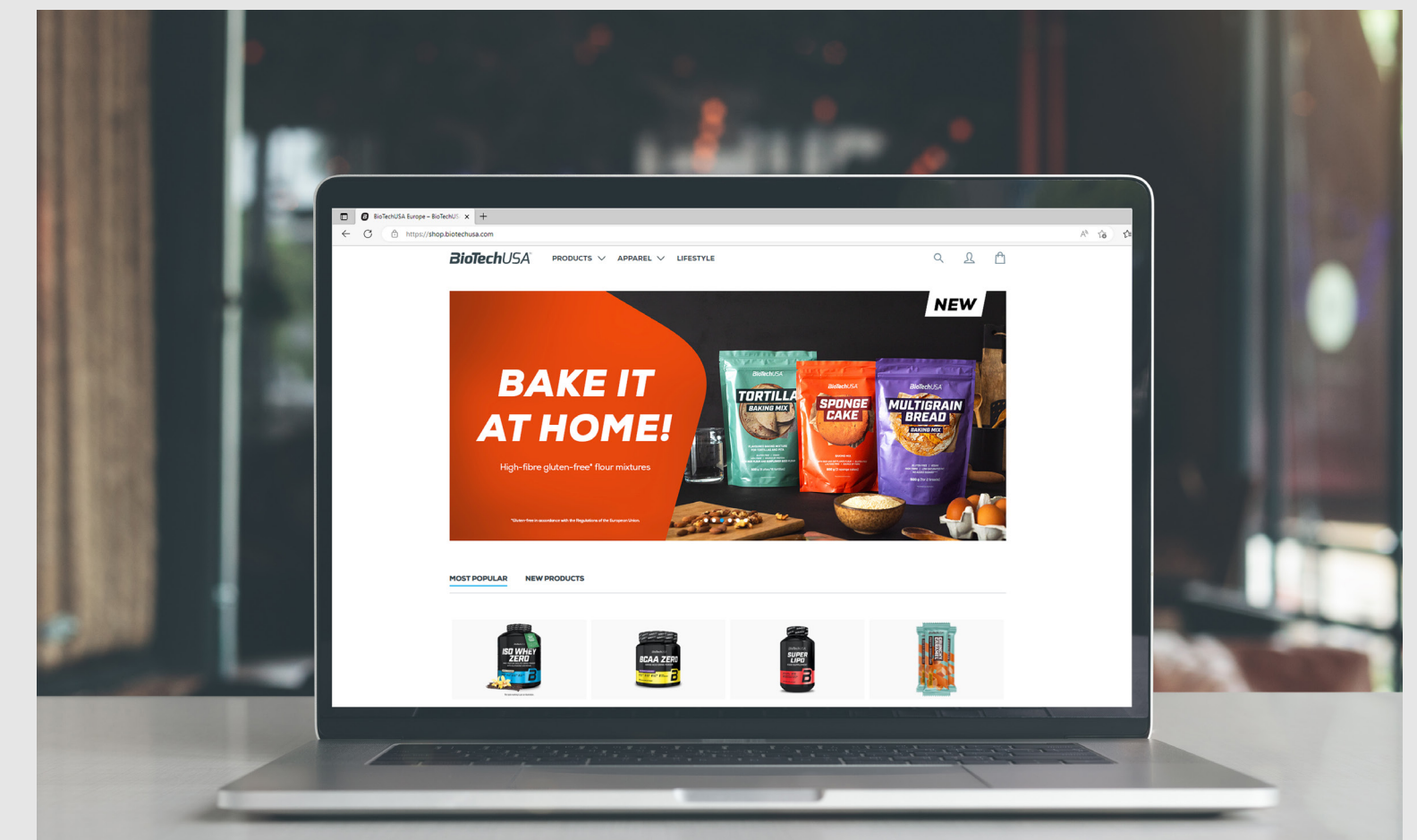
Several investment projects are currently underway. In preparation for the construction of the plant for the production of premium protein bars, an **additional warehouse facility** will be added to the existing logistics centre to facilitate the handling of export shipments. A new **social facility** will also be built, also in Szada, with larger changing rooms, a canteen, and offices and meeting rooms, providing a more pleasant working environment than before.

The management regularly reviews and improves manufacturing and logistics processes to meet the challenges of an ever-changing environment. In the second half of 2022, the emerging energy crisis also put pressure on modernization and energy saving projects. BioTechUSA is looking to offset the impact of escalating energy costs by installing **solar PV systems** and upgrading existing heating and lighting systems, in addition to changing its energy consumption habits.

Trade and economic results: omnichannel sales strategy

In the nutritional supplements market, the BioTechUSA Group is usually ranked among the **TOP5** manufacturers and distributors in Europe by industry players. The company has a worldwide presence with its products and activities. The company pursues an **omnichannel** strategy, selling on all possible platforms: its products are available offline and online, in its own and partner online stores and shops, gyms, hypermarkets, grocery chains, drugstores, fuelling stations and pharmacies. The omnichannel strategy maximizes the profitability and sales volume of each channel in the long term.

About 80% of the BioTechUSA Group's turnover comes from exports and 20% from Hungary. In 2022, the turnover of the international store network increased by 216%. The company also sells through its own online shops: its top products are **protein powders** and **protein bars** but **pre-workout** and **amino acid supplements** are also in demand. The **vitamin**, **collagen** and **joint support** categories also strengthened, and there is also a growing interest in lifestyle products.



SELF-OWNED ONLINE SHOPS AND STORES IN EUROPE

13

BioTechUSA

16

Scitec Nutrition

20

Builder

1

Vitaminshop



DISTRIBUTION OF STORES

Hungary

103 89

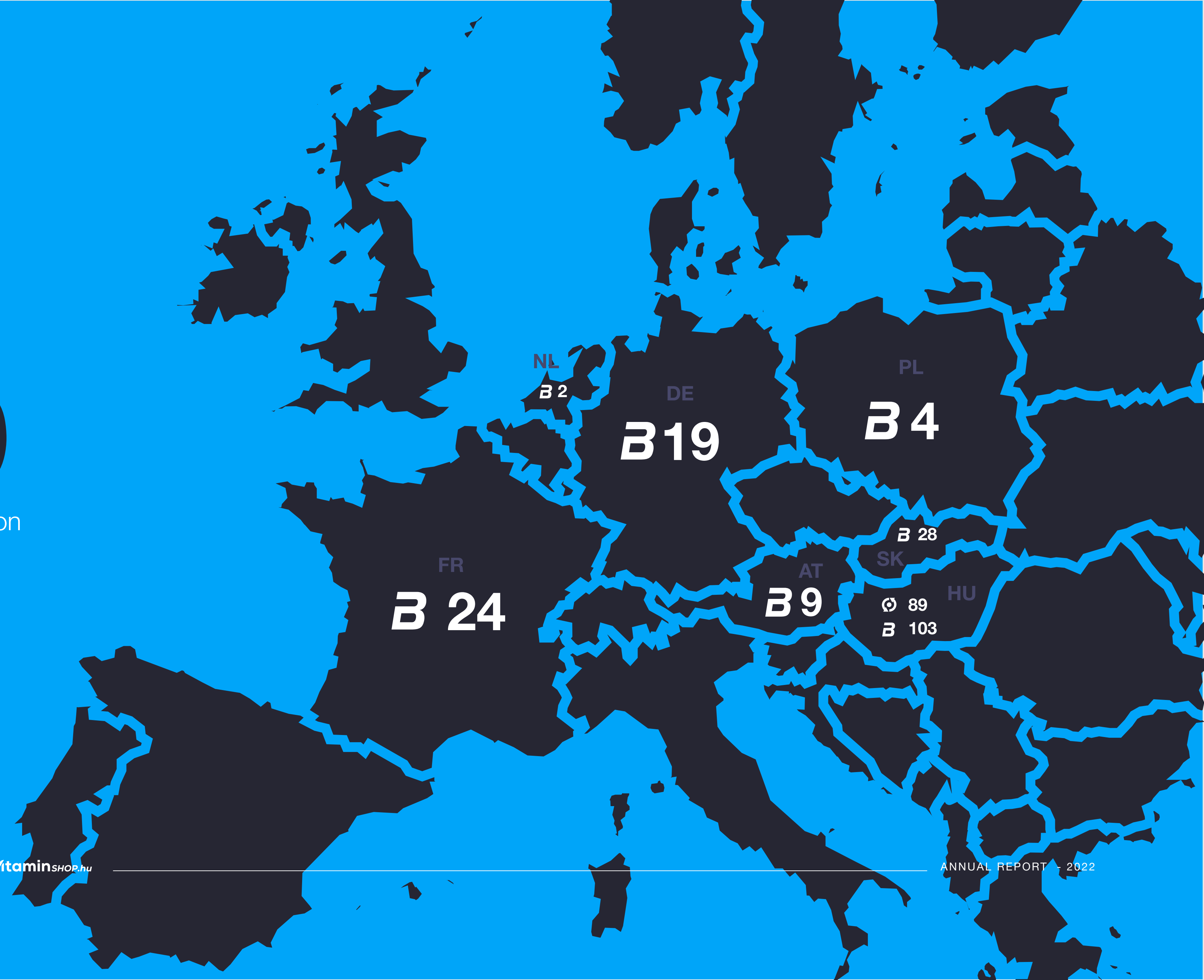
BioTechUSA

Scitec Nutrition

Export

86

BioTechUSA



The BioTechUSA Group's response to the commercial challenges of 2022 and the key drivers for growth:

- Sales were focused on proprietary channels, with new store openings and increased sales and communication support for existing online and offline stores.
- In order to increase efficiency, a CRM system was introduced to support the work of the dealers, in which all interactions can be recorded, and which helps in the management of sales tasks. By automating the processing of bulk orders from different areas, the Group saves a lot of time and resources.
- Rising raw material prices have made margins even more important than before, and this has been optimized through various promotions and individual discounts.
- An in-house training department has been set up, with the primary aim of training in-store consultants, and plans are underway to launch B2B sales training.

Changing consumer habits

Buying habits have changed everywhere since covid appeared and are constantly evolving in response to new external factors such as exchange rate fluctuations, inflation, the energy crisis and rising utility costs. When the pandemic broke out, people were afraid to go out into the community, so they tried to shop **online**. Manufacturers and distributors are preparing for this trend to continue and to dominate consumer habits in the long term. But as the vaccine became available and the epidemic subsided, consumers returned to the stores for the **shopping experience**. This has led to temporarily strong retail revenues in 2022, but as a result of the holiday surge, which has not been seen for years, these revenues have fallen somewhat.

Rising commodity and energy prices have put enormous pressure on the industry, including BioTechUSA. Although the Group has implemented a necessary, large price increase in several stages, consumers have not turned away. While it is true that by the second half of 2022, economic changes caused consumers to cut back on spending, BioTechUSA and its sister brands have found that consumers are now more conscious of their purchases than before. The average customer's shopping basket now contains 1 or 2 products instead of 2 or 3 as before, and they choose smaller packages instead of larger ones and consume them over a longer period of time.

Market leaders in Hungary for years

The company's network of partners further expanded in 2022, with Ecofamily and Plus Market stores offering lifestyle products and bars in 30 locations each. Cooperation began with **CBA** and resumed with **Lidl**. It has major partnerships with several large gym chains - **Life1**, **Get Fit** and **M1**. Its products are now available in the **Benu pharmacy network**, initially in 35 premium pharmacies. **Wolt** and **Foodpanda** deliver from several locations within 1 hour. **6 new stores** opened in Hungary in 2022: **1 BioTechUSA** and **5 Scitec Nutrition** brand stores, the latter with a renewed image, in premium locations in class "A" shopping centres. **Plans for 2023** include opening 5 BioTechUSA, 10 Scitec Nutrition and 5 Builder stores. It also aims to increase the share of Builder Supplements, thus strengthening the sales of Builder's private label products.

SALES ON ALL PLATFORMS

17
new stores

Chains where we are overall present:



A steadily strengthening position in the international market

In terms of exports, in 2022, the BioTechUSA Group strengthened its cooperation with two of the best-known supplement chains in Eastern Europe, with more than 60 stores in Croatia, Slovenia, Serbia, Bosnia and Herzegovina, Northern Macedonia and Montenegro, offering a wide range of products.

- The company's Russian and Ukrainian markets remain stable.
- In Poland, both the BioTechUSA and Scitec brands saw strong growth, despite the impact of the Russian-Ukrainian war in the first months of the year.
- In Greece, they not only managed to maintain their market leadership, but also to move up a level in both brand awareness and turnover.
- In Sweden, the company's presence remains balanced, cooperating with the major players.
- Among the Nordic countries, Norway achieved record sales.
- In the UK, the uncertainty surrounding Brexit has made its situation more difficult, but it has managed to maintain its position.
- It strengthened its presence in Spain and Italy, as well as in Portugal, with record monthly sales.

- The few percent drop in earnings that BioTechUSA has experienced in recent years has been caused by covid-related store closures. However, the 2022 year, in which there were no closures, compensated the company with a significant increase in turnover in France and the highest ever revenues. The Scitec Nutrition brand still needs work to restore its reputation in France, which was tarnished before the acquisition, but it has already managed to halt the steady decline in sales over the past 5 years.
- The Benelux countries are smaller, but offer a wealth of opportunities. Here, like in France, there was a huge increase in sales, with both brands ending the year with record sales.
- The South American region's results were made uncertain by a critical shortage of container and cargo ships, with a 2-3 month wait for a ship, but from the second half of 2022, distributors doubled or more than doubled their orders to achieve a balanced growth path, which meant record revenue in South America.

- The company further strengthened its position in both the Middle and Far East markets for both brands. Its long-term market and brand building projects have yielded significant results in several areas, particularly in Israel and Vietnam.
- Other markets include Algeria, India and Turkey. The expansion areas targeted in 2023 are Colombia, Mexico, Chile, Peru, Ecuador, South East Asia, China, India, Oman, Saudi Arabia and Indonesia.

A total of **11 new BioTechUSA** stores opened abroad in 2022: **4** in Germany, **5** in France and **2** in Slovakia. Management plans to open **10** more stores in Romania, **5** to **8** in Germany, **5** in Spain and **15** in France.



Strengthening existing online shops

In 2022, new online shops were launched in Romania, Croatia, Slovenia and the Czech Republic, bringing the total number of **BioTechUSA online shops** to 13 in 12 countries. A launch alone does not lead to results, and these sites can only generate revenue if they are supported by systematic communication and Pay Per Click (PPC) marketing campaigns. Today, a **PPC marketing network** of 5 agencies is working on this in 9 countries, so far with positive experiences and excellent results.

The years 2020 and 2021 were the years when **e-commerce** took-off, albeit in the shadow of the covid. By 2022, there was a sense that this momentum was beginning to fade, but it still consolidated at a higher level than in the past. In 2023, there will be no new online shop launches, instead the aim is to strengthen the existing online shops and to even out the differences between them. The company is also looking to expand its **EDM activities** in as many countries as possible, to run structured PPC campaigns and, to introduce promotions, **loyalty schemes** and the **Lifestyle Program**, and then the related mobile apps, where they are currently not available. The **Loyalty Program** application, which supports online shopping, now includes coupon redemption, and in the future a map search and notifications function will be added.

There are currently **37** Scitec Nutrition, Builder and VitaminShop online shops in operation. Their overseas penetration in 2023 will be supported by creative and PPC agencies, a search engine optimization strategy and an **increased budget**. As with BioTechUSA, no new store openings are expected for these brands; they will continue to focus on Central and Eastern Europe and Germany. In 2022, **Amazon's** BioTechUSA store and product pages were revamped, more than doubling the revenue generated. On Amazon, the entire portfolio of both brands is sold in the German, Spanish, French and Italian markets —representing a total of nearly **1,000 SKUs**. The products will soon be available on the Belgian site as well.



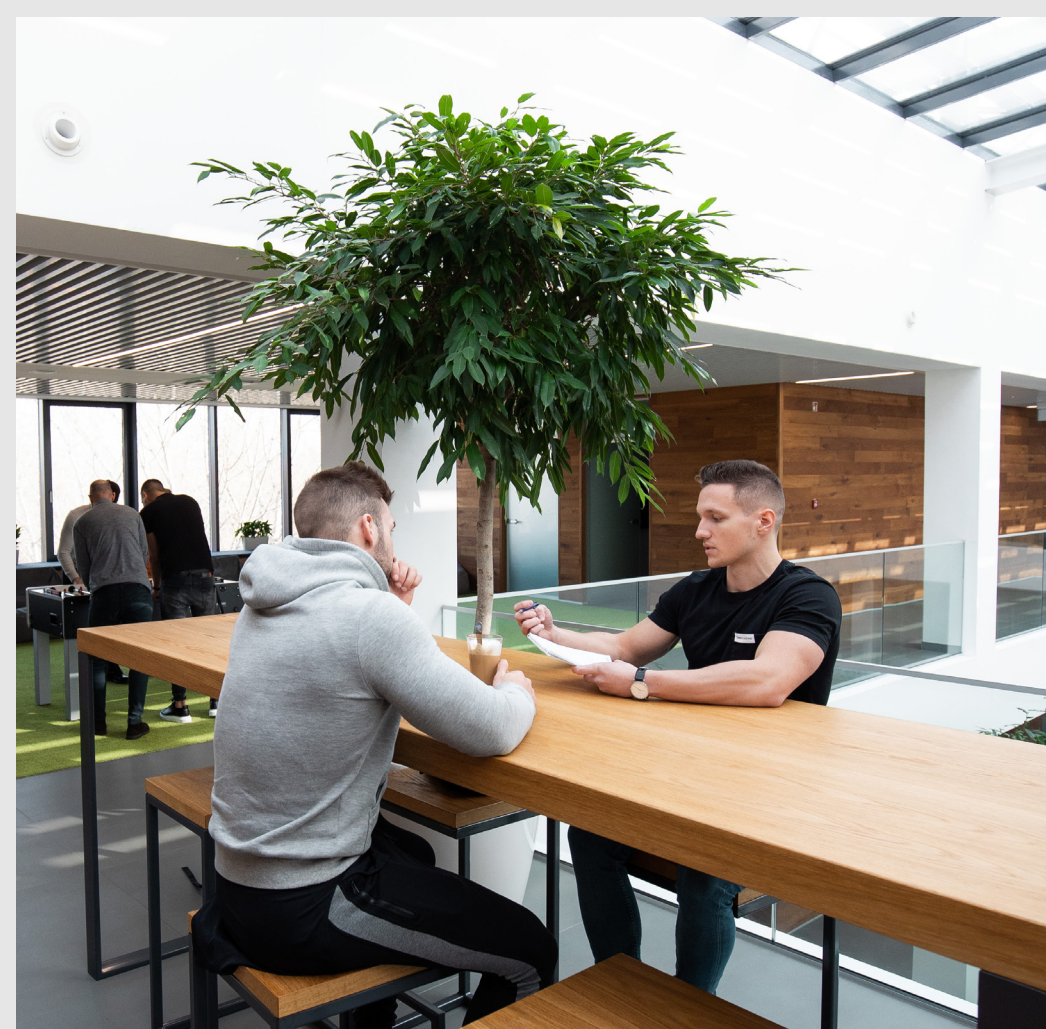
Breaking into the sportswear market

In addition to food supplements and functional foods, the **Apparel** business (i.e. the sportswear category) is also important, where the main saleschannels are the online shops. The brands' collections are not only for those who love a sporty lifestyle, but also for those who care about style and quality and like to dress comfortably.

Last year, they launched two in-house collections of 100 garments under the BioTechUSA brand. The most popular products are women's leggings, bras and men's T-shirts, which together account for more than 60% of total apparel sales. The remaining 40% is shared between sweaters, shorts and t-shirts.

On the apparel front, the company's aim is to give its customers as wide a range of choices as possible, so favourite products will be produced in a range of colours and styles.





Human resources: a multinational company with the characteristics of a family business

Although the company has grown to the size of a **multinational**, the atmosphere remains **family-like**, especially at the headquarters in Óbuda. Employees who do intellectual work can choose two days a week to work from home — this is how the company tries to help them maintain a **work-life balance**.

„BioTechUSA is not only a company, but also a **set of values**. We try to create an environment where people like us enjoy working. I think the most attractive thing about this company is that we have a team of well-meaning, like-minded people who are hard-working and professionally dedicated, with a strong desire for change and development. This means that we have a relatively homogeneous team. Our credo is independent of market conditions, we stand by our values and act accordingly.” - explains Bálint Lévai.

“

Employee retention and stability are key

The BioTechUSA Group has always sought to be a **reliable and stable** employer in the labour market, regardless of the current economic climate. At the same time, it has not been immune to the general shortage of staff, and in response to this it is making strong efforts to retain existing staff, expand the benefits package and organize **internal training**. It provides general, specialist and management training to support the professional development of colleagues, or even to help transition between manufacturing and logistics. The company further developed its tiered incentive scheme as a tool for **competitive pay**.

Over the past decades, in line with trends and expectations, there has also been a growing awareness of employer branding, supported by the BioTechUSA and Scitec Nutrion LinkedIn platforms and the soon to be launched new careers site. There are also plans to set up an **apprenticeship programme** to help train the next generation.





Corporate culture

The Group has a higher proportion of female employees than the industry average, which is also true for middle and senior managers, with one third of the management team being female. The **gender-neutral** approach is shown by the fact that there are no differences in pay or other aspects between male and female workers with similar experience in the same job. The most senior colleague of the company has been with them for more than 26 years.

Currently, 120 people are on maternity or childcare leave. They were given a gift pack of baby-related products and information materials when they left, and they will have opportunities that allow them to combine family life with work when they return.

The company regularly supports its employees' **immune protection** with vitamins, and twice a year it organizes events to provide opportunities for relaxation and fun. BioTechUSA is a **dog-friendly** workplace: the doors of the Huszti út office building have been opened to employees' four-legged friends, and coaching sessions have been launched to help them integrate during their term of probation.



INTERNATIONAL GROUP WITH A FAMILY APPROACH

1800

worker

average age

37 years

average length of service

4,32 years

54-46%

physical vs intellectual workers

50-50%

female vs male workers



Marketing and communication: motivating and educating consumers

The BioTechUSA Group's mission is to motivate millions of people around the world to live more conscious and athletic lives through its products and expertise. The BioTechUSA brand addresses the average person with the motto **“The Feeling of Success”** and raises awareness of the importance of lifestyle change. And Scitec Nutrition's slogan, **“Make a Difference”**, is designed to speak to those with a serious commitment to gym training.

BioTechUSA: campaigns built for individual consumer goals

The campaigns were based on the sport consumption characteristics of each lifestyle group and the motivations behind them. This concept was the basis for the **Be yourself (Légy önmagad)** campaign, the **2021's Biggest Transformer (2021 Legnagyobb Átalakulója)** campaign, **The Feeling of Success** and the **See you soon (Hamarosan találkozunk)** campaigns. In 2023, the aim is to strengthen the brand's position in the premium product category.



Supporting lifestyle change through programmes and advice

The **Lifestyle Programme**, which is available online and has proved its worth to hundreds of thousands of consumers, has been back with a number of campaigns throughout the year. The programme is unique in that it creates a personalized training and nutrition plan and an optimal food supplement package tailored to 48 different personas. The digital service for lifestyle change brings together 20 years of experience and nutritional knowledge from BioTechUSA experts to elevate their customers' healthy lifestyle and sporting aspirations to a new level.

Education plays a key role in BioTechUSA's strategy. The company's experts provide professional advice to help customers make lifestyle changes and improve their sports performance, both in person in their stores and online. As part of this, the free **Ask the Expert** website, which has been running successfully for many years, was revamped in 2022.



Athletes and influencers as brand ambassadors

BioTechUSA is known for working with a number of renowned teams and top performers in various sports.

- In 2022, it managed to sign 9 new teams. They include the **Szolnoki Olaj NB1** basketball team, the **Újpest FC** football team and the **Vác NKSE** girls' handball team. These partnerships are bilateral, as the teams are also closely associated with all BioTechUSA campaigns.
- The **BioTechUSA PRO Day** has been launched, which, in addition to providing product support, also offers a full day of professional training and advice to help professional players achieve their best performance and proper recovery.
- The brand works with over 100 opinion leaders in more than 10 countries. It is an important part of its marketing strategy that its influencers and athletes are also consumers who can relate their stories to **“The Feeling of Success”** motto and who inspire others. Last year, the audience had the chance to learn about footballer **Attila Szalai's** story and his road to success in a video series, which

will be continued with other brand ambassadors. Several Hungarian and foreign influencers joined **Team BioTechUSA** in 2022, including **Panni Epres, Tímea Gelencsér, Lilu** and **Csilla Tatár**. **Virág Kiss** is the returning star of the year, and the brand's biggest hit is clearly the Brazilian **Rodrygo Silva De Goes**.



Events and road shows

- This spring, BioTechUSA held its first ever fitness competition, the **BioTechUSA Fitness Cup**.
- **The Influencer Meetup** is a unique event in the industry to hold a multi-day summer meeting for brand ambassadors.
- For the sixth time, they held their traditional women's inspirational competition, **BioTechUSA Lifestyle Day**.
- At the **Road To Mr. Olympia** roadshow, professional fitness competitor Bálint Németh revealed how he prepared for the bodybuilding Olympics, while Virág Kiss shared her experiences on conscious lifestyle and lifestyle changes in a **lifestyle roadshow**.



Scitec Nutrition: Going to the gym? We're going with you!

For **Scitec Nutrition**, the marketing goal for 2022 was to make people who work out feel that **Scitec Nutrition goes to the gym with them**. Of all the brand's campaigns, the one that attracted the most attention was the activity called **Look at the journey, not just the result (Az utat is nézd, ne csak az eredményt)**. Product packaging has been completely redesigned and the product portfolio has been expanded with a number of products that fill a gap. These market launches have focused mainly on Central and Eastern Europe.

The number of registrations doubled on the www.scitec.hu website and in stores, as did the value of orders placed on Scitec domains. Their sites had 30% more visitors than the previous year. More than 100 brand ambassadors ensure that brand messages reach their target groups clearly and accurately. The American bodybuilding icon **Brandon Curry**, winner of Mr. Olympia 2019, is back with the company.



The celebration of weight training

Just like in other years, in 2022, participants of the **Scitec Megatest** worked to achieve the biggest possible change in their physique from baseline in 16 weeks. The new weight training-focused mass sport, the **Scitec Power Challenge**, is open not only to powerlifters or bodybuilders with a competitive physique, but also to amateurs. At the **Scitec Muscle Beach**, participants had the chance to meet up close and personal with national and international bodybuilders, to compete in powerlifting and fitness competitions, and a strongman tournament was also held. At Hungary's biggest bodybuilding competition, the biggest and most successful **Superbody** to date, part of the proceeds from ticket sales were donated to charity.



Builder and Vitaminshop

Builder has launched its private label portfolio of food supplements, as the brand aims to compete with competitors' entry-level ranges. Singer Magdi Rúzsa helped to promote the slogan of Vitaminshop (Health is for you), which is only focused on Hungary for the time being.



MOTIVATING MILLIONS TO MAKE LIFESTYLE CHANGES

250 **28**

athletes and
influencers

team
collaborations

56 **29** **15** **4**

FB pages

Instagram
pages

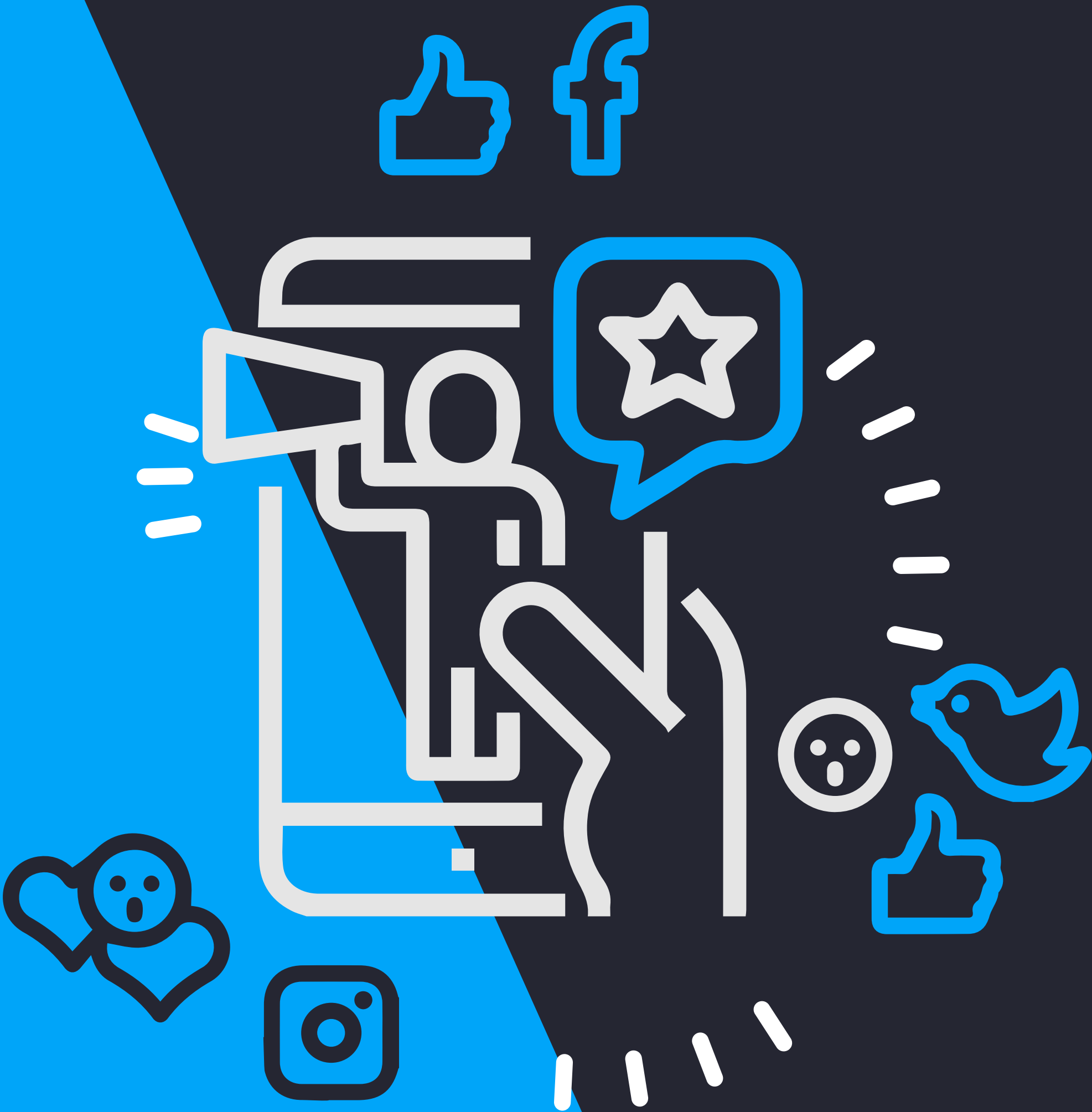
YouTube
channels

TikTok
accounts

75 million **33**

followers

events

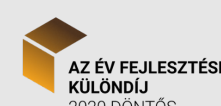


Extensive corporate communications, media campaigns and awards



In 2022, owners of the BioTechUSA Group were awarded the **Business Person of the Year Award**, the Management Association's **Young Manager of the Year Award** and the **Forbes Growth I Award**. In the same year, the company received the Superbrands award, and as a former Dreamjobs Lovable Workplace winner, it was selected Model Workplace, and the Lifestyle Programme won a special prize in the Website of the Year competition, while Lifestyle Day was a finalist in its category in the CSR-Doing Good competition.

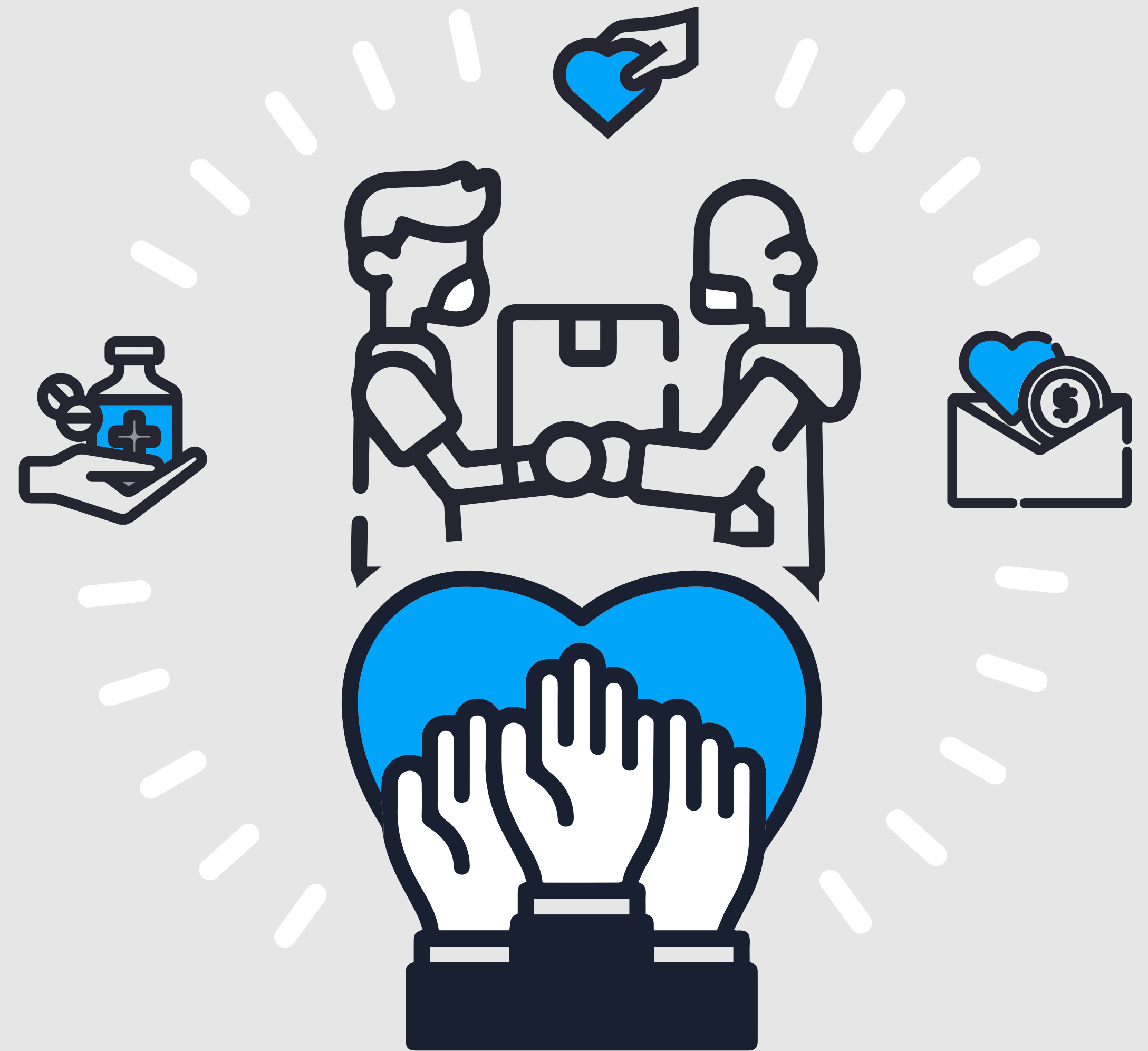
They have been included on the list of the 100 richest Hungarians, the Forbes Hungarian 100, the HVG 500 Hungarian companies with the highest turnover, the Figyelő TOP 200 and the Forbes 50 richest Hungarians. The company ran more than 30 media campaigns in 2022, generating more than 700 impressions.

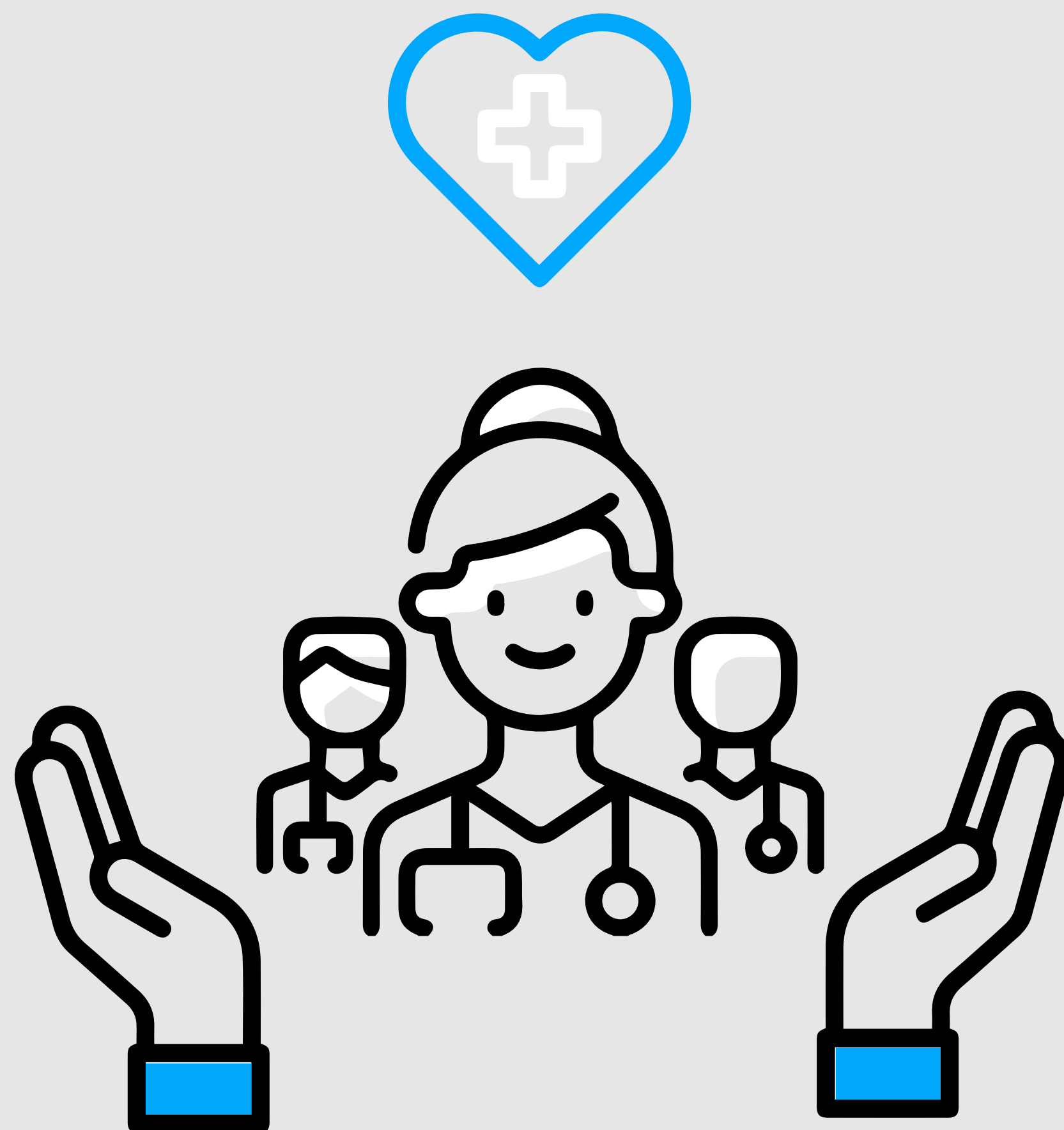


CSR: fully aware of our responsibilities

Business owners are constantly looking for opportunities to **create value** alongside their economic success. Through their CSR programme, they donate cash, diagnostic and therapeutic equipment and products in high volumes.

The main pillar of the programme is providing support for domestic health institutions and for various health objectives. They also use the power of sport to raise money for charitable causes, to support the work of value-creating NGOs and they regularly support the local governments of Szada and Óbuda.





GIVING BACK TO THE COMMUNITY

33

education and
awareness
campaigns

26

organizations
supported

42 000

boxes of
products donated

170 M HUF

support

• main partners:



• therapeutic and rehabilitation equipment purchased for hospitals

Dialogue and education

The company is investing considerable resources to disseminate health promotion information to the widest possible sections of society.

“We are constantly looking for opportunities to create value not only by giving, but also by initiating social dialogue where as the fitness industry’s foremost expert, we can take the lead on important issues such as obesity, which is a global societal problem. We consider it our priority to initiate and maintain a social dialogue on healthy body image, self-acceptance and balanced lifestyle” —explains Bálint Lévai.

Social responsibility

Corporate social responsibility was given its own subpage in 2022 to ensure transparency. In many of the company’s campaigns, the company asks its audience for suggestions on causes to support, and consumers can vote and donate through BioTechUSA. There have also been examples where the company shared its knowledge with NGOs.

In 2022, actress **Diána Kovács-Nyári** and bodybuilding legend **Jenő Kiss** joined the CSR programme as **ambassadors**. Other well-known public figures, athletes and influencers such as **Kornél Bohos, Ádám Deres, Panni Epres, Tímea Gelencsér, Béla Kathi, Virág Kiss, Andrea Molnár, Pál Nánási, Zalán Novák** and **Csilla Tatár** also joined the campaigns.





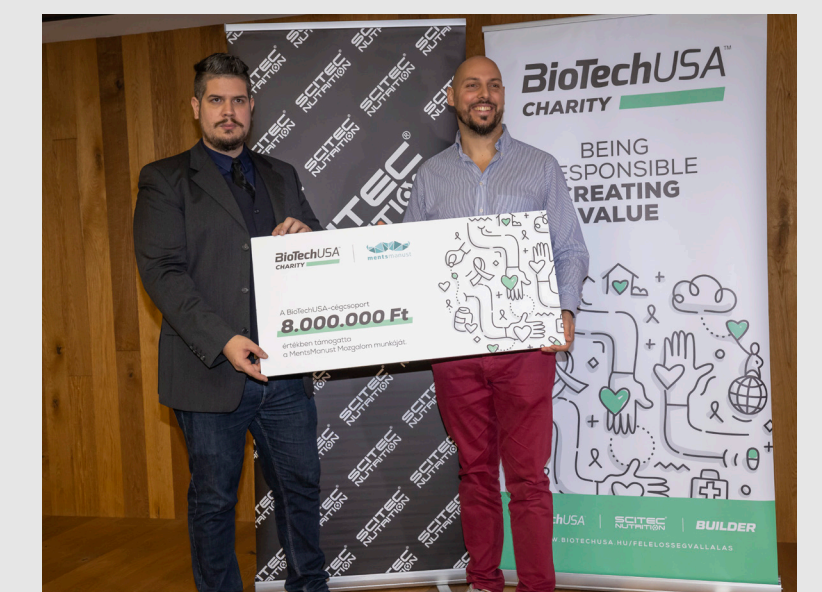
Support for health institutions, foundations and organizations

In 2022, the company supported the employees and patients of prestigious healthcare institutions such as **Bethesda Children's Hospital**, the **Heim Pál National Institute of Paediatrics**, the **National Medical Rehabilitation Institute** and the **Central Anaesthesia and Intensive Care Unit of new Szent János Hospital**.

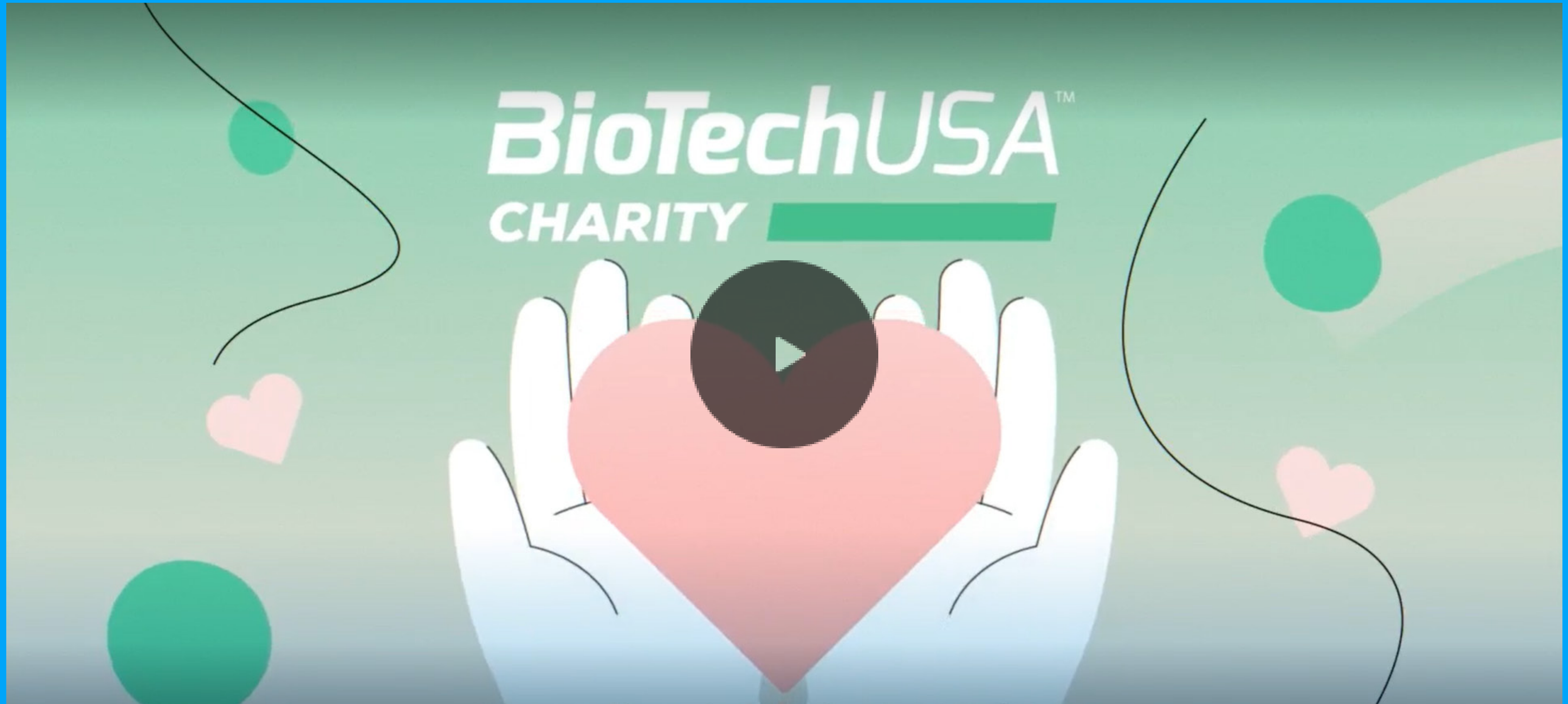
The Group was among the first to help refugees in Ukraine through the **Hungarian Charity Service of the Order of Malta** and the **“Minden GyermeK Egyenlő” Foundation**. For the third time, vitamins were provided to pensioners in Szada aged 70 and over, to the Budapest Bike Mafia, and to institutions chosen by the brand ambassadors and their followers with the help of their influencers. Last year they also joined the shoebox campaigns of the Baptist Aid and the Lilliput Toys. Scitec Nutrition athletes and staff participated in the Budapest Bike Maffia food campaign in December, proudly showing that bodybuilders have not only big biceps, but big hearts too. They supported the “KórházSuli” Foundation, the Women for Women Together Against Violence Association (NANE), the Mártonhegyi út Home for the Elderly of the Municipality of Budapest, the Csillagház Foundation and the Mothers for Mothers Foundation.

Integrated campaigns to raise awareness and create value

- The **BioTechUSA NN Ultrabalaton Charity 2022** campaign raised funds for the treatment of sick children through interactive community involvement.
- In 2022, the **BioTechUSA Lifestyle Day** women’s inspirational contest focused on eating disorders and supported the longest-running adult eating disorder centre in Hungary, the Psychosomatic Clinic of the Institute of Behavioural Sciences at Semmelweis University. The donation will be used to make a self-help manual available online in 2023 and to buy virtual reality glasses with software specially developed for people with eating disorders.
- The **Get your balls up! (Légy tökös!)** campaign was linked to the Movember movement and men’s health; it supported the “MentsManust” Movement, who will provide free PSA screening, a component of prostate screening, to 800 people in 2023.



Our charity activities in 2022



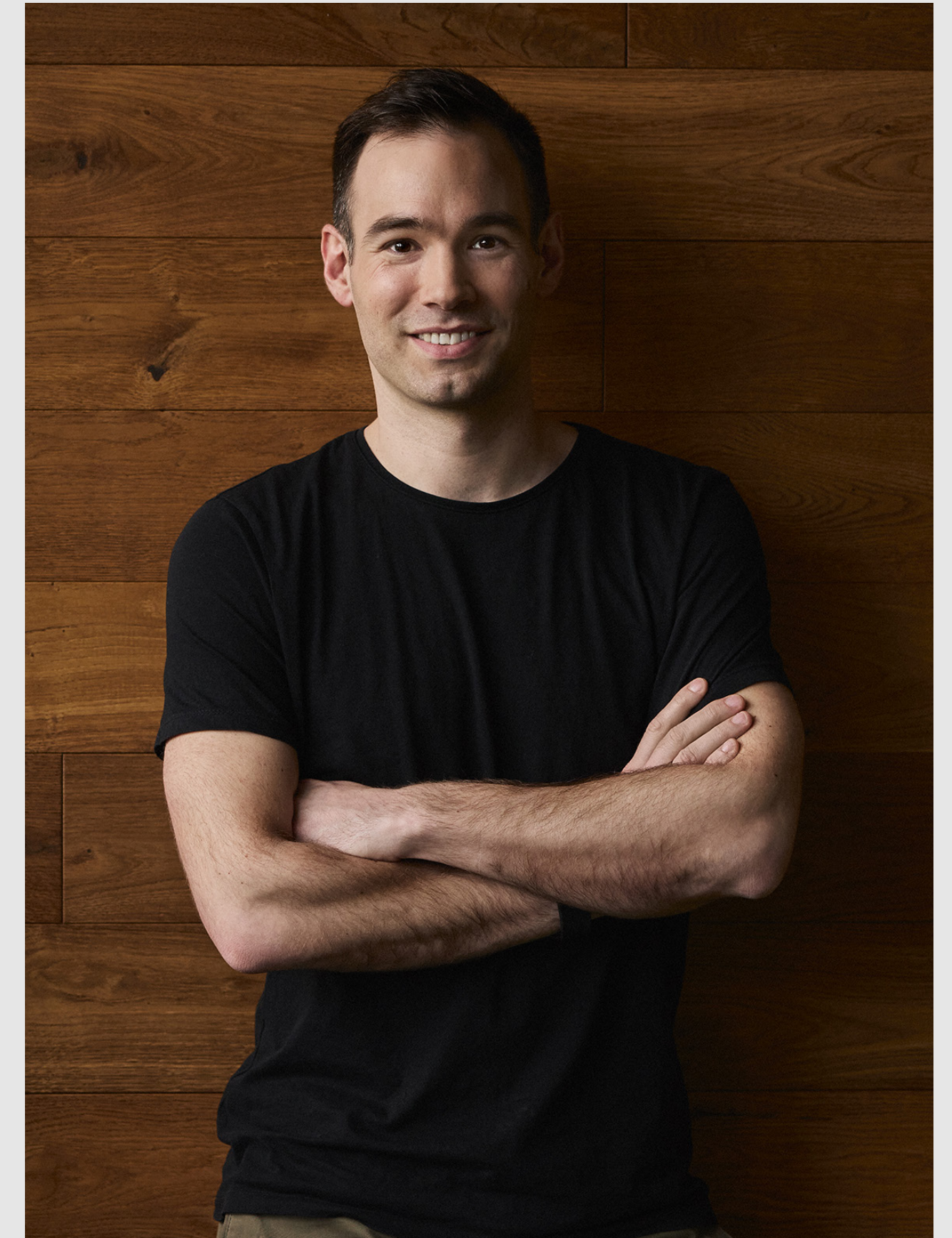
Afterword and future goals: building a global brand from Hungary

In 2023, the Group will start the construction of a plant area and the associated finished goods warehouses for the production of protein bars in Szada, and plans to develop several production-focused developments at the Dunakeszi plant. The ongoing construction projects in Szada, which are related to the logistics area, will be completed and the automated warehouse will be put into use. In addition, a number of inventory optimization, process improvement and energy optimization projects are in the pipeline. While introducing a variety of new products to the market, the company will continue to aim to provide the best formulas and the best quality to meet current market needs. It strives for a secure supply and uncompromising quality at the best price. Its quality management systems are continuously maintained, audited, expanded and improved in line with market needs. It will continue to expand its strong store and distributor network, and will further develop its data-driven approach and integrate it more and more into its day-to-day operations.

„Last year we completed a lot of work that we had been working on with determination in the years before. My greatest pride is my the team, whose strength really shows in a crisis. The rapid growth in the needs of our consumers requires a huge effort from us, and I consider it a great success that we have been able to achieve and manage this continuous growth, for which we have established the necessary conditions and background systems. The trust of our strongly growing global consumer base confirms our ability to build a global brand from here in Hungary,, —this is the vision of CEO and co-owner Bálint Lévai.



Lévai Bálint
CEO, co-owner



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