

BioTechUSA™ **SCITEC®**
NUTRITION **BUILDER** SHAKERSTORE

INVESTMENT IN THE FUTURE IN THE AGE OF CHALLENGES

Annual Report of the BioTechUSA Group



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INTRODUCTION

The BioTechUSA Group remained stable in 2024 amid economic difficulties and geopolitical conflicts in the world. The company not only succeeded in retaining its growth of preceding years, but also managed to prepare for further expansion in the coming years through progressive investments and product developments.

The Group achieved growth rates of 42%, 29% and 15% in former years, respectively, and it maintained the competitive edge it had gained over competitors in the food supplement sector in the previous three years by doubling its turnover. To accomplish this, all the processes regarding procurement, production and sales channels had to be optimized and complemented with value creation and innovative product development.

Considering the high inflation environment and the decline in purchasing power that resulted in the downturn of the retail sector BioTechUSA expected stagnating results, however, due to its steady performance the Group exceeded its forecast. Having overcome the obstacles, last year saw yet another historic, record-breaking year for the company as its revenue **rose to EUR 236,77 million** considering both B2B and B2C sales figures, which accounts for a moderate **increase of 3,5%** compared to that of 2023.

Moreover, the Group also increased its profitability last year, as its EBITDA – earnings before interest, taxes, depreciation and amortization – grew by 2%, amounting to EUR 27,05 million. In the meantime, 25 new products were launched across the world as the Group expanded into 5 new countries, making it a total of 103 countries in which the BioTechUSA Group is present. The solid commercial performance of the BioTechUSA Group, in sole proprietorship of a Hungarian family, is well represented by the fact that its portfolio comprising 4 different brands is available in 103 countries, it operates 49 online stores, has 328 franchise stores, employs over 1900 workers, has 4500 B2B partners and distributes 2000 products all over the world.



Four brands, one common path

Numbers of the
BioTechUSA Group

103

countries

49

online stores

328

franchise stores

1900

employees

4500

partners

EUR 236,7 million

revenue

EUR 20,29 million

PET

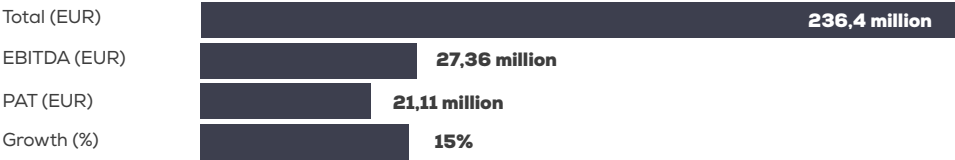
EUR 27,05 million

EBITDA

2022



2023



2024



Moderate growth in a turbulent environment

Business results of 2022, 2023 and 2024

Current trends, self-reflection on 2024

- The popularity of dietary supplements has continued to grow over the past year, especially for impulse and functional products such as bars and shots, but also for tablets and capsules made from natural ingredients.
- The demand for collagen and vitamin products is also growing.
- An increasing number of customers looked for natural ingredients, preferring products that are free of artificial additives. Striving to become more environmentally conscious, the company also tended to opt for recyclable packaging.
- The turnover of the brick-and-mortar stores decreased, whereas that of the digital channels grew. Nonetheless, the trends may have differed according to region or country, which shed light on the importance of the omnichannel strategy.
- Due to the decreasing purchasing power of households, smaller packs and cheaper products grew in demand, which shows that customers became more sensitive to price-value rate than ever before.

Investment in the future

The most essential goal of the BioTechUSA Group for 2024 was retaining stability and making investments that facilitate further growth. In order to achieve that, the company did the following:

- by the end of 2024, **EUR 22,84 million** was spent on investment projects, innovation, technological and product development, of which the jewel in the crown was the protein bar production line capable of producing 55 million multilayer protein bars per year.
- the Group operated despite having **EUR 8,35 million** in receivables in order that its partner network members could maintain sufficient stock levels.
- **EUR 3,77 million** was invested in expansion, due to which the number of franchise stores grew to 328 as 31 new ones were opened last year, of which 185 are located in Hungary and 143 abroad.

The portfolio of the BioTechUSA Group amounting to 2000 products is available in over 100 countries and 49 online stores, the Group employs over 1900 workers and has 4500 partners.



“We firmly hold our ground!”

Evaluation by CEO Bálint Lévai

A year ago, I remember telling that if we liken the path of the BioTechUSA Group to marathon running, then we had just covered the first 5 kilometres of the total 42. Let me share good news; last year, we took crucial steps to achieve our goals, however, each and every meter required a lot of effort.

Retrospectively, we may see that by 2020 the period characterized by constant development for companies had terminated, and ever since that time it is the changing market conditions that have been very impactful, which also affected our Group in the dietary supplement market in 2024. Consequently, we were faced again with the challenges posed by raw material costs rising uncontrollably, especially that of protein. Nonetheless, we could rely on the know-how we had gained over the years through experiencing and overcoming similar situations. BioTechUSA remained profitable despite decreasing returns owing to our successful strategy that included targeted investments, optimization and tying up capital. The market is inevitably diluted in case of shortage of raw materials mainly as a result of the influx of cheaper goods from uprising small EU brands, however, the distinctively high-quality standards of BioTechUSA products are maintained even in these periods.

The adversities of the pandemic and the war strengthened us in many ways; in response to these issues, our teams developed, the efficiency and the competitiveness of the internal processes improved, and so did the overall operation of the whole organization.

Adaptation to the circumstances in which rising costs could not be transferred entirely into retail prices in Hungary – neither could they be transferred into retail prices in Germany or Austria – was inevitable in order that the Group would accomplish yet another record-breaking year since its foundation. Meanwhile, we could witness unrelenting growth in several other EU countries, the Balkan region and the markets in the Middle East, among others.

We have gained peculiar insights into how export markets can show largely different behaviours and changing consumption profiles in key target markets as well in view of high inflation rates and the perils of war that have prevailed the last couple of years. Despite the regional economic slowdown, the Group has been doing well. The BioTechUSA Group firmly holds its ground and each slap makes us even stronger. We have solidified our partnerships, and moreover, our trustworthiness is now further attested by such global brands as FC Barcelona, which is one of the biggest football clubs in the world, whose value judgement is trusted by hundreds of millions of people. Becoming their global partner also validated our expansion policies and product developments. In the meantime, approaching our consumers can be considered as a toy like the Rubik's cube – we constantly spin it in order to reach the highest number of people with relevant information at the most reasonable cost.

Numerous competitors seem to have lacked the organizational maturity to cope with the difficulties mentioned above, which may entail a new wave of market clearing. We have grasped a lot from experiencing that achieving the same level of earlier accomplishment required much more effort. Consequently, we have become vigorous to utilize the potential opportunities of the anticipated economic upturn in 2025 and 2026. The new multilayer protein bar production line is an innovative, forward-looking investment that is also aimed at utilizing our potentials and expected to boost sales figures remarkably within 1-2 years. A brand new generation of protein bars may be placed on the store shelves and niches of the vitamin supplements market can also be identified. New products, markets, and channels – we have devised our strategy for the next big run.

Our corporate culture is of key importance to successful operation. Although the brand has existed for 25 years in which it has grown into a company that employs over 1900 workers, our chemistry and vision resemble that of a startup, rather than a large enterprise. These features not only enable us to be greatly responsive and lead to flexible decision-making, but serve as core values in workforce retention. The inclusive and motivating corporate culture of the BioTechUSA Group is characterized by a bustling and spirited atmosphere in which creative brainstorming takes place in such an engaging manner that each and every employee feels involved to strive for excellence. In 2025, we are keen on bearing fruit of the tremendous amount of work we accomplished in 2024 – we grabbed the bow, drew and anchored, aimed and released the string as now we are looking forward to seeing it fly as far as possible.



"DESPIITE THE REGIONAL ECONOMIC SLOWDOWN, THE GROUP HAS BEEN DOING WELL. THE BIOTECHUSA GROUP FIRMLY HOLDS ITS GROUND AND EACH SLAP MAKES US EVEN STRONGER."

TRADE AND COMMERCIAL RESULTS

Comfortable in every field: omnichannel strategy

Despite the difficult economic situation in 2024, the BioTechUSA Group managed to grow in numerous segments, enter new markets and consolidate its position in existing ones. Export activities and the provision of the omnichannel experience have been central to our strategy – the Group strives to meet consumers' demands on all possible online and offline platforms at the highest standards. The approach to unlock the synergies of traditional and digital channels has been the characteristic feature of domestic trade as well.

Customers spend more cautiously

As a result of a multiyear process, consumer demand changed last year. There was growing demand in impulsive and functional products, such as bars and shots; tablets and capsules that contain organic, natural active substances also became more popular. It is indicative that the export sales of collagen and vitamin products soared, reaching an increase of 40% and 20% compared to average sales, respectively.

The cause and effect between the recurring increase in the price of raw materials and the gradually rising price tags of products since 2022 is important to note. Another phenomenon of similar importance is that household savings have greatly diminished as a repercussion of the Covid crisis, which means that consumers tend to spend more carefully or spare money by either not spending on certain items or by excluding some products due to their higher prices. Needless to say, war sanctions, the overall economic situation, the decline in the purchasing power of salaries and the high level of domestic food price inflation have all been adversely impactful.

Sales in gyms also declined by 20-30%. The number of people visiting shopping centers decreased, which meant a drop in the customer count of brick-and-mortar stores, however, the sales of online stores have expanded continuously. It is observable that discount stores and own branded items have gradually gained more market share, whereas smaller-sized convenience stores and large hypermarkets have experienced declining sales figures as well. In spite of all the difficulties, the integration of partners in non-EU markets is going to be of crucial importance and the detrimental economic effects of conflicts have to be tackled.

TOP 5 BioTechUSA products

The success of Iso Whey Zero products is unbroken



Iso Whey Zero

whey protein isolate
drink powder



Iso Whey Zero Black

whey protein isolate
drink powder



Hyper Mass

drink powder with carbohydrate,
protein and creatine, source of fibre



100% Pure Whey

whey protein
complex



Creatine Monohydrate

creatine product



BCAA+ Glutamine Xpress

amino acid product



100% Creatine Monohydrate

creatine product



100% Whey Protein Professional

whey protein
concentrate



100% Whey Isolate

whey protein isolate
drink powder



Jumbo

drink powder with
carbohydrate and protein

TOP 5 Scitec Nutrition products

100% Whey Protein
Professional is still Nr. 1.



Challenges and achievements

- Last year was a very busy one for the group, as evidenced by the fact that company now has a presence in 100 foreign markets with the addition of five new countries, and new avenues are being explored for further expansion – Egypt, Honduras, Curacao, Cambodia and Uzbekistan have all been added to the BioTechUSA global map for 2024.
- Besides entering new markets, 980 new partners joined the network of the Group.
- The various markets with diverse economic difficulties required a wide range of responses instead of a unified action plan, which resulted in at least double digit growth among the top 10 target countries.
- The absolute leader in terms of growth among the markets of the BioTechUSA Group was Kazakhstan, which grew three-fold (307%) compared to the base period of 2023. The flagship country in the Balkans was Bosnia and Herzegovina (174 %), the largest growth among EU countries was in Estonia (142%), which is followed by Armenia (92%), Russia (60%), Lithuania (59%), Mongolia (59%), Jordan (44%), Lebanon (19%), Israel (14,8%) and Poland (8,2%).

It is an outstanding result that the Group set out on a dynamically growing path in Norway and became market leader in Greece. BioTechUSA grew by 25% and Scitec Nutrition by 10% in Poland, which in fact made the Group reach one of the top 3 positions in the country. Essentially, this achievement may be attributed to the integration of two new partners, with whom more than 350 exclusive gyms got on board. As for the territory of the Visegrad countries, the Group achieved growth in declining markets in Slovakia and Czechia as well, solidifying its position among the top 3 brands.

Scitec Nutrition is the market leader in gyms again in Hungary

Scitec Nutrition is the market leader in gyms in Hungary, therefore its mission has been accomplished in the bodybuilding community. There were a couple of attempts by smaller, cheaper manufacturers in 2024 as well to compete with Scitec Nutrition, however, they all failed to gain significant market share.

Mixed results in B2B offline markets in Europe

BioTechUSA and Scitec Nutriron have got prominent positions in the B2B offline market in Germany, but the company has been forced out of the online market. The Group has retained its ranking among the top 3 brands in France, which is further solidified by its market leader position in terms of franchise store and gym presence. The brand new launch of the pharmaceutical sales is of great untapped potential, however, large competitors have made more progress in digital channels thereof. A team of pharmaceutical sales representatives with an enlarged set of related products has been set up in Hungary as well.

The dietary supplements markets in the Mediterranean countries showed downward trends, therefore the brands of the Group focused primarily on survival and retaining market share last year. BioTechUSA is among the top 5 brands in Spain and Portugal, whereas its launch in Italy resulted in a spot among the best 8 brands.

The Group grew remarkably in the major countries of the Balkan peninsula, that is, in Bulgaria, Serbia and Bosnia and Herzegovina. Among non-EU markets, the ones in Iraq, Lebanon and Israel expanded outstandingly, and the addition of Egypt to the portfolio is of great importance as well. The registration process in Cairo that preceded the approval of the sales of our products was painstaking and extremely time-consuming. A considerable amount of accomplishment was achieved in Central Asia, and there is great potential for BioTechUSA to be considered as one of the market leader brands in the region as early as 2025. There are expansions in Central and South America too – trading in Honduras and Curacao have already got the green light, whereas registrations are still pending in Colombia and Paraguay.

Constantly growing number of franchise stores

In line with preliminary planning, the presence of BioTechUSA concerning brick-and-mortar stores grew considerably – **as a result of an investment of EUR 3,77 million 31 new franchise stores were opened last year, which increased the total number of brick-and-mortar stores to 143 internationally.**

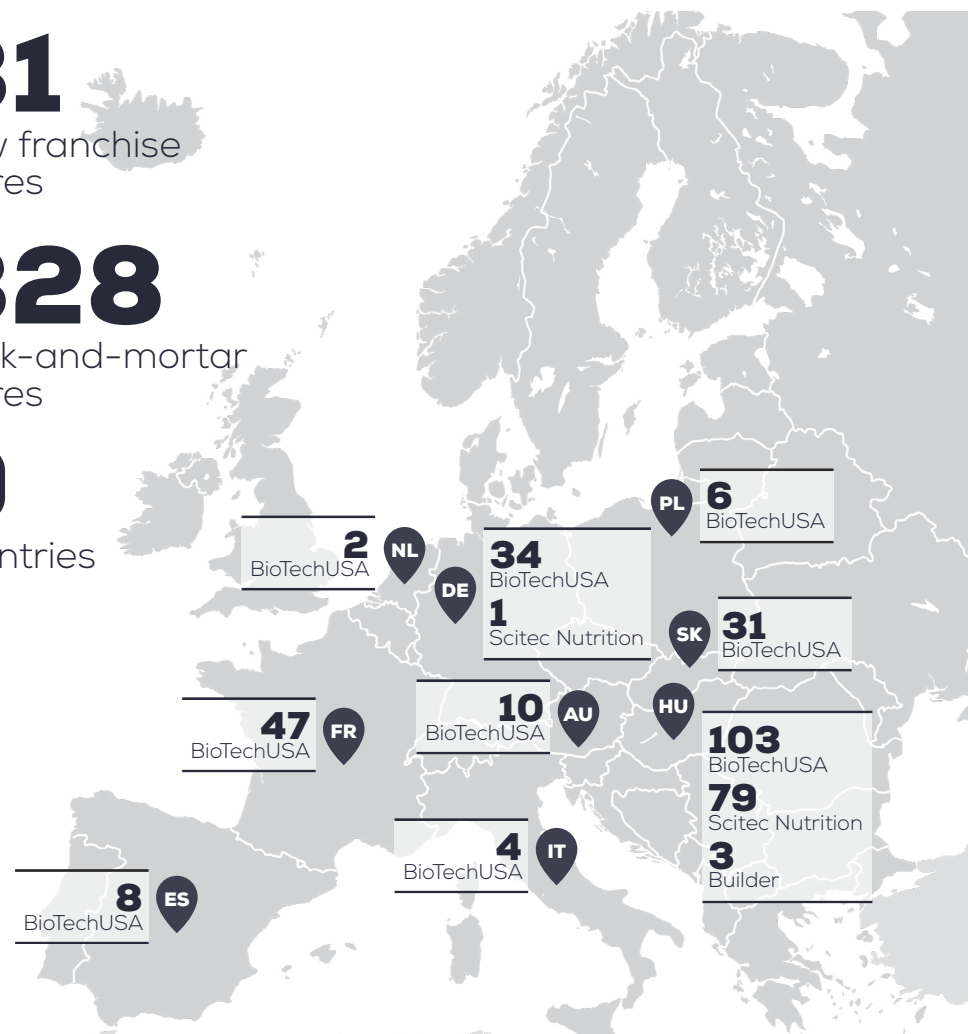
- The expansion of the Group was most prominent in France, where the total number of franchise stores is currently 47 by adding 11 new sites last year.
- Due to the addition of 7 new sites the total number of brick-and-mortar stores rose to 34 in Germany.
- Three franchise stores were launched in Spain, four in Italy as well, with the latter being a new market, and the former where there are eight BioTechUSA stores available.
- The network of four stores in Poland was expanded by three new sites, whereas there are as many as 31 franchise stores in Slovakia.
- In Slovakia, one store was closed and three new ones were opened by BioTechUSA, and 10 other retail stores were renewed.
- Meanwhile in Hungary, five Scitec, one BioTechUSA and one Builder stores were newly opened. Nonetheless, there were closed stores and two sites where modernization coincided with relocation.
- The rational expansion plan for 2025 is five new franchise stores in the domestic market and further 20 stores internationally.
- The areas of expansion may primarily be France, Spain, Italy and Germany, however, the planning phase of expansion in Romania is in progress at potentially five sites.



31
new franchise
stores

328
brick-and-mortar
stores

9
countries



Last year, the internal training to shop assistants continued successfully, which among others, also involved product education, pharmaceutical sales team visits, team collaboration and sales. What made the training even more engaging for a lot of workers was that the e-learning materials were made available online in a user-friendly manner. Similarly to Hungary, trainings began in export destinations too such as France, Germany, Austria and Slovakia. In 2025, workers in Spain are scheduled to receive a qualified trainer responsible for ensuring high standards and cost-efficiency.

B2B results: turbulent environment among partners

The Group had to face a decline of up to 20% regarding contract manufacturing, which was largely due to the constantly rising cost of raw materials, and moreover, it also interfered with the business plans of our partners. Accordingly, partner sales levels in hypermarkets did not meet the expectations in Germany and Slovenia, whereas new potential partners tended to wait until protein prices would be lower. Turnover in domestic hypermarkets grew noticeably, mainly in Tesco, Aldi and Lidl stores, however, petrol stations got into a negative spiral. It must be noted that Auchan stores in Romania and Tesco stores in Czechia and Slovakia performed outstandingly, and besides, turnovers in Decathlon stores in Malta and Austria also exceeded expectations. Although Aldi stores in the Hungarian market achieved favourable turnovers for the Group, those in the Austrian market failed to reach targets.



"TURNOVER IN DOMESTIC HYPERMARKETS GREW NOTICEABLY, MAINLY IN TESCO, ALDI AND LIDL STORES."



Selling on all platforms

Growth in Hungarian
hypermarkets



E-commerce: new marketing strategy, enhances user experience, conscious data use

The 5% growth in e-commerce annually proved to be sustainable last year even amid unfavourable circumstances, which may be attributed to the highly profitably operated network of 12 BioTechUSA online stores, the new marketing strategy and the enhanced user experience. Having successfully launched the chatbot service, it provides support to customers on online store platforms and guides visitors on social media channels. It is gradually advancing its sales activities and at the same time customer care, expert and social teams may utilize their free capacities. The former multistep checkout has been replaced by one page checkout, the range of available online payment service providers has grown, and the so-called 'Buy Now, Pay Later' solution is also available at several export markets. Furthermore, developments such as free delivery progress indicator, in-store availability function and in cart cross-sell also enhance the user experience.

With respect to the growing significance of measurements, a Customer Data Analyst position has been created and Universal Analytics has been replaced by Google Analytics 4, which may be considered a great advancement in order that the Group becomes more data-conscious. The Czech online store was launched in March, which has been growing dynamically ever since. The Loyalty Program in Spain, as the 7th country in the scheme, was launched last year and the Loyalty mobile application is now available in all the seven countries. By the end of Q2 2025, the mobile app will have seen a major upgrade as it becomes a modern sales channel with wide-ranging functionalities while also retaining the loyalty scheme function. The process that was started last year will see product pages updated first this year, and then homepages and category pages.

Record year in the Amazon branch

Despite the difficult economic landscape, the Amazon branch grew by over 10% last year. Both brands have been launched at UK Amazon, following the introduction of the products in the German, Spanish, Italian, French, Dutch, Belgian, Polish and Swedish markets. The products of the Group can also be purchased at a subscription scheme, with regular deliveries. The design of the product description sites has been revamped for both BioTechUSA and Scitec Nutrition items and the brand building activities within the Amazon ecosystem have been expanded to Twitch and Prime Video. The Group also relies on AI in the webdesign and optimization of Amazon product sites, which is working on further launches across various markets in Europe in order to enhance the online presence of the Group.

Strong e-commerce presence

Nearly 50 webshops
in 20 countries

12
BioTechUSA

EU, Hungary, Slovakia, France,
Germany, Austria, Romania,
Poland, Spain, Italy,
Croatia, Czech Republic

16
Scitec

EU, USA, England, Spain, Slovenia,
Slovakia, Romania, Portugal, Poland,
Italy, Germany, France, Czech Republic,
Croatia, Austria, Hungary

20
Builder

EU, USA, England, Sweden, Serbia, Slovenia,
Slovakia, Romania, Portugal, Poland, Austria,
Netherlands, Italy, Ireland, Hungary, Croatia,
France, Spain, Germany, Czech Republic



03

INCREASING EFFICIENCY IN PRODUCTION AND LOGISTICS, MODERNIZATION AND FURTHER DEVELOPMENTS IN SUPPLY AREAS

The BioTechUSA Group has set up its own manufacturing facilities and logistics center in Szada and Dunakeszi, with a total useful area of nearly 45,000 sqm and a storage capacity of 24,000 pallets. These two facilities are responsible for manufacturing and packaging the majority of the Group's products: the combined capacity of Szada and Dunakeszi – including the new multilayer protein bar production line – is 75 million bars, 20,000 tons of powder and 1 billion capsules and tablets per year. BioTechUSA is proud to be one of the few dietary supplement and specialty food companies in the world that can claim to have their own factory and logistics center, allowing the company to produce unique, premium products and also to respond quickly and flexibly to consumer demand while maintaining high quality standards. BioTechUSA products are mainly manufactured in the Szada facility, whereas the Dunakeszi facility is mostly responsible for producing Scitec Nutrition products and the fulfillment of the majority of the contract manufacturing business demands. In case of certain projects, however, the two production facilities may collaborate in order that the workforce is effectively utilized to meet customer demand and complete restocking within deadlines. The two manufacturing facilities have excellent collaboration and communication and they operate according to the same quality management and food safety standards.

**24 000
pallets**

storage
capacity

**~ 45 000
sqm**

useful area

75 million

bars/year

20 000 tons

powder/year

1 billion

capsules and tablets/year



**Manufacturing
and logistics
centers**

Based in Szada and Dunakeszi

Focus on the training and retention of employees and optimizing logistics processes

Last year, the biggest challenge in recruitment was to attract production workers, whereas the staffing level of logistics was somewhat better. Motivating colleagues that have worked at the Group for numerous years is of great importance, so is the retention of experienced, loyal employees considering the environment of rather high inflation rate and fluctuation. Providing professional and career development opportunities is also of utmost importance, which is ensured by performance benchmarking and the Group's policy to prioritize filling in vacancies internally. In 2024, the training program for senior employees in production and logistics continued, and moreover, mutual professional on-site visits were arranged last autumn to facilitate a better understanding of each other's operations.

Manual labour is typically highly demanded in the Group's production and logistics processes, which has made us put automation at the forefront of our outlook. The efficiency of manufacturing – considering the changes in output data and staffing level – improved at both production facilities last year. The progress can be attributed partly to the mechanization and automation of manufacturing processes, which were mostly implemented in-house by the Technical Development Team that was established in 2023, and also to the effort by the Process Development and Optimization Department.



"THE EFFICIENCY OF MANUFACTURING IMPROVED - THE PROCESS, CAN BE ATTRIBUTED PARTLY TO THE MECHANIZATION AND AUTOMATION OF MANUFACTURING PROCESSES."

Last year, fully mechanized powder production lines requiring little staff were put into operation in Szada, which is going to be implemented in the Dunakeszi facility as well. The BioTechUSA Group conducted a review of production equipment at both manufacturing facilities, and consequently, a high performance capsule filling machine was relocated to the Szada facility that resulted in significant efficiency gains in production. Similarly, the production of pills was also transferred to the Szada plant, which further improved the output of the facility as the tablet coating machines had already been operating there.

The **efficiency of the Logistics Center** improved remarkably in 2024. Following the relocation of the leased warehouse in Ezred street in the 4th district in Budapest only a year ago, the warehouse operated with all staff, having retained a large number of workers. The key to efficiency gains was appropriate workforce management through process modifications and projects aimed at developing the automated warehouse.

Reducing shipment duration regarding small package orders and export deliveries was highly prioritized. This goal was accomplished by Q3 2024 through the reassessment of logistics processes, appropriate staffing level management, workload management and the output optimization of the automated warehouse.

As a result of successful storage optimization projects and efficient inventory management, the storage capacity may be enlarged even further despite the fact that the volume of raw material, packaging material and manufactured products had increased on demand.

Modernization, maintenance and further developments of factory sites

The Group pays special attention to the **maintenance of factory sites**. There are two planned downtimes at the manufacturing facilities each year. In these periods such maintenance activities are performed that may not be carried out during the regular operation of the plants, that is, repairs to the resin floor, machinery modernization and the annual maintenance of manufacturing equipment. The bar production line in the Szada plant was refurbished, therefore production norms increased and downtime decreased, which shows that this equipment is capable of complementing the operation of the new bar production site.

The reduction of the physical workload on employees during logistics and production processes is central to BioTechUSA, therefore related **ergonomic developmental opportunities** are considered in order to boost employee satisfaction.

Maintaining competitive edge through compliance with strict quality management standards

A record high number of **quality management system audits** were performed in 2024 with outstanding results. The daily operation of the Group is arranged so that standards are consistently met and requirements of partner audits are also fulfilled. There are constant developments aimed at increasing efficiencies of process management and production, complying even more with hygiene standards and raising employee awareness.

In 2024 – besides colleagues, partners, influencers and business groups – Saud alShamsi, the United Arab Emirates Ambassador to Hungary and a delegation of 60 attachés of the Working Party on Competitiveness and Growth and on Technical Harmonisation were shown around at the Logistics Center of the Group. The operation of the plants, logistics and the analytical laboratory were presented to the visitors in an informal manner, providing clear insights into processes.

The balanced relationship between supply areas and related departments is based on effective communication, which fosters the **achievement of corporate goals**. It is also essential with regard to the creation of corporate cohesion, optimal operation and flow of information and the successful outcome of shared projects.



"CONSTANT DEVELOPMENTS AIMED AT INCREASING EFFICIENCIES OF PROCESS MANAGEMENT AND PRODUCTION, COMPLYING EVEN MORE WITH HYGIENE STANDARDS."




Appropriate procurement strategy has a key role

The procurement of raw materials posed great challenges to the company. Although whey protein prices consolidated in the beginning of 2024, it was followed by extremely high price rates and difficulties in the supply chain. Creating the appropriate procurement strategy and ensuring continuous supply required our orchestrated efforts. The market of cocoa bean-derived products became the most hectic ever. Cocoa beans had been available in limited amount due to poor harvest, and consequently, the prices were increasing throughout last year, which made the procurement of cacao powder and chocolate difficult. On the other hand, several long-term competitive agreements could be made regarding other strategically important raw materials as their prices decreased to such levels that had not been seen for a long time, thus it presented great entry points for us.

The crisis of import trade flow induced a significant increase in costs and longer transit times, whereas autumn floods in EU countries also had detrimental effects. Nonetheless, the growing demand for raw materials and packaging materials must be ensured continuously. Besides the increase in the volume of branded products, the sudden development of contract manufacturing had to be caught up as well. The key to success in numerous prioritized manufacturing projects was that fair business relationships had been established with suppliers.

Another unique innovation, energy-related investments and storage area extension

Last year, the largest investment project was the construction of a product line capable of producing 55 million multilayer protein bars annually, of which the planning phase began in 2023. The new, two-storey bar production facility was created in a former storage area. The implementation included the construction of the cutting-edge machinery, tempering and dust extraction systems, therefore the production equipment complies with all the state-of-the-art technological requirements. The dosage of the powder and liquid raw materials of products is performed by an automated feeding system and a software developed in-house, which also enables connection to the ERP system. The production line is equipped with a network of heated tanks and pipes with CIP cleaning system, capable of enrobing large size bars with various chocolate layers, melting fat and storing liquids. The bar production line is connected to a set of robotic packaging machines, therefore the required manual labour is very limited.



Multilayer bar production line

New innovative equipment
at Szada plant

2
storey
bar production
facility

EUR 14
million
investment

100%
robotized and automated system
from the first step to the last one

automated
feeding system

**in-house
developes**
“Bar Factory” software

As for **energy related investments**, solar PV systems were installed at both plants of the BioTechUSA Group, which can provide nearly 30% of the total electricity use. The lighting systems were upgraded in Szada and Dunakeszi as well, and the latter plant was equipped with energy-efficient gas boilers.

In the **Szada plant**, a new compressor, refrigerant air dryer and a controlling unit that ensures the energy-efficient operation of the compressed air system were installed in order that energy consumption and environmental pressure are reduced. Storage area IV of the Logistics Center was extended by a 435 sqm upper storey, due to which all the finished goods storage areas are now two storeyed and they have an additional useful area of over 2000 sqm.

2024 was the year of modernization in the **Dunakeszi plant** too. New waterpipe and sewage systems and RO water treatment system were installed and a cleaning system using medium-pressure technology was implemented in order to modernize the cleaning solutions of the equipment in the plant. The capsule production line was completely refurbished, the factory staircase, the production area and the offices were newly painted, the canteen and the medical room were renovated, and the overall spatial planning also included the exterior cleaning of the plant.

The former office building in the **Huszti street Headquarters** (3rd district of Budapest) was handed over after the reconstruction works. A gym, sauna and massage room are located on the ground floor and the two upper floors are fitted with modern office areas.



"THE FORMER OFFICE BUILDING WAS HANDED OVER: A GYM, SAUNA AND MASSAGE ROOM ARE LOCATED ON THE GROUND FLOOR."

1 500
sqm

useful
floor area

470
sqm

gym

3

floors

~ 170

new work stations

**1 meeting
room**

on each floor

sauna

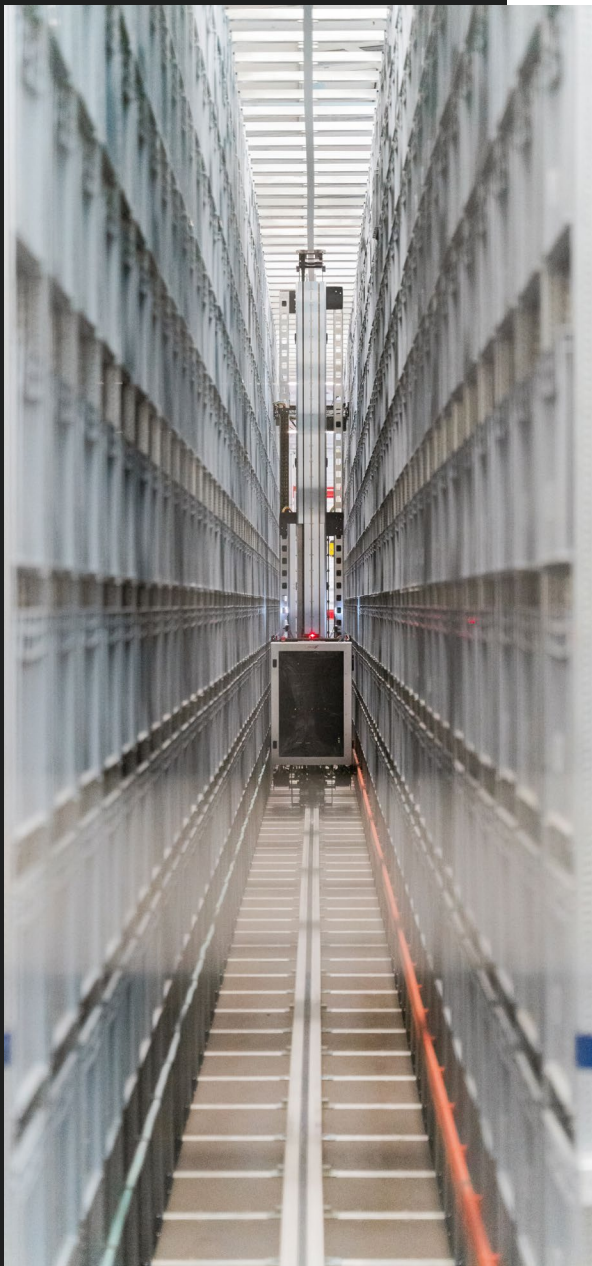
**relaxation
room**

equipped with
salt wall



**Modern
work
environment**

Gym, sauna and relaxation room
with salt wall



The optimization of the automated warehouse and the brand new bar production line as high priority tasks

One of the biggest challenges last year was optimizing the operation of the automated warehouse and the introduction of further developments aimed at increasing more efficient business operation. The capacity of the automated warehouse was maximized and the retrieval process was simplified and sped up by the logical modification of the control panel. The utilization of the loading machines was reviewed and the fulfillment of large scale B2B domestic and export orders was managed separately in order to increase the efficiency of retrieval. The logic in the registration of B2C orders was modified as well, which resulted in lower administration fees and shorter transit time. Owing to in-house development, the retrieval of online store orders is also guided by light signals, which improved the accuracy of performance.

The other major project was related to the **creation** and deployment of the **Bar Factory software** developed in-house, which is aimed to automate various manufacturing subprocesses via connecting the bar production line to the ERP system. Furthermore, numerous process development projects aspire to optimize the ERP system, the digitization of paper documentation, the simplification and acceleration of the daily operation of the commercial departments, i.e. Quality Management, Product Development, Logistics and Production Plants.

Quality Management is part of everyday life

Audits in 2024 took place between February and October. Besides numerous unannounced customer service audits, ISO 9001, ISO 22000, FSSC 22000 and IFS Food safety standards were reviewed in Szada and Dunakeszi as well with outstanding results, even though food safety standards are constantly modified. Kosher and HALAL audits were also performed last year besides further unannounced customer audits. Both plants hold valid ISO 9001, ISO 22000, FSSC 22000, GMP, IFS Food, HALAL and Kosher certificates.

Owing to process development and restructuring, the scope of the 35-member Quality Management Department expanded. The In-House Analytical Laboratory was established in Szada last year, where inspections are conducted for both plants, relying on in-house know-how. Most of the analytical laboratory tests regarding raw materials had earlier been performed by external laboratories, which can now be conducted in-house through the application of methods developed for the existing equipment. It ultimately led to saving a significant amount of time and cost savings.



Quality above all

100% safe and
doping-free products

35-member

quality management
team

› **230 000**

inspections/year

46-member

product development
team

~ 1 000

inspection on
average per day

12 external

audits
at each plant/year

17 internal

audits
at each plant/year



www.biotechusagroup.com/quality

PRODUCT DEVELOPMENT – TRENDS MUST BE SET, NOT FOLLOWED

The uninterrupted trend in **the spread of dietary supplements** puts pressure on product development too. It may be noted that besides capsules and tablets, there is a growing trend for launching products that resemble snacks or regular food. Such item is the gumdrop formula, which has been the best-selling product in the last few years, and ready-to-eat products are also highly demanded.

A phenomenon across the whole dietary supplements market is that manufacturers keep targeting an ever wider audience with their products and consumers expect the products to contain minerals in organic compound forms. The widely known ingredients such as collagen, clear protein and CreaPure creatine are still sought after, however, there are novel items in the range of functional supplements used to combat ageing, that is, Shilajit and NAC (N-acetylcysteine), of which the latter is one of the components of protein, a bioactive form of the cysteine amino acid.

In-house team as one of the most important competitive edges

The BioTechUSA Group has its own product development department that consists of 46 people. The team comprises food engineers, food safety specialists, bioengineers, biologists, dietitians, nutritionists, pharmacists and doctors.

In product development, the first priority is always innovation, the quality management systems are regularly maintained, audited, extended and developed in line with market needs. Accordingly, over 230 000 inspections are conducted annually, the in-house laboratories are operated at the highest possible level, quality tests and control tests during production are also performed.

The whole product development life cycle from ideation to launch is performed in-house. It may occur that the technological background enables the manufacturing of a certain new product and the sample tastes fine, has great consistency and contains the right ingredients, however, it is put aside for a couple of weeks to test its durability and whether it fails as it becomes too dry during that time.

In other situations, the product may perform well in laboratory tests, but it cannot be properly shaped during manufacturing. Such circumstances especially valorize the best practices, experience and professionalism of the in-house product development team in correcting mistakes, testing and tasting.

The philosophy of the department has been unchanged since the beginning – no compromise in product quality. Only those products are launched that fulfil all the high requirements made by the product development team.

Major paths of product development in 2024 – new multilayer protein bar and new premium vitamin portfolio

The primary direction of product development in 2024 was the creation of the new **multilayer bar and premium vitamin portfolios**. Besides, the team created the latest and most advanced edition of the BioTechUSA brand flagship product Iso Whey Zero and in cooperation with FC Barcelona, the catalan cream flavour variant of the same product inspired by the city of Barcelona was also devised.

**BARCELONA
IN YOUR SHAKER**

**A Caramel Delight
from Catalonia**

BioTechUSA™ | 

OFFICIAL SPORTS SUPPLEMENT PARTNER
OF FC BARCELONA

**ISO WHEY
ZERO**

PREMIUM WHEY PROTEIN
ISOLATE WITH L-GLUTAMINE
AND BCAAS

CATALAN CARAMEL
CREAM FLAVOURED

LACTOSE
REDUCED* | SUGAR
FREE* | GLUTEN
FREE* | PALM OIL
FREE

2270 grams (80 servings)

B

"THE TEAM CREATED THE MOST ADVANCED EDITION OF THE BIOTECHUSA BRAND FLAGSHIP PRODUCT, THE CATALAN CREAM FLAVOUR VARIANT OF ISO WHEY ZERO"



The application of the so-called colouring foodstuffs is regularly tested in the product development laboratory, which are supposed to replace food colouring additives in order to adapt to the needs of consumers and hypermarkets.

The development of the newly trending products Hydration and Protein Coffee is highly prioritized and the design revamp of Scitec Nutrition products is also underway. Similarly to preceding years, the department improved its processes and methodology, revised several best practices, renewed and extended areas and gathered knowledge in unprecedented fields too. The Group launched 25 new products last year.

Natural ingredients, simple preparation, 100% taste

The driving force of **changing consumer needs** is that natural ingredients are gradually more highly demanded. The public explicitly shows preference for those products that represent healthy and natural diet, which increased the importance of the effort to reduce the number of additives in products. The sped-up lifestyle of our time also draws attention to the comfort of simple preparation. Consumers prefer those products that do not require complex preparation, however, they also wish to enjoy a great taste. Consumers' expectations of natural flavours and appearance of products also prevail the market, therefore the replacement of artificial aromas and colourants by natural flavouring and food colouring is the path to follow.

Rising consumer awareness

Price sensitivity is still an important factor, especially considering the economic environment of the most recent times, consumers have tended to be more careful about their spending and pay more attention to the price-value rate of products. Although plant-based diet has remained an important segment, a certain decline in demand for vegan products has become apparent. The growth in the eco-consciousness of consumers is also observable and they express their appreciation of eco-friendly solutions and recyclable packaging.

MARKETING

The missions and brand messages of BioTechUSA and Scitec Nutrition

The mission of the BioTechUSA Group is to inspire people to be more sporty and guide their lives more consciously via the help of their products and 25 years of expertise. The BioTechUSA brand is a great choice for every life situation, that is, body shaping, muscle gain, active and healthy lifestyle and the highest level professional athleticism. Scitec Nutrition targets those committed to gym training with its slogan 'Make a Difference'.

BioTechUSA marketing - FC Barcelona set new standards for the authenticity of the brand

The marketing team successfully widened the target audience of the dietary supplement product brands manufactured and distributed by the Group, leaving behind the focus on traditional fitness. The key to achieving this was that the differentiated messages would address not only professional, semi-professional and amateur athletes, but also ordinary people. The major campaigns were as follows:

- **'Make this year your fittest'** encouraged people to adapt a more healthy lifestyle.
- **'Legends are born'** bridged the gap between hobby athletes, olympic sports and the football Euro Cup, and it succeeded in relating to both the amateur and professional audience.
- **'The distance to your goal depends only on you'** brand image campaign emphasized the commitment by BioTechUSA to support people in achieving their goals wherever they are heading in their paths.
- **"Franco is sporty, be more like Franco!"** integrated international activity series conveyed its main message that whatever being athletic means, whatever the aim, BioTechUSA is there to support you.

Multiyear, one-of-a-kind partnership in the region and the sector too

The biggest accomplishment in the field of marketing in 2024 was the **announcement of the partnership with FC Barcelona**, one of the most reputable sports clubs in the world with one of the largest fan bases, which further boosted the trustworthiness of the BioTechUSA brand.

The two parties signed a unique, multi-year agreement, unprecedented in the region and the sector as well. According to the long-term partnership, the Hungarian-owned company is going to provide the top male and female teams of FC Barcelona with its sport food supplement products ranging from proteins to vitamins and supplements for recovery complemented with dietary know-how. There are plans to provide experts working in Hungarian professional sports teams with the methodology of FC Barcelona.

Dynamic development, new products, eager campaign support – the year of BioTechUSA Apparel in 2024

The Apparel line grew by 95% due to the dynamic development strategy and excellent quality products. The outstanding growth not only entailed revenue increase, but also the solidification in market share. Launches of innovative, sporty and fashionable collections successfully targeted the audience that has a modern and active lifestyle.

The product line made significant progress in expanding the portfolio of manufacturers, which enabled the application of more varied materials and manufacturing technologies. As a result, products became even more diverse and consumer needs could be fulfilled more flexibly.



"THE BIGGEST ACCOMPLISHMENT IN THE FIELD OF MARKETING WAS THE ANNOUNCEMENT OF THE PARTNERSHIP WITH FC BARCELONA."



The range of products also grew as **25 new products** were added to the existing assortment of 117 items. The highest standards were set at each stage from design to production in order to create items that are both stylish and timeless.

Much of the growth in the Apparel line was supported by **intensive marketing campaigns**, which accessed existing and new customers via targeted online ads and influencer partnerships. (Ramóna Lécai-Kiss and Virág Kiss)

Yet another factor in the expansion was the upsurge in **e-commerce platforms**, which confirmed the importance of digital channels in improving customer experience.

Agile operation, implementation of new tools in marketing

A new influencer tool was implemented, which helped to sign several hundred new brand ambassadors. The marketing communication team was rearranged in line with agile methodology to increase its efficiency, for instance, the automation of banner ad creation freed up 160 working hours per month.

Events, roadshows and awards

The Group represented itself at 12 export trade fairs internationally and took part in 13 expos in Hungary. Virág Kiss fitness competitor performed at event centres in November, which could be visited by using loyalty points for the first time.

The marketing department is proud of the BioTechUSA Group for winning the award for the second best e-commerce company in the category for companies with EUR 25 million turnover, for winning the award for the best vitamin for women and for being selected the second best online store. Moreover, the Group released two unique collaborative apparel collections.

Scitec Nutrition marketing: strategy, most important results, campaigns

As part of the most important brand campaign of 2024 entitled **'They fought and won. It's your turn now.'** the Scitec brand showed the beneficial effects of weight training and it used an unusual tone and image. The key participants of the campaign were not athletes, but ordinary people who had recovered from certain major accidents or illnesses, which can be inspirational for a great audience. From the aspect of the brand it was crucial in 2024 that its product development gained momentum again after a short pause not only in the domestic market, but also internationally. Scitec Nutrition aims to maintain the image of an innovative brand, therefore new products are going to be launched in 2025.

More emphasis on influencer marketing

Influencer marketing was a lot more prioritized in 2024 than earlier – **the number of affiliated Scitec/Builder athletes, ambassadors and influencers is nearly 300.** To further increase this number, the two brands intend to collaborate with nano and micro influencers, who may have smaller groups of followers, but they tend to be more engaged. The team of affiliated influencers features **Krisztián Bereczki**, the most well-known bodybuilder influencer in Hungary and **Barni Abosi**, who targets a more mainstream audience. The affiliate coupon system serves as a motivational force and a conversion boosting method that can be tracked readily to calculate the real impact of the influencer. The number of affiliated collaborations is going to grow and the coupon system is going to be extended to nano and micro influencers in 2025.



"THE MOST IMPORTANT BRAND CAMPAIGN OF 2024 - THE KEY PARTICIPANTS OF THE CAMPAIGN WERE NOT ATHLETES, BUT ORDINARY PEOPLE WHO HAD RECOVERED FROM MAJOR ACCIDENTS OR ILLNESSES"

Events and roadshows

Scitec brand events were visited by the largest public ever in 2024. The spring edition of **Scitec Power Challenge** was organized to start the year, then the **Kathi-Bohos Roadshow** took place in May with the help of retail, in which the two most popular bodybuilder athletes of Team Scitec, Béla Kathi and Kornél Bohos, entertained the public in six gyms in the countryside. At the end of July, the greatly anticipated **Scitec Muscle Beach** was organized again, where internationally recognised athletes and influencers ensured the most intense social media activity ever.

In October, the most popular bodybuilding competition with the longest history, **Superbody**, was held with record high number of participants both as competitors and visitors. It not only lived up to the expectations posed by comparisons with international competitions, but in some respect it also exceeded them.

In 2024, 40 events were arranged under the Scitec brand that ranged from minor events for partners to major ones with several hundreds of people in attendance. The participation in **FIBO** was of utmost importance, where **129 thousand visitors** could be presented with brands in **4 days**. In 2025, there are plans to arrange events as part of the **expansion in the Middle East and Far East** and the brand is going to be launched in Saudi Arabia and South Korea as well.



"SUPERBODY, THE MOST POPULAR BODYBUILDING COMPETITION OF HUNGARY WAS HELD WITH RECORD HIGH NUMBER OF PARTICIPANTS BOTH AS COMPETITORS AND VISITORS."

315

athletes and influencers

52

events

› **21 million**
followers

59

Facebook
pages

31

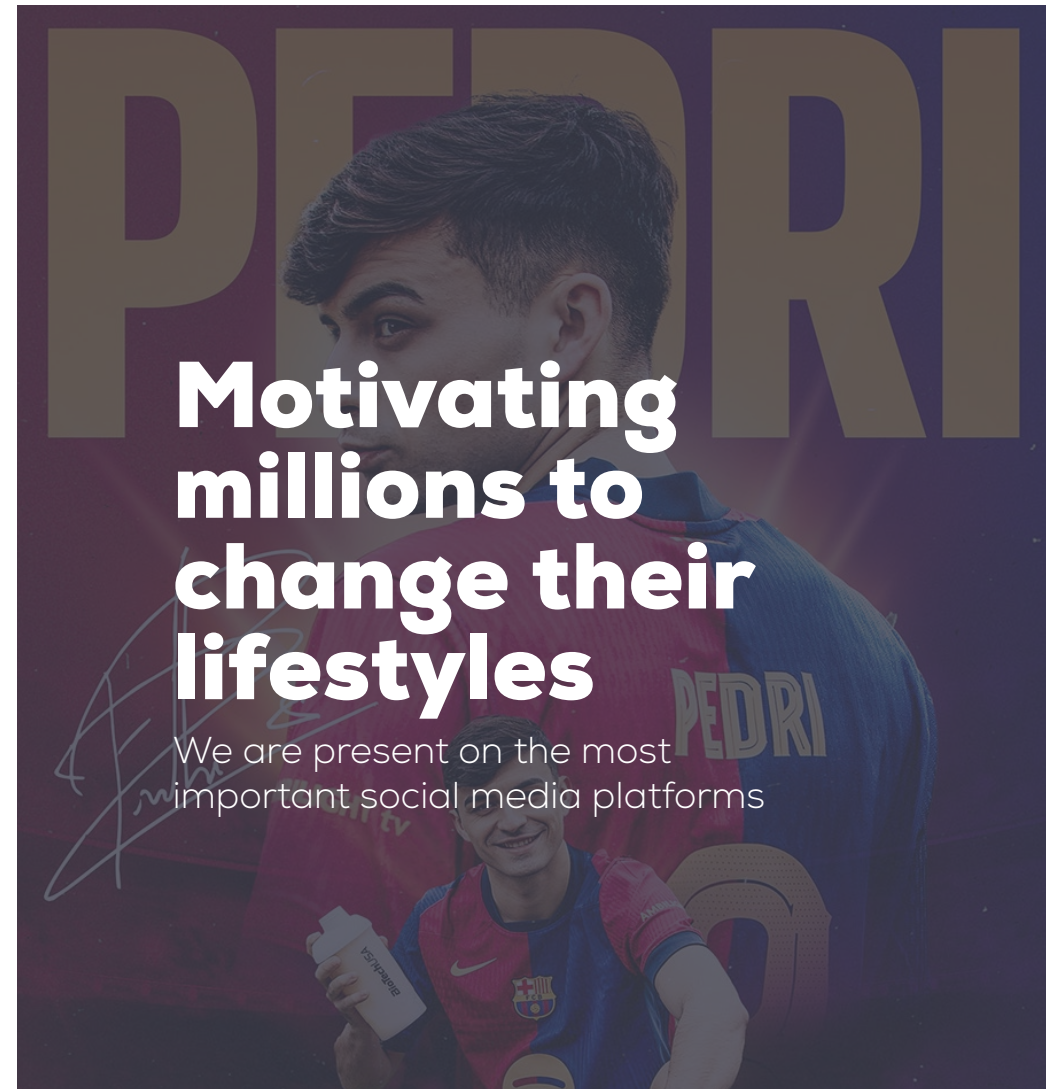
Instagram
profiles

8

TikTok
accounts

15

YouTube
channels



ShakerStore

ShakerStore manufactures exclusive products with bespoke logos for gyms and food supplement companies across Europe, such as customized shakers, water bottles, gallons, pillboxes, clothing and textile products (towels, t-shirts, tank tops, hoodies). It is **present in 42 countries with 585 partners**, of which 165 were added last year. The 20% growth achieved in 2024 was the result of successful expansion in Europe – the largest partners are in the German, Polish and Czech markets and the one in Scandinavia is on the rise. ShakerStore is available in the UK, the United States, the Middle East and South America too. Deliveries are arranged by the company's own coordinator, which is responsible for the shipment of 5600 pallets and 2200 vacuum packed shakers annually. Over **7 million shakers** have been sold to which an additional amount of **1,13 million** BioTechUSA and Scitec Nutrition **branded shakers**, water bottles, pillboxes, gallons and further 58000 promotional items may be calculated.

Graphic design trends

The graphic design team had an outstanding performance in 2024, in which nearly **6000 tasks** were completed and it succeeded in **reducing the lead time of certain projects by 25%** via the application of new project management tools. Accordingly, members of the department could focus more on creative tasks, including Motion Design and animation-related assignments. In the course of image revamp, the team applied such innovative visual solutions that modernized the appearance of brands and retained consistency at the same time. Cooperation with the marketing and commercial teams was enhanced and it led to the reduction of duplicate work. The introduction of specialized courses and new technologies remains a goal of high priority.



"SHAKERSTORE MANUFACTURES EXCLUSIVE PRODUCTS WITH BESPOKE LOGOS, SUCH AS CUSTOMIZED SHAKERS, PRESENT ITSELF IN 42 COUNTRIES WITH 585 PARTNERS"

CORPORATE COMMUNICATION, PR, AWARDS AND RANKINGS

The PR and corporate communications activities in 2024 centered around the premiumization of brands with high output. Besides the preservation of the market leader status of the BioTechUSA brand international campaigns were also launched, and in case of Scitec Nutrition activities focused on the continuation of building brand awareness.

Last year, the former record for media appearances was surpassed. 885 media appearances were arranged as part of 25 media campaigns, which amounted to EUR 1,44 million Media Value and achieved a reach of 150 million. The activities were managed with an exceptional rate of organic and paid content – 90% versus 10% – by involving 150 national and regional, domestic and international online and printed media outlets, radios, television channels and podcasts. Liaising with sales houses and editorial teams played a key role in 2024, who were given product packages as gifts on several occasions. Besides four press conferences an exclusive press trip was arranged in Barcelona; with the total participation of 60 journalists and dozens of media outlets regarding all events. All the above-mentioned results were achieved by the in-house team, without any support of external agencies.

The center of attention for the media campaigns were the expert and trendsetter roles, the economic and commercial results, the investment projects at the headquarters and production and logistics facilities and the topics related to lifestyle and healthcare. BioTechUSA regularly sent out campaign announcement press materials about its major international marketing activities to FMCG and branding journals and it released announcements about cooperations regarding prioritized CSR projects.



The most important media campaigns of the Group in 2024 were as follows:

- the production and logistics center in Szada was shown to the press for the first time and the automated warehouse that cost over EUR 2,5 million was showcased as well;
- the Annual Report was released at a dedicated press conference and the press was given access to the Headquarters building, the gym and the product development laboratory;
- a press event was arranged to raise awareness regarding eating disorders;
- the Scitec Nutrition campaign entitled 'They fought and won. It's your turn now.' did not feature bodybuilders, but instead, such role models who recovered from various kinds of adverse medical conditions by the help of sport. The motivational stories of ordinary people were presented to the public in a video spot and two three-part series of videos and articles;
- collaboration began with the Hungarian EMS Agency's Non-Profit Charity Trust to survey the public awareness of medical emergency protocol. Media outlet 'Origo' and 19 regional online news portals reported on this campaign;
- Scitec Muscle Beach, the most important bodybuilding and strongman summer event in Hungary, was organized for the 12th time supported by an extensive media campaign;
- a multiyear, one-of-a-kind partnership in the sector was agreed upon with FC Barcelona, which was announced in the course of an exclusive press trip;
- the Group has worked with the world-renowned bodybuilder Ulisses Jr. for eight years, whose life journey was presented in an exclusive documentary called 'The Legacy', which was supported by a media campaign;
- the integrated campaign labelled 'Back to the Gym' aimed at providing help for those returning to training after the summer break in partnership with Refresher, 24.hu and Telex.hu. The public was given practical advice on how to prevent injuries, choose the most suitable types of exercises and find the most fitting food supplement products.

The Group was honoured with the rewards as follows:

- **Millenium Award** from the Hungarian Intellectual Property Office;
- the international campaign video entitled 'One shaker, endless possibilities' was honoured as the best long commercial spot by IAB Hungary;
- the Multivitamin For Women product ranked first place at the **Marie Claire Hungary Beauty Awards**;
- the Mega Burner product won the JOY Prix de Beauté award;
- the **Lovable Workplace Label by Dreamjobs** was awarded to the company for the fourth time;
- the Group was ranked the second best e-commerce company during the HungarEcomm Stars Awards in 2024;
- the Group was honoured with the Superbrands Award for the umpteenth time;
- the corporate gym earned the platinum level **Official Hammer Strength Training Center Certificate**.

Awards and press enquiries

Extensive presence
in the media

885

media
appearances

25

media
campaigns

150

media outlets

JOY
**Prix de
Beauté**
A szépség nagydíja 2024

hungary
iab.



The Group provided data for significant economic and business rankings in 2024 as well, therefore it was featured as follows:

- the Group was featured as 17th in the rankings by Forbes Hungary regarding the 100 most valuable Hungarian-owned enterprises;
- the Group was ranked 259th in the TOP 500 Hungarian companies with the largest revenues category compiled by HVG, whereas in the Food and tobacco industry, agriculture section the company attained the prominent 21st position;
- the Group was included in Figyelő's TOP 200 largest enterprises in Hungary in 2024, four position higher than the preceding year;
- the Group was ranked 12th in Forbes' list of most valuable family-owned companies in Hungary.

The executives of the BioTechUSA Group gave numerous presentations at conferences (Internet Hungary, Marketing Summit, Service Design Day, Brand Building Conference, HR Power Conference, Digital Hungary, I. International Conference of the Association of the Hungarian Physiotherapists etc.) and were members of professional juries (Open Minded Companies Award, Doing Good CSR Award, Marketing Diamond Award, Effie Awards, Forbes celebrity and influencer rankings etc.). The Group participated in several protocol events in 2024, of which the most notable ones were the event when 60 attachés from all the EU-member states were shown around at the production and logistics center in Szada and the participation of the management as presenters at the nationwide career guidance programme called 'Career Panorama' aimed at secondary school students by the Hungarian Diplomatic Academy.



"THE PRODUCTION AND LOGISTICS CENTER IN SZADA WAS SHOWN TO THE PRESS FOR THE FIRST TIME AND THE AUTOMATED WAREHOUSE WAS SHOWCASED AS WELL."

As for corporate communication, the growth in the volume of internal and external corporate news communication increased the media presence of the Group. Information was provided on a regular basis in Hungarian and English regarding commerce, partnerships, marketing and CSR campaigns, store launches, products, production and logistics, product development, quality management, investment projects, HR-processes, events with the attendance of the company, professional events organized by the Group and roadshows.

The BioTechUSA Group put particular emphasis on the development of internal communication capabilities and employers' brand building last year as well, which greatly contributed to the increased commitment of employees and improving fluctuation rates. The official LinkedIn profile of the Group was internationalized in 2024 and among other milestones of last year, a new image video was released, the centralized B2B Group website integrating all the five brands went live, the CSR section of the BioTechUSA website was upgraded and the CSR subdomain of Scitec Nutrition launched as well. Through the preparation of presentations and application files the assistance of the management and owners was encouraged.

The objectives for 2025 include the provision of exclusive access to the press at the production and logistics center in Szada in order that the now completed investment projects, for instance the new multilayer protein bar production line, can be presented to the public. We also aim to increase the volume of international media campaigns and the number of press trips. Furthermore, there is strong will to initiate social discourse with regard to issues and topics that belong to the scope of the sector, debunk the stereotypes in connection with gym training, give insights to the life cycle of products ranging from ideation to their landing in customers' baskets and adapt to food supplement market trends.



"THE BIOTECHUSA GROUP WANTS TO GIVE THE PRESS EVEN MORE INSIGHT INTO ITS PRODUCTION FACILITIES."

CORPORATE SOCIAL RESPONSIBILITY – HEALTH PRESERVATION, SOCIAL DIALOGUE, EDUCATION

The Corporate social responsibility program commenced in 2021, in the course of which the total **value** of donation has been more than **EUR 1,27 million**, including **115 000 boxes of products, cash** and **therapeutic and rehabilitation equipment**. The charitable initiatives were implemented in **73 CSR campaigns** with **170 organizations** as beneficiaries. The campaigns generated hundreds of media appearances and community activities as they provided not only platforms for those who are less noticeable, but educative and awareness-raising campaigns were also launched with the involvement of external experts of connected fields. Much emphasis was placed on conveying information about health preservation in an easily understandable manner and that the public awareness about health is fostered. In 2024, social dialogues were initiated in issues and topics such as eating disorder, dementia, medical emergency assistance, elderly care, gynaecological cancers, appropriate preparation for surgeries, the importance of regular screening examinations, doing physical exercises responsibly, people with disabilities and the role of sport in the creation of a more inclusive society.

The campaigns of the Group in 2024 included the following:

- the Group was labelled as gold level supporter of the **Hungarian Food Bank Association** again;
- the **Only One Mission** received vitamin donation that can be distributed among the homeless people within their network for a whole year;
- with the support of a CSR campaign the **Semmelweis University** could implement an innovative family-centered self-help program to tackle eating disorders;
- IT equipment were donated to the **Weiss Manfréd Vocational Secondary School and Student Hostel**;
- education tools were donated to the **Semmelweis University Pető András Kindergarten of Special Education**;
- a whole year of play therapies was funded for children treated with diabetes at the **Department of Internal Medicine of the Institute of Paediatrics in Debrecen**;
- therapeutic equipment were donated to the **Unified Special Education Methodology Center**;

BioTechUSA™

az **EGÉSZSÉGÉRT DÍJ**

INNOVÁCIÓ A HOLNAPÉRT,
ELISMERÉS A MA SZAKEMBEREINEK

**LÉKAI-KISS
RAMÓNA**



- as a caring neighbour, the Group supported the **Sport Club in Szada** and the local retired community, and the sport challenge day of the **Óbuda-Békásmegyer Youth Council** was given product donations as well;
- the complex two-year program aimed at the capacity development of the **Nevetnikék Foundation** was continued in cooperation with Scale Impact;
- the summer camp of **BAGázs Public Benefit Association** was supported by sports goods donation;
- the beneficiary of the fundraising at the **Scitec Muscle Beach event** was **SOS Children's Villages**;
- a fairy tale mural was painted with the help of our brand ambassadors;
- sports apparel goods were donated to the Social Integrated Institute of the **Hungarian Charity Service of the Order of Malta** in Monor;
- in a joint campaign with the Hungarian Charity Service of the Order of Malta the importance of physical exercise was emphasized on the **World Day for Physical Activity** in order that the quality of life of the elderly and those with dementia is improved;
- the experimental project on prehabilitation by the **Mályvavirág Foundation**, which is aimed at enhancing the quality of life of those awaiting gynaecological surgical procedure, was supported by an InBody body composition analyzer, a related media campaign and product donation;
- the **BioTechUSA NN Ultrabalaton Charity** campaign comprised 53 media appearances, on-site corporate tents and 100+ social media activities, and besides, a record sum of donation was raised with the help of video contents by Index.hu that was complemented with an additional **donation of EUR 38 000** by the BioTechUSA Group to support healthcare development projects;
- in the course of the **'Back to the Gym' campaign** in collaboration with Fitness5 and with the involvement of the visitors of 17 gyms more than EUR 12 650 was raised in favour of Camp of Courage;
- in partnership with the **Hungarian Hospital Association** the Group established an award for the first time in its history – the **'BioTechUSA for Health Award'** provided a total of EUR 45 500 funding for such infrastructural and educative developments that will potentially result in new healthcare solutions;
- the **#Együttadunk (#wedonatetogether) campaign** was continued, in which the brand ambassadors of both brands chose to support organizations with donations at the festive season;
- the Group contributed to the initiative of the **Budapest Bike Maffia** aimed at helping those who live in the streets by making sandwiches and donating a record amount of vitamins;
- the 'Shoebox' donation campaign by the **Hungarian Baptist Aid** was joined by the Group again;
- 20 patronized children's annual cost of education was covered by the Group in order to support the operation of the **You Belong! Foundation**;

- the **'Star football charity gala event'** was arranged in support of disadvantaged children – the Group raised funds by auctioning an FC Barcelona football kit and by donating footballs, water bottles and further products.

The above-mentioned initiatives were highly contributed to by the charity brand ambassadors of BioTechUSA; **Eszter Oczella, Jenő Kiss, Ramóna Lékai-Kiss, Virág Kiss** and **Diána Kovács-Nyári**, as well as the benevolent bodybuilders of Scitec Nutrition; **Béla Kathi, László Szmereka, Kornél Bohos, Péter Rakonczás, Zoltán Kormos, László Kiss** and **Beatrix Petri**, and **Imre Csujá**, actor and goodwill ambassador of the Hungarian EMS Agency's Non-Profit Charity Trust.

As for future objectives in 2025, we aim to place more emphasis on own campaigns, extensive, long-term and brand specific CSR activities, even broader involvement of colleagues and education of civil society organizations, provision of resources and far-reaching education within lifestyle topics instead of one-off donations. Furthermore, there is strong will to refine the BioTechUSA for Health Award, organize additional integrated campaigns, create an extensive educational online section that discusses significant health-related topics in series of articles and arrange an own sports camp for disadvantaged children.



"THE GROUP CONTRIBUTED TO THE INITIATIVE OF BUDAPEST BIKE MAFFIA AIMED AT HELPING THOSE WHO LIVE IN STREETS BY MAKING SANDWICHES AND DONATING A RECORD AMOUNT OF VITAMINS."

170
supported
organizations

**EUR 1,27
million**
total amount of support

**115 000
boxes**
of donated products

73
educative and awareness-
raising campaigns

therapeutic and rehabilitation equipment purchased for hospitals



**SOS
GYERMEKFALVAK**



**MAGYAR MÁLTAI
SZERETETSZOLGÁLAT**



**ORSZÁGOS
MENTŐSZOLGÁLAT
ALAPÍTVÁNY**



**CSR: fully
cognizant of our
responsibilities**

Special focus on supporting healthcare
organisations and goals



CSR campaigns in 2024 were implemented with partners as follows:

- Hungarian EMS Agency's Non-Profit Charity Trust
- Mozgásjavító Egységes Gyógypedagógiai Módszertani Intézmény (Unified Special Education Methodology Centre)
- Bátor Tábor (Camp of Courage)
- SOS Gyermekfalvak (SOS Children's Villages)
- BAGázs Közhasznú Egyesület (BAGázs Public Benefit Association)
- Nevetnikék Alapítvány (Nevetnikék Foundation)
- Hungarian Food Bank Association
- Csak Egyet Szolgálat (Only One Mission)
- Budapest Bike Maffia
- Hungarian Charity Service of the Order of Malta
- MentsManust Mozgalom (Movember Movement Hungary)
- Óbuda-Békásmegyer Youth Council
- Szada Municipality and Szada Sport Association
- Scale Impact
- Civil Impact NGO
- Institute of Paediatrics in Debrecen
- Mályvavirág Foundation
- Semmelweis University Pető András Kindergarten of Special Education
- Őrzők Közhasznú Alapítvány (Őrzők Foundation)
- Hungarian Hospital Association
- Jász-Nagykun-Szolnok Vármegyei Hetényi Géza Kórház-Rendelőintézet (Jász-Nagykun-Szolnok Castle County Hetényi Géza Hospital)
- Semmelweis University Institute of Behavioural Sciences Psychosomatic Specialist Practice
- Budapest Methodological Centre of Social Policy and Its Institutions
- Akut Pécs Foundation
- Veresegyház Mission Health Center
- Bács-Kiskun Castle County Teaching Hospital
- Gábrriel Segítő Közösség Egyesület (Gábrriel Helping Community Association)
- Association for Cardiac Surgery
- Semmelweis University Department of Obstetrics and Gynaecology
- Hungarian Interchurch Aid
- „Markhot Ferenc Kórház támogatására” Alapítvány ('In support of Markhot Ferenc Hospital' Foundation)
- Retirement Home in Kismarja
- Papírsárkány Gyermekalapítvány (Paper Kite Children's Foundation)
- Hungarian Reformed Church Aid
- Lámpás '92 Közhasznú Alapítvány (Lámpás '92 Public Benefit Foundation)
- Nem Adom Fel Alapítvány ('I do not give it up' Foundation)



"BIOTECHUSA GROUP ORGANISED AN INTERACTIVE PRESS EVENT ON THE EATING DISORDER WITH RENOWNED EXPERTS."

Charity brand ambassadors

Those who help us reach social impact

BioTechUSA charity brand ambassadors



**Virág
Ferentzy-Kiss**
fitness world champion



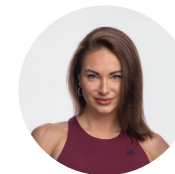
**Diána
Kovács-Nyári**
actress



Jenő Kiss
2x Mr. Universe
bodybuilder



**Ramóna
Lékai-Kiss**
actress



Eszter Oczella
IFBB Bikini Pro
athlete

Scitec Nutrition charity brand ambassadors



Béla Kathi
bodybuilder
legend



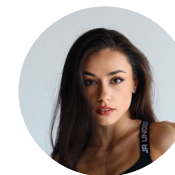
Kornél Bohos
bodybuilder, WBPF
European Champion



**László
Szmereka**
IFBB Pro Champion



**Péter
Rakonczás**
bodybuilder



Beatrix Petri
IFBB Bikini Pro
bodybuilder

HUMAN RELATIONS – INTERNATIONAL COMPANY WITH THE VALUES OF A FAMILY BUSINESS

As the market shares of the BioTechUSA Group solidified in 2024, so did the staffing level that grew from 1800 of the preceding year to 1900 last year. The youthful dynamism of the Group may be attributed to the fact that its average age of workers (36,7 years) is lower than most other industry players' in the producer manufacturing sector, which means that 1 in 3 workers belongs to the 30-39 years old age group. Women take on significant roles among decision-makers as they account for 27% of the management.

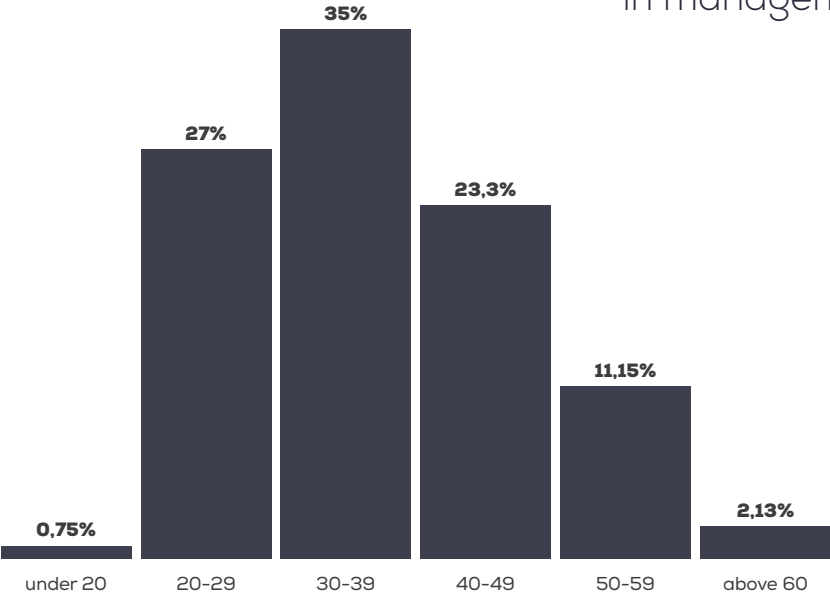
Data-based process analysis in HR management

Data-based process analysis is one of the noteworthy changes in the field of HR in 2024 – the introduction of BI dashboards transformed HR management as they enabled the real-time monitoring of fluctuation rates and developmental needs. These tools facilitate decision-making and strategic planning and enhance communication by visualizations. The People Operations team and the executives receive real-time relevant information that can be used to create action plans promptly, which include the analysis of recruitment, workers' performance and training data as well. Last year, the HRM module of the Nexon4 system with a new user interface was introduced, which provides the means for a more efficient and flexible register to facilitate data-driven decision-making. The number of digitizing equipment and automation devices continued to increase, which is also aimed at boosting efficiency, ensuring promptness and minimizing risks. The People Operations team's efforts on digitization are perfectly aligned with the digital signature project coordinated by the Legal Department. Although this novelty is in the testing phase, it is expected to accelerate the People Operations team's administrative processes to a great extent and therefore reduce the workload thereof.

1900
employees

36,7
average age

27%
women employees
in management



**The employees
of the
BioTechUSA**
Age distribution of the
employees

Employee health as high priority

Similarly to former years, the Group placed emphasis on the health of its employees in 2024 by a comprehensive health program in which all the measures were intended to foster the wellbeing and physical and mental harmony of the staff. The **employee wellbeing program** is a theoretical and practical course series to encourage lifestyle change and emphasize the importance of prevention. The online course materials were compiled by internal experts, therefore the course developing process also contributed to collaboration between related departments.

The health promotion initiatives also include regular screening examinations (HPV, PSA), vitamin distributions among employees in spring and autumn, arranging fruit days and first aid courses. The **encouragement of doing sport and physical exercise** is also a key element, employees appreciate the gyms at the Budapest headquarters and the Szada plant that are open around the clock. A lot of employees took the opportunity to participate in Maratonman running competitions free of charge and programmes organised by the Group, such as Power Challenge. Corporate football teams' pitch rentals are funded by the company, four of such groups have already been set up.

Community building

In 2024, community building, executive development and the improvement of internal communication came under scrutiny. Small scale events, such as dog workshop, Ultra-balaton and ugly sweater breakfast solidified the **cohesion of micro-communities**, so did large scale community building ones, for example Novemberfest. The events that were organized in line with the CSR strategy in 2024 (e.g. fairy tale mural painting, Budapest Bike Maffia sandwich making) **boosted team spirit** and the grassroots voluntary programs (e.g. shoebox donation) within the Group also achieved their goals.



"IN 2024, THE FOCUS WAS ON BUILDING COMMUNITY, DEVELOPING LEADERS AND IMPROVING INTERNAL COMMUNICATIONS."



Communities at regional plants were greatly impacted by the on-site visits of the management, which were aimed at fostering collaboration and improving technological expertise. The executive 360 assessment is a rarity, which provided executive leaders with anonymous feedback in order to develop their self-awareness and skillsets. The results are followed up by group courses and individual coaching sessions. Further indispensable calendar events of the BioTechUSA Group are two executive days and two corporate party events per year in summer and at Christmas time. Moreover, the company is a dog-friendly workplace, which is appreciated a lot by dog-owner employees.

The Group has set up its internal information dispensing People Portal, which facilitates the onboarding of new employees and serves as great resource for daily work in the long term. The portal contains regulations on successful operation, processes, internal news, events and information about corporate benefits and programmes.

People instead of HR – a new approach

The organizational transformation that commenced in the preceding year was continued in 2024. It entailed a significant change in the human resources approach of the BioTechUSA Group, in which HR is deliberately identified as People, since this term symbolizes the new approach and value system more expressively.

The difference between the terms Human Resources and People Operations is not only linguistic. Although both of them refer to human workforce management, their underlying philosophy and methodology differ substantially. The term HR is not negative by itself at all, however, it considers human workforce similar to other resources of the company such as financial or technological, and thus, in this context it emphasizes the importance of administrative tasks, recruitment, selection, training, payroll, performance review and legal compliance.

On the other hand, the **term People conveys a considerably more human-centered approach**, in which workers are not only resources, but individuals with personal goals, emotions and desires. The People-focused methodology esteems employees' wellbeing and development and centers around community building. People as a term has become more commonly used at progressive organizations, because it has been recognized that the motivational level and commitment of the employees have direct impact on corporate performance.

Those companies that value the wellbeing and satisfaction of their staff tend to be more successful at retaining talented employees and can utilize the creativity and innovation of their employees to a larger extent. This approach is more aligned with the inclusive and empathetic management styles of our time, which are better suited to the rapidly changing work environment, hence favoured by the BioTechUSA Group. A subsequent aim in the field is the enhancement of the business partner function of the People&Culture team in order that human resource and business strategies are more harmonized. The reconsideration of job specifications and responsibilities is about to be performed soon, so is the fine-tuning of the organizational structure, the redefinition of competencies and the provision of long-term, sustainable career paths.

The retention of the team is a strategic goal

The characteristics of the domestic labour market have posed gradually more significant challenges year by year to such evolving and expanding companies as the BioTechUSA Group. The company is proud that it could operate sustainably in 2024 **without interim workers and it managed to meet demand by using its own human resources**. The retention of employees, that is, the team is a highly prioritized strategic objective, especially in such an economic environment in which the competition to acquire talented workforce is so high.

The aforementioned strategic goal is not only relevant with regard to financial and organizational aspects, but it is of key importance to ensure the long-term success and competitiveness of the company. Stability, loyalty and the retention of expertise contribute to efficient operation, innovation and the creation of positive corporate culture. Consequently, the strategy aimed at retaining workers serves the interests of both the company and employees and it sustains continuous growth and development.

Plans for 2025 also include further advancement of the recruitment process and the related IT system, improvement of the candidate experience through transparency, consistency and professional communication. The diversification of recruitment tools by the adoption of new methodologies is also crucial. The analysis of trends may be assisted by continuous monitoring of recruitment data displayed on BI dashboards in order that processes could be adjusted even more precisely. More attention is going to be paid to the education and training of employees, overall workers' wellbeing programs, health promotion, work-life balance, family-friendly, flexible and inclusive work environment.



**"BIOTECHUSA MANAGED TO OPERATE
THROUGHOUT 2024 RELYING ONLY
ON ITS OWN HUMAN RESOURCES."**

The key to long-term success – employee education and development

The education of workers constitutes a crucial role in the long-term success of the company, because continuous improvement and knowledge expansion are inevitable in the rapidly changing economic and technological environment. The development of the team regarding their professional skills not only increases productivity, but it also facilitates the company's adaptation to new market challenges and innovative opportunities. Highly qualified workers also tend to be more self-confident and committed, which fosters their work satisfaction and loyalty, whereas gaining new knowledge and skills through education promotes career development within the company and it results in reducing fluctuation and boosting in-house mobility.

In line with earlier measures, the ongoing training strategy is to be continued in 2025 with a scope that covers indispensable professional courses for efficient work, and moreover, the improvement of the so-called soft skills – e.g. executive, communicative and collaborative skills – are also addressed.

New recruitment methodology, wage development, health and wellbeing programs for employees

The clearly defined goals for 2024 included the acceleration of the recruitment process besides the endeavour to improve its efficiency and the support of employee retention. The introduction of new methodologies (Assessment Center, panel interviews, trial days) greatly contributed to the modernization of recruitment, so did the visual and content-related redesign of job ads and the training of hiring managers and closer collaboration with recruiters. Furthermore, the application of new candidate seeking channels and internal recruitment resulted in cutting costs and attracting talented workforce.

Employee retention was improved by wage development aligned with market trends, employees' wellbeing programs such as the promotion of mental health and setting up gyms. The Group considered the adoption of agile recruitment models and transparent communication about candidates' requirements as key elements in tackling labour market challenges. These measures contributed to overcoming the adverse factors of the labour market and resulted in more efficient human resources management.

Legal department

The legal department tapped into the opportunities provided by advanced technologies in 2024. Consequently, it started to utilize the potentials of artificial intelligence by using it to summarize lengthy documents and translate specific legal texts, of which the experiences have been favourable so far.

An objective for 2025 is the integration of digital signature in the employment law processes. The company has already been involved in the initial testing phase of this endeavour. The ultimate goal is to integrate digital signature in all contracting processes of the company, which is expected to be facilitated by the launch of the Digital Citizenship Program (DÁP) as well.

AI, WEBSITE DEVELOPMENTS, IN-HOUSE DESIGN IN IT

In 2024, the IT team contributed to the success and growth of the Group by numerous developments, which also strengthened commitment to digitization and innovation. Accordingly, the team worked on the optimization of internal processes in order to make day-to-day business operations more efficient. Several successful websites were developed for the marketing and CSR departments, such as the BioTechUSA Group site, BioTechUSA for Health Award site, Virág Kiss Roadshow site, Back to the Gym campaign site, 'Quality We are Proud of' or the BioTechUSA Challenge landing site, which contributed to brand building and increasing customer experience beyond supporting marketing campaigns.

The team provided IT support with the introduction of the new loyalty scheme, which was launched successfully in multiple countries both online and offline, thus boosting customers' satisfaction and commitment. The B2B sales online store was upgraded considerably, the integration of several new countries was implemented, therefore B2B partners can place their online orders easily and quickly.

Significant updates were issued on the Shopify platform by the IT team that assisted the launch of in-store systems in a number of new countries, which greatly facilitated the international expansion of the BioTechUSA Group. Due to the introduction of the JIRA Service Management software, the inter-organizational requesting processes of the Group were optimized last year.

The IT team played its IT engineering part of the new bar production line and implemented numerous IT development projects that resulted in a safer network and the automation of various processes. The IT specialists of the company are currently working on a new field of innovative solutions, that is, AI-powered developments to increase the efficiency of work processes.

Besides all the above-mentioned, the IT department conducted an NIS2 compliance assessment in line with the legal requirements of the EU in order to comply with the directive and identify development opportunities. A detailed action plan is created and a two-year strategy is being worked out by the IT department in order that compliance with NIS2 is ensured uninterruptedly.

THE PLANS OF THE BIOTECHUSA GROUP FOR 2025

The first multilayer protein bar is expected to come off of the conveyor belt of the new production line as early as the second half of 2025, which will mark the pinnacle of a two-year long period of planning, implementation and development. The objective is to gradually increase the capacity and efficiency of the production equipment according to market demand. The planning phase of the extension of the social facility in the Szada plant is going to be implemented this year, in which a whole new floor is constructed in order to increase the area of changing rooms and the canteen so that a more pleasant work environment is provided. It is an important change that the company must comply with both the NIS2 and the ESG requirements from 2025 onwards. The first audit is scheduled for 2026 with regard to the operation in 2025.

The BioTechUSA Group strives to level up at each stage of the supply chain besides retaining sustainability and financial stability in order that its domestic market leader positions in the dietary supplements sector are maintained and the dynamic international expansion is continued. The target destinations for further franchise expansion are mainly France, Spain, Italy and Germany. Technological and product developments are scheduled to progress and the omnichannel sales strategy may rely on the redesigned e-commerce platforms to a larger extent. Sustainability is going to be even more relevant; on the one hand, production is expected to be more energy efficient in Szada and Dunakeszi as well due to the installation of solar PV systems at both plants, and on the other hand, manufacturing technology has responded well to customers' expectations regarding eco-friendliness. A new chapter is about to be commenced by the optimization of supply chain and logistics processes, as well as more emphasis will be placed on further marketing activities, brand building and the expansion of global and influencer partnerships.

'We have grasped a lot from experiencing that achieving the same level of earlier accomplishment required much more effort. Consequently, we have become vigorous to utilize the potential opportunities of the anticipated economic upturn in 2025 and 2026 following a period of modest growth.'



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