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BSF Enterprise PLC
15 February 2024

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BSF Enterprise PLC
("BSF" or the "Company")

Strategic Update

BSF (LSE: BSFA), (OTCQB: BSFAF), the Main Market listed biotech company and owner of pioneering UK-based tissue engineering company 3D Bio-Tissues (3DBT) and corneal tissue replacement company Kerato, provides an update on the structure and strategic priorities of its portfolio for the coming months.

BSF Strategy

BSF's core strategy is to drive the development of lab-grown tissues, through acquiring, investing in, or developing joint ventures with the most promising companies from across the industry. In doing so BSF intends to create an environment in which its portfolio of companies can flourish and collaborate, thereby accelerating their progress, potential and time to market.

To best achieve this, BSF's near term strategy is to ensure the different companies under its umbrella can operate fully independently, each in possession of its own intellectual property, business model, CEO, management team, staff and accounting function.

This extra layer at the enterprise level will allow for a dedicated focus on each individual subsidiary, leading to much greater efficiencies. Management teams for each subsidiary will also be fully accountable for executing their business models. Crucially, it will also provide for more flexible funding options with the ability for investors or partners to fund an individual subsidiary. This will enable the individual companies to secure funds as and when required without diluting shareholders of BSF.

Currently BSF has four subsidiaries under its umbrella. These are the tissue engineering company, 3DBT; corneal tissue replacement company, Kerato; BSF Enterprise (Hong Kong) and cultivated meat manufacturing joint venture, Cultivated Meat Technologies Ltd (CMT). 3DBT, Kerato and BSF Enterprise (Hong Kong) are all 100% owned by BSF while CMT is a joint venture with bioprocessing company, CellulaRevolution Ltd (CellRev), and is 50% owned by BSF.

Within the next six months BSF will seek to separate its cultivated leather business into a subsidiary company, Lab-Grown Leather Limited. The production of cultivated leather is a different process from that of cultivated meat and the markets for each product are highly distinct. Creating an independent company for BSF's cultivated leather offering will be essential in ensuring opportunities are maximised.

This will result in five distinct subsidiaries, and these can be seen in the table below and on the BSF website at: http://bsfenterprise.com/wp-content/uploads/2024/02/110124-BSF-Group-Structure.pdf

BSF Enterprise PLC				
3DBT	**Kerato**	**BSF Enterprise Hong Kong**	**CMT**	**Lab-Grown Leather Limited***
100% owned	100% owned	100% owned	50% owned	100% owned

*To be established within the coming six months

3DBT Update

3DBT has made considerable progress in streamlining its City-Mix™ manufacturing, packaging, and distribution processes, aiming at increasing operational efficiency and reducing running costs. City-Mix™ manufacturing capacity remains on schedule to reach 12,500L per annum by 2025.

3DBT's flagship City-Mix™ cell-boosting product is currently being tested by an extensive number of potential customers including cultivated meat companies, universities and biotech businesses. Evaluations can take time due to the complexities around specific formulations but the results to date have been overwhelmingly positive, helping companies reduce their growth factor costs by up to 75%. Several evaluations are near completion, with sales orders expected. The Company is confident of significant growth for City-Mix™ in the long term and the opportunity to form robust commercial partnerships with both manufacturers and retailers.

There are multiple applications for City-Mix™ and the product is available in a variety of formulations and bio-types appropriate to each. An image of the City-Mix™ test kit can be viewed on the BSF website at the following location: http://bsfenterprise.com/wp-content/uploads/2024/02/20240214-Sample-Pack-scaled.jpg

Kerato Update

BSF's 100% owned Kerato was recently established as an independent company to commercialise 3DBT's advanced intellectual property in lab-grown human corneal products and accelerate the progression toward clinical trials. Two applications are being developed, an Implantable Medical Device and an Ocular Toxicity Testing Platform, which will be launched in 2028 and 2026, respectively.

Kerato has a dedicated commercial team and has recently appointed a Managing Director to oversee the development of product offerings and the execution of the sales strategy. This has already led to a collaboration with a major US consumer goods company, with which the diverse applications of lab-grown corneas are being explored.

BSF Enterprise (Hong Kong) Ltd (BSF HK) Update

BSF HK has been formed as a separate entity to establish a presence in Hong Kong and develop a distribution network in the Greater China market, which accounts for over a quarter of global meat consumption.

BSF HK is currently in discussions with numerous investors in the region regarding the use of BSF's technologies in new meat processing plants. BSF HK is also engaging with cultivated meat companies and biotech companies working in cultivated meat production, gene therapy, and regenerative medicine and Life Sciences. The Chinese Bio-Pharmaceutical industry is substantial and rapidly growing having increased from US$3 billion in 2016 to US$380 billion in 2021.

CMT Update

In the prior quarter BSF formed Cultivated Meat Technologies Ltd (CMT) a Joint Venture with CellulaRevolution Ltd (CellRev) aimed at solving critical issues in the cultured meat industry including production at scale and at a cost that can compete with traditional meat products.

CMT will combine CellRev's bioprocessing expertise with 3DBT's City-Mix™ animal-free cell culture supplement to the market with a premier manufacturing platform with harmonised technology processes, licensing agreements, and strategic partnerships.

The formalities of establishing the JV are being finalised this month and the parties are forming a working group to set a clear strategy for the short to medium term. Further updates will be forthcoming.

Lab-Grown Leather Limited

BSF is in the process of establishing a further subsidiary company, Lab-Grown Leather Limited, expected to be completed in H2 2024. The new company will help in scaling up technical development and operational sales of its animal skin products, in order to meet the substantial market opportunity. The leather goods market is currently valued at $253 billion in 2023 and is forecast to grow to $405 billion by 2030.

BSF is currently in the process of hiring a dedicated CEO and management team for Lab-Grown Leather Limited, alongside partners to finance the new business. Commercial progress is already being made with BSF's leather offerings, having already engaged with several companies within the leather industry in the UK and abroad, establishing Proof of Concept (PoC) contacts. The Company is also in the process of building a leather tanning capability within its laboratory at Newcastle

Che Connon, Managing Director of BSF Enterprise and CEO of 3DBT, commented: "Today's announcement aims to provide an update on the strategic direction and development of the BSF Enterprise portfolio for investors. In recent months, the Company has been focused on developing a suite of subsidiary companies and growing specific teams of industry experts and management professionals to lead these companies."

"This is important, given the intricacies of each target market, and will allow each subsidiary to execute its own business model, accelerate the technical progress of its own products and develop its own commercial partnerships. We look forward to providing investors with updates on the technical, operational and commercial progress of each company throughout the year."

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Notes to Editors
BSF Enterprise PLC (BSF) is focused on unlocking the next generation of biotechnological solutions - using cell-based tissue engineering to help generate cultured meat, lab-grown leather, as well as human corneas, collagen growth and skin substitutes, as part of a radical transformation to deliver sustainable solutions across a variety of sectors.

It owns 100% of 3D Bio-Tissues (3DBT), a tissue engineering with patent-protected IP that is already producing human corneas for testing to help restore vision to millions of people. Building on this success, it aims to produce the UK's first high quality lab-grown meat and leather from its laboratory in Newcastle, transforming the meat-production industry and the leather industry towards an ethical and sustainable practice.

BSF aims to deliver growth to shareholders through the continued commercialisation of 3DBT's IP, which has multiple applications, as well as through M&A. It aims to acquire a suite of technologies that underpins the development of tissue templating for corneas, meat and leather, and license out the IP to manufacturers, wholesalers and distributors to help manufacture the products at scale.

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