

17 August 2026

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

Lab-Grown Leather for Ultra-Luxury Automotive & Advanced Robotics Skin

BSF Enterprise Plc (LSE: BSFA), (OTCQB: BSFAF), the biotechnology company focused on tissue engineering, lab-grown materials and bioactive solutions, is pleased to announce that it has executed a Heads of Terms where certain provisions are legally binding, establishing a Strategic Partnership with SCHAKAU Managementberatung GmbH ("SCHAKAU").

The partnership establishes a targeted commercial framework focused on two high-value growth pillars:

1. **Luxury Automotive & Bespoke Materials:** Rapid commercialisation of BSF's Lab-Grown Leather portfolio (including the T-Rex Leather™ concept) across bespoke, ultra-luxury programs with leading European automotive manufacturers.
2. **Robotics Skin & Biological Human Interface Technologies:** Industrial adoption of BSF's bio-engineered human skin equivalents and biological interface materials for humanoid and industrial robotics applications.

Key Highlights:

- **Direct Access to Leading European Luxury Automotive OEMs and Tier-1 Decision-Makers:** Establishes direct commercial conduits into ultra luxury vehicle manufacturers and specialised automotive engineering programs, targeting immediate 1-of-1 bespoke interior accents and trim applications.
- **Next-Generation Robotics Interfaces:** Leverages 3D Bio-Tissues' proprietary tissue-scaffolding technology to supply bio-engineered human skin equivalents as biological surface layers for humanoid and industrial robotic systems.
- **Performance-Aligned 6-Year Commercial Model:** The agreed commercial framework provides for a revenue share on SCHAKAU-originated programmes. Pre-SOP commercial revenues participate in the revenue share upon receipt but do not commence the six-year period. Following First Commercial Production, the baseline revenue-share percentage per program (as agreed at that time) applies in full for Years 1-3, reducing to 50% of that percentage for Years 4-6, after which the revenue share ceases.
- **Performance-Based Equity Incentives:** The commercial framework contemplates a milestone-based equity and option programme, with any option or warrant vesting being 100% performance-contingent against defined commercial milestones
- **Strategic Capital Introduction Framework:** Capital introduced by SCHAKAU attracts a success fee of 5% up to £10m, 4% from £10m-£25m, 3% from £25m-£50m and 2% above £50m, payable in cash or equity on completion.
- **100% IP Ownership Retained** BSF (via subsidiaries 3D Bio-Tissues Ltd and Lab-Grown Leather Ltd) retains absolute, 100% ownership of all underlying patents, scaffolds, trade secrets, and cell-manufacturing workflows.

- **Opportunity-Specific Exclusivity:** SCHAKAU will have exclusivity in respect of commercial opportunities introduced by it and acknowledged or deemed acknowledged under the Heads of Terms, subject to agreed protections for BSF's pre-existing relationships and an inactivity mechanism allowing BSF to withdraw exclusivity from a specific target following 180 consecutive days without substantive commercial interaction.

Pillar 1: Luxury Automotive & OEM Expansion

Through SCHAKAU's established industry network, BSF is positioning its Lab-Grown Leather (LGL) platform directly within the ultra-premium automotive sector. Initial commercialisation will focus on high-margin, bespoke interior trim, steering elements, and luxury accents (under BSF's proprietary T-Rex Leather™ hallmark).

This bespoke approach enables BSF to generate early commercial traction and high-margin product revenue without requiring immediate large-scale industrial manufacturing infrastructure, while establishing direct relationships with key design and materials decision-makers at tier-1 automotive brands.

Pillar 2: Biological Human Interface Technologies for Robotics

Extending from 3D Bio-Tissues' core tissue-engineering capabilities - previously demonstrated through its continuous tissue-scaffolding production workflows - BSF is advancing its technology into the rapidly emerging robotics sector.

As humanoid and specialised robotics progress toward complex industrial and domestic environments, traditional synthetic outer layers present performance limitations. BSF's platform enables the production of bio-engineered human skin equivalents-advanced biological surface layers designed to provide natural flexibility, structural compatibility, and seamless bio-interface integration.

By applying tissue engineering at scale, BSF aims to establish its biological materials as a premier surface interface option for global robotics OEMs seeking advanced biological material integration.

Commercial Milestones

The Heads of Terms establish performance milestones targeting a binding MOU for the development or licensing of Lab-Grown Leather products during September to December 2026 and a binding MOU with a Tier-1 partner for Robotics Skin / Biological Interface development during September 2026 to January 2027.

Executive Commentary

Che Connon, Chief Executive Officer of BSF Enterprise PLC, commented:

"This strategic partnership represents a significant step in converting our platform science into high-value commercial channels. Entering the ultra-luxury automotive sector gives us direct communication with decision-makers who define luxury craftsmanship, allowing us to commercialise our lab-grown leather in bespoke vehicle programs."

"Simultaneously, extending our tissue-scaffolding technology into biological interface materials for robotics opens a vast new market opportunity. By applying our expertise in bio-engineered human skin equivalents, we are positioning BSF at the intersection of biotechnology and advanced robotics. We have built a commercial framework that protects our IP while giving our partner every incentive to secure major OEM contracts."

Nico Schakau, Managing Director of SCHAKAU Managementberatung GmbH, added:

"For more than two decades, we have worked at the intersection of engineering, advanced materials and the automotive industry. But some ideas have the potential to reach far beyond the industries in which they begin.

We believe biological materials could fundamentally change the way humans and machines interact. As humanoid robotics becomes part of our everyday world, the interface between human and machine will matter just as much as the intelligence within it. Tissue engineering opens the door to an entirely new generation of biological interfaces - more natural, more adaptive and ultimately more human.

Lab-grown leather gives us an extraordinary opportunity to demonstrate what this technology can achieve today. Robotics gives us a glimpse of what it could become tomorrow."

This announcement contains inside information for the purposes of Article 7 of Regulation 2014/596/EU which is part of domestic UK law pursuant to the Market Abuse (Amendment) (EU Exit) regulations (SI 2019/310).

Engage with the BSF Enterprise management team directly by asking questions, watching video summaries and seeing what other shareholders have to say. Navigate to our Interactive Investor website here: <https://bsfenterprise.com/link/PB5O7r>

For further enquiries, please visit www.bsfenterprise.com or contact:

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