

BioHarvest Sciences Inc. Announces a Private Placement of up to USD \$5 Million of Convertible Notes to Finance Production Facilities and Scaling of Core Business

Vancouver, British Columbia and Rehovot, Israel--(Newsfile Corp. - April 7, 2022) - BioHarvest Sciences Inc. (CSE: BHSC) (OTC:CNVCF) (FSE: 8MV) ("BioHarvest" or the "Company") announced today a financing plan based on a private placement of up to USD \$5 Million (approximately \$6.3 Million CAD). The funds raised will allow the Company to accelerate the growth plan for its polyphenols/antioxidants and Cannabis verticals.

On [March 23, 2021](#), BHSC announced the completion of the Company's Cannabis R&D program, marking the start of the proposed transition to commercial scale manufacturing. BioHarvest plans to bring its first Cannabis products to market in 2022 and will be converting the current VINIA® 2 tons/year facility in Rehovot, Israel to produce Cannabis. This is happening in conjunction with the transition of all VINIA ® manufacturing to the new 20 tons/year facility in Yavneh, Israel, which will provide the required VINIA ® production capacity to scale VINIA® sales in the US. The transition to Cannabis manufacturing in Israel, combined with the planned incremental marketing spend for VINIA® in the USA, requires additional financing which the Company will seek to raise by issuing up to \$5 Million USD of Convertible Notes (the "Notes").

The Notes which will be denominated in Canadian Dollars, will have a term of 24 months, and pay interest of 6% per annum. The Notes will be convertible as to principal and accrued interest, at the option of the holder, at any time following one year from their issuance (the "Anniversary Date") into common shares of the company at a price equal to the closing market price of the Company's common shares on the date of conversion (the "(Closing Price") less a discount of 25% if the closing price is \$0.50 per share or less and 20% if the closing price is above \$0.51 but in any event not less than \$0.26 per share (the "Floor Price") and not higher than a ceiling price (the "Ceiling Price") equal to \$0.65 if converted within 90 days of the Anniversary Date, \$0.75 if converted between 91 and 180 days of the Anniversary Date, \$0.85 if converted between 181 and 270 days of the Anniversary Date and \$0.95 thereafter.

The Company will have the Option on 30 days notice to redeem all or any part of the Notes for the principal amount outstanding plus accrued interest at any time if either of the following conditions are met:

- a) The common shares of the company are listed on a more senior Stock Exchange (the Toronto Stock Exchange, Nasdaq Capital or Global Markets or any market of the New York Stock Exchange.)
- b) the Company completes debt or equity financings for gross proceeds in excess of \$10 Million USD following the issuance of the Notes.

In the event that the Company issues a Notice of Redemption prior to the Anniversary Date the amount of principal redeemed, and accrued interest on it, will be immediately convertible at the option of the holder.

The company may pay customary commissions or other sales incentives to registered brokers or investment dealers or finders (where permitted by law).

Beside ongoing and customary liabilities to suppliers and employees, currently the Company has no outstanding debt.

Ilan Sobel, CEO, states "*Our unprecedented achievements to date in the development and*

commercialization of our proprietary platform technology presents an opportunity for investors to enjoy the expected success of the Company as it scales its operations for both business verticals. Our leadership in plant cellular biology, our wealth of IP and our operational performance convince us that the current share price of BHSC, which has also been impacted by geopolitical uncertainties, undervalues the Company. By opting for a convertible loan instrument with conversion deferred for one year we avoid dilution at current share price. This USD \$5 Million financing gives us the required marketing resources to accelerate the building of our VINIA® revenue and customer base as well as provide the capital needed to commence Cannabis production in Israel in H2, both of which are major 2022 priorities which will significantly increase the enterprise value."

Q1 2022 Shareholder Update

BioHarvest invites all interested investors and media to our next Shareholders Update, to be held at 11 am PDT, April 7th, 2022. The online meeting will be hosted by CEO Ilan Sobel and will feature a live Q&A session. Free registration to the event is available here: <https://app.livestorm.co/st-financial/q1-2022-bioharvest-sciences-shareholder-update?type=detailed>.

This news release is provided for information purposes only and it is not an offer for sale or solicitation of an offer to purchase securities of the Company in any United States jurisdiction or any other jurisdiction where prohibited by law. The company's proposed private placement will only be available to qualified investors.

About BioHarvest Sciences Inc.

BioHarvest Sciences Inc. (CSE: BHSC) is a fast-growing Biotech firm listed on the Canadian Securities Exchange. BioHarvest has developed a patented bio-cell growth platform technology capable of growing the active and beneficial ingredients in fruit and plants, at industrial scale, without the need to grow the plant itself. This technology is economical, ensures consistency, and avoids the negative environmental impacts associated with traditional agriculture. BioHarvest is currently focused on nutraceuticals and the medicinal cannabis markets. Visit: www.bioharvest.com.

BioHarvest Sciences Inc.

Ilan Sobel, Chief Executive Officer

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Forward-Looking Statements

Information set forth in this news release might include forward-looking statements that are based on management's current estimates, beliefs, intentions, and expectations, and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. There is no assurance that we will achieve our objective of making our products available in multiple markets. There is no assurance that the Company will be successful in expanding its technology to broader medical applications or conduct clinical trials to validate the efficacy of the Company's products for new forms of medical treatments. Clinical trials are subject to risks of significant cost overruns and lengthy delays with no assurance they will confirm desired results. Even where desired results are obtained government approvals for treatments take

considerable time and cannot be guaranteed. There is no assurance the BioFarming technology will make a significant impact on multiple verticals of life -science based businesses in general or in the bio-space industry. There is no assurance that we will achieve our objective of being a leading supplier of Cannabis. Delays and cost overruns may result in delays achieving our objectives obtaining market acceptance and regulatory approvals for geographic expansion is subject to risk and cannot be guaranteed. Projected sales of Cannabis will require the company to obtain production and / or export licensing which cannot be assured.

In particular there is no assurance the company will obtain a production license or bring its first Cannabis products to market in 2022 or be successful in completing the proposed or subsequent financing or its common shares be listed on a more senior stock exchange.

All forward-looking statements are inherently uncertain and actual results may be affected by a number of material factors beyond our control. Readers should not place undue reliance on forward-looking statements. BHSC does not intend to update forward-looking statement disclosures other than through our regular management discussion and analysis disclosures.

Neither the Canadian Securities Exchange nor its Regulation Services Provider accept responsibility for the adequacy or accuracy of this release.



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