

BioHarvest Sciences Inc. Reports Strong Q2 2022 Results with Major Achievements on All Fronts

- **VINIA® sales orders reached a record high of USD 947k representing 99% growth compared to Q2 2021 and 24% growth compared to Q1 2022**
- **BioHarvest reiterates guidance for year-on-year sales orders growth of 2.5-3.5X to reach USD 5M - 7M**
- **Started production of VINIA® at new 20 tons/year facility enabling the scaling of VINIA® sales and conversion of current 2 tons/year facility to Cannabis**
- **Applied for the Cannabis production license in Israel**
- **Unveiled the profile of its unique Cannabis composition triggering serious partnership discussions with several Cannabis Multi State Operators (MSO's) in the US**

Vancouver, British Columbia and Rehovot, Israel--(Newsfile Corp. - July 5, 2022) - [BioHarvest Sciences Inc.](#) (CSE: BHSC) (OTC PINK: CNVCF) (FSE: 8MV) ("BioHarvest" or "the Company") today announced Q2 2022 sales orders of its flagship VINIA® product reached a record high of USD 947k, representing 99% growth compared to the same quarter of last year and 24% growth compared to Q1 2022.

BioHarvest also had a strong quarter in R&D execution, highlighted by a May 12th announcement unveiling the profile of its unique Cannabis biomass composition produced in large-scale industrial bioreactors. BioHarvest also applied for a Cannabis production license in Israel. This quarter also saw the transition to the new 20Tons/year VINIA® facility in Yavneh, Israel which will enable the further scaling of the VINIA® business in the US in H2, 2022 and will deliver significant cost reductions over the next 12 months.

"Our strong Q2 results demonstrate our consistent growth and represent a validation of our major assumptions and performance so far," said CEO Ilan Sobel. *"BioHarvest's strategy of growth remains well intact and its performance on all fronts validates its leadership in plant-based bio-technology."*

Q2 sales orders in the US reached USD 376k (representing 460% growth over Q2 2021 and 21% growth over Q1 2022). The US sales metrics were extremely healthy and demonstrate steady improvement. For example, customer Average Revenue per Unit for the last 6 months was USD 229 compared to over the last 12 months at USD 198. The percentage of 3 month or greater subscriptions increased from 56% of the subscription mix in Q1, 2021 to 76% for Q2, 2022. In addition, VINIA® continues to achieve a best-in class verified customer rating of 4.8 out of 5 with over 700 verified reviews, demonstrating a high level of customer satisfaction. These strong results were delivered through the 2nd quarter as the Company continued to manage US VINIA® sales orders in line with production capacity constraints, which will be further alleviated early in the 2nd half of 2022 with the increased manufacturing scale of the new 20 ton/year facility, enabling increased inventory to flow through to the US market.

The Israeli market continued to demonstrate increased consumer adoption of VINIA® and delivered USD 571k (39% growth over Q1 2021 and 26% growth from Q1 2022). Total Customers in Israel grew at a record 51% in Q2 2022 over Q1 2022. It is also noteworthy that June saw the highest ever "average spend per order" of USD 203.

The second half of the 2022 marketing plan includes the addition of influencer endorsements, customer referral programs and affiliate programs as well as a focused approach addressing key lucrative market segments such as the Christian evangelical market. Given the above marketing activity, B2B pipeline opportunities and the release of the VINIA® manufacturing bottle neck, the Company is reiterating its

2022 sales orders guidance of USD 5M-7M representing a 2.5-3.5X growth over 2021.

"I look back with satisfaction at our achievements in H1 2022 and look forward with enthusiasm to H2 2022. The accomplishments of H1 2022 give me the confidence in delivering strong results in H2 2022 and to continue to fuel our growth engines, as I have articulated consistently several times to the market and to our investors." Sobel said. "I am equally satisfied and enthusiastic for how the unique, highly differentiated composition of our Cannabis is opening the doors for the partnership discussions with Multi State Operators in the US."

Q2 2022 Shareholder Update

BioHarvest invites all interested investors and media to the Q2 BioHarvest Shareholder Update at 2PM EST July 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/q2-2022-bioharvest-sciences-shareholder-update?type=detailed>

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.

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Forward-Looking Statements

Information set forth in this news release includes 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 strong sales metrics experienced to date will result in future demand or that proposed additional marketing expenditures will result in increased sales. Markets for nutraceuticals are unpredictable and subject to changes in consumer tastes and trends as well as economic factors beyond our control. Delays and cost overruns may result in delays achieving our objectives obtaining market acceptance, and regulatory approvals for geographic expansion are subject to risk and cannot be guaranteed. There is no assurance that the Company sales revenue for 2022 will reach USD 5 to 7 million and there is no assurance that the Company cash flow breaking point will be achieved in 2023. There is no assurance of commercial availability of our Cannabis product in 2022 or that the Company achieves the conversion of the two tons VINIA® facility to Cannabis production in 2022. These things are subject to construction and approval delays and uncertainties that may be beyond the control of BioHarvest. Projected sales of Cannabis will

require the Company to obtain production and/or export licensing which cannot be assured.

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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