

# BioHarvest Reports Q1 2023 Results Demonstrating Strong Year Over Year Growth

- VINIA® revenues grew 209% compared to Q1 2022 to reach USD 2.2 M
- Reiterating guidance for year-on-year revenue growth of 3 X to reach USD 17M+
- Gross margins continue to improve towards target required to achieve projected cash flow break even in Q4 2023.
- Reduction in marketing expenses as percentage of revenue demonstrating improved sales efficiency

Vancouver, British Columbia and Rehovot, Israel--(Newsfile Corp. - May 31, 2023) - [BioHarvest Sciences Inc.](#) (CSE: BHSC) (OTCQB: CNVCF) (FSE: 8MV) ("BioHarvest" or "the Company") announces that it has released Q1 2023 results. Revenue of its flagship VINIA® product reached USD 2.2M, representing 209% growth compared to the same quarter of last year. Net loss for the quarter was USD 752K (includes USD 1.9M nonrecurring amount)\*, compared to USD 2.13M in Q1 2022. The Company is reiterating both its announced revenue guidance of USD 17M+ for the year, and that it is targeting to be cash flow "break-even" by Q4 of this year. The Company has already successfully completed a large proportion of its required fundraising activities and is forecasting that the current financing round will fund all operations until the Company reaches the target of financial independence by year end.

BioHarvest has focused for the first half of this year on the improvement in production yield and driving a reduction in the cost of goods despite major supply chain inflationary cost pressures. Gross margins in Q1 2023 increased to 37%, from 26% in Q1 2022, representing an improvement of 42%. The Company is focused on the continued improvement of gross profit margins with increased manufacturing scale, on the introduction of new drying technologies to optimize yield levels, and on implementing additional cost reduction measures.

The increase in the number of new customers driven by the health benefits that VINIA® delivers is an assurance of the ability of the business to grow further and achieve the scale required for profitability. VINIA® sales metrics continue to improve and increased marketing efficiency has been achieved in Q1. Cost of customer acquisition in Q1 2023 declined by 13% compared to Q1 2022, further demonstrating the power of the VINIA® brand. VINIA® continues to achieve a best-in-class verified customer rating of 4.7 out of 5 with over 2,200 verified reviews, demonstrating its significant positive impact to consumers' lives.

The company plans to introduce new products such as VINIA® Functional Coffee by year end which will not only fuel revenue growth but would also further increase production and marketing efficiency.

*"I am proud of our Q1 results", stated CEO Ilan Sobel, adding "We made some tough decisions in Q1 which aimed at building a healthy and profitable business. I strongly believe that the renewed focus resulting from these decisions is paying off and is yielding the desired results both in growth and ultimately in near term profitability. Our activities across all departments are flexing our biotech muscles and are demonstrating the power of our technology platform. I look forward to the upcoming months, where our shareholder partners will see the continued demonstration of this progress."*

The Company will hold a LVE Shareholder presentation on June 22<sup>nd</sup> at 2pm Eastern Time. The interactive meeting will include a discussion of the 1<sup>st</sup> quarter results, an update on marketing and new product activities, and a Q+A session with Dr Brian Cornblatt. All interested media and investors are welcome to register here: [https://us02web.zoom.us/webinar/register/WN\\_48UxbdppR5GfBHwGnKyCgg](https://us02web.zoom.us/webinar/register/WN_48UxbdppR5GfBHwGnKyCgg)

\*Note: The USD 1.9M reduction in the net loss reported for Q1 is due to a fair value adjustment of derivative liability related to a convertible loan. This accounting line item had zero impact on cash flow.

## About BioHarvest Sciences

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 an industrial scale, without the need to grow the plant itself. BioHarvest is currently focused on leveraging its botanical synthesis technology to develop the next generation of science-based and clinically proven therapeutic solutions, within two major business verticals - nutraceutical health and wellness products such as dietary supplements, and development of plant cell-based Active Pharmaceutical Ingredients (API's) that focus on specific medical indications.

### 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. Launching new products is subject to risks and uncertainties including the risk that the market will not accept the product or that government approvals required for sale or import of the products will not be obtained. There is no assurance that the Company will reach break-even cash flow by Q4 2023, as that is dependent on a combination of factors such as supply chain efficiencies, input cost stability, marketing efficiencies and uncertain consumer preferences.

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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