

BioHarvest Sciences Reports Q2 2023 Results Demonstrating Continued Growth Momentum

- Q2 VINIA® revenues of USD 2.75M represent growth of 228% compared to Q2 2022 and 27% compared to Q1 2023
- Year over Year Q2 VINIA total active subscriber count grew by 620%
- Consumer average rating of 4.8/5 sets VINIA as a leader in the category
- Q3 2023 revenue range guidance of USD 3M - 3.5M

Vancouver, British Columbia and Rehovot, Israel--(Newsfile Corp. - August 30, 2023) - **BioHarvest Sciences Inc, (CSE: BHSC) (OTCQB: CNVCF) (FSE: 8MV)** ("BioHarvest" or "the Company") announces that it has released Q2 2023 results. Revenue of its flagship VINIA® product reached USD 2.75M, representing 228% growth compared to the same quarter of last year and 27% growth compared to Q1 2023.

BioHarvest has focused the first half of 2023 on the actions required to increase VINIA® production capacity to meet growing market demand. While revenues are still constrained by production capacity, the measures undertaken thus far in 2023 and the imminent installation of recently acquired drying equipment point to achieving full factory capacity in early 2024. Gross product margins in Q2 2023 increased to 40% (compared to 12% in Q2 2022) and margins are expected to continue to climb as production continues to scale.

The increase in the number of both new customers and total subscribers demonstrates the power of a recurring revenue model that will allow the business to accelerate revenue growth and to achieve the scale required for profitability. As of the end of Q2, total active VINIA® subscribers had increased by a 620% increase over the active subscribers in Q2 2022. 85% of the current customer base are subscribers, with 95% of those on subscriptions of 3 months or more, and 26% being 6 months or more. This rapid growth in recurring income is reflected in quarterly growth rates as well, with the Q2 active total subscribers seeing an increase of 27% over Q1 2023. VINIA® sales metrics continue to improve as marketing efficiency increases, as evidenced by cost of customer acquisition in Q2 2023 declining by 62% compared to Q2 2022, further demonstrating the power of the VINIA® brand. VINIA® continues to achieve a best-in-class verified customer rating of 4.8 out of 5 with over 2,600 verified reviews, demonstrating its significant positive impact on consumers' lives.

Net loss per share for the quarter was 0.6 cents USD per share, for a total of USD 2.85M. Based on the projected revenue growth rate and plans for increased VINIA production, the company is targeting cash flow break even in late 2023, and profitability in early 2024.

"Our Q2 revenues demonstrate strong momentum that has continued into this current quarter", stated CEO Ilan Sobel, adding "the growth we are experiencing gets us closer to the scale required to build a healthy and profitable business. We are focused on achieving the production capacity that allows us to meet the growing demand for VINIA® and for the introduction of new products. I look forward to our shareholder presentation to share with you the progress we have made and the exciting new products we are bringing to market in the near term."

The Company will hold a LIVE Shareholder presentation on September 6th at 2:30pm Eastern Time. The interactive meeting will include a discussion of the 2nd quarter results and an update on new product initiatives. All interested media and investors are welcome to register here:

https://us02web.zoom.us/webinar/register/WN_-GLrw-xJRq-QltHf6Hvnyg

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.

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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. Break even and profitability dates are estimates and there is no assurance they will occur when estimated as the timing is dependent on consumer acceptance and cost stability and other factors beyond company control.

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.

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