

BioHarvest Issues 2023 Year End Shareholder Letter and Provides Corporate Update

Vancouver, British Columbia and Rehovot, Israel--(Newsfile Corp. - January 8, 2024) - [BioHarvest Sciences Inc.](#), (CSE: BHSC) (OTCQB: CNVCF) (FSE: 8MV) ("BioHarvest" or "the Company"), a pioneer in Botanical Synthesis technology that grows active Phyto-nutrient compositions without growing the plant, has issued a letter to shareholder partners from Chief Executive Officer, Ilan Sobel.

Dear Fellow Shareholder Partners,

2023 marked a pivotal year for BioHarvest, highlighted by robust revenue growth, gross margin expansion and the launch of incremental product lines that will most efficiently monetize our patented Botanical Synthesis technology platform.

Ultimately, last year was one of operational execution and foundation building. I would like to take this opportunity to walk my fellow shareholder partners through our important milestone achievements in the past year, as well as our expected growth catalysts as we move through 2024 and beyond.

Our Botanical Synthesis Technology Represents a Generational Opportunity

Our Botanical Synthesis technology platform is at the heart of everything we do. Made possible by a talented team of scientists in our facility in Israel, our ability to optimize the industrial-scale production of active Phyto-nutrient compositions - without the need to grow the underlying plant - is revolutionary and makes BioHarvest a clear pioneer in the industry. This innovation is what led to our flagship, grape-derived product, [VINIA®](#) - a nutraceutical product that has transformed tens of thousands of lives around the world.

Our first product, VINIA®, is expected to drive record 2023 revenues of at least \$12.4 million, which represents growth of at least 125% when compared to revenues of \$5.5 million in 2022 (Final audited revenue numbers will be shared in our Q4 earnings, to be released by March 29, 2024).

We believe that this single product line showcases the power of our platform and is just the beginning. Our technology platform has much broader applications that enable us to establish clear business pillars in the areas of food nutrition, nutraceuticals, cosmeceuticals, and pharmaceuticals - addressing key unmet consumer needs. Looking ahead, we will advance commercial initiatives in each of these areas in a capital-efficient manner, all while concurrently diversifying our business and monetizing our technology platform.

In the short-term, we are building upon the solid foundation validated through the commercial success of VINIA® to explore highly differentiated nutraceutical products using olive and pomegranate cells - each bringing a unique suite of health benefits that are incremental to our existing VINIA® product line. We anticipate bringing an olive-derived product to the market in the second half of 2024, targeting liver and joint health.

Robust Revenue Growth Reflects Clear Market Acceptance of VINIA®

Our VINIA® product line has built a strong brand reputation and active following, garnering attention from both traditional media and social media. Our growing customer satisfaction (as shown in the outstanding 4.8/5 average rating and over 3,500 verified online reviews) coupled with positive feedback from healthcare professionals validates our Botanical Synthesis platform and underscores the efficacy of VINIA®.

This market acceptance boosts our brand reputation and sets the stage for new "VINIA® inside" products, such as the recent December 2023 launch of functional coffee, and the expected 2024

introduction of hydration beverages with electrolytes and protein bars. To further enhance growth, we will expand geographically into the Canadian market where we recently received regulatory approval, with additional regulatory efforts underway in Europe and China.

Operational Efficiencies Drive Clear Path to Profitability in 2024

Throughout the year, we executed on several strategic initiatives, all with the goal of growing sales and achieving profitability in 2024. These initiatives included a rigorous focus on operational efficiencies, the introduction of software to streamline operations, reduced customer acquisition costs and gross margin improvements.

As we continue to scale VINIA® production to meet demand, our focus must remain on optimizing our manufacturing operations and achieving operational excellence at every turn. To that end, we appointed Dr. Ilana Belzer as our new Chief Operations Officer, who conducted a thorough operational review to streamline processes and implement prudent cost management procedures throughout the organization. These initiatives contributed to our gross margins more than doubling, from 18% in Q3 2022 to 45% in Q3 2023. And we won't stop here.

Consistent Business Results Support More Aggressive Outreach to New Investors

We are entering 2024 in the healthiest position in the Company's history. Sales are growing, margins are improving, and we have a solid balance sheet as a result of our successful CAD \$13.5 million raise in late 2023.

Looking ahead, we are making a newfound commitment to engaging with the capital markets in 2024. Through enhanced investor relations initiatives, a high level of visibility at leading industry conferences and a robust cadence of operational execution, we are looking forward to engaging with and attracting new retail investors, family offices and institutional investors with a focus to improve the liquidity of our stock, further broaden our active shareholder base, and ultimately, enhance long-term value for our shareholder partners.

2024 Goals & Final Thoughts

As we look to 2024 and beyond, I have great confidence in our future prospects. VINIA® revenues are scaling at a strong pace, our margin enhancement initiatives have positioned us to achieve profitability this year and we see exciting new monetization pathways for our technology on the horizon. Our goal will be to accelerate the Botanical Synthesis movement that our team has wholly dedicated themselves to - driving forward innovation, our strategic vision and improving human lives.

In closing, I would like to express my gratitude to each and every shareholder partner for your unwavering support and I look forward to another record year together.

Warm Regards,

Ilana Sobel
Chief Executive Officer

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About BioHarvest Sciences Inc.

BioHarvest Sciences Inc. (CSE: BHSC) (OTCQB: CNVCF) (FSE: 8MV) is a leader in Botanical Synthesis, leveraging its patented technology platform to grow the active ingredients in plants, without the need to grow the underlying plant. 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 (APIs) that focus on specific medical indications. Visit: www.bioharvest.com.

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 the company will achieve profitability in 2024 as this is subject to achieving additional sales and cost stability which are subject to risks and uncertainties including changes in consumer preferences, inflationary pressures, and supply disruptions. Introduction of new products is inherently risky as it is difficult to predict market acceptance, and failure for new products to achieve market acceptance could significantly impact results.

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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