

BIOHARVEST SCIENCES INC. 2022 CEO LETTER TO SHAREHOLDER PARTNERS

VANCOUVER, CANADA, AND REHOVOT, ISRAEL, December 29, 2022 – [BioHarvest Sciences Inc.](#) (“BioHarvest” or the “Company”) (CSE: BHSC – OTC: CNVCF) is pleased to provide the following year-end shareholder partner letter from CEO Ilan Sobel.

Dear Shareholder Partner,

What a year 2022 was for BioHarvest! We made big steps in our journey to build a multi-billion-dollar biotech company with a clear vision of bringing millions of consumers the next generation of science-based therapeutic solutions.

2022 saw us build foundational capabilities which have already proven to be highly impactful. Not only did we unlock the secrets of cannabinoid cellular growth, which will enable the execution of a robust multi-pronged Cannabis strategy, we also achieved a 5X production capacity increase within 4 months of commencing manufacturing operations at our new VINIA® facility, which facilitated a 5X corresponding US VINIA® sales growth.

I look forward with confidence to 2023, with the objective of driving 3X-3.5X revenue growth (USD 17M-20M), delivering a cash flow break even position in Q4/ 2023, and continued aggressive scaling as we introduce breakthrough disruptive products across both our polyphenol and cannabis verticals. My confidence is grounded in the major achievements across each vertical, which I have articulated below.

Polyphenol/Anti-Oxidant Vertical:

In our polyphenol/anti-oxidant vertical, we have started to build an industry leadership position with our ability to translate our breakthrough science and clinical-based approach into significant customer value. As I write this letter, I am humbled by the 1,410+ verified customer reviews providing us with an industry leading 4.8/5 score. We added over 21,000 new customers this year in the US, enabling record high revenue numbers in Q4 and delivering on our revenue guidance of \$US 5.6M+ for the 2022 full year. It is important to highlight the fact that 87% of our revenue in the US comes from customers purchasing packages of 3 months or more of VINIA® and 24% of all revenue is derived by 6 and 12 month subscriptions, demonstrating the loyalty we are building with our customer base.

We now better understand the magnitude of the opportunity that exists for VINIA® in the US as a superior therapeutic solution for consumers who appreciate the critical importance of having improved blood flow as part of ensuring the effective performance of their body’s fundamental operating



mechanism. The 2022 appointment of Dr. Brian Cornblatt as Chief Medical Officer positions us to set an aggressive pathway for additional clinical pilot programs and trials to expand the structure function claims we can make for VINIA® as a dietary supplement and to also set the foundation (in cooperation with multiple highly acclaimed research institutions) for the future development of VINIA® botanical drugs, addressing specific medical indications and we look forward to sharing more about our progress in early 2023.

We made great progress this year optimizing our VINIA® marketing mix of highly efficient TV advertising and targeted social media to drive “best-in-class” e-commerce conversion rates. This has translated into millions of consumers across the US becoming aware of our VINIA® brand. To reinforce this brand conversion model in 2023, we will target physicians and Integrative Medicine Specialists across the USA to form a critical VINIA® customer recruitment channel which will provide further validation of our superior clinical based therapeutic approach.

Cannabis Vertical:

In 2022, we introduced our first Cannabis product, which was derived from a hemp plant. This product features a unique composition of cannabinoids that cannot be found with Cannabis produced by regular agricultural processes. This unprecedented composition of both major and minor cannabinoids carries significant promise for the medicinal Cannabis market, and this major milestone led to the agreement with Royal Emerald Pharmaceuticals that enables BioHarvest Cannabis products to be sold to research institutions conducting drug related studies approved by the US Food and Drug Administration (FDA). The direct interaction with these institutions will give us the opportunity to lead and accelerate the development of Cannabis based pharmaceutical drugs that can only be produced using our unique CELLicitation™ platform technology capable of providing proprietary, full-complex cannabinoid solutions and batch consistency.

We have also made significant progress in the development of additional Cannabis based products, including a “High THC” composition, and I look forward to sharing more information in the new year.

We have clearly articulated our multi-prong Cannabis strategy to all of our shareholder partners, which focuses on driving a winning position across three major market segments. In addition to our focus on the pharma/medicinal market via our Royal Emerald partnership, we plan to introduce disruptive products into the national and federally legal Hemp market and to leverage the power of our commercial machine to make these products available direct to consumers with high gross profit margins. For the third major market segment, the state-by-state Cannabis market in North America, I am focused on finding the right like-minded Cannabis partner who can best capitalize on our ability to produce unique Cannabis compositions at a significant cost advantage. This future partner will have a highly strategic importance for the Company and this process is requiring significant diligence and engagement.

Lastly, our unique environmental sustainability advantage in the Cannabis vertical was recognized, and I am very proud that we were awarded The Business Intelligence Group Sustainability Leadership Award in September 2022. We continue to make great strides in this important area and I look forward to making even further progress in 2023 with the onboarding of our new state-of the-art drying technology, which will further amplify our already industry-leading sustainability credentials.



I am blessed to have a best-in-class team of industry experts and thought leaders driving and implementing our strategy every day with amazing passion and commitment. We are all hyper focused on executing the 2023 growth plan, which includes transitioning the Company to becoming cash flow positive in Q4/2023. To achieve this, we are targeting a revenue guidance for 2023 of USD 17M-20M, which would represent 3X-3.5X growth over 2022. We will also be introducing disruptive new products in both the polyphenol/anti-oxidant and Cannabis verticals.

We have made great strides this year to further solidify ourselves as the global leader in plant cell technology as we leverage our bio-plant CELLicitation technology to bring the “Power of the Plant to the People” in a way which preserves the planet for generations to come. We are proud of what we have accomplished and want to thank all of our shareholder partners for your support and trust in me and the leadership team and we all look forward to partnering together to make 2023 a historical pivot year for BioHarvest Sciences.

Happy New Year!

BioHarvest Sciences Inc.

Ilan Sobel, Chief Executive Officer

About BioHarvest Sciences Inc.

Based in Vancouver, BC, BioHarvest Sciences Inc. is the developer and exclusive owner of the proprietary and patent-protected BioFarming technology. It is the first and only industrial-scale plant cell technology capable of producing the active plant ingredients without the necessity to grow the plant itself. The Company’s technology is non-GMO and has already been validated by VINIA®, the red grapes cells functional food/dietary supplement produced and sold by BioHarvest Sciences Inc. The Company plans to generate significant revenue within the global nutraceutical ingredients and dietary supplements market with VINIA® and other Super Fruit Nutraceutical products. Further, by adapting this technology to the Cannabis plant, and building adequate production capacity, BioHarvest Sciences Inc.’s objective is to become a leading supplier of Cannabis for both medicinal and legal recreational purposes. Visit: www.bioharvest.com.

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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. Projected sales of Cannabis products will require the Company to obtain production and/or export licensing which cannot be assured. Although the Company believes that the consistency and customizability of its products will make them more suitable for medical and scientific research there is no assurance that the customers of Royal Emerald or other medical/scientific users of cannabis products will choose the Company’s products over traditionally grown Cannabis Products. Adoption of new and disruptive products can be subject to structural obstacles and the uncertainty of market acceptance which may delay or even prevent adoption. There is no assurance that the Company will achieve cash flow break even in Q4 2023 as this depends on such



factors as consumer market acceptance which cannot be determined with certainty. There is no assurance that Vinia will be sold by thousands of Integrated Medical Specialists in 2023 as this will depend on acceptance of the products by the specialists and their patients which is not 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.

