

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: BioHarvest Sciences Inc. (the "Issuer").

Trading Symbol: BHSC

Number of Outstanding Listed Securities: 574,878,008

Date: May 8, 2024

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non- promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered, nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

This month, the Issuer finalized two agreements pertaining to the development of a new campus for botanical synthesis CDMO and the expansion of its manufacturing capabilities. The first agreement entails a long-term lease for a new facility spanning 80,000 square feet located in Yavne, Israel. The second agreement involves the purchase of 12 state-of-the-art GMP clean rooms. Complementing these advanced clean rooms, the new facility incorporates fully equipped laboratory space, office areas, and supplementary space designed to accommodate a new 50-ton manufacturing facility.

In addition, the Issuer reported its financial and operational results for the fourth quarter and full year ended December 31, 2023 (access the following link for full details: <https://bioharvest.com/bioharvest-sciences-reports-fourth-quarter-and-full-year-2023-financial-results/>) . The Issuer also announced an Annual and Special General Meeting for May 27, 2024, as part of its intention to uplist to Nasdaq by year-end as the Issuer seeks to enhance its capital markets visibility with retail and institutional investors.

The Issuer also wishes to report its continuous efforts in various key areas for the month of April:

- a) **Scaling Up VINIA™ Manufacturing:** The Issuer remains dedicated to expanding the production of VINIA™ red grape cells and signed a leased agreement for a new facility spanning 80,000 square feet, with space designed to accommodate a 50-ton manufacturing facility. The expansion is crucial to meet the escalating demand for VINIA™ as part of the marketing efforts.

b) **VINIA™ Nutraceuticals New Product Development:** The Issuer's R&D team is actively working on the VINIA™ Hot Beverages pipeline, Cosmetics pipeline, Electrolyte Powdered Beverage offerings and a higher dosage nutraceutical product for athletes. Additionally, significant progress is being made by the Issuer in getting its Olive cell product ready for a market launch scheduled for 2025.

c) **VINIA™ Direct to Doctors:** Dr. Brian Cornblatt, under whose guidance we operate, continues to collaborate with key distribution partners within the Integrative Medicine Market to facilitate the direct engagement of VINIA™ with healthcare professionals.

d) **VINIA™ New Clinicals Pipeline:** Dr. Brian Cornblatt, Chief Medical Officer, is diligently advancing our red grape cell product and future olive cell product with 3rd party research organizations. In addition, the Issuer is making the required arrangements for a clinical trial it plans to do on its new hydration proposition to validate its functional performance.

e) **Cost of Goods Sold (COGS) Reduction:** In the pursuit of enhanced profitability, the Issuer, under the leadership of the Chief Operating Officer, continues to direct resources towards reducing manufacturing costs along the entire value chain. Over recent months, the Issuer has been actively transitioning its major subscription package from a combination of 60 bottle and 30 bottle units to a single 90-bottle package, as well as optimizing delivery costs. The Issuer is also making progress in increasing the size of its bioreactors by 20% to maximize yield levels and reduce COGS.

2. Provide a general overview and discussion of the activities of management.

In April, management continued engaging with its investors in an effort to facilitate the conversion of its remaining convertible notes. As a result, CAD \$5,675,059.91 (principal loans plus accrued interest) has been converted into 22,826,132 common shares. As part of the term of October and December 2023 convertible loans, the Issuer issued 3,090,284 "Early Exercise" warrants exercisable at USD \$0.222 per share for early conversion.

Furthermore, since the events of October 7th in Israel, the management team has committed to maintaining the normal course of daily operations. Management has identified the potential risk of airport closures and is strategically focused on exporting maximum levels of VINIA™ material outside of Israel as a precautionary measure.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

The Issuer's research and development team continues to be actively engaged in developing the VINIA™ Electrolyte Powdered Beverage, Hot beverage products enhanced with VINIA™ and Cosmeceuticals creams.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Not Applicable

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

The Issuer signed 2 agreements. The first agreement is a long-term lease for a new facility spanning 80,000 square feet located in Yavne, Israel. The second agreement involves the purchase of 12

state-of-the-art GMP clean rooms. The commercial term of the lease is for 78 months at a cost of 20.2 million shekels (USD5.5 million), subjected to changes in the Israeli consumer price index over the entire term. The equipment purchase price is 13 million shekels (USD3.6M). All equipment for the clean rooms has been installed and is ready for immediate operational use.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Not Applicable

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from, or the disposition was to a Related Person of the Issuer and provide details of the relationship.

The Issuer signed an equipment purchase agreement for 12 state of the art GMP clean rooms for 13 million shekels (USD3.6M). All equipment for the clean rooms has been installed and is ready for immediate operational use. The transaction did not include any related persons.

8. Describe the acquisition of new customers or loss of customers.

Not Applicable

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trademarks.

Not Applicable

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

Not Applicable

11. Report on any labour disputes and resolutions of those disputes if applicable.

Not Applicable

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Not Applicable

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

On April 18, BioHarvest reported that a total of CAD \$5,675,059.91 (principal loans plus accrued interest) had been converted into 22,826,132 common shares. As part of the term of October and December 2023 convertible loans, the Issuer issued 3,090,284 "Early Exercise" warrants exercisable at USD \$0.222 per share for early conversion. 2,917,987 of the Early Exercise warrants will expire on October 30, 2025, and 172,297 will expire on December 22, 2025.

14. Provide details of any securities issued and options or warrants granted.

On April 26, 2024, the Issuer granted 700,000 **restricted share units** (“RSU”) at a deemed price of CAD \$0.26 per share unit to be released in increments of 200,000, 250,000, 125,000 and 125,000 RSU upon the Issuer achieving various revenue milestones in 2024. In the event of termination of the Consultant's engagement prior to the lapse of twelve (12) months from the Effective Date, any un-vested RSU shall immediately expire.

In addition, the Issuer granted 300,000 **warrants**. Each warrant is exercisable into one common share of the Issuer at a price of CAD 0.26 for a term of two years from the date of issuance.

Furthermore, on April 18, BioHarvest reported that a total of CAD \$5,675,059.91 (principal loans plus accrued interest) had been converted into 22,826,132 common shares. As part of the term of October and December 2023 convertible loans, the Issuer issued 3,090,284 “Early Exercise” warrants exercisable at USD \$0.222 per share for early conversion. 2,917,987 of the Early Exercise warrants will expire on October 30, 2025, and 172,297 will expire on December 22, 2025.

Conversion Price	Convertible Loan Closed Date	Interest at Conversion	Total to Converted	Shares to Issue	Warrants to Issue 0.222USD	Warrants Expiry date	Term of Conversion
0.26	CL 1 Oct 22, 2022	266,959.04	2,692,208.09	10,354,647	-		See note 1
0.26	CL 1 Nov 15, 2022	119,819.45	1,447,509.22	5,567,343	-		See note 1
0.24	CL 2 Oct 30, 2023	42,640.53	875,396.21	3,647,484	2,917,987	30-Oct-25	See note 3
0.24	CL 2 Dec 22, 2023	1,688.97	51,688.97	215,371	172,297	22-Dec-25	See note 3
0.20	CL 3 Jul 18, 2023	50,349.42	608,257.42	3,041,287	-		See note 2
		481,457.41	5,675,059.91	22,826,132	3,090,284		

Note 1: The notes have a term of 24 months and accrue interest at a rate of 9% per annum. The principal amount and accrued interest can be converted into common shares at the holder's option. The conversion price depends on the timing of the conversion notice: \$0.32 if converted within 90 days of the closing date; \$0.35 if converted between 91 and 180 days after the closing date; \$0.39 if converted between 181 and 270 days after the closing date. \$0.44 if converted between 271 days after the closing date and one day before the anniversary. After the anniversary: 75% of the closing price if the price is \$0.50 or less; 80% of the closing price if the price is \$0.51 or greater. If the discounted conversion price falls below \$0.26 per share, the conversion price will be \$0.26. If the discounted conversion price exceeds \$0.65 per share, the conversion price is capped at \$0.65 if converted within 90 days of the anniversary; \$0.75 if converted between 91 and 180 days after the anniversary; \$0.85 if converted between 181 and 270 days after the anniversary; \$0.95 if converted between 271 days after the anniversary and one day before the maturity date.

Note 2: The Convertible Notes have a 12-month term and pay interest of 9% per annum. The Convertible Notes are convertible as to principal and accrued interest at the option of the holder into common shares of the Issuer at a conversion price of \$0.20 per share.

Note 3: The 12% Convertible Notes and accrued interest are convertible at the option of the holder into common shares of the Issuer at a conversion price that is equal to the closing market price of the Issuer's common shares on the date of conversion less a discount of 20% but in any event, not less than \$0.24 per share (the “Floor price”) or more than \$0.75 per share (the “Ceiling Price”). Holders of Convertible Notes who elect to convert within the first 12 months will be entitled to receive an early conversion warrant for each \$0.30 converted entitling them to purchase a common share at \$0.30 per share for a period from the date of issuance to the date that is 24 months from the original date of issuance of the Convertible Notes.

15. Provide details of any loans to or by Related Persons.

Not Applicable

16. Provide details of any changes in directors, officers, or committee members.

Non-Applicable

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

None

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated May 8, 2024

Ilan Sobel
Name of Director or Senior Officer

"Ilan Sobel"
Signature

CEO
Official Capacity

Issuer Details		
Name of Issuer	For Month Ended	Date of Report YY/MM/DD
BioHarvest Sciences Inc.	April 2024	24/05/08
Issuer Address		
1140 - 625 Howe Street		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
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Contact Name	Contact Position	Contact Telephone No.
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