

INVO Bioscience Reports First Quarter 2020 Financial Results

Company to Participate in Virtual Investor Conference on May 20 at 2:00pm ET (Details Below)

SARASOTA, Fla., May 15, 2020 — INVO Bioscience, Inc. (OTCQB: INVO), a medical device company focused on creating alternative treatments for patients diagnosed with infertility and developers of INVOCell®, the world's only in vivo Intravaginal Culture System, today announced financial results for the quarter ended March 31, 2020.



Financial Results and Updates

- Revenue for the quarter ended March 31, 2020 totaled \$258,571 compared to \$189,432 in Q1 2019, an increase of 36% from the comparable period in 2019. Revenue growth was driven by increased product sales in the U.S. related to the Company's U.S. commercialization partner, Ferring Pharmaceutical, and their ongoing marketing activities.
- Gross margin for the quarter ended March 31, 2020 was approximately 88% compared to approximately 94% in the quarter ended March 31, 2019.
- Incurred a net loss of \$(1,444,392) during the quarter ended March 31, 2020 compared to a net loss of \$(458,570) during the quarter ended March 31, 2019, as a result of increased commercialization efforts, which included non-cash expenses totaling approximately \$760,000.
- The Company finished the quarter ended March 31, 2020 with a cash position of approximately \$350,000. On May 15, 2020, the Company consummated a closing of its convertible note and unit purchase option offering, resulting in gross proceeds of \$2.1 million.
- U.S. clinic locations trained to offer INVOCell have nearly tripled since our agreement with Ferring International Center, S.A. ("Ferring"). Ferring has established a website, www.invocell.com, which provides information for patients and health care professionals, in addition to providing a tool to search for clinic locations that offer INVOCell.
- The Company's ticker symbol was changed to "INVO" to align our public market trading symbol with our corporate name and our innovative fertility solution to improve the consistency of our branding along with our overall recognition within the investment community.

Management Discussion

“Although the industry has been impacted by COVID-19 and the cadence in product ordering activity has been affected, we believe our annual goals remain achievable with a shift to the second half of the year. We also continue to advance a number of key initiatives aimed at increasing the adoption of INVOcell in the U.S. and around the world,” commented Steve Shum, Chief Executive Officer of INVO Bioscience. “One critical advancement over the past few weeks was the April 2020 publishing of outcomes data by the Society for Assisted Reproductive Technology, or SART, which reflected increased usage of INVOcell (IVC) and clinical pregnancy success rates for 5-day incubation. We are pleased to see the increased adoption along with the further validation of the overall success rates using our technology. We also continue to ramp our commercialization efforts with the appointment of highly successful industry professionals covering key geographies and functions, which we believe will help to expand our international opportunities.”

Recently Published 2018 Society for Assisted Reproductive Technology (“SART”) Data*

The Society for Assisted Reproductive Technology (“SART”) recently published the 2018 outcomes data in April 2020, which reflected increased usage of INVOcell and 5-day incubation results. This Retrospect data reflected an approximate 52% clinical pregnancy success rate for day-5 transfers, comparable to the 2017 data published last year.

Total SART Data 2017-2018 Day 5 IVC*

	35 -						
SART IVC 5-Day TOTAL (2017 + 2018)	< 35	37	38 - 40	41 - 42	> 42	Total	Rate
Cycles (Fresh + Frozen)	361	114	63	17	2	557	
Clinical pregnancies	198	55	29	5	1	288	51.7%
Live birth per transfer	156	45	23	4	1	229	41.1%

**INVO incubation period is country specific and is indicated for 3-5 days. In the US, the INVOcell Culture Device and Retention Device is not indicated for incubation periods exceeding 72 hours. FDA has not approved or cleared the product as safe and effective for use for incubation periods exceeding 72 hours (off-label). The Company has not studied the safety or efficacy of the device for incubation periods exceeding 72 hours and potential risks of off-label use is unknown. Reference US Instructions for Use (IFU) at https://www.invocell.com/hcp/wp-content/uploads/sites/6/2019/04/INVOcell-Instructions-For-Use-Booklet_R9-1.pdf.*

International Market Update

- Africa and Eurasia: The Company previously executed distribution agreements in certain markets in Africa and Eurasia toward the end of 2019. Following execution of those agreements, the Company began the product registration and approval process in order to begin importing into those markets. While each market can vary in the time

needed to complete such registrations, (from a few months to 6 months or more, depending on the market) these timelines were also impacted by COVID-19. The Company believes it is close to completing those registrations and expects to be in a position to begin delivering INVOcell to the respective partners or distributors in the second half of 2020.

- India: INVO Biosciences' JV partnership, signed in January 2020, is making progress toward opening the first dedicated INVO-only clinic. While there was an impact due to the pandemic, the Company believes the first clinic will come online before year end.
- New Markets: INVO Bioscience is targeting a number of additional markets and has discussions underway in Canada, Mexico, Columbia, Spain, Macedonia, Taiwan, Malaysia, and China among others. The Company has set a goal of adding additional OUS markets (through distribution or partnerships) before year end.

Recent Key Appointments

- We appointed Christopher A. Myer as The Company's Vice President Business Development – Americas in March 2020 to direct the Company's initiative to develop the INVO clinic business in the United States and Canada, develop commercialization agreements in Mexico, as well as Central and South America, and develop cost savings analysis models for third-party payors and governments to highlight the benefits of the INVOcell solution.
- Appointed Inger Britt Carlsson, PhD, as the Company's Vice President of Medical Affairs in January 2020. Dr. Carlsson will be developing and overseeing INVO Bioscience's educational symposiums, generating scientific abstracts/publications on the INVOcell technology, and building relationships with key opinion leaders around the world.
- Appointed Yve Lyppens as Director Business Development Asia Pacific in March 2020. Based in Hong Kong, Mr. Lyppens will be responsible for developing the Company's sales and distribution network throughout Asia.

Financial Results

Revenue for the period ended March 31, 2020 was \$258,571 compared to \$189,432 for the same period a year ago. The increase was the result of product sales to Ferring as well as from recognizing \$178,572 of the Ferring seven-year U.S. exclusive licensing & distribution fee.

Gross margin reported for the period ended March 31, 2020 was approximately 88% or \$228,577 compared to 94% or \$178,454 for March 31, 2019. The decrease in gross margin relates primarily to a heavier mix of product sales versus the amortization of the up-front license payment which has zero cost of goods.

Operating expenses totaled \$1,625,096 in the first quarter of 2020 compared to \$527,565 in the same period a year ago. The increase in expenses was primarily the result of an increase

in wages, professional fees, legal fees, and clinical support services. A substantial portion of the increase, or approximately \$680,000, relates to non-cash charges associated with stock and option expensing, a portion of which was a one-time impact. The actual cash expense increase was consistent with the Company's plan to increase its product commercialization efforts as well as its clinical activities related to the 5-day label enhancement.

The net loss for the three months ended March 31, 2020 was \$(1,444,392) as compared to a net loss of \$(458,570) for the same three-month period in 2019.

The Company finished the quarter ended March 31, 2020 with a cash position of approximately \$350,000. On May 15, 2020, the Company consummated a closing of its convertible note and unit purchase option offering, resulting in gross proceeds of \$2.1 million (of which \$1,961,360 was received in cash and \$143,640 resulted from cancellation of indebtedness) before fees and commissions. The Company plans to use proceeds from the transaction to fund its operating plan and believe this convertible note and unit purchase option financing moves the company closer to its objective of uplisting its stock to a senior stock exchange, which could enhance visibility of the Company in the public markets.

Virtual Investor Conference Details

INVO Bioscience is scheduled to participate in a virtual presentation and fireside chat at the May 2020 Lytham Partners Virtual Investor Conference on Wednesday, May 20, 2020 at 2:00pm ET (11:00am PT).

A webcast of the presentation will be posted under the investor relations section of INVO Bioscience's website at www.invobioscience.com or can be accessed at <https://www.webcaster4.com/Webcast/Page/2162/34792>. A replay of the presentation will be available following the event.

Management will also be participating in virtual one-on-one meetings on May 21, 2020. To arrange a meeting, please contact Robert Blum of Lytham Partners at blum@lythampartners.com or visit www.lythampartners.com/virtual.

About INVO Bioscience

We are a medical device company focused on creating simplified, lower cost treatments for patients diagnosed with infertility. Our solution, the INVO Procedure, is a disruptive new technology. The INVO Procedure is a revolutionary *in vivo* method of vaginal incubation that offers patients a more natural and intimate experience. Our lead product, the INVOcell, is a patented medical device used in infertility treatment and is considered an Assisted Reproductive Technology (ART). The INVOcell is the first Intravaginal Culture (IVC) system in the world used for the natural *in vivo* incubation of eggs and sperm during fertilization and early embryo development, as an alternative to traditional In Vitro Fertilization (IVF) and

Intrauterine Insemination (IUI). Our mission is to increase access to care and expand fertility treatment across the globe with a goal to lower the cost of care and increase availability of care. For more information, please visit <http://invobioscience.com/>

Safe Harbor Statement

This release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company invokes the protections of the Private Securities Litigation Reform Act of 1995. All statements regarding our expected future financial position, results of operations, cash flows, financing plans, business strategies, products and services, competitive positions, growth opportunities, plans and objectives of management for future operations, as well as statements that include words such as “anticipate,” “if,” “believe,” “plan,” “estimate,” “expect,” “intend,” “may,” “could,” “should,” “will,” and other similar expressions are forward-looking statements. All forward-looking statements involve risks, uncertainties and contingencies, many of which are beyond our control, which may cause actual results, performance, or achievements to differ materially from anticipated results, performance, or achievements. Factors that may cause actual results to differ materially from those in the forward-looking statements include those set forth in our filings at www.sec.gov. We are under no obligation to (and expressly disclaim any such obligation to) update or alter our forward-looking statements, whether as a result of new information, future events or otherwise.

INVO BIOSCIENCE, INC. CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Revenue		
Product Revenue	\$ 80,000	\$ 10,860
License Revenue	178,571	178,572
Total Revenue	258,571	189,432
Cost of Goods Sold:	29,994	10,978
Gross Margin	228,577	178,454
Selling, general and administrative expenses	1,595,046	527,565
Research and developments costs	30,050	-
Total operating expenses	1,625,096	527,565
Loss from operations	(1,396,519)	(349,111)
Other (income) expense:		
Interest expense	47,873	109,459
Total other (income) expenses	47,873	109,459
Loss before income taxes	(1,444,392)	(458,570)
Provisions for income taxes	-	-
Net Loss	\$ (1,444,392)	\$ (458,570)
Basic net loss per weighted average shares of common stock	\$ (0.01)	\$ (0.00)
Diluted net loss per weighted average shares of common stock	\$ (0.01)	\$ (0.00)
Basic weighted average number of shares of common stock	157,375,918	154,102,856
Diluted weighted average number of shares of common stock	157,375,918	154,102,856

INVO BIOSCIENCE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2020	December 31, 2019
	(unaudited)	
ASSETS		
Current assets		
Cash	\$ 350,000	\$ 1,238,585
Accounts receivable net	3,699	7,558
Inventory, net	162,283	101,387
Prepaid expense and other current assets	173,235	195,910
Total current assets	689,217	1,543,440
Property and equipment, net	111,055	93,055
Other Assets:		
Capitalized patents, net	6,782	7,234
Lease right of use, net	96,354	101,883
Trademarks	54,474	49,867
Total other assets	157,610	158,984
Total assets	\$ 957,882	\$ 1,795,479
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current liabilities		
Accounts payable and accrued liabilities, including related parties	\$ 294,739	\$ 371,530
Accrued compensation	487,161	393,017
Deferred revenue	714,286	714,286
Current portion of lease liability	21,704	21,365
Convertible notes, net of discount	371,695	-
Convertible notes, net of discount - related party	33,152	-
Income taxes payable	912	912
Total current liabilities	1,923,649	1,501,110
Commitments and contingencies	-	-
Lease liability, net of current portion	75,992	81,494
Deferred revenue	3,392,857	3,571,429
Convertible notes, net of discount	-	325,784
Convertible notes, net of discount - related party	-	28,824
Deferred tax liability	433	433
Total liabilities	5,392,931	5,509,074
Stockholder's deficiency		
Preferred Stock, \$.0001 par value; 100,000,000 shares authorized; No shares issued and outstanding as of March 31, 2020 and December 31, 2019, respectively	-	-
Common Stock, \$.0001 par value; 200,000,000 shares authorized; 157,774,336 and 156,316,112 issued and outstanding as of March 31, 2020 and December 31, 2019, respectively	15,777	15,631
Additional paid-in capital	20,882,332	20,159,540
Accumulated deficit	(25,333,158)	(23,888,766)
Total stockholder's deficiency	(4,435,049)	(3,713,595)
Total liabilities and stockholders' deficiency	\$ 957,882	\$ 1,795,479

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