



# Boston Therapeutics Announces Fourth Quarter and Fiscal Year 2014 Financial Results and Provides Corporate Update

MANCHESTER, NH -- (Marketwired) -- 03/27/15 -- Boston Therapeutics, Inc. (OTCQB: BTHE), a leading developer of compounds that enable people to manage their blood glucose using complex carbohydrate chemistry, today reported its financial results for the fourth quarter and fiscal year ended December 31, 2014 and provided a corporate update.

David Platt, Ph.D., Chief Executive Officer, Boston Therapeutics, said, "We are pleased with the progress we made last year. We received results from clinical trials that gave us important information for guiding our pending Phase II clinical program. The FDA accepted our IND to conduct a Phase II clinical study that we expect to initiate in 2015. The Phase II study will be led by Joslin Diabetes Center, the world's largest and most prestigious diabetes research and clinical care organization. In addition, we were honored to have notable life science industry veterans join both our board of directors and our medical advisory board.

In addition to furthering the clinical development program for BTI-320, we also partnered with Benchworks to launch our over-the-counter dietary supplement, SUGARDOWN® in North America. There are 86 million people in the United States that have elevated blood glucose levels, according to the Centers for Disease Control and Prevention (CDC). SUGARDOWN® is Boston Therapeutics' over-the-counter, natural dietary supplement product that helps people maintain healthy blood sugar levels. SUGARDOWN® is the first chewable tablet of its kind, designed for people who are committed to a balanced diet and exercise to help keep their blood sugar levels healthy. We look forward to increasing awareness and sales this year as Benchworks begins to launch television and radio ads in April."

## ***Recent Business and Clinical Highlights***

- Expanded the licensing and marketing agreement with Advance Pharmaceutical Company, Ltd. (APC) to include 13 additional countries in Asia in addition to China, Hong Kong and Macau. These territories include Korea, Taiwan, Japan, Singapore, Thailand, Malaysia, Vietnam, Philippines, Myanmar, Indonesia, Laos, Brunei and Cambodia. The territory expansion comes as a result of the continued regulatory filings and marketing clearance authorizations that are being granted as APC continues its market registration expansion.
- Entered into a clinical trial agreement with Joslin Diabetes Center to be the lead clinic in a Phase II study of BTI-320. The trial is scheduled to commence in the second quarter.
- Partnered with Benchworks to launch SUGARDOWN® in North America. The main ingredient in SUGARDOWN® is made from naturally occurring plant-based mannans

(galactomannans). The novel chewable tablet formulation works by blocking digestive enzymes starting in the mouth and promoting healthy digestion and optimal sugar absorption.

- Raised approximately \$432,000 of net proceeds in March as a short-term strategy to improve cash flow and to bridge to a more strategic, long-term financing and/or significant revenue growth.

### ***Results of Operations***

- Revenue for the fourth quarter ended December 31, 2014 was \$12,871 compared to revenue of \$80,438 for the fourth quarter ended December 31, 2013. Revenue for fiscal 2014 was \$199,582 compared to revenue of \$323,412 for fiscal 2013. The decrease for fiscal 2014 is primarily due to decreased shipments of SUGARDOWN® to the Company's one significant customer, APC. In addition, through its collaboration with Benchworks, Boston Therapeutics plans to expand market awareness and sales of SUGARDOWN® in North America in fiscal 2015.
- Gross margin for the fourth quarter ended December 31, 2014 was a deficit of \$4,353 compared to a gross margin deficit of \$23,343 for the fourth quarter ended December 31, 2013. For fiscal 2014, gross margin was \$23,753 as compared to gross margin of \$45,207 for fiscal 2013. The decrease in gross margin for fiscal 2014 is primarily due to the reduction in revenue and continued fixed fulfillment charges.
- Research and development expense for the fourth quarter ended December 31, 2014 was \$232,348 as compared to \$342,064 for the fourth quarter ended December 31, 2013. For fiscal 2014, research and development expenses was \$1,432,669 as compared to \$542,492 in fiscal 2013. The increase is primarily the result of expenses associated with the Phase IIb clinical trial for BTI-320 in patients with type 2 diabetes conducted in the U.S. that concluded in fiscal 2014 as well as an ongoing Phase IIb clinical trial in France.
- Sales and marketing expense for the fourth quarter ended December 31, 2014 was \$32,711 compared to \$77,982 for the fourth quarter ended December 31, 2013. For fiscal 2014, sales and marketing expense was \$320,353 compared to \$329,218 for fiscal 2013. The decrease is primarily related to non-cash, stock-based compensation recorded in fiscal 2013 for options previously granted which are now fully vested.
- General and administrative expense for the fourth quarter ended December 31, 2014 was \$487,442 as compared to \$1,849,734 for the fourth quarter ended December 31, 2013. For fiscal 2014, general and administrative expenses were \$2,945,078 as compared to \$3,753,742 for fiscal 2013. The reduction for fiscal 2014 is primarily due to a reduction in stock-based compensation expense of \$624,000 recorded in the fourth quarter of fiscal 2013 per a terminated employee's employment agreement. Additionally, consulting and professional fees decreased \$558,000 due to transitions in our business development, public relations and investor relations activities. These decreases were partially offset by an increase in accounting, financial and legal fees of \$189,000 related to increased legal activities and the engagement of a finance professional to manage its accounting and financial reporting matters, as well as an

increase in payroll and payroll related expenses of \$188,000 primarily due to salary increases, severance costs associated with the resignation of the Company's former President in fiscal 2014 and the institution of an employee medical benefit program.

- Net loss for the fourth quarter ended December 31, 2014 was \$762,495 or \$0.02 per share, compared with a net loss of \$2,297,972 or \$0.06 per share in the prior year's fourth quarter. For the fourth quarter of 2014 there were 38.5 million shares outstanding compared to 37.3 million shares outstanding for the fourth quarter ended December 31, 2013. Net loss for fiscal 2014 was \$4,699,939 or \$0.12 cents per share, compared with a net loss of \$4,601,503 or \$0.18 per share for fiscal 2014. For the year ended December 31, 2014 there were 38.2 million shares outstanding compared with 25.4 million for the year ended December 31, 2013.

In March 2015, Boston Therapeutics, Inc. entered into four different convertible promissory note agreements with an aggregate proceeds balance of \$432,000, net of discounts and fees. The Company anticipates that our cash resources will be sufficient to fund planned operations through the second quarter of 2015. The Company is seeking additional capital through private placements, public offerings, private debt or equity financings but there can be no assurance that the Company will be able to raise necessary funding. Without such additional capital, the Company may be required to curtail or cease operations.

### ***About BTI-320***

BTI-320 is a non-systemic complex carbohydrate-based compound designed to reduce post-meal elevation of blood glucose. BTI-320 is a proprietary polysaccharide to be taken before meals and works in the gastrointestinal tract to block the action of carbohydrate-hydrolyzing enzymes that break down complex carbohydrates into simple sugars, reducing the availability of glucose for absorption into the bloodstream.

### ***About Boston Therapeutics, Inc.***

Boston Therapeutics, Inc., headquartered in Manchester, NH, (OTCQB: BTHE) is an innovator in designing compounds using complex carbohydrate chemistry. The Company's product pipeline is focused on developing and commercializing therapeutic molecules that address diabetes and inflammatory diseases, including: BTI-320, a non-systemic therapeutic compound designed to reduce post-meal glucose elevation, and IPOXYN, an injectable anti-necrosis drug specifically designed to treat lower limb ischemia associated with diabetes. The Company also produces and sells SUGARDOWN®, a non-systemic complex carbohydrate-based dietary food supplement designed to support healthy blood glucose. More information is available at [www.bostonti.com](http://www.bostonti.com).

### ***Cautionary Note Regarding Forward Looking Statements***

This press release contains, in addition to historical information, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or future financial performance, and use words such as "may," "estimate," "could," "expect" and others. They are based on our current expectations and are subject to factors and uncertainties which could cause actual results to differ materially from those described in the statements. Factors that could cause our actual performance to differ

materially from those discussed in the forward-looking statements include, among others, that our plans, expectations and goals regarding the clinical trials are subject to factors beyond our control and provide no assurance of FDA approval of any of our future drug development plans. Our clinical trials may not produce positive results in a timely fashion, if at all, and any necessary changes during the course of the trial could prove time consuming and costly. We may have difficulty in enrolling candidates for testing, which would affect our estimates regarding timing, and we may not be able to achieve the desired results. Any significant delays or unanticipated costs in any subsequent drug trial could delay obtaining meaningful results from Phase II studies and/or preparing for Phase III studies with the current cash on hand.

Upon receipt of FDA approval, we may face competition with other drugs and treatments that are currently approved or those that are currently in development, which could have an adverse effect on our ability to achieve revenues from our approved products. Plans regarding development, approval and marketing of any of our compounds, including BTI-320, are subject to change at any time based on the changing needs of our company as determined by management and regulatory agencies. We have incurred operating losses since our inception, and our ability to successfully develop and market drugs may be affected by our ability to manage costs and finance our continuing operations. For a discussion of additional risk and other factors affecting our business, see our Annual Report on Form 10-K for the year ended December 31, 2014, and our subsequent filings with the SEC. You should not place undue reliance on forward-looking statements, and actual results may differ materially from the results anticipated in our forward-looking statements. Although subsequent events may cause our views to change, we disclaim any obligation to update forward-looking statements.

***Boston Therapeutics, Inc.  
Condensed Statements of Operations (Unaudited)***

	<i>Three Months Ended</i>		<i>Year Ended</i>	
	<i>December 31,</i>		<i>December 31,</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Revenue	\$ 12,871	\$ 80,438	\$ 199,582	\$ 323,412
Cost of goods sold	17,224	103,781	175,829	278,205
Gross margin	(4,353 )	(23,343 )	23,753	45,207
Operating expenses:				
Research and development	232,348	342,064	1,432,669	542,492
Sales and marketing	32,711	77,982	320,353	329,218
General and administrative	487,442	1,849,734	2,945,078	3,753,742
Total operating expenses	752,501	2,269,780	4,698,100	4,625,452
Operating loss	(756,854 )	(2,293,123 )	(4,674,347 )	(4,580,245 )
Interest expense	(5,031 )	(5,214 )	(20,009 )	(19,692 )

Other expense	(598 )	1,457	(4,749 )	1,505
Foreign currency loss	(12 )	(1,092 )	(834 )	(3,071 )
Net loss	\$ (762,495 )	\$ (2,297,972 )	\$ (4,699,939 )	\$ (4,601,503 )
Net loss per share - basic and diluted	\$ (0.02 )	\$ (0.06 )	\$ (0.12 )	\$ (0.18 )
Weighted average shares outstanding basic and diluted	<u>38,485,956</u>	<u>37,247,533</u>	<u>38,192,363</u>	<u>25,370,626</u>

**Boston Therapeutics, Inc.**

**Balance Sheet Data**

	<i>December 31, 2014</i>	<i>December 31, 2013</i>
Cash and cash equivalents	\$ 157,278	\$ 3,387,428
Working capital	\$ (345,984 )	\$ 2,859,578
Total assets	\$ 1,163,122	\$ 4,535,032
Total stockholders' equity	\$ 74,663	\$ 3,345,270

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Source: Boston Therapeutics