

August 15, 2018



# Pressure BioSciences, Inc. Reports Second Quarter 2018 Financial Results and Provides Business Update

**Major Debt to Equity Conversions, Increasing Revenues, and a Significant Operating Loss Decrease Highlight the 2018 Second Quarter**

***Investor Conference Call Scheduled for Wednesday, August 15, 2018 at 4:30 PM EDT***

**SOUTH EASTON, MA / ACCESSWIRE / August 15, 2018** /Pressure BioSciences, Inc. (OTCQB: P BIO) ("PBI" or the "Company"), a leader in the development and sale of broadly enabling, pressure-based instruments, consumables, and platform solutions to the worldwide life sciences industry, today announced financial results for the second quarter ended June 30, 2018, provided a business update, and offered limited guidance for the remainder of FY2018.

Joseph L. Damasio, Vice President of Finance and CFO, said: "We have just completed one of the most successful quarters in the history of the Company. We reported our tenth consecutive quarterly increase (YoY) in products and services revenue. Total revenue was one percent away from an all-time record. Quarterly gross profit margins increased by double digits (YoY). During the quarter, operating loss decreased by \$283,400 (24%), as our focus on reducing expenditures in investor and public relations, advertising, and non-essential corporate services began to pay dividends. Importantly, while we were posting revenue increases and operating expense decreases, we were also successful in completing a critical objective of converting \$13.6 million of debt into equity."

Mr. Damasio continued: "PBI's core Barocycler instrument and consumables business, based on our patented pressure cycling technology ("PCT") platform, also experienced solid quarterly growth. On a YoY comparison, quarterly sales of instruments, sample preparation accessories, and consumables increased 14%, 20%, and 22% respectively."

Richard T. Schumacher, President and CEO of PBI, commented: "During the second quarter, we were delighted to announce the close of our first contract to evaluate our recently acquired PreEMT technology platform's ability to enhance the manufacturing process and to improve the quality of a biotherapeutic protein drug candidate. In addition, we recently announced an agreement with Ohio State University to develop an innovative manufacturing technology for the extended preservation of high quality milk and dairy products at room temperature without using chemical additives. This technology is based on our patented Ultra Shear Technology ("UST") platform."

Mr. Schumacher concluded: "We now have a diverse patent estate covering all three of

our pressure-based platform technologies. In addition to continued increases in revenue from the sale of PCT-related products, we have now begun to generate solid revenue from our PreEMT platform; we believe PreEMT-related revenue will increase as we begin to aggressively market these unique services to global biotherapeutic protein drug companies. In addition, our UST platform will receive \$318,000 from an awarded USDA grant (thru Ohio State) to develop first-in-kind laboratory-bench and manufacturing-scale UST instruments. We believe these instruments, with their expected ability to make highly stable nanoemulsions, will forge multiple, potentially lucrative pathways into engagements in multiple industries, including food, pharmaceuticals, nutraceuticals, cosmetics, and more. Consequently, we believe that the markets our patented, pressure-based technology platforms serve have now expanded to include many additional multi-billion-dollar areas, and that our recent developments have positioned us well to take advantage of these exciting and potentially lucrative opportunities."

**Financial Results: Q2 2018 vs. Q2 2017 (Rounded to nearest hundred except earnings per share)**

Products and services revenue was \$618,400 for the second quarter of 2018 compared to \$480,400 for the same quarter of 2017, a 29% increase. Sales of instruments increased to \$397,000 in Q2 2018 compared to \$346,900 in Q2 2017, an increase of 14%. Sales of consumables were \$64,100 for the second quarter of 2018 compared to \$52,400 for the same period in 2017, a 22% increase. Contracted scientific services for protein refolding applications and initial UST services to Ohio State provided an additional \$66,900 in revenue. Grant revenue in Q2 2018 was \$20,400 compared to \$60,000 in Q2 2017.

Total revenue for the second quarter ended June 30, 2018 was \$638,800 compared to \$540,400 for the same period in 2017, an 18% increase. This increase was primarily due to our double-digit growth in products and services.

Operating loss for Q2 2018 was \$920,900 compared to \$1,204,300 for the same period in 2017. This decrease of \$283,400 or 24% was due primarily to sales growth and to the reduced utilization of outside investor and public relations firms, the completion of a qualified sales leads development contract underway in the prior period, and one-time costs in the prior period relating to a co-marketing campaign with our European distributor.

Loss per common share – basic and diluted– was \$(9.20) for Q2 2018 compared to loss per common share of \$(0.54) for the same period in 2017. The increased loss per share resulted from the Company recording deemed dividends relating to the beneficial conversion feature on the Series AA preferred stock and a price protection provision triggered on May 2, 2018 by the sale of Series AA preferred stock, affecting Debentures and Warrants to purchase Common Stock held by existing Debenture holders.

**Financial Results: First Half 2018 vs. First Half 2017 (Rounded to nearest hundred except earnings per share)**

Total revenue for the 2018 first half was \$1,249,500 compared to \$1,091,700 for the prior year same period, an increase of \$157,800 or 14%. This increase was primarily due to higher revenue from instrument sales and scientific services, as described below. We believe total revenue will continue to increase over the remaining quarters of 2018.

Products and services revenue increased to \$1,203,700 for the first half of 2018 compared to \$1,006,400 for the same period in 2017, an increase of \$197,300 or 20%. Comparing First Half 2018 to First Half 2017, instrument sales increased to \$817,100 from \$743,000 (an increase of 10%) and consumable sales increased to \$138,800 from \$115,600 (an increase of 20%). We believe products and services revenue will continue to increase (YoY) for the remaining quarters of 2018.

Grant revenue decreased to \$45,900 in the 2018 first half from \$85,300 in the prior year period, a decrease of \$39,400 or 46%. We believe grant revenue will increase over the remaining two quarters of the year as our current grant terminates in November and a large amount of work remains to be completed to fulfill our grant obligations.

Operating loss was \$2,029,000 for the first six months of 2018, compared to a loss of \$2,203,400 for the same period in 2017, a decrease of \$174,400 or 8%. This decrease was due primarily to sales growth, reduced utilization of investor and public relations firms, the completion of a qualified sales leads development contract underway in the prior period, and one-time costs in the prior period relating to a co-marketing campaign with our European distributor, offset by increased R&D costs relating to contracted research performed by collaboration partners.

Net loss per common share was \$(11.01) -- basic and diluted -- for the six months ended June 30, 2018 compared to a net loss per common share -- basic and diluted -- of \$(5.83) for the same period in 2017. The increased loss per share resulted from the Company recording deemed dividends relating to the beneficial conversion feature on the Series AA preferred stock and a price protection provision triggered on May 2, 2018 by the sale of Series AA preferred stock, affecting Debentures and Warrants to purchase Common Stock held by existing Debenture holders.

## **Earnings Call**

The Company will hold an Earnings Conference Call at 4:30 PM EDT on Wednesday, August 15, 2018. To attend this teleconference via telephone, Dial-in: (877) 407-8033 (North America), (201) 689-8033 (International). Verbal Passcode: PBIO Second Quarter 2018 Financial Results Call. Replay Number (877) 481-4010 (North America), (919) 882-2331 (International). Replay ID Number: 37095. Teleconference Replay Available for 30 days.

## **About Pressure BioSciences, Inc.**

Pressure BioSciences, Inc. (OTCQB: PBIO) is a leader in the development and sale of innovative, broadly enabling, pressure-based solutions for the worldwide life sciences industry. Our products are based on the unique properties of both constant (i.e., static) and alternating (i.e., pressure cycling technology, or "PCT") hydrostatic pressure. PCT is a patented enabling technology platform that uses alternating cycles of hydrostatic pressure between ambient and ultra-high levels to safely and reproducibly control bio-molecular interactions (e.g., cell lysis, biomolecule extraction). Our primary focus is in the development of PCT-based products for biomarker and target discovery, drug design and development, biotherapeutics characterization and quality control, soil & plant biology, forensics, and counter-bioterror applications. Additionally, major new market opportunities

have emerged in the use of our pressure-based technologies in the following areas: (1) the use of our recently acquired PreEMT technology from BaroFold, Inc. to allow entry into the biologics contract research services sector, and (2) the use of our recently-patented, scalable, high-efficiency, pressure-based Ultra Shear Technology ("UST") platform to (i) create stable nanoemulsions of otherwise immiscible fluids (e.g., oils and water) and to (ii) prepare higher quality, homogenized, extended shelf-life or room temperature stable low-acid liquid foods that cannot be effectively preserved using existing non-thermal technologies.

## **Forward Looking Statements**

This press release contains forward-looking statements. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed, implied or inferred by these forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "would," "expects," "plans," "intends," "anticipates," "believes," "estimates," "predicts," "projects," "potential" or "continue" or the negative of such terms and other comparable terminology. These statements are only predictions based on our current expectations and projections about future events. You should not place undue reliance on these statements. In evaluating these statements, you should specifically consider various factors. Actual events or results may differ materially. The Company's financial results for the first six months ended June 30, 2018 may not necessarily be indicative of future results. These and other factors may cause our actual results to differ materially from any forward-looking statement. These risks, uncertainties, and other factors include, but are not limited to, the risks and uncertainties discussed under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2017, and other reports filed by the Company from time to time with the SEC. The Company undertakes no obligation to update any of the information included in this release, except as otherwise required by law. Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

For more information about PBI and this press release, please click on the following website link:

<http://www.pressurebiosciences.com>

Please visit us on Facebook, LinkedIn, and Twitter.

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**CONSOLIDATED STATEMENTS OF OPERATIONS  
UNAUDITED**

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenue:				
Products, services, other	\$ 618,418	\$ 480,400	\$ 1,203,662	\$ 1,006,398
Grant revenue	20,355	59,972	45,885	85,331
Total revenue	<u>638,773</u>	<u>540,372</u>	<u>1,249,547</u>	<u>1,091,729</u>
Costs and expenses:				
Cost of products and services	270,046	287,299	594,835	523,296
Research and development	323,832	241,783	648,808	505,239
Selling and marketing	224,942	300,111	499,410	513,120
General and administrative	740,843	915,470	1,535,448	1,753,468
Total operating costs and expenses	<u>1,559,663</u>	<u>1,744,663</u>	<u>3,278,501</u>	<u>3,295,123</u>
Operating loss	(920,890)	(1,204,291)	(2,028,954)	(2,203,394)
Other expense:				
Interest expense	(1,159,242)	(1,983,112)	(2,282,387)	(3,509,744)
Other expense	(9,582)	(80)	(14,312)	(7,108)
Gain on extinguishment of debt Incentive shares/warrants	471,612	-	475,897	-
	(663,130)	(186,802)	(663,130)	(186,802)
Change in fair value of derivative liabilities	-	2,790,525	-	(271,227)
Total other (expense) income	<u>(1,360,342)</u>	<u>620,531</u>	<u>(2,483,932)</u>	<u>(3,974,881)</u>
Net loss	<u>(2,281,232)</u>	<u>(583,760)</u>	<u>(4,512,886)</u>	<u>(6,178,275)</u>
Deemed dividend on down round feature	(213,012)	-	(213,012)	-
Deemed dividend on beneficial conversion feature	(10,532,291)	-	(10,532,291)	-
Preferred stock dividends	<u>(95,879)</u>	<u>-</u>	<u>(95,879)</u>	<u>-</u>
Net loss attributable to common stockholders	<u>\$(13,122,414)</u>	<u>\$ (583,760)</u>	<u>\$(15,354,068)</u>	<u>\$(6,178,275)</u>
Basic and diluted net loss per share attributable to common stockholders	\$ (9.20)	\$ (0.54)	\$ (11.01)	\$ (5.83)
Weighted average common stock shares outstanding used in the basic and diluted net loss per share calculation	1,426,698	1,077,529	1,395,187	1,059,250

**PRESSURE BIOSCIENCES, INC. AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS**

	<u>June 30, 2018</u>	<u>December 31, 2017</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 18,491	\$ 81,033
Accounts receivable	526,090	206,848
Inventories, net of \$139,700 reserve at June 30, 2018 and \$179,600 at December 31, 2017	900,063	857,662
Prepaid expenses and other current assets	<u>202,736</u>	<u>222,158</u>
Total current assets	1,647,380	1,367,701
Intangible assets, net of amortization of \$43,269 and \$0, respectively	707,611	750,000
Investment in available-for-sale equity securities	17,991	19,825
Property and equipment, net	<u>19,177</u>	<u>22,662</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,392,159</u></u>	<u><u>\$ 2,160,188</u></u>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 697,961	\$ 589,263
Accrued employee compensation	427,625	368,700
Accrued professional fees and other	917,498	800,620
Other current liabilities	912,402	1,536,507
Deferred revenue	208,857	263,106
Revolving note payable	-	3,500,000
Related party convertible debt, net of debt discount of \$0 and \$31,372, respectively	-	259,762
Convertible debt, net of unamortized debt discounts of \$547,582 and \$401,856, respectively	3,222,167	8,028,014
Other debt, net of unamortized discounts of \$25,982 and \$48,194, respectively	<u>703,130</u>	<u>1,379,863</u>
Total current liabilities	<u>7,089,640</u>	<u>16,725,835</u>
<b>LONG TERM LIABILITIES</b>		
Deferred revenue	<u>45,990</u>	<u>57,149</u>
<b>TOTAL LIABILITIES</b>	<u><u>7,135,630</u></u>	<u><u>16,782,984</u></u>
<b>STOCKHOLDERS' DEFICIT</b>		
Series D Convertible Preferred Stock, \$.01 par value; 850 shares authorized; 300 shares issued and outstanding on June 30, 2018 and December 31, 2017, respectively (Liquidation value of \$300,000)	3	3
Series G Convertible Preferred Stock, \$.01 par value; 240,000 shares authorized; 80,570 shares issued and outstanding on June 30, 2018 and December 31, 2017, respectively	806	806
Series H Convertible Preferred Stock, \$.01 par value; 10,000 shares authorized; 10,000 shares issued and outstanding on June 30, 2018 and December 31, 2017, respectively	100	100

Series H2 Convertible Preferred Stock, \$.01 par value; 21 shares authorized; 21 shares issued and outstanding on June 30, 2018 and December 31, 2017, respectively	-	-
Series J Convertible Preferred Stock, \$.01 par value; 6,250 shares authorized; 3,458 shares issued and outstanding on June 30, 2018 and December 31, 2017, respectively	35	35
Series K Convertible Preferred Stock, \$.01 par value; 15,000 shares authorized; 6,880 shares issued and outstanding on June 30, 2018 and December 31, 2017, respectively	68	68
Series AA Convertible Preferred Stock, \$.01 par value; 10,000 shares authorized; 5,195.4 and 0 shares issued and outstanding on June 30, 2018 and December 31, 2017, respectively	52	-
Common stock, \$.01 par value; 100,000,000 shares authorized; 1,537,094 and 1,342,858 shares issued and outstanding on June 30, 2018 and December 31, 2017, respectively	15,371	13,429
Warrants to acquire common stock	17,450,717	9,878,513
Additional paid-in capital	37,747,441	30,833,549
Accumulated deficit	(59,958,064)	(55,349,299)
Total stockholders' deficit	<u>(4,743,471)</u>	<u>(14,622,796)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>\$ 2,392,159</u>	<u>\$ 2,160,188</u>

**SOURCE:** Pressure BioSciences, Inc.