

August 14, 2014



# **Pressure BioSciences, Inc. Reports Second Quarter 2014 Financial Results and Provides Business Update**

**Q2 Products & Services Revenue Increases 56%, Consumable Sales Rise 86%, Operating Loss Narrows**

**First Half 2014 Products & Services Revenue Up 70%, Consumable Sales Increase 93%**

**Investor Conference Call Scheduled for Thursday, August 14, 2014 at 4:30 PM EDT**

SOUTH EASTON, Mass., Aug. 14, 2014 /PRNewswire/ -- Pressure BioSciences, Inc. (OTCQB: PBIO) ("PBI" or the "Company") today announced financial results for the three and six-month periods ended June 30, 2014, which included record products and services revenue compared to any prior half-year period. The Company also provided a business update.

Revenue from the sale of products and services was \$307,464 for the second quarter of 2014 compared to \$196,522 for the same period in 2013, an increase of 56%. Sales of consumables were \$48,417 for the three months ended June 30, 2014 compared to \$26,034 for the same period in 2013, an increase of 86%. Company operations included no grant revenue for the second quarter of 2014 compared to \$161,214 for the comparable period in 2013. Total revenue for the second quarter of 2014 was \$307,464 compared to \$357,736 for the same period in 2013, a 14% decrease. This decrease was due solely to the loss of \$161,214 in grant revenue in the second quarter of 2014, offset almost entirely by a 56% increase in products and services revenue, as stated.

Operating loss for the second quarter of 2014 decreased slightly to \$846,757 from \$858,026 for the same period in 2013. Although total revenue was down for the three months ended June 30, 2014, attributable solely to the loss in grant revenue, we were able to offset the lost margin through continued increases in products and services revenue and strict control of operating costs.

Revenue from the sale of products and services was \$711,611 for the six months ended June 30, 2014 compared to \$418,092 for the same period in 2013, a 70% increase. Sales of consumables were \$103,029 for the six months ended June 30, 2014 compared to \$53,258 for the same period in 2013, a 93% increase. Grant revenue for the six month period ended June 30, 2014 was \$0 compared to \$310,382 for the same period in 2013. Total revenue for the six months ended June 30, 2014 was \$711,611 compared to \$728,474 for the same period in 2013, a 2% decrease. This decrease was due solely to the loss of \$310,382 in

grant revenue in the six month period ended June 30, 2014, offset almost entirely by a 70% increase in products and services revenue, as stated.

Operating loss for the six months ended June 30, 2014 was \$1,629,123 compared to \$1,583,049 for the same period in 2013. This small increase in operating loss was attributable solely to the 100% loss in grant revenue in the first six months of 2014.

Loss per common share – basic and diluted – was \$0.05 for the second quarter of 2014 compared to \$0.10 for the same period in 2013. Loss per common share – basic and diluted – was \$0.30 for the six months ended June 30, 2014 compared to \$0.22 for the same six-month period of 2013.

Mr. Richard T. Schumacher, President and CEO of PBI, said: "On June 15<sup>th</sup> we launched our first-in-class, bench top, high throughput pressure cycling technology ("PCT")-based instrument, the Barozyme HT48, at a major worldwide scientific meeting. The Barozyme HT48 was designed to work with the standardized, high throughput, liquid-handling robotic and analytical systems currently installed in tens of thousands of biological research labs worldwide. With the addition of this important automation compatibility feature, we believe the Barozyme HT48 has the potential to significantly fuel growth and increase revenue for existing and new PCT-based applications and products, and to greatly facilitate future strategic partnership discussions."

Mr. Schumacher continued: "We believe the number of PCT-based applications with exciting market potential significantly exceeds the number we can realistically work on. Consequently, during the second quarter we engaged IssuWorks to begin a review of the possible spin-off of vertical market applications into new, stand-alone businesses. The goal is to have the new business(es) generate a revenue stream for PBI through royalty payments, licensing agreements, equity ownership, etc., while bringing investor and industry awareness to PBI and our powerful PCT Platform. IssuWorks is led by Mr. David Weild, a former vice-Chairman of NASDAQ, former head of global equity transactions at Prudential Securities, and the person many consider to be the 'Father of the JOBS Act'."

Mr. Richard P. Thomley, Chief Financial Officer of PBI, commented: "We are focused on the achievement of a number of important goals during the second half of 2014. Specifically, we believe we can:

- Continue to increase products and services revenue over 2013 levels.
- Be in a position to decide on the possible spin-off of selective PCT applications into new, stand-alone businesses designed to generate a revenue stream and favorable visibility for PBI.
- Secure a strategic marketing and distribution partner for the new Barozyme HT48 high throughput system.
- Complete the manufacture of 25 Barozyme HT48 and HUB880 instruments and ready them for sale.
- Develop and implement a successful marketing campaign for the recently released, patent-pending micro-Pestle that has the potential to significantly add to products revenue during the second half of 2014.
- Continue our measureable progress in developing a sound financial roadmap for future growth."

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

Pressure BioSciences, Inc. ("PBI") (OTCQB: PBIO) develops, markets, and sells proprietary laboratory instrumentation and associated consumables to the estimated \$6 billion life sciences sample preparation market. 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. To date, we have installed over 250 PCT systems in approximately 160 sites worldwide. There are over 100 publications citing the advantages of the PCT platform over competitive methods, many from key opinion leaders. Our primary development and sales efforts are in the biomarker discovery, drug discovery and design, and forensics areas. Customers also use our products in other areas, such as bio-therapeutics characterization, soil & plant biology, vaccine development, and counter-bioterror applications.

## **Earnings Call**

The Company will hold an Earnings Conference Call at 4:30 PM EDT on Thursday, August 14, 2014. To attend this teleconference via telephone: Dial-in: (877) 407-8031 (North America); (201) 689-8031 (International). Verbal Passcode (to be given to the operator): PBI Second Quarter 2014 Financial Conference Call, ID 13589201.

## **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 quarter ended June 30, 2014 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, 2013, 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.

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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**PRESSURE BIOSCIENCES, INC. AND SUBSIDIARY**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>June 30,</b>	<b>December 31,</b>
	<b>2014</b>	<b>2013</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$9,369	\$31,417
Accounts receivable	190,725	147,635
Inventories, net of \$50,000 reserve at March 31, 2014 and December 31, 2013	853,219	736,676
Prepaid income taxes	7,381	7,381
Investor receivable	200,000	-
Prepaid expenses and other current assets	157,607	85,573
Total current assets	1,418,301	1,008,682
Property and equipment, net	46,826	58,102
Intangible assets, net	12,182	36,498
TOTAL ASSETS	\$1,480,309	\$1,103,282
<u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u>		
CURRENT LIABILITIES		
Accounts payable	\$1,162,081	\$1,102,772
Accrued employee compensation	120,346	149,333
Accrued professional fees and other	601,673	615,244

Deferred revenue	17,272	28,189
Promissory note	-	75,000
Related party debt	-	25,182
Convertible debt, net of debt discount of \$100,108 at June 30, 2014 and \$311,806 at Dec. 31, 2013	295,056	281,796
Other debt	192,629	89,989
Warrant derivative liability	321,115	344,570
Conversion option liability	41,386	356,197
Total current liabilities	2,751,558	3,068,272
LONG TERM LIABILITIES		
Deferred revenue	-	2,785
TOTAL LIABILITIES	2,751,558	3,071,057
STOCKHOLDERS' DEFICIT		
Series D convertible preferred stock, \$.01 par value; 850 shares authorized; 300 shares issued and outstanding on June 30, 2014 and on Dec. 31, 2013	3	3
Series G convertible preferred stock, \$.01 par value; 240,000 shares authorized; 86,570 and 145,320 shares issued and outstanding on June 30, 2014 and on Dec. 31, 2013 respectively	865	1,453
Series H convertible preferred stock, \$.01 par value; 10,000 shares authorized, 10,000 shares issued and outstanding on June 30, 2014 and on Dec. 31, 2013	100	100
Series J convertible preferred stock, \$.01 par value; 6,250 shares authorized; 4,995 and 5,088 shares issued and outstanding on June 30, 2014 and on Dec. 31, 2013 respectively	50	51
Series K convertible preferred stock, \$.01 par value; 15,000 shares authorized; 11,463 shares issued and outstanding on June 30, 2014 and 4,000 on Dec. 31, 2013	115	40
Common stock, \$.01 par value; 50,000,000 shares authorized; 13,796,594 and 12,024,267 shares issued and outstanding on June 30, 2014 and on Dec. 31, 2013, respectively	137,966	120,243
Warrants to acquire preferred stock and common stock	4,920,633	4,267,402
Additional paid-in capital	23,341,504	19,509,921
Accumulated deficit	(29,672,485)	(25,866,988)

Total stockholders' deficit	(1,271,249)	(1,967,775)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$1,480,309	\$1,103,282

**PRESSURE BIOSCIENCES, INC. AND SUBSIDIARY**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

**(UNAUDITED)**

	<b>For the Three Months Ended</b>		<b>For the Six Months Ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Revenue:				
Products, services, other	\$307,464	\$196,522	\$711,611	\$418,092
Grant revenue	-	161,214	-	310,382
Total revenue	307,464	357,736	711,611	728,474
Costs and expenses:				
Cost of products and services	134,453	83,829	312,059	188,373
Research and development	253,238	260,408	484,326	506,866
Selling and marketing	196,074	188,392	367,414	382,292
General and administrative	570,456	683,133	1,176,935	1,233,992
Total operating costs and expenses	1,154,221	1,215,762	2,340,734	2,311,523
Operating loss	(846,757)	(858,026)	(1,629,123)	(1,583,049)
Other (expense) income:				
Interest expense	(341,649)	(63,110)	(478,313)	(72,013)
Other expense	-	(208,709)	-	(208,709)

Change in fair value of derivative liabilities	585,219	63,804	(255,406)	18,359
Total other (expense) income	243,570	(208,015)	(733,719)	(262,363)
Net loss	(603,187)	(1,066,041)	(2,362,842)	(1,845,410)
Accrued dividends on convertible preferred stock	(9,606)	(39,237)	(54,593)	(71,410)
Deemed dividends on convertible preferred stock	(107,996)	(68,634)	(1,388,062)	(651,182)
Net loss applicable to common shareholders	\$(720,789)	\$(1,173,912)	\$(3,805,497)	\$(2,568,002)
Net loss per share attributable to common stockholders - basic and diluted	\$(0.05)	\$(0.10)	\$(0.30)	\$(0.22)
Weighted average common stock shares outstanding used in the basic and diluted net loss per share calculation	13,567,472	11,521,794	12,848,751	11,883,797

SOURCE Pressure BioSciences, Inc.