

August 15, 2019



# Pressure BioSciences, Inc. Reports Second Quarter 2019 Financial Results and Provides Business Update

***Record Consumables Sales, Strong Growth in BaroFold & UST Services, and Launch of Revolutionary CBD Processing System Highlight the 2019 Second Quarter; Company Believes Total Revenue Will More than Double in 2020***

***Investor Conference Call Scheduled for Thursday, August 15, 2019 at 4:30 PM EDT***

**SOUTH EASTON, MA / ACCESSWIRE / August 15, 2019** /Pressure BioSciences, Inc. (OTCQB:PBIO) ("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, 2019, provided a business update, and offered guidance for the remainder of FY2019 and for FY 2020.

## **Financial Results: Q2 2019 vs. Q2 2018 (rounded to nearest hundred except for EPS)**

Total revenue for the second quarter ended June 30, 2019 was \$518,700 compared to \$638,800 for the same period in 2018, a 19% decrease. Product and services revenue was \$518,700 for the second quarter of 2019 compared to \$618,400 for the same quarter of 2018, a 16% decrease. Instrument sales decreased to \$247,000 in Q2 2019 compared to \$397,000 in Q2 2018, a decrease of 38%. Sales of consumables were \$91,400 for the second quarter of 2019 (an all-time record) compared to \$64,100 for the same period in 2018, a 43% increase. BaroFold contract services for protein disaggregation and controlled refolding applications were \$69,700 for the 2019 second quarter compared to \$52,600 for the same period in 2018, an increase of 32.5%. UST contract services reached \$41,400 in Q2 2019 compared to \$14,300 in the second quarter of 2018, an increase of 197.5%. Grant revenue in Q2 2019 was none compared to \$20,000 in Q2 2018. Our NIH grant ended in November 2018.

Operating loss for Q2 2019 was \$1,400,400 compared to \$920,900 for the same period in 2018. This increase included legal fees for fundraising, increased use of investor and public relations services, non-cash stock compensation relating to renewed vesting of stock options, and employee costs relating to the hire of a chief commercial officer with related travel for business development.

Loss per common share - basic and diluted- was \$(2.22) for Q2 2019 compared to loss per common share of \$(9.20) for the same period in 2018. The decreased loss per share resulted from the Company recording deemed dividends in the prior year 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 (1H) 2019 vs. First Half (1H) 2018(rounded to nearest hundred except for EPS)**

Total revenue for the 1H 2019 was \$1,028,900 compared to \$1,249,500 for the prior year same period, a decrease of \$220,600 or 18%. This decrease was primarily due to lower revenue from instrument sales, as described below. We believe total revenue will increase over the remaining two quarters of 2019. Product and services revenue decreased to \$1,028,900 for the first half of 2019 compared to \$1,203,700 for the same period in 2018, a decrease of \$174,800 or 15%. Comparing 1H 2019 to 1H 2018, instrument sales decreased to \$385,700 from \$817,100, consumable sales increased to \$153,400 (an all-time record) from \$138,800, BaroFold contract services increased to \$220,800 from \$52,600, and UST contract services reached \$128,300 compared to \$14,300. We believe product and services revenue will continue to increase (YoY) for the remaining quarters of 2019.

Operating loss was \$2,797,000 for the first six months of 2019, compared to a loss of \$2,029,000 for the same period in 2018, an increase of \$768,000 or 38%. The increase included legal fees for fundraising, increased use of investor and public relations services, non-cash stock compensation relating to renewed vesting of stock options, and employee costs relating to the hire of a chief commercial officer with related travel for business development.

Net loss per common share was \$(4.24) -- basic and diluted -- for the six months ended June 30, 2019 compared to a net loss per common share -- basic and diluted -- of \$(11.01) for the same period in 2018. The decreased loss per share resulted from the Company recording deemed dividends in the prior year 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.

### **Recent Operational and Technical Highlights**

#### *Launch of our Revolutionary UST-Based System to Make High Quality, Water-Soluble Nanoemulsions of CBD Oil*

- We released a short video demonstrating the ability of our proprietary UST platform to create water-soluble CBD Oil that disperses instantly when infused into soft drinks, sports drinks, and beer for enhanced quality and absorption
- We announced our entrance into the CBD market with the launch of a novel processing system (the BaroShear K45) to revolutionize the manufacture of water-soluble, long-term stable, highly absorbable, nanoemulsified CBD Oil
- We announced the initial close and customer for our BaroShear K45 nanoemulsification system
- We made measurable progress on the build-out of our GMP-compliant manufacturing laboratory, where we expect to showcase the BaroShear K45 and the industrial scale, high volume, 2 liter per minute UST-based nanoemulsification systems

#### *Ohio State/PBIO Project to Develop Safer, More Nutritious, Long Shelf-life, Clean Label Food and Beverages*

- We achieved the first major milestone in our USDA-funded project to develop a potential breakthrough processing method for higher quality, more nutritious, and safer food and beverages - with a focus on dairy products such as milk. This novel processing method is based on P BIO's patented Ultra Shear Technology™ (UST™) platform.

#### *Expansion of our Recently Launched BaroFold Contract Services Business*

- We entered into a six-figure agreement with a multi-national, multi-billion-dollar biopharma company
- We continued discussions towards an agreement with a second multi-national, multi-billion-dollar company
- We expanded the contract services laboratory with additional specialized equipment and new methods/applications

#### *Expanded Applications for our Core Suite of PCT and Constant Pressure-based Instruments*

- At the June conference of the American Society for Mass Spectrometry, Dr. Tom Conrads (a nationally-acclaimed protein chemist) spoke on the critical role played by P BI's Barocycler EXT platform in helping to make the profiling of their Laser Capture Microdissected tumor tissue samples possible at the throughput required in their APOLLO Cancer Moonshot program
- Scientists at Tennessee State University showed that P BIO's HUB instrument platform was highly effective in studies to develop improved methods for food safety, addressing the need for new ways to prevent serious food-borne diseases caused by bacteria such as E. coli and Listeria.

Richard T. Schumacher, President and CEO of P BI, said: "Because of the poor water solubility of today's oil-based CBD products, most ingested CBD is flushed from the body, leaving little of the product to provide its beneficial properties. After much diligence and analysis, we concluded that we have the expertise and experience to successfully address this critical issue. Consequently, we pulled significant hours away from many of our staff over the past few months and had them focus on the development of an instrument system - based on our patented UST platform - that would increase the water-solubility, and thus the absorption, of CBD Oil. We succeeded; the result of that success is the BaroShear K45 processing system."

Mr. Schumacher continued: "The CBD market is expected to hit \$20 Billion by 2024 (BDS Analytics, 2019). There are currently hundreds upon hundreds of companies in this field. To survive, companies will need to differentiate themselves from the competition by delivering the highest quality products possible. Such products would undoubtedly need to have high water-solubility, absorption, and bioavailability, along with long shelf-life and a minimal amount of added chemicals. This is exactly what we intend to deliver."

Mr. Schumacher concluded: "We have already begun to pre-sell limited quantities of the BaroShear K45. Units sold over the coming weeks will be delivered and installed in early 2020. We believe that such sales will have a significant impact on 2020 total revenue, potentially resulting in more than twice the total revenue of 2019. We further believe that revenue from our BaroFold platform contract services will continue to increase, and that the decline in PCT platform instrument sales observed over the past two quarters (caused in

part by our focus on the development of the BaroShear K45) will end, and that we will see an increase in PCT product sales over the second half of 2019, and beyond.”

## **Earnings Call**

The Company will hold an Earnings Conference Call at 4:30 PM EDT on Thursday, August 15, 2019. To attend this teleconference via telephone, Dial-in: (844) 602-0380 (North America), (862) 298-0970 (International). Verbal Passcode: P BIO Second Quarter 2019 Financial Results Call. Replay Number (877) 481-4010 (North America), (919) 882-2331 (International). Replay ID Number: 53312. Teleconference Replay Available for 30 days.

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

Pressure BioSciences, Inc. (OTCQB: P BIO) 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, patented technology from BaroFold, Inc. (the “BaroFold” technology) to allow entry into the bio-pharma contract 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., CBD Oil 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 six months ended June 30, 2019 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, 2018, 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.

## PRESSURE BIOSCIENCES, INC. AND SUBSIDIARY CONSOLIDATED STATEMENTS OF OPERATIONS UNAUDITED

|   | For the Three Months<br>Ended<br>June 30, |                        | For the Six Months Ended<br>June 30, |                        |
|---|---|------------------------|--------------------------------------|------------------------|
|   | 2019                                      | 2018                   | 2019                                 | 2018                   |
| Revenue:  |   |                        |                                      |                        |
| Products, services, other   | \$ 518,663                                | \$ 618,418             | \$ 1,028,903                         | \$ 1,203,662           |
| Grant revenue   | -   | 20,355                 | -                                    | 45,885                 |
| Total revenue   | <u>518,663</u>                            | <u>638,773</u>         | <u>1,028,903</u>                     | <u>1,249,547</u>       |
| Costs and expenses:   |   |                        |                                      |                        |
| Cost of products and services   | 304,172                                   | 270,046                | 613,884                              | 594,835                |
| Research and development  | 291,538                                   | 323,832                | 556,242                              | 648,808                |
| Selling and marketing   | 186,609                                   | 224,942                | 374,824                              | 499,410                |
| General and administrative  | 1,136,768                                 | 740,843                | 2,281,189                            | 1,535,448              |
| Total operating costs and expenses  | <u>1,919,087</u>                          | <u>1,559,663</u>       | <u>3,826,139</u>                     | <u>3,278,501</u>       |
| Operating loss  | (1,400,424)                               | (920,890)              | (2,797,236)                          | (2,028,954)            |
| Other expense:  |   |                        |                                      |                        |
| Interest expense  | (1,074,488)                               | (1,159,242)            | (1,587,194)                          | (2,282,387)            |
| Other expense   | (185,469)                                 | (9,582)                | (290,314)                            | (14,312)               |
| (Loss) Gain on extinguishment of debt   | (106,461)                                 | 471,612                | (147,271)                            | 475,897                |
| Incentive shares/warrants   | -   | (663,130)              | -                                    | (663,130)              |
| Total other (expense) income  | <u>(1,366,418)</u>                        | <u>(1,360,342)</u>     | <u>(2,024,779)</u>                   | <u>(2,483,932)</u>     |
| Net loss  | <u>(2,766,842)</u>                        | <u>(2,281,232)</u>     | <u>(4,822,015)</u>                   | <u>(4,512,886)</u>     |
| Deemed dividend on down round feature   | -   | (213,012)              | -                                    | (213,012)              |
| Deemed dividend on beneficial conversion feature  | (889,532)                                 | (10,532,291)           | (1,949,731)                          | (10,532,291)           |
| Preferred stock dividends   | (420,489)                                 | (95,879)               | (776,099)                            | (95,879)               |
| Net loss attributable to common stockholders  | <u>\$ (4,076,863)</u>                     | <u>\$ (13,122,414)</u> | <u>\$ (7,547,845)</u>                | <u>\$ (15,354,068)</u> |
| Basic and diluted net loss per share attributable to common stockholders                                      | \$ (2.22)                                 | \$ (9.20)              | \$ (4.24)                            | \$ (11.01)             |
| Weighted average common stock shares outstanding used in the basic and diluted net loss per share calculation | 1,837,913                                 | 1,426,698              | 1,780,881                            | 1,395,187              |

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

|                | Unaudited        |                         |
|----------------|------------------|-------------------------|
|                | June 30,<br>2019 | December<br>31,<br>2018 |
| <u>ASSETS</u>  |                  |                         |
| CURRENT ASSETS |                  |                         |

|   |                     |                     |
|---|---------------------|---------------------|
| Cash and cash equivalents   | \$ 117,933          | \$ 103,118          |
| Accounts receivable, net of \$0 reserve at June 30, 2019 and December 31, 2018  | 410,613             | 474,830             |
| Inventories, net of \$273,547 reserve at June 30, 2019 and December 31, 2018  | 744,806             | 765,478             |
| Prepaid expenses and other current assets   | 127,657             | 170,734             |
| Total current assets  | <u>1,401,009</u>    | <u>1,514,160</u>    |
| Investment in equity securities   | 16,643              | 16,643              |
| Property and equipment, net   | 94,277              | 69,272              |
| Right of use asset leases   | 108,332             | 136,385             |
| Intangible assets, net  | 620,192             | 663,462             |
| TOTAL ASSETS  | <u>\$ 2,240,453</u> | <u>\$ 2,399,922</u> |
| <u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u>  |                     |                     |
| CURRENT LIABILITIES   |                     |                     |
| Accounts payable  | \$ 514,948          | \$ 658,856          |
| Accrued employee compensation   | 438,608             | 456,932             |
| Accrued professional fees and other   | 1,435,210           | 1,112,995           |
| Other current liabilities   | 1,909,514           | 1,233,325           |
| Deferred revenue  | 25,702              | 20,623              |
| Operating lease liability   | 67,674              | 59,799              |
| Convertible debt, net of unamortized discounts of \$360,297 and \$156,180, respectively   | 4,835,066           | 4,000,805           |
| Other debt, net of unamortized discounts of \$13,833 and \$9,118, respectively  | 1,107,667           | 852,315             |
| Other related party debt  | 15,000              | 15,000              |
| Total current liabilities   | <u>10,349,389</u>   | <u>8,410,650</u>    |
| LONG TERM LIABILITIES   |                     |                     |
| Operating lease liability, net of current portion   | 40,658              | 76,586              |
| Deferred revenue  | 32,506              | 37,757              |
| TOTAL LIABILITIES   | <u>10,422,553</u>   | <u>8,524,993</u>    |
| STOCKHOLDERS' DEFICIT   |                     |                     |
| Series D Convertible Preferred Stock, \$.01 par value; 850 shares authorized; 300 shares issued and outstanding on June 30, 2019 and December 31, 2018, 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, 2019 and December 31, 2018, respectively                           | 806                 | 806                 |
| Series H Convertible Preferred Stock, \$.01 par value; 10,000 shares authorized; 10,000 shares issued and outstanding on June 30, 2019 and December 31, 2018, respectively                            | 100                 | 100                 |
| Series H2 Convertible Preferred Stock, \$.01 par value; 21 shares authorized; 21 shares issued and outstanding on June 30, 2019 and December 31, 2018, respectively                                   | -                   | -                   |
| Series J Convertible Preferred Stock, \$.01 par value; 6,250 shares authorized; 3,458 shares issued and outstanding on June 30, 2019 and December 31, 2018, respectively                              | 35                  | 35                  |
| Series K Convertible Preferred Stock, \$.01 par value; 15,000 shares authorized; 6,880 shares issued and outstanding on June 30, 2019 and December 31, 2018, respectively                             | 68                  | 68                  |
| Series AA Convertible Preferred Stock, \$.01 par value; 10,000 shares authorized; 7,518 and 6,499 shares issued and outstanding on June 30, 2019 and December 31, 2018, respectively                  | 76                  | 65                  |
| Common stock, \$.01 par value; 100,000,000 shares authorized; 1,889,616 and 1,684,182 shares issued and outstanding on June 30, 2019 and December 31, 2018 respectively                               | 18,896              | 16,842              |
| Warrants to acquire common stock  | 21,446,642          | 19,807,247          |
| Additional paid-in capital  | 41,676,926          | 39,777,301          |
| Accumulated deficit   | <u>(71,325,652)</u> | <u>(65,727,538)</u> |
| Total stockholders' deficit   | <u>(8,182,100)</u>  | <u>(6,125,071)</u>  |
| TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT   | <u>\$ 2,240,453</u> | <u>\$ 2,399,922</u> |

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