

November 17, 2020



Pressure BioSciences, Inc. Reports Third Quarter 2020 Financial Results and Provides Business Update

Instrument Sales Increase 68%, Total Revenue Increases 7%, Operating Loss Decreases 23% (Q/Q); Planned Release of Revolutionary UST System in Mid-2021 Expected to Drive Major Revenue Growth and Progression to Profitability

Investor Conference Call Scheduled for Tuesday, November 17, 2020 at 4:30 PM EST

SOUTH EASTON, Mass., Nov. 17, 2020 /PRNewswire/ -- Pressure BioSciences, Inc. (OTCQB: PBIO) ("PBI" or the "Company"), a leader in the development and sale of broadly enabling, pressure-based instruments, consumables, services, and platform solutions to the worldwide life sciences and other industries, today announced financial results for the third quarter ended September 30, 2020, provided a business update, and offered limited guidance for FY2021.

Mr. Richard T. Schumacher, President and CEO of PBI, commented: "We are delighted with the results of the third quarter 2020, particularly in the measurable progress made in three important areas: (i) key operational and technical projects (see highlight bullets below); (ii) revenue increases in our products and services offerings; and (iii) important restructuring improvements in the reduction of onerous, variable-rate convertible debt. As previously reported, the Company's first and second quarter 2020 results were substantially impacted by business interruptions and/or distractions for PBI clients and prospects. However, third quarter 2020 results demonstrated a dramatic recovery, with Q3 total revenue exceeding the revenue of Q1 and Q2 2020 combined and topping all previous quarterly revenue results since Q4 2018. Similarly, instrument sales in Q3 2020 exceeded instrument sales in Q1 and Q2 2020 combined, and contracted services revenue for our Ultra Shear Technology™ ("UST™") nanoemulsions and BaroFold™ biopharmaceutical protein refolding and recovery platforms in Q3 2020 also exceeded revenue for the same services in Q1 and Q2 2020 combined."

Mr. Schumacher continued: "We have been especially proud of our strong progress in the restructuring and reduction of onerous, variable-rate convertible debt and the consequential improvement in our investment grade profile. On December 31, 2019 we carried approximately \$5.4 million of very expensive, variable-rate convertible debt on our books. We successfully reduced this onerous debt to approximately \$1.7 million by Sept 30, 2020 through a combination of cash and conversion into PBIO common stock at a value of \$2.50/share. We also carried about \$1.1M in merchant cash advances ("MCAs") on

December 31, 2019; MCA balances were reduced to \$0 by September 30, 2020, primarily through a combination of cash, conversion of debt into stock at a value of \$2.50/share, and warrant awards with a \$3.50 exercise price. Cash for the debt paydowns and restructurings above was sourced from friendly, long-term investors who we anticipate, based on past performance, will likely convert their safer, less onerous fixed-rate loans into equity in the near future."

Recent Operational and Technical Highlights

Launch of our Revolutionary UST-Based System to Make High Quality, Stable, Water-Soluble Nanoemulsions

- On target to launch our unique BaroShear K45 Nanoemulsification System by mid-2021
- Novel, proprietary system designed to revolutionize the processing of immiscible liquids (like oils in water) into water-soluble, long-term stable, highly absorbable, innately bioavailable nanoemulsions
- Resulting formulations could potentially have enormous success in many very large and rapidly growing markets, including high-value pharmaceuticals, cosmetics, nutraceuticals (such as CBD-infused products), liquid foods and beverages, as well as industrial products including inks, paints and lubricants
- Announced receipt of purchase orders for twelve (12) BaroShear K45 nanoemulsification systems being manufactured for mid-2021 release
- Completed build-out of our GMP-compliant manufacturing laboratory, an application development showcase for the BaroShear K45 and our industrial scale, high volume (2 liters/minute) UST-based nanoemulsification systems

Expansion of our Recently Launched BaroFold Contract Services Business

- We entered into ongoing service agreements with two biopharma companies seeking to determine if our patented BaroFold platform could significantly impact and improve the quality of their early-stage protein therapeutics
- We began discussions with potential CRO and CMO partners for the expansion of our BaroFold services
- We continued to expand the PBIO contract services laboratory with additional specialized equipment and new methods/applications

Intellectual Property (Patents)

- We were awarded the first U.S. patent for our revolutionary Ultra Shear Technology Platform.
- We were awarded a pivotal U.S. patent for our best-selling, pressure-based consumable device, the PCT MicroPestle

Collaborations

- We signed a worldwide, co-marketing alliance with Leica Microsystems (a Danaher company), integrating PBI's Pressure Cycling Technology ("PCT") with their laser microdissection platform, prior to mass spec analyses. Leica and PBI believe that the combination of their proprietary technology platforms provides the potential to

- accelerate cancer R&D with an innovative and proprietary tumor processing workflow
- Earlier this year, PBI and RedShiftBio demonstrated the potential of combining their proprietary technologies to enable a new tool for the development and production of biotherapeutics

Financial Results: Q3 2020 vs. Q3 2019 (rounded to nearest hundred except earnings per share)

Products and services revenues were \$534,000 for the 2020 third quarter compared to \$501,000 for the same quarter of 2019, a 7% increase. This increase was primarily attributable to increased sales of instruments, which totaled \$312,700 in Q3 2020 compared to \$185,800 in Q3 2019, an increase of 68%. Revenue from consumable products was \$49,000 for the third quarter of 2020 compared to \$112,000 for the same period in 2019, a 56% decrease. Contracted scientific services for BaroFold protein refolding applications and UST services provided revenue of \$84,200 in Q3 2020, compared to \$149,200 in Q3 2019, a decrease of 44%. These decreases in consumable product sales and scientific services were primarily attributable to the negative impact that the COVID-19 pandemic had on the operations of many of our customers.

Operating loss for Q3 2020 was \$819,000 compared to \$1,069,000 for the same period in 2019, a decrease in operating loss of 23%. This decrease was primarily due to lower investor relations services, stock-based compensation expenses, personnel costs, and marketing expenditures.

Loss per common share – basic and diluted– was \$(1.02) for Q3 2020 compared to loss per common share of \$(2.20) for the same period in 2019.

PBI's Chairman of the Board, Mr. Jeffrey N. Peterson, offered an overview perspective: "The excitement of our early vision for PBI was based upon the anticipated broad potential of multiple, patented high-pressure technology platforms, now spanning the PCT platform for sample preparation, the BaroFold platform for protein refolding/recovery of biotherapeutics, and the UST platform for processing a new generation of extremely effective nanoemulsions. These unique and proprietary pressure-based platforms address numerous and diverse large market opportunities worldwide. The Company has successfully developed and poised these technologies for market readiness, rapid revenue growth, and a path to major revenue growth and profitability in 2021. We believe that the restructuring of PBI's debt, already alleviating much of our onerous variable-rate convertible debt exposure, has dramatically repositioned the Company for new investment to eliminate the remaining onerous variable-rate debt, fund our UST platform inventory build for the twelve pre-orders already received for the new BaroShear K45 nanoemulsification system, and drive our conversion to profitability by late 2021."

Earnings Call

The Company will hold an Earnings Conference Call at 4:30 PM EDT on Tuesday, November 17, 2020. To attend this teleconference via telephone, Dial-in: (877) 407-8033 (North America), (201) 689-8033 (International). Verbal Passcode: PBIO Third Quarter 2020 Financial Results Call. Replay Number (877) 481-4010 (North America), (919) 882-2331 (International); Replay ID Number: 38901. 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, 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., 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 three months ended September 30, 2020 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, 2019, 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 Ended September 30,	
	2020	2019
Revenue:		
Products, services, other	\$ 533,862	\$ 501,158
Total revenue	533,862	501,158
Costs and expenses:		
Cost of products and services	247,013	285,794
Research and development	247,432	276,712
Selling and marketing	173,372	133,032
General and administrative	684,807	874,611
Total operating costs and expenses	1,352,624	1,570,149
Operating loss	(818,762)	(1,068,991)
Other (expense) income:		
Interest expense, net	(2,204,593)	(2,124,477)
Unrealized gain on investment in equity securities	140,461	-
Loss on extinguishment of liabilities	(395,854)	(185,203)
Other income	-	4,674
Total other expense	(2,459,986)	(2,305,006)
Income tax benefit	-	217,168
Net loss	(3,278,748)	(3,156,829)
Deemed dividend on beneficial conversion feature	-	(675,979)
Preferred stock dividends	(396,970)	(492,494)
Net loss attributable to common stockholders	\$ (3,675,718)	\$ (4,325,302)
Basic and diluted net loss per share attributable to common stockholders	\$ (1.02)	\$ (2.20)
Weighted average common stock shares outstanding used in the basic and diluted net loss per share calculation	3,612,958	1,967,872

PRESSURE BIOSCIENCES, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
Unaudited

	September 30, 2020	December 31, 2019
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 94,752	\$ 29,625
Accounts receivable	330,459	229,402
Inventories, net of \$342,496 reserve at September 30, 2020 and December 31, 2019	516,205	617,716
Loan receivable	801,250	-
Prepaid expenses and other current assets	159,739	213,549
Total current assets	1,902,405	1,090,292
Investment in equity securities	503,366	16,643
	18,733	55,590
Property and equipment, net		
Right of use asset leases	20,958	76,586
Intangible assets, net	512,019	576,923
TOTAL ASSETS	\$ 2,957,481	\$ 1,816,034
<u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 706,319	\$ 815,764
Accrued employee compensation	450,591	451,200
Accrued professional fees and other	2,035,252	1,658,452
Accrued interest	5,593,508	2,949,621
Deferred revenue	47,623	23,248

Operating lease liability	20,958	76,586
Convertible debt, net of unamortized discounts of \$4,738,724 and \$619,227, respectively	7,095,113	6,121,338
Other debt, net of unamortized discounts of \$0 and \$1,769, respectively	886,501	1,675,667
Other related party debt	105,000	81,500
Total current liabilities	<u>16,940,865</u>	<u>13,853,376</u>
LONG TERM LIABILITIES		
Long term debt	527,039	-
Deferred revenue	25,957	18,065
TOTAL LIABILITIES	<u>17,493,861</u>	<u>13,871,441</u>
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' DEFICIT		
Series D Convertible Preferred Stock, \$.01 par value; 850 shares authorized; 300 shares issued and outstanding on September 30, 2020 and December 31, 2019, 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 September 30, 2020 and December 31, 2019, respectively	806	806
Series H Convertible Preferred Stock, \$.01 par value; 10,000 shares authorized; 10,000 shares issued and outstanding on September 30, 2020 and December 31, 2019, respectively	100	100
Series H2 Convertible Preferred Stock, \$.01 par value; 21 shares authorized; 21 shares issued and outstanding on September 30, 2020 and December 31, 2019, respectively	-	-
Series J Convertible Preferred Stock, \$.01 par value; 6,250 shares authorized; 3,458 shares issued and outstanding on September 30, 2020 and December 31, 2019, respectively	35	35
Series K Convertible Preferred Stock, \$.01 par value; 15,000 shares authorized; 6,880 shares issued and outstanding on September 30, 2020 and December 31, 2019, respectively	68	68
Series AA Convertible Preferred Stock, \$.01 par value; 10,000 shares authorized; 7,983 and 7,939 shares issued and outstanding on September 30, 2020 and December 31, 2019, respectively	80	80
Common stock, \$.01 par value; 100,000,000 shares authorized; 3,839,256 and 2,549,620 shares issued and outstanding on September 30, 2020 and December 31, 2019 respectively	38,392	25,496
Warrants to acquire common stock	28,207,172	22,599,177
Additional paid-in capital	49,079,182	44,261,105
Accumulated deficit	(91,862,218)	(78,942,277)
Total stockholders' deficit	<u>(14,536,380)</u>	<u>(12,055,407)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	<u>\$ 2,957,481</u>	<u>\$ 1,816,034</u>

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