

April 1, 2014



# **Pressure BioSciences, Inc. Reports Strong Fourth Quarter and Fiscal Year 2013 Financial Results**

**Total Revenue Up 64% (Q/Q) and 21% (Y/Y)**

**Products & Services Revenue Up 146% (Q/Q) and 29% (Y/Y)**

**Operating Loss Decreases in Both Q4 and FY 2013**

**Investor Conference Call Slated for Tuesday, April 1 at 4:15 PM EDT**

SOUTH EASTON, Mass., April 1, 2014 /PRNewswire/ -- Pressure BioSciences, Inc. (OTCQB: PBIO) ("PBI" or the "Company") today announced financial results for the three-month period and fiscal year ended December 31, 2013 and provided a business update.

Total revenue for the fourth quarter of 2013 was \$354,052 compared to \$216,032 for the same period in 2012, a 64% increase. Revenue from the sale of products and services was \$300,628 for Q4 2013 compared to \$122,285 for the same period in 2012, a 146% increase. Grant revenue in Q4 2013 was \$53,424 compared to \$93,747 for the same period in the prior year. Sales of consumables were \$52,968 for the three months ended December 31, 2013 compared to \$18,624 for the same period in 2012, an increase of 184%.

Operating loss for the fourth quarter of 2013 decreased to \$900,110 from \$1,129,750 for the same period in 2012, a reduction of 20%. Contributing to this decrease in operating loss was a quarter over quarter decrease in general and administrative expenses of \$268,105, or 30%.

Loss per common share (basic and diluted) was \$0.16 for the 2013 fourth quarter compared to \$0.10 for the same period in 2012. The additional loss per common share was due primarily to the change in the fair value of the derivative instruments in Q4 2013.

Total revenue for the fiscal year 2013 was \$1,503,288 compared to \$1,238,217 for the fiscal year 2012, a 21% increase. Revenue from the sale of products and services was \$1,046,678 for FY 2013 compared to \$809,308 for FY 2012, a 29% increase. Grant revenue in FY 2013 was \$456,610 compared to \$428,909 for FY 2012. Sales of consumables were approximately \$157,676 for FY 2013 compared to approximately \$85,493 for FY 2012, an increase of 84%.

Operating loss for the fiscal year 2013 decreased to \$3,327,192 from \$3,463,642 for the fiscal year 2012, a reduction of 4%. Contributing to this decrease in operating loss were decreases in total operating expenses of \$22,792 and increased gross margin of \$113,658.

Loss per common share (basic and diluted) was \$0.44 for 2013 compared to \$0.43 for the same period in 2012.

Richard P. Thomley, Chief Financial Officer of PBI, said: "In addition to strong quarter over quarter (Q4 2013 vs. Q4 2012) revenue increases, both total revenue and products and services revenue showed substantive sequential increases for the year (FY 2013 vs. FY 2012), posting gains of 21% and 29%, respectively. We achieved these results while also decreasing operating expenses. We believe that our financial performance for the fourth quarter and fiscal year 2013 reflect PBI's significant progress in our stated goal of developing a sound financial roadmap moving forward."

Mr. Richard T. Schumacher, President and CEO of PBI, commented: "During 2013, and the first three months of 2014, we achieved a number of notable financial and operational successes, including:

- We closed the first three tranches (\$2.8M) of our Series K PIPE (initial goal \$1.5M)
- We released our ultra-high pressure HUB880 instrument system to the market on time (Q1 2014)
- We closed our \$2.0M Series J PIPE, slightly over-subscribed at \$2.04M
- We reported increases in total revenue for Q1, Q2, Q3, and Q4 2013 vs. same quarters in 2012
- We announced a Core Technology Breakthrough enabling our PCT Platform to develop integration with the dominant laboratory high-throughput robotic pipetting and automation footprint used worldwide
- We reported on independent studies that showed our novel instrument systems could potentially (i) generate new insights into protein structure and function (for biomarker discovery and drug design); (ii) greatly accelerate rape kit testing; (iii) generate a new understanding of diseases and disorders related to the gastrointestinal tract through non-invasive means; and (iv) offer advantages in cancer, stem cell, and heart disease studies."

Mr. Schumacher continued: "We believe that our product and services revenue will continue to increase in 2014 and beyond; that the distinct advantages of our pressure cycling-based products will continue to be reported by scientists worldwide; that the number of applications and thus fields of use for our products will continue to increase; and that we will be successful in continuing to raise the funds as required, to help us achieve our goal of financial self-sufficiency and profitability, with steadily increasing shareholder value as we move forward."

## **Earnings Call**

The Company will hold an Earnings Conference Call at 4:15 PM EDT on Tuesday, April 1, 2014. To attend this teleconference via telephone: Dial-in: (800) 875-3456 (U.S.); (800) 648-0973 (Canada); (302) 607-2001 (International). Verbal Passcode (to be given to the operator: VS78313). Conference ID: 880058.

## **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 application development and sales efforts are in the biomarker discovery, drug discovery & 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.

## 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 and fiscal year ended December 31, 2013 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 link:

<http://www.pressurebiosciences.com>

Please visit us on Facebook, LinkedIn, and Twitter.

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|-------------------------------------------------------------------------|--------------------|
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**PRESSURE BIOSCIENCES, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**(UNAUDITED)**

|                                                | <b>For the Three Months Ended</b> |             |
|------------------------------------------------|-----------------------------------|-------------|
|                                                | <b>December 31,</b>               |             |
|                                                | <b>2013</b>                       | <b>2012</b> |
| Revenue:                                       |                                   |             |
| Products, services, other                      | \$300,628                         | \$122,285   |
| Grant revenue                                  | 53,424                            | 93,747      |
| Total revenue                                  | 354,052                           | 216,032     |
| Costs and expenses:                            |                                   |             |
| Cost of products and services                  | 203,460                           | 120,329     |
| Research and development                       | 248,284                           | 189,988     |
| Selling and marketing                          | 179,114                           | 144,057     |
| General and administrative                     | 623,304                           | 891,409     |
| Total operating costs and expenses             | 1,254,162                         | 1,345,782   |
| Operating loss                                 | (900,110)                         | (1,129,750) |
| Other income (expense):                        |                                   |             |
| Interest expense, net                          | (109,642)                         | (62,350)    |
| Other income (expense)                         | (320,292)                         | (36,322)    |
| Change in fair value of derivative liabilities | (235,759)                         | 144,840     |
| Total other income (expense)                   | (665,693)                         | (46,168)    |
| Loss before income taxes                       | (1,565,803)                       | (1,083,582) |
| Income tax benefit                             | -                                 | 2,014       |
| Net loss                                       | (1,565,803)                       | (1,081,568) |

|                                                                                                               |               |               |
|---------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Accrued and deemed dividend on convertible preferred stock                                                    | (397,492)     | (54,276)      |
| Net loss applicable to common shareholders                                                                    | \$(1,963,295) | \$(1,135,844) |
| Net loss per share attributable to common stockholders - basic and diluted                                    | \$(0.16)      | \$(0.10)      |
| Weighted average common stock shares outstanding used in the basic and diluted net loss per share calculation | 11,955,789    | 11,804,368    |

**PRESSURE BIOSCIENCES, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**(AUDITED)**

|                                    | <b>For the Year Ended</b> |             |
|------------------------------------|---------------------------|-------------|
|                                    | <b>December 31,</b>       |             |
|                                    | <b>2013</b>               | <b>2012</b> |
| Revenue:                           |                           |             |
| Products, services, other          | \$1,046,678               | \$809,308   |
| Grant revenue                      | 456,610                   | 428,909     |
| Total revenue                      | 1,503,288                 | 1,238,217   |
| Costs and expenses:                |                           |             |
| Cost of products and services      | 567,828                   | 416,415     |
| Research and development           | 1,035,426                 | 965,623     |
| Selling and marketing              | 752,288                   | 714,635     |
| General and administrative         | 2,474,938                 | 2,605,186   |
| Total operating costs and expenses | 4,830,480                 | 4,701,859   |

|                                                                                                               |               |               |
|---------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Operating loss                                                                                                | (3,327,192)   | (3,463,642)   |
| Other income (expense):                                                                                       |               |               |
| Interest expense, net                                                                                         | (339,818)     | (133,417)     |
| Other income (expense)                                                                                        | (531,130)     | -             |
| Change in fair value of derivative liabilities                                                                | 113,713       | 144,840       |
| Total other income (expense)                                                                                  | (757,235)     | 11,423        |
| Loss before income taxes                                                                                      | (4,084,427)   | (3,452,219)   |
| Income tax benefit                                                                                            | -             | 2,014         |
| Net loss                                                                                                      | (4,084,427)   | (3,450,205)   |
| Accrued and deemed dividends on convertible preferred stock                                                   | (1,163,022)   | (950,010)     |
| Net loss applicable to common shareholders                                                                    | \$(5,247,449) | \$(4,400,215) |
| Net loss per share attributable to common stockholders - basic and diluted                                    | \$(0.44)      | \$(0.43)      |
| Weighted average common stock shares outstanding used in the basic and diluted net loss per share calculation | 11,821,870    | 10,154,175    |

**PRESSURE BIOSCIENCES, INC. AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**  
**(AUDITED)**

|                           | <b>December 31, December 31,</b> |             |
|---------------------------|----------------------------------|-------------|
| <u>ASSETS</u>             | <b>2013</b>                      | <b>2012</b> |
| CURRENT ASSETS            |                                  |             |
| Cash and cash equivalents | \$31,417                         | \$1,461     |

|                                                                                                  |             |             |
|--------------------------------------------------------------------------------------------------|-------------|-------------|
| Accounts receivable                                                                              | 147,635     | 216,265     |
| Inventories, net of \$50,000 reserve                                                             | 736,676     | 923,362     |
| Prepaid income taxes                                                                             | 7,381       | 7,381       |
| Prepaid expenses and other current assets                                                        | 85,573      | 83,435      |
| Total current assets                                                                             | 1,008,682   | 1,231,904   |
| PROPERTY AND EQUIPMENT, NET                                                                      | 58,102      | 30,282      |
| Deposits                                                                                         | -           | 6,472       |
| Intangible assets, net                                                                           | 36,498      | 85,130      |
| TOTAL ASSETS                                                                                     | \$1,103,282 | \$1,353,788 |
| <u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u>                                                     |             |             |
| CURRENT LIABILITIES                                                                              |             |             |
| Accounts payable                                                                                 | \$1,102,772 | \$1,199,846 |
| Accrued employee compensation                                                                    | 149,333     | 119,338     |
| Accrued professional fees and other                                                              | 615,244     | 267,936     |
| Deferred revenue                                                                                 | 28,189      | 46,466      |
| Promissory note                                                                                  | 75,000      | 75,000      |
| Dividend liability                                                                               | -           | 60,000      |
| Related party debt                                                                               | 25,182      | 98,675      |
| Convertible debt, net of debt discount of \$331,806 at Dec. 31, 2013<br>and \$0 at Dec. 31, 2012 | 281,796     | 863,004     |
| Other debt                                                                                       | 89,989      | -           |
| Warrant derivative liability                                                                     | 344,570     | 160,812     |
| Conversion option liability                                                                      | 356,197     | -           |
| Total current liabilities                                                                        | 3,068,272   | 2,891,077   |
| LONG TERM LIABILITIES                                                                            |             |             |
| Deferred revenue                                                                                 | 2,785       | 2,487       |
| TOTAL LIABILITIES                                                                                | 3,071,057   | 2,893,564   |

## STOCKHOLDERS' DEFICIT

|                                                                                                                                                                                              |              |              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| Series D convertible preferred stock, \$.01 par value; 850 shares authorized;<br>300 shares issued and outstanding on Dec. 31, 2013 and Dec. 31, 2012                                        | 3            | 3            |
| Series G convertible preferred stock, \$.01 par value; 240,000 shares authorized;<br>145,320 shares issued and outstanding on Dec. 31, 2013 and at Dec. 31, 2012                             | 1,453        | 1,453        |
| Series H convertible preferred stock, \$.01 par value; 10,000 shares authorized<br>10,000 shares issued and outstanding on Dec. 31, 2013 and 0 at Dec. 31, 2012                              | 100          | -            |
| Series J convertible preferred stock, \$.01 par value; 6,250 shares authorized;<br>5,087.5 shares and 0 shares issued and outstanding on Dec. 31, 2013 and on<br>Dec. 31, 2012, respectively | 51           | -            |
| Series K convertible preferred stock, \$.01 par value; 15,000 shares authorized;<br>4,000 shares issued and outstanding on Dec. 31, 2013 and 0 at Dec. 31, 2012                              | 40           | -            |
| Common stock, \$.01 par value; 50,000,000 shares authorized;<br>12,024,267 and 12,149,267 shares issued and outstanding on Dec. 31, 2013<br>and on Dec. 31, 2012, respectively               | 120,243      | 121,493      |
| Warrants to acquire preferred stock and common stock                                                                                                                                         | 4,267,402    | 3,015,996    |
| Additional paid-in capital                                                                                                                                                                   | 19,509,921   | 15,940,818   |
| Accumulated deficit                                                                                                                                                                          | (25,866,988) | (20,619,539) |
| Total stockholders' deficit                                                                                                                                                                  | (1,967,775)  | (1,539,776)  |
| TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT                                                                                                                                                  | \$1,103,282  | \$1,353,788  |

SOURCE Pressure BioSciences, Inc.