

May 16, 2019



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

***Q1 Revenue from Newly Created BioPharma and UST Contract Services Significantly Exceeds Services Revenue for All Quarters of 2018 Combined***

***Investor Conference Call Scheduled for Thursday, May 16, 2019 at 4:30 PM EST***

**SOUTH EASTON, MA / ACCESSWIRE / May 16, 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 quarter ended March 31, 2019, provided a business update, and offered limited guidance for FY2019.

## **Financial Results: Q1 2019 vs. Q1 2018 (Rounded to nearest hundred except earnings per share)**

Total revenue for Q1 2019 was \$510,000 compared to \$611,000 for the same period in 2018, a 16% decrease. Revenue from our new, proprietary Biopharma (BaroFold platform) and Ultra Shear Technology (UST platform) contract services accelerated as expected, with combined revenue of \$238,000 in Q1 2019 compared to no services revenue in Q1 2018 and revenue of \$202,000 for all of 2018. Sales of both instruments and consumables decreased in Q1 2019 compared to the same quarter of 2018. Overall, products and services revenue was \$510,000 for the first quarter of 2019 compared to \$585,000 for the same quarter of 2018, a 13% decrease. There was also no grant revenue in Q1 2019 compared to grant revenue of \$25,000 in Q1 2018.

Operating loss for Q1 2019 was \$1,397,000 compared to \$1,108,000 for the same period in 2018, an increase of 26%. This increase was primarily driven by non-cash stock compensation relating to stock option repricing; costs relating to the hire of our first Chief Commercial Officer; and increased utilization of contracted investor and public relations services.

Loss per common share - basic and diluted- was \$(2.01) for Q1 2019 compared to loss per common share of \$(1.64) for the same period in 2018.

Mr. Richard T. Schumacher, President and CEO of PBI, said: "We believe this disruption in our long trend of increasing quarterly products and total revenue on a year-over-year basis was an anomaly, relating to a combination of several factors: (i) the December 2018 retirement of Dr. Nate Lawrence, our VP of Marketing and Sales for many years; (ii) the loss of several field sales representatives during the second half of 2018; (iii) the beginning of a shift in the focus of our sales strategy from individual academic users and opinion leaders

towards more lucrative and efficient long-term growth relationships with biopharmaceutical companies; and (iv) increasing strategic focus and resources on our two new growth areas: contract services related to the BaroFold and UST platforms. The convergence of these factors on decreasing Q1 2019 revenue was unfortunate, but we believe short term in nature."

Mr. Schumacher continued: "As previously announced, we are moving quickly with new business leadership under Dr. Bradford Young and are actively recruiting sales representatives to fill out our team. We believe strongly that the deliberate shift in our sales strategy and new emergent contract services area will both result in increased revenue growth through the current fiscal year."

Dr. Bradford Young, PBI's Chief Commercial Officer, added: "We placed a large amount of effort and focus on our new BioPharma and UST contract services with very encouraging results. We will continue to emphasize these key strategic growth initiatives going forward. We believe the markets for our proprietary technology platforms are very large and that the need for our services and platform technologies will continue to grow as we begin to aggressively promote the benefits of our patented BaroFold and UST platforms for R&D and manufacturing. We anticipate that the growing use of these new services will also support increased sales of our PCT instruments and consumables."

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

- We released a 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 the establishment of a Center of Excellence at Dr. Christine Vogel's laboratory at New York University's Center for Genomics and Systems Biology;
- We announced a collaboration with The Steinbeis Centre for Biopolymer Analysis & Biomedical Mass Spectrometry, a world-renown German research organization, to develop a revolutionary method for optimizing disease-fighting antibodies;
- We released scientific analyses confirming important benefits from processing CBD Oil with PBI's UST Platform: analyses showed UST-prepared CBD Oil solutions met challenging nanoemulsion specifications and exhibited minimal loss during processing;
- We released a short video demonstrating the use of our prototype UST Platform to make water-soluble CBD Oil, offering a solution to CBD absorption issues in food and beverages.
- We announced a collaboration with nutraceutical manufacturer NutraLife Biosciences for the development of high quality, water-soluble nanoemulsion-based nutraceuticals.
- We announced that a record number of scientific papers citing the significant benefits of PBI's PCT technology platform were published in 2018, with several authored by global Key Opinion Leaders (KOLs).
- We announced the commercial launch of our unique Biopharma contract services business, offering improved manufacturing, quality control, and remediation

opportunities for highly valuable protein therapeutic candidates and products, opening key opportunities for us to serve an estimated \$250 billion global market.

## **Earnings Call**

The Company will hold an Earnings Conference Call at 4:30 PM EDT on Thursday, May 16, 2019. To attend this teleconference via telephone, Dial-in: (844) 602-0380 (North America), (862) 298-0970 (International). Verbal Passcode: PBIO First Quarter 2019 Financial Call and Business Update. Replay Number (877) 481-4010 (North America), (919) 882-2331 (International). Replay ID Number: 49215. 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 March 31, 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>March 31, |                    |
|---------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------|
|                                                                                                               | 2019                                       | 2018               |
| Revenue:                                                                                                      |                                            |                    |
| Products, services, other                                                                                     | \$ 510,240                                 | \$ 585,244         |
| Grant revenue                                                                                                 | -                                          | 25,530             |
| Total revenue                                                                                                 | <u>510,240</u>                             | <u>610,774</u>     |
| Costs and expenses:                                                                                           |                                            |                    |
| Cost of products and services                                                                                 | 309,712                                    | 324,789            |
| Research and development                                                                                      | 264,704                                    | 324,976            |
| Selling and marketing                                                                                         | 188,215                                    | 274,468            |
| General and administrative                                                                                    | 1,144,421                                  | 794,605            |
| Total operating costs and expenses                                                                            | <u>1,907,052</u>                           | <u>1,718,838</u>   |
| Operating loss                                                                                                | (1,396,812)                                | (1,108,064)        |
| Other (expense) income:                                                                                       |                                            |                    |
| Interest expense, net                                                                                         | (512,706)                                  | (872,328)          |
| Other expense                                                                                                 | (104,845)                                  | (250,817)          |
| Impairment loss on investment                                                                                 | -                                          | (4,730)            |
| (Loss) Gain on extinguishment of debt                                                                         | (40,810)                                   | 4,285              |
| Total other expense                                                                                           | <u>(658,361)</u>                           | <u>(1,123,590)</u> |
| Net loss                                                                                                      | <u>(2,055,173)</u>                         | <u>(2,231,654)</u> |
| Deemed dividends on beneficial conversion feature                                                             | (1,060,199)                                | -                  |
| Preferred stock dividends                                                                                     | (355,610)                                  | -                  |
| Net loss attributable to common shareholders                                                                  | <u>(3,470,982)</u>                         | <u>2,231,654</u>   |
| Net loss per share – basic and diluted                                                                        | \$ (2.01)                                  | \$ (1.64)          |
| Weighted average common stock shares outstanding used in the basic and diluted net loss per share calculation | 1,723,557                                  | 1,363,326          |

# **PRESSURE BIOSCIENCES, INC. AND SUBSIDIARY**

## CONSOLIDATED BALANCE SHEETS

|                                                                                                                                                                                                        | Unaudited<br>March 31,<br>2019 | December 31,<br>2018 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------|
| <u>ASSETS</u>                                                                                                                                                                                          |                                |                      |
| CURRENT ASSETS                                                                                                                                                                                         |                                |                      |
| Cash and cash equivalents                                                                                                                                                                              | \$ 269,714                     | \$ 103,118           |
| Accounts receivable                                                                                                                                                                                    | 443,162                        | 474,830              |
| Inventories, net of \$273,547 reserve at March 31, 2019 and at December 31, 2018                                                                                                                       | 753,132                        | 765,478              |
| Prepaid expenses and other current assets                                                                                                                                                              | 183,341                        | 170,734              |
| Total current assets                                                                                                                                                                                   | 1,649,349                      | 1,514,160            |
| Investment in equity securities                                                                                                                                                                        | 16,643                         | 16,643               |
| Property and equipment, net                                                                                                                                                                            | 79,932                         | 69,272               |
| Right of use asset                                                                                                                                                                                     | 122,792                        | 136,385              |
| Intangible assets, net                                                                                                                                                                                 | 641,827                        | 663,462              |
| TOTAL ASSETS                                                                                                                                                                                           | <u>\$ 2,510,543</u>            | <u>\$ 2,399,922</u>  |
| <u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u>                                                                                                                                                           |                                |                      |
| CURRENT LIABILITIES                                                                                                                                                                                    |                                |                      |
| Accounts payable                                                                                                                                                                                       | \$ 474,418                     | \$ 658,856           |
| Accrued employee compensation                                                                                                                                                                          | 394,980                        | 456,932              |
| Accrued professional fees and other                                                                                                                                                                    | 1,172,115                      | 1,112,995            |
| Other current liabilities                                                                                                                                                                              | 1,584,507                      | 1,233,325            |
| Deferred revenue                                                                                                                                                                                       | 36,952                         | 20,623               |
| Operating lease liability                                                                                                                                                                              | 63,614                         | 59,799               |
| Convertible debt, net of unamortized debt discounts of \$239,675 and \$156,180, respectively                                                                                                           | 4,504,188                      | 4,000,805            |
| Other debt, net of unamortized discounts of \$10,011 and \$9,118, respectively                                                                                                                         | 944,374                        | 852,315              |
| Related party debt other                                                                                                                                                                               | 15,000                         | 15,000               |
| Total current liabilities                                                                                                                                                                              | 9,190,148                      | 8,410,650            |
| LONG TERM LIABILITIES                                                                                                                                                                                  |                                |                      |
| Operating lease liability, net of current portion                                                                                                                                                      | 59,178                         | 76,586               |
| Deferred revenue                                                                                                                                                                                       | 33,958                         | 37,757               |
| TOTAL LIABILITIES                                                                                                                                                                                      | <u>9,283,284</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 March 31, 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 March 31, 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 March 31, 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 March 31, 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 March 31, 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 March 31, 2019 and December 31, 2018, respectively                             | 68                             | 68                   |
| Series AA Convertible Preferred Stock, \$.01 par value; 10,000 shares authorized; 7,059 and 6,499 shares issued and outstanding on March 31, 2019 and December 31, 2018, respectively                  | 71                             | 65                   |
| Common stock, \$.01 par value; 100,000,000 shares authorized; 1,768,492 and 1,684,182 shares issued and outstanding on March 31, 2019 and December 31, 2018, respectively                              | 17,685                         | 16,842               |
| Warrants to acquire common stock                                                                                                                                                                       | 20,706,539                     | 19,807,247           |
| Additional paid-in capital                                                                                                                                                                             | 40,640,273                     | 39,777,301           |
| Accumulated deficit                                                                                                                                                                                    | (68,138,321)                   | (65,727,538)         |
| Total stockholders' deficit                                                                                                                                                                            | (6,772,741)                    | (6,125,071)          |
| TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT                                                                                                                                                            | <u>\$ 2,510,543</u>            | <u>\$ 2,399,922</u>  |

**SOURCE:** Pressure BioSciences, Inc.

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