

## BioLife Solutions Announces 2012 Full Year Results; 10th Consecutive Quarter of Record Revenue

### Company Generated Positive Cash Flow From Operations in 2012

**BOTHELL, WA**— April 1, 2013 —[BioLife Solutions](#), Inc. (OTCQB: BLFS), a leading developer, manufacturer and marketer of proprietary clinical grade [hypothermic storage](#) and [cryopreservation freeze](#) media for cells and tissues, and [contract aseptic media manufacturer](#), today announced financial results for the fourth quarter and year ended December 31, 2012.

### ***Summary of Q4 2012 Achievements***

During the fourth quarter of 2012, the Company accomplished the following:

Recorded positive cash from operations for the first time in Company history.

- Delivered over \$1.2 million in aseptically formulated and filled product to a contract manufacturing customer.
- Commenced initial private-labeled product shipments to a new distributor, a leading supplier of cell culture reagents and tools to the life sciences industry.
- Completed the qualification of a second cGMP clean room suite, doubling manufacturing capacity and increasing the Company's ability to leverage contract manufacturing opportunities while its core biobanking, drug discovery, and regenerative markets continue to develop.

Mike Rice, Chief Executive Officer, said, "Our focus on high quality cGMP manufacturing and operational excellence has positioned us to utilize our existing assets and capacity to grow our business while our high growth regenerative medicine market opportunity develops." He continued, "We hold the leading supplier position for pre-formulated, clinical grade biopreservation media products. We estimate that our [HypoThermosol®](#) cell/tissue storage medium and [CryoStor®](#) cryopreservation freeze media products are used in more than fifty clinical trial-stage cell and tissue based therapies in the regenerative medicine field, any one of which could generate \$1 million per year in revenue, if regulatory and marketing approvals are obtained by our customers."

### **Fourth Quarter 2012 Financial Results**

Total revenue for the fourth quarter of 2012 was \$2.0 million, compared to \$0.8 million in the same period of 2011. The increase of 153% from 2011 to 2012 was due primarily to contract manufacturing revenue and higher sales to customers in the hair restoration field, where HypoThermosol is increasingly being utilized as a new standard for ex vivo storage of hair grafts to improve procedure outcome and patient satisfaction.

Gross margin in the quarter was 36.7% compared to 56.5% in the same quarter last year. The reduction in gross margin was primarily attributable to higher cost of sales on contract manufacturing revenue and higher personnel and other costs included in cost of goods sold related to the expansion of the Company's facilities and production capacity.

Operating expenses in the fourth quarter were \$1.1 million compared with \$0.7 million in the fourth quarter of 2011 primarily attributable to increased personnel costs associated with strategic hires in all departments. The increase in personnel expenses was partially offset by lower legal costs during the quarter.

For the fourth quarter, the Company reported a net loss of \$0.5 million, or \$(0.01) per share, compared to \$0.4 million or \$(0.01) per share in the fourth quarter of 2011. Loss from operations was \$0.3 million, compared to the \$0.2 million in the fourth quarter of 2011.

## **Full Year 2012 Financial Results**

For the full year ended December 31, 2012, the Company reported revenue of \$5.7 million, compared to \$2.8 million in 2011, an increase of 105%. This was the result of growth in the Company's core business segments and the addition of a contract manufacturing customer in the second quarter of 2012.

Gross margin was 40.5% for the year ended December 31, 2012, compared to 50.9% in 2011. The decrease is related primarily to the increase in contract manufacturing services revenue, which has a higher cost of sales, compared to core product sales. Additionally, gross margin declined due to additional personnel and other costs included in cost of goods sold related to the expansion of the Company's production operations.

Operating expenses increased for the year ended December 31, 2012 compared to 2011 due primarily to increased personnel costs during the year. BioLife expanded its team from 16 members at the end of 2011 to 28 members at the end of 2012, to meet growing demand for the Company's products and services. Team members were added to the production team, and direct and indirect sales teams in the period.

For the year ended December 31, 2012 BioLife reported a net loss of \$1.7 million, an improvement over the \$2.0 million net loss reported for 2011.

The fourth quarter of 2012 was the first quarter in the Company's history during which cash was generated by operating activities. Cash provided by operations was \$0.9 million for the year ended December 31, 2012, a significant improvement over cash used by operations of \$1.0 million in 2011.

## **Outlook for 2013**

In 2013, BioLife management expects revenue to be in the range of \$6.5 million to \$7.0 million. This increase will be driven by continued increases in sales to existing core product and contract manufacturing customers, the addition of new customers in the regenerative medicine market as the Company's customers continue to move their cell and tissue based therapies and products through the clinical trial and regulatory approval processes, and continued focus on sales through the Company's existing distribution network.

Management expects gross margin as a percentage of revenue of approximately 38% – 41% in 2013 with fluctuation occurring as a result of changes in the mix of core product sales and contract manufacturing services revenue.

Operating expenses are expected to increase in 2013 by 10% – 20% over 2012, with increases expected in all areas primarily in personnel related costs.

The Company will continue to focus on generating positive operating income in 2013, and expects the results for the full year to increase over 2012.

## **About BioLife Solutions**

BioLife Solutions develops, manufactures and markets hypothermic storage and cryopreservation solutions for cells, tissues, and organs. The Company’s proprietary HypoThermosol® and CryoStor® platform of solutions are marketed to academic and commercial organizations in the biobanking, drug discovery, and regenerative medicine markets. BioLife’s products are serum-free and protein-free, fully defined, and are formulated to reduce preservation-induced cell damage and death. BioLife’s enabling technology provides academic and clinical researchers significant improvement in shelf life and post-preservation viability and function of cells, tissues, and organs. For more information please visit [www.biolifesolutions.com](http://www.biolifesolutions.com), and follow BioLife on [Twitter](#).

*This news release contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements include any statements that relate to the intent, belief, plans or expectations of the Company or its management, or that are not a statement of historical fact. Any forward-looking statements in this news release are based on current expectations and beliefs and are subject to numerous risks and uncertainties that could cause actual results to differ materially. Some of the specific factors that could cause BioLife Solutions’ actual results to differ materially are discussed in the Company’s recent filings with the Securities and Exchange Commission. BioLife Solutions disclaims any obligation to update any forward-looking statements as a result of developments occurring after the date of this press release.*

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