

## Great Basin Scientific Provides Business Update

*New Business Pipeline exceeds \$5.0 million in potential new revenue;  
Nearly \$2.0 million in potential pipeline revenue is from Stool Bacterial Pathogens Panel, currently  
awaiting FDA clearance*

**Salt Lake City, June 26, 2017** - Great Basin Scientific, Inc. (OTCQB: GBSN), a molecular diagnostics company, today provided a general business update on the Company, focusing on its efforts to drive growth in second half 2017 and into 2018 through an expanded menu of diagnostic panels and tests. Highlights include:

- New business pipeline exceeds \$5.0 million, an increase of 123% over the fourth quarter of 2016;
- Pipeline includes \$1.96 million in expected annual revenue from the Company's Stool Bacterial Pathogens Panel (SBPP), currently awaiting expected 510(k) clearance from the U.S. Food and Drug Administration (FDA);
- Average expected annual revenue of sites in evaluation increases 279% to \$47,866 compared with \$12,620 in the second quarter of 2016; and
- New customer sites now comprise 34% of new business pipeline.

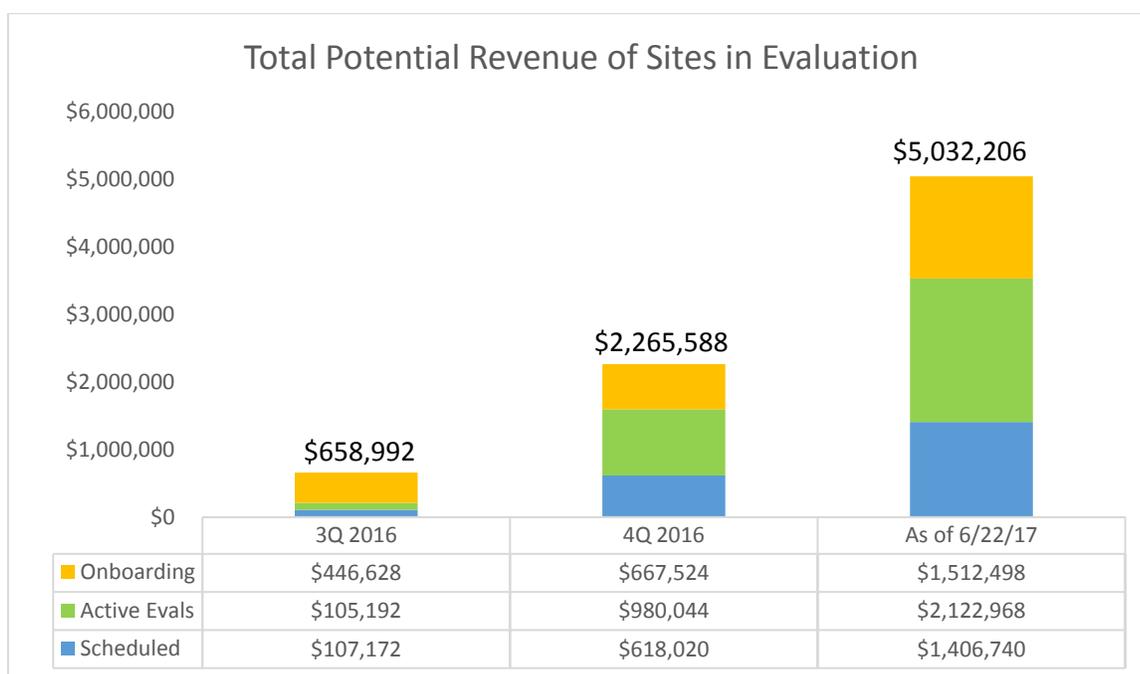
"We are pleased to see such exciting results from the large investments we made in 2016 to diversify and expand our product menu. Already, we believe the potential revenues of our new business pipeline exceed our revenues for all of fiscal year 2016," said Ryan Ashton, co-founder and chief executive officer of Great Basin Scientific. "Especially encouraging has been the response to our most important product, the Stool Bacterial Pathogens Panel, currently awaiting FDA clearance. We will not commence sales and marketing outreach on that panel until we receive FDA clearance, but inbound demand has been promising, and, based on the pre-clearance demand, we expect to see our new business pipeline growth accelerate once we receive FDA clearance for this important assay."

Ashton continued, "In addition to menu expansion and new business progress, we also continue to execute our cash management program, which was initiated in late 2016. This program is intended to re-align Company resources from a heavy focus on product development to an increased focus on customer acquisition and revenue growth. We expect our cash burn rate to continue to decline

during 2017, and reiterate our target for total operating expenses at or below \$4.0 million for the third quarter of 2017, proving our dedication to executing on the fundamentals that will both serve our target market and our stockholders.”

### New Business Pipeline and Product Mix

As of June 22, 2017, the Company had approximately \$5.0 million of potential new revenues in the new business pipeline. These potential revenue estimates, as well as those below are based on the evaluating site’s own estimate of their expected testing volumes multiplied by the product price offered to the prospective customer<sup>1</sup>.



The Company’s highest-value multiplex panels – Staph ID/R Blood Culture Panel (SIDR) and Stool Bacterial Pathogens Panel (SBPP) SBPP – comprise 34% of new customer site evaluations in the new business pipeline. Staph ID/R has a list price 50% above that of the Company’s low-plex tests, with the same general cost-of-goods as the low-plex assays. SBPP, which is awaiting 510(k) clearance from the FDA, comprises 25% of the new customer evaluations in the pipeline. SBPP, when commercially available, will have a list price 2-3 times higher than the Company’s low-plex

<sup>1</sup> “Scheduled” sites have committed to and have scheduled a date to begin evaluating one or more Great Basin assays; “Active Evals” are sites actively evaluating one or more Great Basin assays; “Onboarding” sites have placed at least one paid order and stated their intent to use the GBSN assay for reporting patient results.

tests. Based on customer feedback, the Company anticipates significant pipeline growth for SBPP once it receives FDA clearance and the Company is free to market the panel. The new business pipeline follows:

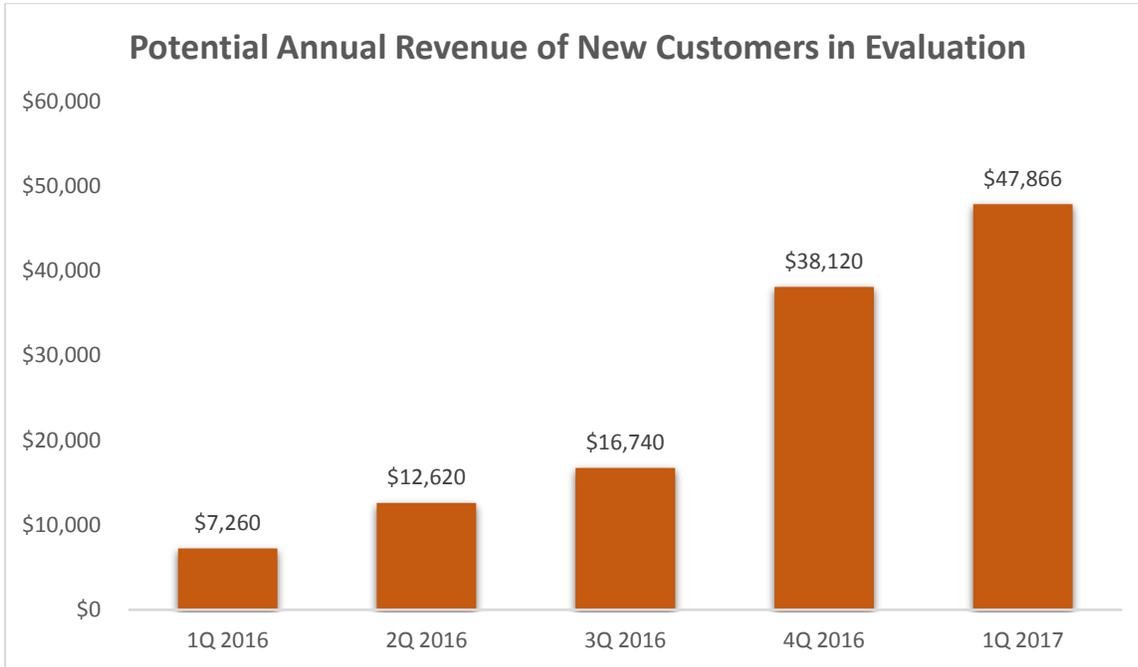
Estimated Potential Annual Revenue  
(in 000's)

	c. Diff	GBS	STEC	SIDR	SBPP	BORD	Total
Evaluation and onboarding	\$515	\$378	\$418	\$1,139	\$1,121	\$56	\$3,626
Scheduled for evaluation	157	90	21	267	841	32	1,407
<b>Total estimated annual revenue</b>	<b>\$672</b>	<b>\$468</b>	<b>\$439</b>	<b>\$1,406</b>	<b>\$1,962</b>	<b>\$88</b>	<b>\$5,033</b>

To the extent these evaluations and scheduled evaluations are converted into customers, we expect such conversions to occur between the fourth quarter of 2017 and the first quarter of 2018. The Company's historical "win rate" (those evaluations that elect to become customers) has been 82%.

**New Customers from Larger Hospitals and Labs Mark Largest Evaluation Growth**

A substantial increase in the number of larger hospitals and labs in the new business pipeline, along with greater interest in the Company's newest and higher-priced panels, is resulting in significant growth in the Company's expected average annual revenue per customer. Expected annual revenue from new customers evaluating the Company's products increased approximately 279% from the second quarter of 2016 and 186% from the third quarter of 2016. This significant increase occurred prior to launch of the Company's first mid-plex panel, its Staph ID/R Blood Culture Panel for blood sepsis caused by staphylococcus species. The Company believes its expanded product mix of low-, mid- and multi-plex assays is the primary driver of the increase in expected average revenue per customer, and believes this trend will accelerate with the addition of SBPP to its commercial offerings, as well as the anticipated development of other, higher-priced assays in the future. The chart below shows the average expected annual revenue of new customer evaluation starts by quarter:



### Stool Bacterial Pathogens Panel (SBPP)

The Company expects its SBPP assay to be its primary growth driver in 2018, having already seen large demand for this assay pre-FDA clearance. The Company believes this response has been driven by three factors:

- 1) SBPP addresses, by far, the largest market of any of the Company's products—that for the approximately 48 million food-borne illnesses that occur annually in the United States;
- 2) The assay fulfills an unmet need by providing a powerful, focused set of answers that allow clinicians to quickly and accurately diagnose and treat their patients suffering from food-borne gastrointestinal distress; and
- 3) The Company's low-cost structure allows it to offer its hospital and lab customers a powerful value proposition. The test will be priced below expected reimbursement rates, which means SBPP can be run profitably by customers.

According to the Centers for Disease Control (CDC), there are 48 million food-borne (bacterial) illnesses annually in the United States. SBPP powerfully addresses this large market where current solutions are either too slow (culture) or too expensive relative to reimbursement rates (mega-plex panels). The Company believes its low-cost, easy-to-use solution will drive placements for its system, accelerating revenue growth and, because of SBPP's higher selling price and exceptional gross margins, resulting in profitability.

In late December 2016, the Company submitted its 510(k) application for SBPP to the FDA. Previous 510(k) clearances for the Company's assays have been approximately 180 days from submission to clearance, with the Company's first FDA-cleared mid-plex panel, Staph ID/R, requiring 205 days.

### **Mid-Plex Panels and Reimbursement as a Competitive Driver**

In late April 2017, Medicare contractor Palmetto GBA issued a draft of Local Coverage Determinations (LCDs)<sup>2</sup> proposing reimbursement coverage for a variety of diagnostic panels, including Foodborne Gastrointestinal Panels Identified by Multiplex Nucleic Acid Amplification Tests (NAATs), recommending the use of smaller, more targeted panels over larger and broader panels. Their reasoning for non-coverage included the fact that the pathogen targets in larger (more than five pathogens) panels don't represent a common syndrome, and that many targets can be very rare. "A panel that includes pathogens that are very rare, or a panel in which all pathogens do not cause overlapping clinical syndromes, or when some pathogens are found only in specific patient populations (immunocompromised patients) is not reasonable and necessary," Palmetto wrote. This recommendation supports Great Basin's mid-plex panel approach of smaller panels that represent a common syndrome, for which there is broad applicability and, per Palmetto's recommendation, offers a lower rate of reimbursement denial.

"In ongoing discussions with customers and prospects, they report a strong preference for smaller panels targeting the most common pathogens, noting high-cost molecular diagnostic mega-panels are meeting reimbursement resistance from payors and clinical resistance from clinicians who prefer a more targeted, therapy-focused set of answers for their patients. This preference maps to the updated reimbursement recommendations being issued from payors like Palmetto, reinforcing our mid-plex panel strategy," said Sandra Nielsen, senior vice president of sales and marketing for Great Basin Scientific. "We are excited about the opportunity to serve the needs of clinicians with SBPP and our in-development Stool Parasite Panel, two right-sized, cost effective panels that we believe will offer a significant competitive advantage over either culture or our competitors' high-cost molecular diagnostic mega-panels."

### **About Great Basin Scientific**

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<sup>2</sup> [https://www.cms.gov/medicare-coverage-database/details/lcd-details.aspx?LCDId=37329&ver=3&name=373\\*1%7c374\\*1%7c378\\*1%7c375\\*1%7c379\\*1%7c376\\*1%7c380\\*1%7c377\\*1%7c381\\*1&bc=AQAAAgAAAAAAAAA%3d%3d&](https://www.cms.gov/medicare-coverage-database/details/lcd-details.aspx?LCDId=37329&ver=3&name=373*1%7c374*1%7c378*1%7c375*1%7c379*1%7c376*1%7c380*1%7c377*1%7c381*1&bc=AQAAAgAAAAAAAAA%3d%3d&)

Great Basin Scientific is a molecular diagnostics company that commercializes breakthrough chip-based technologies. The Company is dedicated to the development of simple, yet powerful, sample-to-result technology and products that provide fast, multiple-pathogen diagnoses of infectious diseases. The Company's vision is to make molecular diagnostic testing so simple and cost-effective that every patient will be tested for every serious infection, reducing misdiagnoses and significantly limiting the spread of infectious disease. More information can be found on the Company's website at [www.gbscience.com](http://www.gbscience.com).

### **Forward-Looking Statements**

This press release includes forward-looking statement regarding events, trends and business prospects, which may affect future operating results and financial position, including but not limited to statements regarding the Company's anticipated revenue growth and annual revenues for 2017 and 2018, the anticipated run rate at the end of 2017, the Company's expected new business pipeline, revenue from new business, expected customer "win-rates" based on historical win-rates, expected evaluation periods, anticipated revenue per evaluation starts, anticipated FDA 510(k) clearance of the Stool Bacterial Pathogens Panel, commercialization of future FDA cleared assays, the Company's general development plans of sample-to-result technology and products, and the Company's ability to continue as a going concern throughout the projected periods. Forward-looking statements involve risks and uncertainties, which could cause actual results to differ materially, and reported results, should not be considered as an indication of future performance. These risk and uncertainties include, but are not limited to: risk that the evaluating sites in our New Business Pipeline adopt the products they are evaluating at our rate lower than our historical "win rate" of 82% and that even if adopted, the testing rates are materially lower than the original customer estimate, resulting in lower revenues, risks related to future customer uptake not being at or near historical customer uptake, delay or denial in obtaining FDA clearance, uncertainty in the Company's ability to commercialize new assays, changes in customer needs, competition in the industry being greater than anticipated, our limited operating history and history of losses; our ability to develop and commercialize new products and the timing of commercialization; our ability to obtain sufficient capital to continue as a going concern and implement our business plan; and other risks set forth in the Company's filings with the Securities and Exchange Commission, including the risks set forth in the Company's Registration Statement on Form S-1 (SEC file no. 333-216045), its Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 and its Annual Report on Form 10-K for the year ended December 31, 2016, which are available for review at [www.sec.gov](http://www.sec.gov). These forward-looking statements speak only as of the date hereof, and the

Company specifically disclaims any obligation to update these forward-looking statements, except as required by law.

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