

November 17, 2020



# C-Bond Systems Reports Record Quarterly Revenue and Positive Net Income for Q3 2020

HOUSTON, Nov. 17, 2020 (GLOBE NEWSWIRE) -- [C-Bond Systems](#) (the "Company" or "C-Bond") (OTC: CBNT), a nanotechnology solutions company, announced today that it has reported its financial results for the third quarter ended September 30, 2020, including record quarterly revenue and positive net income inclusive of a one-time gain attributable to the extinguishment of the Company's convertible debt.

## Third Quarter 2020 and Subsequent Operational Highlights

- Achieved record quarterly revenue of \$253,000.
- Repaid in full all convertible debt and redeemed all Series A Convertible Preferred Stock.
- Entered into a \$1.2 million supply agreement with an international distributor for C-Bond nanoShield™ and received an initial purchase order in excess of \$100,000. This distributor must purchase at least an additional \$1.1 million of C-Bond nanoShield in 2021 to maintain exclusivity in the 10 countries it operates.
- Entered into a \$1 million exclusive distribution agreement for MB-10 Tablets and FN Nano products with a prominent distributor in India. This distributor must purchase at least \$1 million of the Company's disinfection products in 2021 to maintain exclusivity in India.
- Received an initial purchase order for MB-10 Tablets in excess of \$80,000 from a Southeast Asian distributor.
- Entered into a supply agreement with a leading national vehicle protection solutions provider to private label C-Bond nanoShield.
- Announced a distribution agreement with F&I provider American Guardian Warranty Solutions for C-Bond nanoShield.

## Management Commentary

"The third quarter of 2020 was very significant for the Company as we achieved record quarterly revenue and repaid in full all outstanding convertible debt," said Scott R. Silverman, Chairman and Chief Executive Officer of C-Bond Systems. "We also entered into noteworthy international distribution agreements for C-Bond nanoShield and MB-10 Tablets during the third quarter, which will allow us to expand our global reach and grow our business. Here in the U.S., we are pleased with the increased adoption by F&I (finance and insurance) and vehicle warranty solutions providers of C-Bond nanoShield and look forward to continued momentum in this sector."

## Third Quarter 2020 Financial Summary

For the three months ended September 30, 2020, sales totaled \$252,940, compared to \$171,383 for the three months ended September 30, 2019, an increase of 47.6%. The increase was primarily attributable to an increase in the sale of disinfection products and an increase in C-Bond nanoShield solution sales.

Operating expenses totaled \$852,760 for the quarter ended September 30, 2020, compared to \$1,534,401 for the three months ended September 30, 2019, a decrease of 44.4%. Compensation and related benefits decreased by \$623,665, or 49.8%, for the three months ended September 30, 2020, compared to the three months ended September 30, 2019. This decrease was primarily due to a decrease in stock-based compensation of \$640,700 during the three months ended September 30, 2020.

Operating loss during the three months ended September 30, 2020, decreased by \$727,790, or 52.2%, compared to the three months ended September 30, 2019.

For the three months ended September 30, 2020, other income, net, amounted to \$1,145,854, compared to other expenses, net of \$(408,417) for the three months ended September 30, 2019, a positive change of \$1,554,271, or 380.6%. This change was due to a change in derivative income (expense) of \$1,034,410 attributable to the recording of or extinguishment of derivative liabilities related to convertible debt and by the recording of a gain from debt extinguishment of \$736,406 related to the conversion of convertible debt, offset by an increase in interest expense of \$216,545 related to the amortization of debt discount, an increase in interest-bearing debt, and an increase in interest expense related to accretion of debt discount related to Series A preferred shares.

Net income for the quarter was \$480,396, or \$0.00 per common share (basic and diluted) for the three months ended September 30, 2020, compared to a net loss of \$(1,801,665), or \$(0.02) per common share (basic and diluted), for the three months ended September 30, 2019, a positive change of \$2,282,061. This positive change was primarily attributable to an increase in gross profit, a decrease in operating expenses, and an increase in other income, net, as discussed above.

### **About C-Bond**

C-Bond Systems, Inc. (OTC: CBNT) is a Houston-based advanced nanotechnology company and marketer of the patented C-Bond technology, developed in conjunction with Rice University and independently proven to significantly strengthen glass in key automotive and structural applications. The Company's Transportation Solutions Group sells C-Bond nanoShield, a liquid solution applied directly to automotive windshields, sold through distributors. The Company's Safety Solutions Group sells ballistic-resistant glass solutions and FN NANO Coating directly to private enterprises, schools, hospitals and government agencies. For more information, please visit our website: [www.cbondsystems.com](http://www.cbondsystems.com), Facebook: <https://www.facebook.com/cbondsys/> and Twitter: [https://twitter.com/CBond\\_Systems](https://twitter.com/CBond_Systems).

### **Forward-Looking Statements**

*Statements in this press release about our future expectations including the likelihood that the distributor must purchase an additional \$1.1 million of product in 2021 to maintain exclusivity in 10 countries; the likelihood that our distributor in India must purchase at least \$1 million of our disinfection products in 2021 to maintain exclusivity in India the likelihood*

*that our international distribution agreements for C-Bond nanoShield and MB-10 Tablets will allow us to expand our global reach and grow our business; the likelihood that we will experience continued momentum among F&I and vehicle warranty solutions providers; constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934, and as that term is defined in the Private Litigation Reform Act of 1995. Such forward-looking statements involve risks and uncertainties and are subject to change at any time, and our actual results could differ materially from expected results. These risks and uncertainties include, without limitation, C-Bond's ability to raise capital; the Company's ability to successfully commercialize its products; the effect of the COVID-19 global pandemic on the Company's ability to operate; as well as other risks. Additional information about these and other factors may be described in the Company's filings with the Securities and Exchange Commission ("SEC") including its Form 10-K filed on March 25, 2020, its Forms 10-Q filed on November 16, 2020, August 14, 2020, and May 15, 2020, and in future filings with the SEC. The Company undertakes no obligation to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this statement or to reflect the occurrence of unanticipated events, except as required by law.*

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