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C-Bond Systems Reports Record Fourth Quarter and Full Year 2019 Financial Results

Company Achieves Record 2019 Revenue from Commercialization of Breakthrough Nanotechnology Products

HOUSTON, April 01, 2020 (GLOBE NEWSWIRE) -- [C-Bond Systems, Inc.](#) (the “Company” or “C-Bond”) (OTC: CBNT), a nanotechnology solutions company, has reported its financial results for the fourth quarter and full year ended December 31, 2019.

Fourth Quarter and Subsequent Operational Highlights

- Installed C-Bond BRS (ballistic-resistant system) in several high-profile locations nationwide, including a law enforcement office in Hawaii and a follow-up order from a major media outlet, increasing BRS segment revenues by over 60% to \$350,000 in 2019.
- Expanded intellectual property portfolio to 22 issued and pending patents, as well as patent licenses, spanning core and strategic nanotechnology processes. In October 2019, an independent IP valuation firm valued C-Bond’s portfolio at \$33.7 million.
- Expanded the distribution of C-Bond products globally, including:
 - **India** through a recently announced distribution agreement with Quantron Business Tech Solutions.
 - **Middle Eastern countries** through a distribution agreement with Dubai-based MEWS General Trading, LLC.
 - **European Union** through a distribution agreement with Netherlands-based NNO Coatings
 - **Mexico** through a distribution agreement with Grupo DRT.
- Received a top award at the 2019 Fleet Europe Summit in Portugal, a leading international fleet supplier industry event, providing further market visibility of C-Bond’s proprietary NanoShield product.
- Fortified balance sheet through the conversion of \$274 thousand of deferred management compensation into equity, underscoring the conviction management holds in the company.

- Engaged international investor relations specialists MZ Group to expand its comprehensive, strategic investor relations and financial communications program across all key markets.
- Entered into a strategic partnership with MACOMA Environmental Technologies, LLC to resell FN[®] NANO, a photocatalytic coating used in hospitals, acute care facilities, assisted living facilities, senior care facilities, athletic centers, schools, child-care facilities, arenas, airports, and other facilities to reduce the spread of airborne toxins and allergens, such as COVID-19 and MRSA.
- Signed joint marketing and distribution agreements with THOMS Aviation, THOMS Automotive, and EXEGi Trading Company (based in the Netherlands) to expand its nano-products portfolio including THOMS' antibacterial and antiviral protection for COVID-19 and other pathogens.

Management Commentary

“2019 was a milestone year for C-Bond, completing our transition from a developer of nanotechnology solutions and laying the foundation for a full-fledged commercialization effort in 2020 and beyond,” said Scott R. Silverman, Chairman and Chief Executive Officer of C-Bond. “We continue to see intense inbound interest from globally recognized firms for our C-Bond solutions and believe this interest will convert to notable revenues in the coming year.”

“Our proprietary C-Bond solution has been validated time and time again, from our rental car fleet trial with a leading global car rental firm and a trial on a Tesla vehicle fleet throughout Europe, to our numerous successful tests of our Ballistic-Resistant-System nationwide. We have a solid base of data to work from and have put the commercial team in place to take our revenue growth to the next level in 2020, across both our Safety and Transportation Solutions verticals,” continued Silverman.

“A valuable asset that continues to provide us with a strong competitive moat in our commercialization efforts is our robust intellectual property portfolio, valued at \$33.7 million by an independent IP valuation firm and comprised of numerous trade secrets as well as 22 patents granted, pending and exclusive licenses. These efforts protect our nanotechnology processes and provide us with total freedom to operate strategically.”

Silverman concluded, “We are positioned to revolutionize the glass industry, providing a cost-effective, highly effective solution to a universal problem. As we move through 2020 and broaden our business beyond the glass industry and begin to expand our nano-products portfolio, we look forward to executing upon our growth initiatives, which ultimately, we believe will create long-term value for our shareholders.”

Fourth Quarter and Full Year 2019 Financial Summary

Total revenue for the fourth quarter of 2019 was \$186 thousand, as compared to revenue of \$152 thousand in the same year-ago quarter. Total revenue in 2019 was \$603 thousand, as compared to \$382 thousand in 2018. This increase was primarily attributable to an increase in sales of C-Bond's proprietary nanotechnology products.

General and administrative expenses in the fourth quarter of 2019 were \$109 thousand, as

compared to \$167 thousand in the same year-ago quarter. General and administrative expenses in 2019 were \$462 thousand, compared to \$478 thousand in 2018.

Operating loss in the fourth quarter of 2019 decreased to \$1,056 thousand, compared to an operating loss of \$2,314 thousand in the same year-ago quarter. Operating loss in 2019 decreased to \$6,359 thousand compared to an operating loss of \$9,268 thousand in 2018.

Net loss in the fourth quarter of 2019 was \$1,417 thousand, as compared to \$2,317 thousand in the same year-ago quarter. Net loss decreased in 2019 to \$7,241 thousand, as compared to \$9,904 thousand in 2018.

Cash used in operations in the fourth quarter of 2019 was \$404 thousand, as compared with \$492 thousand in the same year-ago quarter. Cash used in operations in 2019 was \$1.3 million, compared to \$2.0 million in 2018.

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 directly to private enterprises, schools and government agencies. For more information, please visit our website at www.cbondsystems.com, Facebook: <https://www.facebook.com/cbondsys/> and Twitter: https://twitter.com/CBond_Systems.

Forward Looking Statements

Statements in this press release about our future expectations, including the likelihood that interest from globally recognized firms for our C-Bond solutions will convert to notable revenues in the coming year; the likelihood that we have put the commercial team in place to take our revenue growth to the next level in 2020, across both our Safety and Transportation Solutions verticals; the likelihood that we are positioned to revolutionize the glass industry, providing a cost-effective, highly effective solution to a universal problem; the likelihood that as we move through 2020 and broaden our business beyond the glass industry and begin to expand our nano-products portfolio, we will execute upon our growth initiatives, which will create long-term value for our shareholders; 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 Company's ability to expand its nano-products portfolio; 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 14, 2019, August 12, 2019, and May 10, 2019, 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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