UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2020

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________ to ____________

Commission File Number 001-38185

PRESSURE BIOSCIENCES, INC.
(Exact name of registrant as specified in its charter)

Massachusetts	**04-2652826**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
14 Norfolk Avenue South Easton, Massachusetts	**02375**
(Address of principal executive offices)	(Zip Code)

(508) 230-1828
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

[X] Yes [ ] No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

[X] Yes [ ] No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[X]	Smaller reporting company	[X]
Emerging Growth Company	[ ]		

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
N/A	N/A	N/A

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2 of the Exchange Act).

[ ] Yes [X] No

The number of shares outstanding of the Issuer's common stock as of June 24, 2020 was 3,158,663

EXPLANATORY NOTE

On March 25, 2020, the Securities and Exchange Commission ("SEC") issued an order and guidance (collectively, the "Order") providing regulatory relief to public companies whose operations may be affected by the novel coronavirus disease ("COVID-19"). The Order provided public companies with a 45-day extension to file certain disclosure reports, including the Quarterly Report on Form 10-Q for the period ended March 31, 2020 (the "March 31 Quarterly Report"), that would otherwise have been due between March 1, 2020 and July 1, 2020.

Due to the Company's operations and business being disrupted due to the unprecedented conditions surrounding the COVID-19 pandemic spreading throughout the United States and the world the Company was unable to timely review and prepare the March 31 Quarterly Report and, on May 15, 2020, submitted a Current Report on Form 8-K in accordance with and reliance upon the Order.

Due to the outbreak of COVID-19, the routine efforts of the Company's accounting and finance personnel to prepare the Company's financial statements and disclosures have taken a greater amount of time and the Company was unable to finalize and file its March 31 Quarterly Report on a timely basis to meet its filing deadline of May 15, 2020. This Form 10-Q is being filed in reliance on the SEC Order.

PRESSURE BIOSCIENCES, INC.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

PRESSURE BIOSCIENCES, INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	March 31, 2020	December 31, 2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 31,819	$ 29,625
Accounts receivable	120,930	229,402
Inventories, net of $342,496 reserve at March 31, 2020 and December 31, 2019	655,790	617,716
Prepaid expenses and other current assets	203,850	213,549
Total current assets	1,012,389	1,090,292
Investment in equity securities	166,014	16,643
Property and equipment, net	32,225	55,590
Right of use asset leases	59,178	76,586
Intangible assets, net	555,288	576,923
TOTAL ASSETS	$ 1,825,094	$ 1,816,034
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable	870,227	815,764
Accrued employee compensation	415,315	451,200
Accrued professional fees and other	1,680,587	1,658,452
Accrued interest	3,766,366	2,949,621
Deferred revenue	28,504	23,248
Convertible debt, net of unamortized debt discounts of $1,843,315 and $619,227, respectively	6,607,100	6,121,338
Other debt, net of unamortized discounts of $0 and $1,769, respectively	1,926,083	1,675,667
Other related party debt	90,000	81,500
Operating lease liability	59,178	76,586
Total current liabilities	15,443,360	13,853,376
LONG TERM LIABILITIES		
Deferred revenue	41,667	18,065
TOTAL LIABILITIES	15,485,027	13,871,441
COMMITMENTS AND CONTINGENCIES (Note 4)		
STOCKHOLDERS' DEFICIT		
Series D Convertible Preferred Stock, $.01 par value; 850 shares authorized; 300 shares issued and outstanding on March 31, 2020 and December 31, 2019, 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, 2020 and December 31, 2019, respectively	806	806
Series H Convertible Preferred Stock, $.01 par value; 10,000 shares authorized; 10,000 shares issued and outstanding on March 31, 2020 and December 31, 2019, respectively	100	100
Series H2 Convertible Preferred Stock, $.01 par value; 21 shares authorized; 21 shares issued and outstanding on March 31, 2020 and December 31, 2019, respectively	-	-
Series J Convertible Preferred Stock, $.01 par value; 6,250 shares authorized; and 3,458 shares issued and outstanding on March 31, 2020 and December 31, 2019, respectively	35	35
Series K Convertible Preferred Stock, $.01 par value; 15,000 shares authorized; 6,880 shares issued and outstanding on March 31, 2020 and December 31, 2019, respectively	68	68
Series AA Convertible Preferred Stock, $.01 par value; 10,000 shares authorized; 7,939 shares issued and outstanding on March 31, 2020 and December 31, 2019, respectively	80	80
Common stock, $.01 par value; 100,000,000 shares authorized; 2,664,641 and 2,549,620 shares issued and outstanding on March 31, 2020 and December 31, 2019, respectively	26,646	25,496
Warrants to acquire common stock	24,413,330	22,599,177
Additional paid-in capital	45,119,747	44,261,105
Accumulated deficit	(83,220,748)	(78,942,277)
Total stockholders' deficit	(13,659,933)	(12,055,407)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 1,825,094	$ 1,816,034

The accompanying notes are an integral part of these unaudited consolidated financial statements

PRESSURE BIOSCIENCES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Revenue:		
Products, services, other	$ 253,873	$ 510,240
Total revenue	253,873	510,240
Costs and expenses:		
Cost of products and services	175,146	309,712
Research and development	265,690	264,704
Selling and marketing	189,116	188,215
General and administrative	1,019,010	1,144,421
Total operating costs and expenses	1,648,962	1,907,052
Operating loss	(1,395,089)	(1,396,812)
Other (expense) income:		
Interest expense, net	(1,571,800)	(512,706)
Unrealized gain on investment in equity securities	149,371	-
(Loss) on extinguishment of liabilities	(1,136,367)	(40,810)
Other expense	-	(104,845)
Total other expense	(2,558,796)	(658,361)
Net loss	$ (3,953,885)	$ (2,055,173)
Deemed dividends on beneficial conversion feature	-	(1,060,199)
Preferred stock dividends	(324,586)	(355,610)
Net loss attributable to common shareholders	$ (4,278,471)	$ (3,470,982)
Net loss per share attributable to common stockholders - basic and diluted	$ (1.62)	$ (2.01)
Weighted average common stock shares outstanding used in the basic and diluted net loss per share calculation	2,648,039	1,723,557

The accompanying notes are an integral part of these unaudited consolidated financial statements

PRESSURE BIOSCIENCES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Three Months Ended March 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (3,953,885)	$ (2,055,173)
Adjustments to reconcile net loss to net cash used in operating activities:		
Non-cash lease expense	17,408	13,593
Common stock issued for interest and extension fees	60,560	-
Depreciation and amortization	45,000	23,590
Accretion of interest and amortization of debt discount	878,242	103,933
Loss on extinguishment of accrued liabilities and debt	635,000	40,810
Stock-based compensation expense	241,769	245,392
Shares issued for services	-	168,000
Gain on investment in equity securities	(149,371)	-
Changes in operating assets and liabilities:		
Accounts receivable	108,472	31,668
Inventories	(38,074)	12,346
Prepaid expenses and other assets	9,699	(12,606)
Accounts payable	54,463	(184,438)
Accrued employee compensation	(35,885)	(61,952)
Operating lease liability	(17,408)	(13,593)
Deferred revenue and other accrued expenses	779,371	70,506
Net cash used in operating activities	(1,364,639)	(1,617,924)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property plant and equipment	-	(12,615)
Net cash used in investing activities	-	(12,615)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from preferred stock	-	1,260,000
Net proceeds from convertible debt	1,865,500	1,490,368
Net proceeds from non-convertible debt – third party	463,500	644,000
Net proceeds from non-convertible debt – related party	8,500	-
Principal payments on convertible debt	(520,500)	(1,040,185)
Principal payments on non-convertible debt	(450,167)	(557,048)
Net cash provided by financing activities	1,366,833	1,797,135
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,194	166,596
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	29,625	103,118
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 31,819	$ 269,714
SUPPLEMENTAL INFORMATION		
Interest paid in cash	$ 219,224	$ 299,192
NON CASH TRANSACTIONS:		
Interest added to principal	132,314	-
Common stock issued to settle accrued liabilities	127,855	-
Common stock issued on debt settlement	25,000	-
Common stock issued with debt	-	50,733
Discount from warrants issued with debt	1,205,010	-
Discount due to beneficial conversion feature	404,608	-
Preferred stock dividend	324,586	355,610
Deemed dividend-beneficial conversion feature	-	1,060,199

The accompanying notes are an integral part of these unaudited consolidated financial statements

PRESSURE BIOSCIENCES, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
(UNAUDITED)

	Series D Preferred Stock		Series G Preferred Stock		Series H Preferred Stock		Series H(2) Preferred Stock		Series J Preferred Stock		Series K Preferred Stock		Series AA Preferred Stock		Common Stock		Stock	Additional Paid-In	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Warrants	Capital	Deficit	Deficit
BALANCE, December 31, 2019	300	$ 3	80,570	$ 806	10,000	$ 100	21	$ -	3,458	$ 35	6,880	$ 68	7,939	$ 80	2,549,620	$ 25,496	$ 22,599,177	$ 44,261,105	$ (78,942,277)	$ (12,055,407)
Stock-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	241,769	-	241,769
Series AA Preferred Stock dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(324,586)	(324,586)
Issuance of common stock to settle accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66,500	$ 665	-	127,190	-	127,855
Common stock issued or debt settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000	$ 100	-	24,900	-	25,000
Issuance of common stock for debt extension and interest paid-in-kind	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38,521	$ 385	-	60,175	-	60,560
Beneficial conversion feature on debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	404,608	-	404,608
Warrants issued with debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,205,010	-	-	1,205,010
Warrants issued for debt extension	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	609,143	-	-	609,143
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,953,885)	(3,953,885)
BALANCE, March 31, 2020	300	$ 3	80,570	$ 806	10,000	$ 100	21	$ -	3,458	$ 35	6,880	$ 68	7,939	$ 80	2,664,641	$ 26,646	$ 24,413,330	$ 45,119,747	$ (83,220,748)	(13,659,933)

	Series D Preferred Stock		Series G Preferred Stock		Series H Preferred Stock		Series H(2)Preferred Stock		Series J Preferred Stock		Series K Preferred Stock		Series AA Preferred Stock		Common Stock		Stock	Additional Paid-In	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Warrants	Capital	Deficit	Deficit
BALANCE, December 31, 2018	300	$ 3	80,570	$ 806	10,000	$ 100	21	$ -	3,458	$ 35	6,880	68	6,499	$ 65	1,684,182	$ 16,842	$ 19,807,247	$ 39,777,301	$ (65,727,538)	$ (6,125,071)
Stock-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	245,392	-	245,392
Series AA Preferred Stock dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		(355,610)	(355,610)
Issuance of shares for services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000	500		167,500	-	168,000
Beneficial conversion feature on Series AA convertible preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,060,199	-	1,060,199
Deemed dividend-beneficial conversion feature	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,060,199)	-	(1,060,199)
Preferred Stock offering	-	-	-	-	-	-	-	-	-	-	-	-	560	6	-	-	738,528	661,466	-	1,400,000
Offering costs for issuance of preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	160,764	(300,764)	-	(140,000)
Common Stock issued for debt extension															16,350	164	-	38,824	-	38,988
Stock issued with debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,958	180	-	50,553	-	50,733
Net loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,055,173)	(2,055,173)
BALANCE, March 31, 2019	300	$ 3	80,570	$ 806	10,000	$ 100	21	$ -	3,458	$ 35	6,880	$ 68	7,059	$ 71	1,768,490	$ 17,686	$ 20,706,539	$ 40,640,272	$ (68,138,321)	$ (6,772,741)

The accompanying notes are an integral part of these unaudited consolidated financial statements

1) Business Overview

Pressure Biosciences, Inc. ("we", "our", "the Company") develops and sells innovative, broadly enabling, pressure-based platform solutions for the worldwide life sciences industry. Our solutions 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.

2) Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. However, we have experienced negative cash flows from operations with respect to our pressure cycling technology business since our inception. As of March 31, 2020, we do not have adequate working capital resources to satisfy our current liabilities and as a result, there is substantial doubt regarding our ability to continue as a going concern. We have been successful in raising cash through debt and equity offerings in the past and as described in Notes 5 and 6. In addition we raised cash through debt and equity financing after March 31, 2020 as described in Note 7. We have financing efforts in place to continue to raise cash through debt and equity offerings. Although we have successfully completed financings and reduced expenses in the past, we cannot assure you that our plans to address these matters in the future will be successful. These financial statements do not include any adjustments that might result from this uncertainty.

3) Summary of Significant Accounting Policies

Basis of Presentation

The unaudited interim financial statements of Pressure BioSciences, Inc. and its consolidated subsidiaries (collectively, the "Company") included herein have been prepared by the Company in accordance with the instructions to Form 10-Q and the rules and regulations of the U.S. Securities and Exchange Commission. Under these rules and regulations, some information and footnote disclosures normally included in financial statements prepared under accounting principles generally accepted in the United States of America have been shortened or omitted. Management believes that all adjustments necessary for a fair statement of the financial position and the results of operations for the periods shown have been made. All adjustments are normal and recurring. These financial statements should be read together with the Company's audited financial statements included in its Form 10-K for the fiscal year ended December 31, 2019. Certain comparative amounts for the prior fiscal year period have been reclassified to conform to the financial statement presentation as of and for the period ended March 31, 2020.

Use of Estimates

The Company's consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America, which require the use of estimates, judgements and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Global concerns about the COVID-19 pandemic have adversely affected, and we expect will continue to adversely affect, our business, financial condition and results of operations including the estimates and assumptions made by management. Significant estimates and assumptions include valuations of share-based awards, investments in equity securities and intangible asset impairment. Actual results could differ from the estimates, and such differences may be material to the Company's consolidated financial statements.

Principles of Consolidation

The consolidated financial statements include the accounts of Pressure BioSciences, Inc., and its wholly-owned subsidiary PBI BioSeq, Inc. All intercompany accounts and transactions have been eliminated in consolidation.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments. The standard is effective for the Company for interim and annual periods beginning after December 15, 2022. The Company is evaluating the impact of this standard on its Consolidated Financial Statements.

In December 2019, the FASB, issued ASU 2019-12, Simplifying the Accounting for Income Taxes. The standard is effective for the Company for interim and annual periods beginning after December 15, 2020 for the Company and for annual periods beginning after December 15, 2021 and interim periods beginning after December 15, 2022. The Company is evaluating the impact of this standard on its Consolidated Financial Statements.

Revenue Recognition

We recognize revenue in accordance with FASB ASC 606, *Revenue from Contracts with Customers,* and *ASC 340-40, Other Assets and Deferred Costs—Contracts with Customers*. Revenue is measured based on a consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. We enter into sales contracts that may consist of multiple distinct performance obligations where certain performance obligations of the sales contract are not delivered in one reporting period. We measure and allocate revenue according to ASC 606-10.

We identify a performance obligation as distinct if both the following criteria are true: the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer and the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract. Determining the standalone selling price ("SSP") and allocation of consideration from a contract to the individual performance obligations, and the appropriate timing of revenue recognition, is the result of significant qualitative and quantitative judgments. Management considers a variety of factors such as historical sales, usage rates, costs, and expected margin, which may vary over time depending upon the unique facts and circumstances related to each performance obligation in making these estimates. While changes in the allocation of the SSP between performance obligations will not affect the amount of total revenue recognized for a particular contract, any material changes could impact the timing of revenue recognition, which would have a material effect on our financial position and result of operations. This is because the contract consideration is allocated to each performance obligation, delivered or undelivered, at the inception of the contract based on the SSP of each distinct performance obligation.

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Company from a customer, are excluded from revenue.

Shipping and handling costs associated with outbound freight after control over a product has transferred to a customer are accounted for as a fulfillment cost and are in included in cost of revenues as consistent with treatment in prior periods.

Our current Barocycler® instruments require a basic level of instrumentation expertise to set-up for initial operation. To support a favorable first experience for our customers, upon customer request, and for an additional fee, will send a highly trained technical representative to the customer site to install Barocycler®s that we sell, lease, or rent through our domestic sales force. The installation process includes uncrating and setting up the instrument, followed by introductory user training. Our sales arrangements do not provide our customers with a right of return. Any shipping costs billed to customers are recognized as revenue.

The majority of our instrument and consumable contracts contain pricing that is based on the market price for the product at the time of delivery. Our obligations to deliver product volumes are typically satisfied and revenue is recognized when control of the product transfers to our customers. Concurrent with the transfer of control, we typically receive the right to payment for the shipped product and the customer has significant risks and rewards of ownership of the product. Payment terms require customers to pay shortly after delivery and do not contain significant financing components.

We apply ASC 845, "Accounting for Non-Monetary Transactions", to account for products and services sold through non-cash transactions based on the fair values of the products and services involved, where such values can be determined. Non-cash exchanges would require revenue to be recognized at recorded cost or carrying value of the assets or services sold if any of the following conditions apply:

a) The fair value of the asset or service involved is not determinable.

b) The transaction is an exchange of a product or property held for sale in the ordinary course of business for a product or property to be sold in the same line of business to facilitate sales to customers other than the parties to the exchange.

c) The transaction lacks commercial substance.

We currently record revenue for its non-cash transactions at recorded cost or carrying value of the assets or services sold.

In accordance with FASB ASC 842, *Leases*, we account for our lease agreements under the operating method. The new standard provides a number of optional practical expedients in transition. We elected the 'package of practical expedients' for our instrument leases, which permits us not to reassess under the new standard our prior conclusions about lease identification, lease classification and initial direct costs.

We record revenue over the life of the lease term and we record depreciation expense on a straight-line basis over the thirty-six-month estimated useful life of the Barocycler® instrument. The depreciation expense associated with assets under lease agreement is included in the "Cost of PCT products and services" line item in our accompanying consolidated statements of operations. Many of our lease and rental agreements allow the lessee to purchase the instrument at any point during the term of the agreement with partial or full credit for payments previously made. We pay all maintenance costs associated with the instrument during the term of the leases.

Revenue from government grants is recorded when expenses are incurred under the grant in accordance with the terms of the grant award.

Deferred revenue represents amounts received from grants and service contracts for which the related revenues have not been recognized because one or more of the revenue recognition criteria have not been met. Revenue from service contracts is recorded ratably over the length of the contract.

Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major product line, and timing of revenue recognition.

In thousands of US dollars ($)

Primary geographical markets	**March 31, 2020**	**March 31, 2019**
North America	$ 144	$ 224
Europe	1	40
Asia	109	246
	$ 254	$ 510

Major products/services lines	**March 31, 2020**	**March 31, 2019**
Instruments	$ 130	$ 138
Consumables	56	62
Others	68	310
	$ 254	$ 510

Timing of revenue recognition	**March 31, 2020**	**March 31, 2019**
Products transferred at a point in time	$ 225	$ 501
Services transferred over time	29	9
	$ 254	$ 510

Contract balances

In thousands of US dollars ($)	**March 31, 2020**	**December 31, 2019**
Receivables, which are included in 'Accounts Receivable'	121	229
Contract liabilities (deferred revenue)	70	41

Transaction price allocated to the remaining performance obligations

The following table includes estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period.

In thousands of US dollars ($)	**2020**	**2021**	**Total**
Extended warranty service	28	42	70

All consideration from contracts with customers is included in the amounts presented above.

Contract Costs

The Company recognizes the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that the Company otherwise would have recognized is one year or less. These costs are included in selling, general, and administrative expenses. The costs to obtain a contract are recorded immediately in the period when the revenue is recognized either upon shipment or installation. The costs to obtain a service contract are considered immaterial when spread over the life of the contract so the Company records the costs immediately upon billing.

Concentrations

Credit Risk

Our financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash, cash equivalents, and trade receivables. We have cash investment policies which, among other things, limit investments to investment-grade securities. We perform ongoing credit evaluations of our customers, and the risk with respect to trade receivables is further mitigated by the fact that many of our customers are government institutions, large pharmaceutical and biotechnology companies, and academic laboratories.

The following table illustrates the level of concentration as a percentage of total revenues during the three months ended March 31, 2020 and 2019. The Top Five Customers category may include federal agency revenues if applicable.

	For the Three Months Ended March 31,	
	2020	2019
Top Five Customers	68%	73%
Federal Agencies	6%	18%

The following table illustrates the level of concentration as a percentage of net accounts receivable balance as of March 31, 2020 and December 31, 2019. The Top Five Customers category may include federal agency receivable balances if applicable.

	March 31, 2020	December 31, 2019
Top Five Customers	77%	83%
Federal Agencies	4%	17%

Product Supply

CBM Industries (Taunton, MA) has recently become the manufacturer of the Barocycler® 2320EXT. CBM is ISO 13485:2003 and 9001:2008 Certified. CBM provides us with precision manufacturing services that include management support services to meet our specific application and operational requirements. Among the services provided by CBM to us are:

- CNC Machining
- Contract Assembly & Kitting
- Component and Subassembly Design
- Inventory Management
- ISO certification

At this time, we believe that outsourcing the manufacturing of our new Barocycler® 2320EXT to CBM is the most cost-effective method for us to obtain and maintain ISO Certified, CE and CSA Marked instruments. CBM's close proximity to our South Easton, MA facility is a significant asset enabling interactions between our Engineering, R&D, and Manufacturing groups and their counterparts at CBM. CBM was instrumental in helping PBI achieve CE Marking on our Barocycler 2320EXT, as announced on February 2, 2017.

Although we currently manufacture and assemble the Barozyme HT48, Barocycler® HUB440, the SHREDDER SG3, and most of our consumables at our South Easton, MA facility, we plan to take advantage of outsourced manufacturing relationships such as that with CBM and outsource manufacturing of the entire Barocycler® product line, future instruments, and other products to CBM.

Investment in Equity Securities

As of March 31, 2020, we held 100,250 shares of common stock of Everest Investments Holdings S.A. ("Everest"), a Polish publicly traded company listed on the Warsaw Stock Exchange. We account for this investment in accordance with ASC 321 *"Investments —Equity Securities."* ASC 321 requires equity investments with readily determinable fair values to be measured at fair value with changes in fair value recognized in net income. As of March 31, 2020, our consolidated balance sheet reflected the fair value of our investment in Everest to be approximately $166,014. We recorded $149,371 as an unrealized gain during the three months ended March 31, 2020 for changes in Everest market value.

Computation of Loss per Share

Basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding. Diluted loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding plus additional common shares that would have been outstanding if dilutive potential common shares had been issued. For purposes of this calculation, convertible preferred stock, common stock dividends, and warrants and options to acquire common stock, are all considered common stock equivalents in periods in which they have a dilutive effect and are excluded from this calculation in periods in which these are anti-dilutive to our net loss.

The following table illustrates our computation of loss per share for the three months ended March 31, 2020 and 2019:

	For the Three Months Ended March 31,	
	2020	2019
Numerator:		
Net loss attributable to common shareholders	$ (4,278,471)	$ (3,470,982)
Denominator for basic and diluted loss per share:		
Weighted average common stock shares outstanding	2,648,039	1,723,557
Loss per common share – basic and diluted	$ (1.62)	$ (2.01)

The following table presents securities that could potentially dilute basic loss per share in the future. For all periods presented, the potentially dilutive securities were not included in the computation of diluted loss per share because these securities would have been anti-dilutive to our net loss. The Series D Convertible Preferred Stock, Series G Convertible Preferred Stock, Series H and H2 Convertible Preferred Stock, Series J Convertible Preferred Stock, Series K Convertible Preferred Stock and Series AA Convertible Preferred Stock are presented below as if they were converted into common shares according to the conversion terms.

	As of March 31,	
	2020	2019
Stock options	1,393,551	366,734
Convertible debt	3,125,633	471,015
Common stock warrants	11,295,764	8,380,875
Convertible preferred stock:		
Series D Convertible Preferred	25,000	25,000
Series G Convertible Preferred	26,857	26,857
Series H Convertible Preferred	33,334	33,334
Series H2 Convertible Preferred	70,000	70,000
Series J Convertible Preferred	115,267	115,267
Series K Convertible Preferred	229,334	229,334
Series AA Convertible Preferred	7,939,000	7,059,822
	24,253,740	16,778,238

Accounting for Stock-Based Compensation Expense

We maintain equity compensation plans under which incentive stock options and non-qualified stock options are granted to employees, independent members of our Board of Directors and outside consultants. We recognize stock-based compensation expense over the requisite service period using the Black-Scholes formula to estimate the fair value of the stock options on the date of grant.

Determining Fair Value of Stock Option Grants

Valuation and Amortization Method - The fair value of each option award is estimated on the date of grant using the Black-Scholes pricing model based on certain assumptions. The estimated fair value of employee stock options is amortized to expense using the straight-line method over the vesting period.

Expected Term - The Company uses the simplified calculation of expected life, as the Company does not currently have sufficient historical exercise data on which to base an estimate of expected term. Using this method, the expected term is determined using the average of the vesting period and the contractual life of the stock options granted.

Expected Volatility - Expected volatility is based on the Company's historical stock volatility data over the expected term of the award.

Risk-Free Interest Rate - The Company bases the risk-free interest rate used in the Black-Scholes valuation method on the implied yield currently available on U.S. Treasury zero-coupon issues with an equivalent remaining term.

Forfeitures - The Company records stock-based compensation expense only for those awards that are expected to vest. The Company estimated a forfeiture rate of 5% for awards granted based on historical experience and future expectations of options vesting. The Company used this historical rate as our assumption in calculating future stock-based compensation expense.

The Company recognized stock-based compensation expense of $241,769 and $245,392 for the three months ended March 31, 2020 and 2019, respectively. The following table summarizes the effect of this stock-based compensation expense within each of the line items of our costs and expenses within our Consolidated Statements of Operations:

	For the Three Months Ended March 31,	
	2020	2019
Cost of sales	$ 7,956	$ 8,316
Research and development	38,826	34,624
Selling and marketing	13,936	22,119
General and administrative	181,051	180,333
Total stock-based compensation expense	$ 241,769	$ 245,392

Fair Value of Financial Instruments

Due to their short maturities, the carrying amounts for cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and debt approximate their fair value. Long-term liabilities include only deferred revenue with a carrying value that approximates fair value.

Fair Value Measurements

The Company follows the guidance of FASB ASC Topic 820, "*Fair Value Measurements and Disclosures*" ("ASC 820") as it related to all financial assets and financial liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis.

The Company generally defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company uses a three-tier fair value hierarchy, which classifies the inputs used in measuring fair values. These tiers include: Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring the Company to develop its own assumptions. A slight change in an unobservable input like volatility could have a significant impact on fair value measurement.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company has determined that its financial assets are classified within Level 1 in the fair value hierarchy. The development of the unobservable inputs for Level 3 fair value measurements and fair value calculations are the responsibility of the Company's management.

The following tables set forth the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis as of March 31, 2020:

		Fair value measurements at March 31, 2020 using:		
	31-Mar-20	**Quoted prices in active markets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Equity Securities	166,014	166,014	-	-
Total Financial Assets	$ 166,014	$ 166,014	$ -	$ -

The following tables set forth the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2019:

		Fair value measurements at December 31, 2019 using:		
	31-Dec-19	**Quoted prices in active markets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Equity Securities	16,643	16,643	-	-
Total Financial Assets	$ 16,643	$ 16,643	$ -	$ -

4) Commitments and Contingencies

Operating Leases

The Company accounts for its leases under ASC 842. The Company has elected to apply the short-term lease exception to leases of one year or less. Consequently, as a result of adoption of ASC 842, we recognized an operating liability of $136,385 on our Medford lease with a corresponding Right-Of-Use (“ROU”) asset of the same amount based on present value of the minimum rental payments of the lease. As of March 31, 2020 the Company carries a ROU asset and operating lease liability of $59,178.

Our corporate office is currently located at 14 Norfolk Avenue, South Easton, Massachusetts 02375. We are currently paying $6,950 per month, on a lease extension, signed on December 31, 2019, that expires December 31, 2020, for our corporate office. We expanded our space to include offices, warehouse and a loading dock on the first floor starting May 1, 2017 with a monthly rent increase already reflected in the current payments.

We extended our lease for our space in Medford, MA to December 30, 2020. The lease requires monthly payments of $7,130 subject to annual cost of living increases. The lease shall be automatically extended for an additional three years unless either party terminates at least six months prior to the expiration of the current lease term.

Following is a schedule by years of future minimum rental payments required under operating leases with initial or remaining non-cancelable lease terms as of March 31, 2020:

2020	$	126,720
Thereafter		-
Total Minimum Payments Required	$	126,720

5) Convertible Debt and Other Debt

Convertible Debt

On various dates during the quarter ended March 31, 2020, the Company issued convertible notes for net proceeds of approximately $1.9 million which contained varied terms and conditions as follows: a) 12 month maturity date; b) interest rate of 10%; c) convertible to the Company’s common stock at issuance at a fixed rate of $2.50. These notes were issued with warrants to purchase common stock that were fair valued at issuance date. The aggregate relative fair value of $995,615 of the warrants issued with the notes was recorded as a debt discount to be amortized over the term of the notes. We then computed the effective conversion price of the notes, and recorded a $404,608 beneficial conversion feature as a debt discount to be amortized over the term of the notes. We also evaluated the convertible notes for derivative liability treatment and determined that the notes did not quality for derivative accounting treatment at March 31, 2020.

The specific terms of the convertible notes and outstanding balances as of March 31, 2020 are listed in the tables below.

Inception Date	Term	Loan Amount	Outstanding balance with OID	Original Issue Discount (OID)	Interest Rate	Conversion Price	Deferred Finance Fees	Discount for conversion feature and warrants/shares
February 15, 2018 **(2)**	6 months	$ 100,000	$ 115,000	$ -	5%	**(3) (6)** 2.5	$ 9,000	$ 17,738
May 17, 2018	12 months	$ 380,000	$ 166,703	$ 15,200	8%	**(3)** 2.5	$ 15,200	$ 332,407
May 30, 2018 **(1)**	2 months	$ 150,000	$ 75,000	$ -	4%	7.5	$ -	$ 6,870
June 8, 2018 **(1)**	6 months	$ 50,000	$ 50,000	$ 2,500	2%	**(6)** 7.5	$ 2,500	$ 3,271
June 12, 2018	6 months	$ 100,000	$ 100,000	$ -	2.5%	**(3) (6)** 7.5	$ 5,000	$ -
June 16, 2018	9 months	$ 130,000	$ 79,000	$ -	5%	**(3)** 2.5	$ -	$ -
June 16, 2018	6 months	$ 110,000	$ 79,000	$ -	5%	**(3)** 2.5	$ -	$ -
June 26, 2018 **(2)**	3 months	$ 150,000	$ 86,250	$ -	5%	**(3) (6)** 2.5	$ -	$ 30,862
June 28, 2018	6 months	$ 50,000	$ 50,000	$ -	2.5%	**(3) (6)** 7.5	$ -	$ 10,518
July 17, 2018 **(2)**	3 months	$ 100,000	$ 105,000	$ 15,000	5%	**(3) (6)** 2.5	$ -	$ 52,897
July 19, 2018	12 months	$ 184,685	$ 150,000	$ 34,685	10%	**(3)** 2.5	$ -	$ -
October 19, 2018 **(1)**	6 months	$ 100,000	$ 100,000	$ -	5%	7.5	$ -	$ -
November 13, 2018 **(2)**	6 months	$ 200,000	$ 220,000	$ -	5%	**(3) (6)** 2.5	$ -	$ 168,634
January 2, 2019	12 months	$ 125,000	$ 97,000	$ -	4%	**(3)** 2.5	$ 6,250	$ 89,120
January 3, 2019	6 months	$ 50,000	$ 50,000	$ 2,500	24%	**(6)** 7.5	$ 2,500	$ -
February 21, 2019	12 months	$ 215,000	$ 215,000	$ -	4%	**(3)** 2.5	$ 15,000	$ 107,709
February 22, 2019	9 months	$ 115,563	$ 115,562	$ 8,063	7%	**(3)** 2.5	$ 2,500	$ -
March 18, 2019 **(1)**	6 months	$ 100,000	$ 100,000	$ -	4%	7.5	$ -	$ 10,762
June 4, 2019	9 months	$ 500,000	$ 500,000	$ -	8%	**(3)** 2.5	$ 40,500	$ 70,631
May 28, 2019	12 months	$ 115,500	$ 115,500	$ 5,500	8%	**(3)** 2.5	$ -	$ 33,531
April 30, 2019	12 months	$ 105,000	$ 105,000	$ -	4%	**(3)** 2.5	$ 5,000	$ 3,286
June 19, 2019	12 months	$ 105,000	$ 105,000	$ -	4%	**(3)** 2.5	$ 5,000	$ 2,646
April 9, 2019	12 months	$ 118,800	$ 88,800	$ 8,800	4%	**(3)** 2.5	$ 3,000	$ -
April 10, 2019 **(2)**	3 months	$ 75,000	$ 86,250	$ -	5%	**(3) (6)** 2.5	$ -	$ 61,091
May 20, 2019	3 months	$ 100,000	$ 100,000	$ -	5%	**(3) (6)** 2.5	$ -	$ 13,439
June 7, 2019	6 months	$ 125,000	$ 125,000	$ -	5%	**(3) (6)** 7.5	$ -	$ 18,254
July 1, 2019	12 months	$ 107,500	$ 107,500	$ -	4%	**(3)** 2.5	$ 7,500	$ 85,791
July 8, 2019 **(5)**	12 months	$ 65,000	$ 65,000	$ -	5%	**(3)** 2.5	$ 8,500	$ 4,376
July 29, 2019	6 months	$ 250,000	$ 250,000	$ -	4%	**(3)** 2.5	$ -	$ 36,835
July 19, 2019	12 months	$ 115,000	$ 115,000	$ -	4%	**(3)** 2.5	$ 5,750	$ 15,460
July 19, 2019	12 months	$ 130,000	$ 130,000	$ -	6%	**(3)** 2.5	$ 6,500	$ -
August 6, 2019	12 months	$ 108,000	$ 108,000	$ -	4%	**(3)** 2.5	$ 11,000	$ -
August 14, 2019 **(1)**	6 months	$ 50,000	$ 50,000	$ -	2%	**(6)** 7.5	$ -	$ -
September 11, 2019 **(5)**	12 months	$ 50,000	$ 50,000	$ -	5%	**(3)** 2.5	$ 6,500	$ 3,823
September 27, 2019	12 months	$ 78,750	$ 78,750	$ -	4%	**(3)** 2.5	$ 3,750	$ 13,759
October 24, 2019	12 months	$ 103,000	$ 103,000	$ -	8%	**(4)** 2.5	$ 3,000	$ -
October 24, 2019	12 months	$ 78,750	$ 78,750	$ -	4%	**(3)** 2.5	$ 3,750	$ -
October 25, 2019	12 months	$ 105,000	$ 105,000	$ -	8%	2.5	$ 5,000	$ -
October 30, 2019	12 months	$ 250,000	$ 250,000	$ -	8%	2.5	$ 12,500	$ 5,964
November 1, 2019	12 months	$ 270,000	$ 270,000	$ -	6%	**(3)** 2.5	$ 13,500	$ -
October 8, 2019	6 months	$ 100,000	$ 100,000	$ -	4%	7.5	$ -	$ 5,725
November 15, 2019	12 months	$ 385,000	$ 385,000	$ 35,000	10%	2.5	$ 35,000	$ 90,917
December 4, 2019	12 months	$ 495,000	$ 495,000	$ 45,000	10%	2.5	$ 45,000	$ 56,387
December 20, 2019	12 months	$ 275,000	$ 275,000	$ 25,000	10%	2.5	$ 25,000	$ 40,601
January 2, 2020	12 months	$ 330,000	$ 330,000	$ 30,000	10%	2.5	$ 30,000	$ 91,606
January 23, 2020	12 months	$ 247,500	$ 247,500	$ 22,500	10%	2.5	$ 22,500	$ 89,707
January 29, 2020	12 months	$ 363,000	$ 363,000	$ 33,000	10%	2.5	$ 33,000	$ 297,000
February 12, 2020	12 months	$ 275,000	$ 275,000	$ 25,000	10%	2.5	$ 25,000	$ 225,000
February 19, 2020	12 months	$ 165,000	$ 165,000	$ 15,000	10%	2.5	$ 15,000	$ 135,000
March 5, 2020	12 months	$ 115,000	$ 115,000	$ 15,000	10%	2.5	$ 15,000	$ 46,231
March 11, 2020	12 months	$ 330,000	$ 330,000	$ 30,000	10%	2.5	$ 30,000	$ 232,810
March 13, 2020	12 months	$ 165,000	$ 165,000	$ 15,000	10%	2.5	$ 15,000	$ 60,705
March 13, 2020	12 months	$ 28,750	$ 28,750	$ 3,750	10%	2.5	-	$ 7,825
March 13, 2020	12 months	$ 125,000	$ 125,000	$ 18,750	10%	2.5	$ 12,500	$ 29,737
March 26, 2020	12 months	$ 111,100	$ 111,100	$ 10,100	10%	2.5	$ 10,100	$ 90,900
			$ 8,450,415	$ 415,348			$ 511,800	$ 2,699,825

(1) The Note is past due. The Company and the lender are negotiating in good faith to extend the loan.
(2) Interest was capitalized and added to the outstanding principal.
(3) As of March 31, 2020 lender entered into a Standstill and Forbearance agreement (as described below). Loan is convertible at $2.50 until the expiration of the agreement.
(4) Note is not convertible at March 31, 2020.
(5) The Company's Chief Executive Officer signed a Confession of Judgement with lenders representing his personal guarantee.
(6) During the quarter ended March 31, 2020 the Company entered into Rate Modification Agreements with these lenders. In these agreements five lenders agreed to reduce their interest rate and were granted the right to convert loans using a variable conversion price if other variable rate lenders converted at a variable rate.

For the quarter ended March 31, 2020, the Company recognized amortization expense related to the debt discounts indicated above of $565,985. The unamortized debt discounts as of March 31, 2020 related to the convertible debentures and other convertible notes amounted to $1,843,315.

Standstill and Forbearance Agreements

On December 13, 2019, the Company entered into Standstill and Forbearance Agreements with lenders who hold convertible promissory notes with a total principal of $2,267,066. Pursuant to the Standstill and Forbearance Agreements, the lenders agreed to not convert any portion of their notes into shares of common stock at a variable rate until either January 30th or January 31st of 2020, and to waive, through January 30th or January 31st of 2020, all of the Company's defaults under their notes including, but not limited to, the late filing of the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019.

On January 31, 2020 and again on March 3, 2020 the Company extended these Standstill and Forbearance Agreements until April 6, 2020. For the three months ended March 31, 2020, the Company incurred fees of approximately $556,000 to extend the agreements. (See Note 7 - Subsequent Events)

Convertible Loan Modifications and Extinguishments

We refinanced certain convertible loans during the quarter ended March 31, 2020 at substantially the same terms for extensions ranging over a period of three to six months. We amortized any remaining unamortized debt discount as of the modification date over the remaining, extended term of the new loans. We applied ASC 470 of modification accounting to the debt instruments which were modified during the quarter or those settled with new notes issued concurrently for the same amounts but different maturity dates. The terms such as the interest rate, prepayment penalties, and default rates will be the same over the new extensions. According to ASC 470, an exchange of debt instruments between or a modification of a debt instrument by a debtor and a creditor in a nontroubled debt situation is deemed to have been accomplished with debt instruments that are substantially different if the present value of the cash flows under the terms of the new debt instrument is at least 10 percent different from the present value of the remaining cash flows under the terms of the original instrument. If the terms of a debt instrument are changed or modified and the cash flow effect on a present value basis is less than 10 percent, the debt instruments are not considered to be substantially different and will be accounted for as modifications.

The cash flows of new debt exceeded 10% of the remaining cash flows of the original debt on several loans. We recorded losses on extinguishment of liabilities of $1,136,367 by calculating the difference of the fair value of the new debt and the carrying value of the old debt. The reported loss on extinguishment of liabilities includes $635,000 of non-cash expenses for warrants issued and amortization of debt discount.

The following table provides a summary of the changes in convertible debt, net of unamortized discounts, during 2020:

		2020
Balance at January 1,	$	6,121,338
Issuance of convertible debt, face value		2,255,350
Deferred financing cost		(389,850)
Beneficial conversion feature on convertible note		(404,608)
Debt discount from warrants issued with debt		(995,615)
Payments		(520,500)
Conversion of debt into equity		(25,000)
Accretion of interest and amortization of debt discount to interest expense		565,985
Balance at March 31,		6,607,100
Less: current portion		6,607,100
Convertible debt, long-term portion	$	–

Other Notes

On September 9, 2019 and February 28, 2020 we received a total of $966,500 unsecured non-convertible loans from a private investor with a one-month term. During the three months ended March 31, 2020 the Company received net proceeds of $463,500, issued 150,000 warrants to purchase common stock (five year term and $3.50 exercise price), and repaid $275,000. The relative fair value of $185,660 of the warrants issued with the note was recorded as a debt discount to be amortized over the term of the notes. As of March 31, 2020 the Company owes $691,500 on these notes which are past due. The Company and the investor are negotiating in good faith to extend the loans.

On October 1, 2019, the Company and the holder of the $170,000 non-convertible loan issued in May 2017 agreed to extend the term of the loan to December 31, 2019. The Company agreed to issue 1,200 shares of its common stock per month while the note remains outstanding. The note will continue to earn 10% annual interest. The loan is currently past due and the Company and the investor are negotiating in good faith to extend the loan.

On October 11, 2019 we received a non-convertible loan with a one month term and a 2% interest charge for $25,000 from a private investor. The loan is past due and the Company and the investor are negotiating in good faith to extend the loan.

For the quarter ended March 31, 2020 the Company recognized amortization expense related to debt discounts attributable to Other Notes of $312,257.

Merchant Agreements

We have signed various Merchant Agreements which are secured by second position rights to all customer receipts until the loan has been repaid in full and subject to interest rates of 6% - 76%. As illustrated in the following table, under the terms of these agreements, we received the disclosed Purchase Price and agreed to repay the disclosed Purchase Amount, which is collected by the Merchant lenders at the disclosed Daily Payment Rate. The following table shows our Merchant Agreements as of March 31, 2020:

Inception Date	Purchase Price	Purchased Amount	Outstanding Balance	Daily Payment rate	Deferred Finance Fees
August 5, 2019	$ 600,000	$ 816,000	$ 384,621	$ 4,533	$ 6,000
August 19, 2019	350,000	479,500	273,510	2,664	3,000
August 23, 2019	175,000	239,750	117,597	1,410	1,750
September 19, 2019	275,000	384,275	263,855	2,138	5,000
	$ 1,400,000	$ 1,919,525	$ 1,039,583	$ 10,745	$ 15,750

The following table shows our Merchant Agreements as of December 31, 2019:

Inception Date	Purchase Price	Purchased Amount	Outstanding Balance	Daily Payment Rate	Deferred Finance Fees
August 5, 2019	$ 600,000	$ 816,000	$ 421,024	4,533	$ 6,000
August 19, 2019	350,000	479,500	272,315	2,664	3,000
August 23, 2019	175,000	239,750	132,284	1,410	1,750
September 19, 2019	275,000	384,275	256,812	2,138	5,000
	$ 1,400,000	$ 1,919,525	$ 1,082,435	$ 10,745	$ 15,750

We have accounted for the Merchant Agreements as loans under ASC 860 because while we provided rights to current and future receipts, we still had control over the receipts. The difference between the Purchase Amount and the Purchase Price is imputed interest that is recorded as interest expense when paid each day.

On November 15, 2019 the Company and its Merchant lenders agreed to a temporary reduction in the Daily Payment Rate from $10,745 to $2,500. On January 31, 2020 and then subsequently on March 2, 2020 the Company and its Merchant lenders agreed to extend the term of the reduction of its Daily Payment Rate to March 2, 2020 and April 6, 2020, respectively. The Company issued 307,500 warrants (valued at $609,143) to lenders as compensation for these agreements. The warrants have a three year life and a $3.50 exercise Price. During the three months ended March 31, 2020, $132,314 of interest was capitalized into principal (and recorded as interest expense). (See Note 7 - Subsequent Events)

The Company's Chief Executive Officer is personally guaranteeing $1,039,583 of loans outstanding as of March 31, 2020 under our Merchant Agreements.

Related Party Notes

In June 2018, we received a non-convertible loan of $15,000 from a private investor. The loan includes a one-year term and 15% guaranteed interest. This loan remains outstanding at March 31, 2020 and is currently past due.

As of March 31, 2020 we also hold $75,000 of short-term non-convertible loans from related parties. These notes bear interest ranging from 0% to 15% interest and are due upon demand.

6) Stockholders' Deficit

Preferred Stock

We are authorized to issue 1,000,000 shares of preferred stock with a par value of $0.01. Of the 1,000,000 shares of preferred stock:

1) 20,000 shares have been designated as Series A Junior Participating Preferred Stock ("*Junior A*")
2) 313,960 shares have been designated as Series A Convertible Preferred Stock ("*Series A*")
3) 279,256 shares have been designated as Series B Convertible Preferred Stock ("*Series B*")
4) 88,098 shares have been designated as Series C Convertible Preferred Stock ("*Series C*")
5) 850 shares have been designated as Series D Convertible Preferred Stock ("*Series D*")
6) 500 shares have been designated as Series E Convertible Preferred Stock *("Series E")*
7) 240,000 shares have been designated as Series G Convertible Preferred Stock ("*Series G*")
8) 10,000 shares have been designated as Series H Convertible Preferred Stock ("*Series H*")
9) 21 shares have been designated as Series H2 Convertible Preferred Stock ("*Series H2*")
10) 6,250 shares have been designated as Series J Convertible Preferred Stock ("*Series J*")
11) 15,000 shares have been designated as Series K Convertible Preferred Stock ("*Series K*")
12) 10,000 shares have been designated as Series AA Convertible Preferred Stock ("*Series AA*")

As of March 31, 2020, there were no shares of Junior A, and Series A, B, C and E issued and outstanding. See our Annual Report on Form 10-K for the year ended December 31, 2019 for the pertinent disclosures of preferred stock.

Stock Options and Warrants

At the Company's December 12, 2013 Special Meeting, the shareholders approved the 2013 Equity Incentive Plan (the "2013 Plan") pursuant to which 3,000,000 shares of our common stock were reserved for issuance upon exercise of stock options or other equity awards. Under the 2013 Plan, we may award stock options, shares of common stock, and other equity interests in the Company to employees, officers, directors, consultants, and advisors, and to any other persons the Board of Directors deems appropriate. As of March 31, 2020, options to acquire 1,393,551 shares were outstanding under the Plan.

On November 29, 2015 the Company's Board of Directors adopted the 2015 Nonqualified Stock Option Plan (the "2015 Plan") pursuant to which 5,000,000 shares of our common stock were reserved for issuance upon exercise of non-qualified stock options. Under the 2015 Plan, we may award non-qualified stock options in the Company to employees, officers, directors, consultants, and advisors, and to any other persons the Board of Directors deems appropriate.

As of March 31, 2020, total unrecognized compensation cost related to the unvested stock-based awards was $650,726, which is expected to be recognized over weighted average period of 1.74 years. The aggregate intrinsic value associated with the options outstanding and exercisable and the aggregate intrinsic value associated with the warrants outstanding and exercisable as of March 31, 2020, based on the March 31, 2020 closing stock price of $2.20, was $494,653.

The following tables summarize information concerning options and warrants outstanding and exercisable:

	Stock Options			Warrants				
		Weighted Average			Weighted Average			
	Shares		price per share	Shares		price per share	Shares	Total Exercisable
Balance outstanding, January 1, 2019	366,734	$	3.39	7,764,821	$	3.50	8,131,555	7,792,570
Granted	1,447,420	$	0.81	2,153,214		3.50	3,600,634	
Exercised	-	$	-	-		-	-	
Expired	-	$	-	(25,001)		14.82	(25,001)	
Forfeited	(417,852)	$	3.39	-		-	(417,852)	
Balance outstanding, December 31, 2019	1,396,302	$	0.71	9,893,034	$	3.52	11,289,336	10,148,543
Granted	-		-	1,402,730		3.50	1,402,730	
Exercised	-		-	-		-	-	
Expired	-		-	-		-	-	
Forfeited	(2,751)		3.40	-		-	(2,751)	
Balance outstanding, March 31, 2020	1,393,551	$	0.69	11,295,764	$	3.50	12,689,315	11,633,349

As of March 31, 2020, the 1,393,551 stock options outstanding have a $0.69 Exercise Price and 9.45 weighted average remaining term. Of these options, 337,585 are currently exercisable.

Common Stock and Warrant Issuances

On various dates in the quarter ended March 31, 2020 the Company issued a total of 115,021 shares of restricted common stock at a fair value of approximately $213,415 to accredited investors and consultants. 66,500 of the shares with a fair value of $127,855 were issued to settle accrued liabilities to consultants, 38,521 of the shares with a fair value of $60,560 were issued for debt extension and interest payments and 10,000 shares with a fair value of $25,000 were issued for debt settlement. During the quarter ended March 31, 2020, the Company also issued 1,095,230 warrants to acquire common stock at a fair value of $1,205,010 in conjunction with the signing of new convertible loans and 307,500 warrants to acquire common stock at a fair value of $609,143 to lenders for debt extension.

On various dates in the three months ended March 31, 2019, the Company issued a total of 34,308 shares of common stock at a fair value of $89,721 in connection with issuance of new loans and extension of loan to existing noteholders and 50,000 shares with a fair value of $168,000 were issued for services rendered.

7) Subsequent Events

On April 29, 2020 the Company signed a binding letter of intent to acquire Cannaworx, Inc. (USA). The planned acquisition is subject to certain closing conditions, including completion of all due diligence and acquisition financing.

From April 1, 2020 through June 27, 2020 the Company issued loans convertible into common stock at $2.50/share for $2.94 million. The loans carry 10% interest rates and one-year terms. To secure these loans, the Company issued warrants exercisable into 1,175,340 common shares (five-year life and a $3.50 exercise price). The Company also issued 30,000 shares of common stock to two lenders for loans issued during the quarter ended March 31,2020. Additionally, the Company issued two loans for $575,000 to its pending merger partner, Cannaworx who agreed to repay the loans directly to the lender, on the Company's behalf. The Cannaworx loans have one-year terms and interest (12% for a $325,000 note and 18% for a $250,000 note) is only payable upon an event of default. During the same period the Company also paid off seven convertible loans totaling $885,707. These loans were issued July 8, 2019, September 11, 2019, October 24, 2019, October 30, 2019, March 5, 2020, March 13, 2020 and March 13, 2020.

From April 1, 2020 through June 27, 2020, the Company also borrowed $377,039 under government programs sponsored for the COVID-19 crisis (principally $367,039 from the Payroll Protection Program or "PPP"). PPP loans have a two- year term and bear interest at 1% per annum. Under the PPP, the Company can be granted forgiveness for all or a portion of these loans based on the Company's spending on payroll, mortgage interest, rent and utilities. Additionally, the Company sold $120,000 of Series AA Convertible Preferred Stock with warrants exercisable into 48,000 common shares (10-year life and a $3.50 exercise price) and issued a $110,000 loan which is convertible into Series AA Convertible Preferred Stock (one year term and 10% interest rate). The Company also issued 314,706 shares of common stock to settle $786,766 of convertible loan principal and 96,041 shares of common stock to settle $240,102 of convertible loan interest and fees. Finally, in this period the Company agreed to pay $100,000 and issued 25,000 shares of common stock to a vendor for services rendered.

On April 6, 2020 the Company entered into a extension of the Standstill and Forbearance Agreements with lenders who hold convertible notes with a total principal of approximately $2.9 million through April 30, 2020. During the second quarter, the Company incurred fees of approximately $275,000 in connection with the extension.

On April 6, 2020, the Company and its Merchant lenders agreed to extend the term of the reduction to $2,500 of its Daily Payment Rate to its Merchant lenders to April 30, 2020. The Company issued 187,500 warrants to the Merchant lenders as compensation for this agreement. The warrants have a three-year life and a $3.50 exercise price. After April 30, 2020 the Company and its lenders agreed to increase the Daily Payment Rate to $7,670.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In some cases, forward-looking statements are identified by terms such as "may," "will," "should," "could," "would," "expects," "plans," "anticipates," "believes," "estimates," "projects," "predicts," "potential" and similar expressions intended to identify forward-looking statements. Such statements include, without limitation, statements regarding:

- our need for, and our ability to raise, additional equity or debt financing on acceptable terms, if at all;
- our need to take additional cost reduction measures, cease operations or sell our operating assets, if we are unable to obtain sufficient additional financing;
- our belief that we will have sufficient liquidity to finance normal operations for the foreseeable future;
- the options we may pursue in light of our financial condition;
- the potential applications for Ultra Shear Technology (*UST*);
- the potential applications of the BaroFold high-pressure protein refolding and disaggregation technology
- the amount of cash necessary to operate our business;
- the anticipated uses of grant revenue and the potential for increased grant revenue in future periods;
- our plans and expectations with respect to our continued operations;
- the expected increase in the number of pressure cycling technology (*"PCT")* and constant pressure (*"CP"*) based units that we believe will be installed and the expected increase in revenues from the sale of consumable products, extended service contracts, and biopharma contract services;
- our belief that PCT has achieved initial market acceptance in the mass spectrometry and other markets;
- the expected development and success of new instrument and consumables product offerings;
- the potential applications for our instrument and consumables product offerings;
- the expected expenses of, and benefits and results from, our research and development efforts;
- the expected benefits and results from our collaboration programs, strategic alliances and joint ventures;
- our expectation of obtaining additional research grants from the government in the future;
- our expectations of the results of our development activities funded by government research grants;
- the potential size of the market for biological sample preparation, biopharma contract services and ultra shear technology;
- general economic conditions;
- the anticipated future financial performance and business operations of our company;
- our reasons for focusing our resources in the market for genomic, proteomic, lipidomic and small molecule sample preparation;
- the importance of mass spectrometry as a laboratory tool;
- the advantages of PCT over other current technologies as a method of biological sample preparation and protein characterization in biomarker discovery, forensics, and histology, as well as for other applications;
- the capabilities and benefits of our PCT Sample Preparation System, consumables and other products;
- our belief that laboratory scientists will achieve results comparable with those reported to date by certain research scientists who have published or presented publicly on PCT and our other products and services;
- our ability to retain our core group of scientific, administrative and sales personnel; and
- our ability to expand our customer base in sample preparation and for other applications of PCT and our other products and services.

These forward-looking statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements, expressed or implied, by such forward-looking statements. Also, these forward-looking statements represent our estimates and assumptions only as of the date of this Quarterly Report on Form 10-Q. Except as otherwise required by law, we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this Quarterly Report on Form 10-Q to reflect any change in our expectations or any change in events, conditions or circumstances on which any of our forward-looking statements are based. Factors that could cause or contribute to differences in our future financial and other results include those discussed in the risk factors set forth in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2019 and in this Report. We qualify all of our forward-looking statements by these cautionary statements.

OVERVIEW:

We are a leader in the development and sale of innovative, broadly enabling, pressure-based platform solutions for the worldwide life sciences industry. Our solutions 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 has been 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 platform) 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 acceptably preserved using existing non-thermal technologies.

On April 29, 2020, we signed a binding letter of intent to merge with Cannaworx, Inc. (USA), and their portfolio of products and intellectual property (the "Cannaworx LOI" and "Cannaworx merger"). Cannaworx founders Bobby Ghalili, DMD and Adrienne Denese, MD, PhD bring extensive medical expertise and product innovation into the newly combined public company. Post-merger, Cannaworx products will utilize our proprietary UST platform.

Subsequently, we announced two letters of intent by Cannaworx which we will assume in the Cannaworx merger. On April 30, 2020 we announced a signed Cannaworx agreement to acquire SkinScience Labs, Inc or "SSL" (the SSL LOI). SSL is the parent company of Dr. Denese's skin care and anti-aging product lines. Subsequently, on May 7, 2020 we announced a signed Cannaworx agreement to acquire Five Leaf Labs or "FFL" (the FLL LOI). FLL is based in Louisiana and will expand the Cannaworx sales and distribution network to over 50 sales representatives in 21 states.

The Cannaworx LOI and SSL LOI are subject to certain closing conditions, including completion of all due diligence and acquisition financing. The FLL LOI is subject to the completion of all due diligence.

On May 7, 2020 we also announced that, if the mergers are completed, Jim Morrison would be appointed as the new CEO of the rebranded public company and that following the completion of the Cannaworx merger we would change our name to "Availa Bio".

Developments and Accomplishments:

We reported the following accomplishments during the first quarter, April and May 2020:

On May 14, 2020, Pressure BioSciences announced the launch of FDA-registered hand sanitizer as first product developed through pending merger partners.

On May 7, 2020, former L'Oreal President Jim Morrison, one of the top brand strategists in the personal care space worldwide, was announced as the person who would become CEO of Availa Bio upon merger completion.

On May 5, 2020, PBI announced plans to change name to Availa Bio following completion of the Cannaworx and SkinScience Labs merger.

On April 30, 2020, PBI announced plans to acquire SkinScience Labs and their profitable and award-winning Dr. Denese Skin Care and Anti-Aging Lines.

On April 29, 2020, PBI announced plans to acquire Cannaworx, Inc. and their portfolio of innovative consumer products.

On April 16, 2020, PBI and RedShiftBio demonstrate potential of combining proprietary technologies to enable new tool for development and production of biotherapeutics.

On March 12, 2020, PBI announced that it is nearing a complete sellout on its pre-launch offering of game-changing UST Platform for processing CBD Oil into water-soluble nanoemulsions.

On February 27, 2020, PBI launched new era in preparation of water-soluble nanoemulsions for CBD and other valuable oils with opening of UST Demonstration Laboratory.

On January 30, 2020, PBI announced acceleration of UST Platform rollout for water-soluble CBD with planned release of additional BaroShear product – a benchtop, R&D scale, BaroShear 'Mini" instrument.

On January 24, 2020, PBI announced significant new order and near sellout on revolutionary nanoemulsification system for water-soluble CBD oil. Company said that additional orders are expected shortly.

On January 17, 2020, PBI reported the Company's UST Platform was featured in a leading North American Cannabis Magazine and that the article highlighted the potential of the UST Platform to play a significant role in multiple billion-dollar markets, such as CBD, nutraceuticals, cosmetics, biopharmaceuticals, and food/beverage.

On January 9, 2020, PBI reported that the number of published scientific papers in 2019 citing the advantages of the Company's PCT Platform remained strong, with over 20 journal articles for the second straight year.

Results of Operations

Quarter ended March 31, 2020 ("Q1 2019") as compared with March 31, 2019 ("Q1 2019")

Products, Services, and Other Revenue

We recognized total revenue of $253,873 for Q1 2020 compared to $510,240 for Q1 2019, a decrease of $256,367 or 50%. This decrease was primarily attributable to a $228,199 decrease in Scientific Services revenue which was primarily attributable to the negative impact that the COVID-19 pandemic had on our operations and on the operations of our customers.

Cost of Products and Services

The cost of products and services was $175,146 for the three months ended March 31, 2020 compared to $309,712 for the comparable period in 2019. Gross profit margin on products and services decreased to 31% for Q1 2020 compared to 39% for the prior year period. The current period margin was affected by the reduction in higher-margin Scientific Services revenue.

Research and Development

Research and development expenditures were $265,690 during the three months ended March 31, 2020 as compared to $264,704 in the same period in 2019, an increase of $986 or 0.4%.

Selling and Marketing

Selling and marketing expenses were $189,116 for the three months ended March 31, 2020 from $188,215 for the comparable period in 2019, an increase of $901.

General and Administrative

General and administrative costs totaled $1,019,010 for Q1 2020 compared to $1,144,421 for the comparable period in 2019.This decrease was principally related to lower investor relations and stock based compensation expenses.

Operating Loss

Operating loss was $1,395,089 for the three months ended March 31, 2020 compared to $1,396,812 for the comparable period in 2019. This decrease was principally attributable to lower operating costs and expenses, which offset the $256,367 decrease in revenues.

Interest Expense, net

Interest expense was $1,571,800 for the three months ended March 31, 2020 compared to interest expense of $512,706 for the three months ended March 31, 2019.The increase in interest expense is directly attributable to the increase in convertible and other debt.

(Loss) on extinguishment of liabilities

In connection with payments of interest in common stock and debt extensions, we recognized losses of $1,136,367 in the quarter ended March 31, 2020 and losses of $40,810 in the quarter ended March 31, 2019. This increase was related to extension fees incurred and warrants issued for the recent amendments to Standstill and Forbearance Agreements and merchant loan extension.

Net Loss

During the quarter ended March 31, 2020 we recorded net loss attributable to common shareholders $4,278,471 or ($1.62) per share, as compared with $3,470,982 or ($2.01) per share during the quarter ended March 31, 2019. The decrease in the loss per share was attributable a 54% increase in weighted shares outstanding.

Liquidity and Financial Condition

We have experienced negative cash flows from operations with respect to our pressure cycling technology business since our inception. As of March 31, 2020, we did not have adequate working capital resources to satisfy our current liabilities and as a result, we have substantial doubt regarding our ability to continue as a going concern. We have been successful in raising cash through debt and equity offerings in the past and as described in Notes 4 and 5 of the accompanying consolidated financial statements, we received $2.3 million in net proceeds from loans in the first three months of 2020. We have efforts in place to continue to raise cash through debt and equity offerings.

We will need substantial additional capital to fund our operations in future periods. If we are unable to obtain financing on acceptable terms, or at all, we will likely be required to cease our operations, pursue a plan to sell our operating assets, or otherwise modify our business strategy, which could materially harm our future business prospects.

Net cash used in operations for the three months ended March 31, 2020 was $1,364,639 as compared to $1,617,924 for the three months ended March 31, 2019.

Net cash used in investing activities for the three months ended March 31, 2020 was $0 as compared to $12,615 for the three months ended March 31, 2019.

Net cash provided by financing activities for the three months ended March 31, 2020 was $1,366,833 as compared to $1,797,135 for the same period in the prior year.The cash flow from financing activities of the three months ended March 31, 2019 included $1,260,000 of proceeds from the sale of preferred stock which did not recur in 2020. This decrease was offset by a increase in net convertible debt borrowings.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This Item 3 is not applicable to us as a smaller reporting company and has been omitted.

ITEM 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act of 1934 filings are recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our President and Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as ours are designed to do, and management was necessarily required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of March 31, 2020, we carried out an evaluation, under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934. Based upon that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were not effective.

Our conclusion that our disclosure controls and procedures were not effective as of March 31, 2020 is due to the continued presence of the material weaknesses in our internal control over financial reporting identified in our Annual Report on Form 10-K for the year ended December 31, 2019. These material weaknesses are the following:

- We identified a lack of sufficient segregation of duties. Specifically, this material weakness is such that the design over these areas relies primarily on detective controls and could be strengthened by adding preventative controls to properly safeguard Company assets.

- Management has identified a lack of sufficient personnel in the accounting function due to our limited resources with appropriate skills, training and experience to perform the review processes to ensure the complete and proper application of generally accepted accounting principles, particularly as it relates to valuation of warrants and other complex debt /equity transactions. Specifically, this material weakness resulted in audit adjustments to the annual consolidated financial statements and revisions to related disclosures, valuation of warrants and other equity transactions.

- Limited policies and procedures that cover recording and reporting of financial transactions.

- Lack of multiple levels of review over the financial reporting process

We continue to plan to remediate those material weaknesses as follows:

- Improve the effectiveness of the accounting group by augmenting our existing resources with additional consultants or employees to assist in the analysis and recording of complex accounting transactions, and to simultaneously achieve desired organizational structuring for improved segregation of duties. We plan to mitigate this identified deficiency by hiring an independent consultant once we generate significantly more revenue or raise significant additional working capital.

- Improve expert review and achieve desired segregation procedures by strengthening cross approval of various functions including quarterly internal audit procedures where appropriate.

During the period covered by this Report, we implemented and performed additional substantive procedures, such as supervisory review of work papers and consistent use of financial models used in equity valuations, to ensure our consolidated financial statements as of and for the three-month period ended March 31, 2020, are fairly stated in all material respects in accordance with GAAP. We have not, however, been able to fully remediate the material weaknesses due to our limited financial resources. Our remediation efforts are largely dependent upon our securing additional financing to cover the costs of implementing the changes required. If we are unsuccessful in securing such funds, remediation efforts may be adversely affected in a material manner.

Except as described above, there have been no changes in our internal controls over financial reporting that occurred during the period ended March 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our company or any of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our companies or our subsidiaries' officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

Item 1A. Risk Factors

Factors that could cause or contribute to differences in our future financial and operating results include those discussed in the risk factors set forth in Item 1 of our Annual Report on Form 10-K for the year ended December 31, 2019. The risks described in our Form 10-K and this Report are not the only risks that we face. Additional risks not presently known to us or that we do not currently consider significant may also have an adverse effect on the Company. If any of the risks actually occur, our business, results of operations, cash flows or financial condition could suffer.

There have been no material changes to the risk factors set forth in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2019 other than the following:

We face risks related to Novel Coronavirus (COVID-19) which could significantly disrupt our research and development, operations, sales, and financial results.

Our business will be adversely impacted by the effects of the Novel Coronavirus (COVID-19). In addition to global macroeconomic effects, the Novel Coronavirus (COVID-19) outbreak and any other related adverse public health developments will cause disruption to our operations and sales activities. Our third-party manufacturers, third-party distributors, and our customers have been and will be disrupted by worker absenteeism, quarantines and restrictions on employees' ability to work, office and factory closures, disruptions to ports and other shipping infrastructure, border closures, or other travel or health-related restrictions. Depending on the magnitude of such effects on our activities or the operations of our third-party manufacturers and third-party distributors, the supply of our products will be delayed, which could adversely affect our business, operations and customer relationships. In addition, the Novel Coronavirus (COVID-19) or other disease outbreak will in the short-run and may over the longer term adversely affect the economies and financial markets of many countries, resulting in an economic downturn that will affect demand for our products and services and impact our operating results. There can be no assurance that any decrease in sales resulting from the Novel Coronavirus (COVID-19) will be offset by increased sales in subsequent periods. Although the magnitude of the impact of the Novel Coronavirus (COVID-19) outbreak on our business and operations remains uncertain, the continued spread of the Novel Coronavirus (COVID-19) or the occurrence of other epidemics and the imposition of related public health measures and travel and business restrictions will adversely impact our business, financial condition, operating results and cash flows. In addition, we have experienced and will experience disruptions to our business operations resulting from quarantines, self-isolations, or other movement and restrictions on the ability of our employees to perform their jobs that may impact our ability to develop and design our products and services in a timely manner or meet required milestones or customer commitments.

Our obligations to the holder of our Senior Secured Convertible Promissory Notes (the "Notes") are collateralized by a security interest in all of our assets, so if we default on those obligations, the holder of the Notes could foreclose on our assets. In addition, the existence of these security interests may adversely affect our financial flexibility.

On December 18, 2019, the Company issued a Note to one holder in the principal amount of $275,000. Through May 31, 2020, we have issued other Notes to the same holder such that the current gross amount owed to the holder is approximately $6,000,000. Our obligations under the Notes and the transaction documents relating to the Notes are secured by a security interest in all of our assets. As a result, if we default under our obligations under the Notes or the transaction documents, the holders of the Notes, acting through their appointed agent, could foreclose on their security interests and liquidate some or all of these assets, which could harm our business, financial condition and results of operations and could require us to reduce or cease operations. In addition, the pledge of these assets and other restrictions may limit our flexibility in raising capital for other purposes. Because all of our assets are pledged under these financing arrangements, our ability to incur additional secured indebtedness or to sell or dispose of assets to raise capital may be impaired, which could have an adverse effect on our financial flexibility.

The holders of our Common Stock could suffer substantial dilution due to our corporate financing practices.

The holders of our common stock could suffer substantial dilution due to our corporate financing practices which, in the past few years has included private placements. As of March 31, 2020, we had 2,664,641 shares outstanding. As of March 31, 2020, if all of the outstanding shares of Series D Convertible Preferred Stock, Series G Convertible Preferred Stock, Series H Convertible Preferred Stock, Series H2 Convertible Preferred Stock, Series J Convertible Preferred Stock, Series K Convertible Preferred Stock and Series AA Convertible Preferred Stock were converted into shares of common stock and all outstanding options and warrants to purchase shares of common stock were exercised and all fixed rate convertible notes and debentures were converted, each as of March 31, 2020, an additional 24,253,740 shares of common stock would be issued and outstanding. The full cash exercise of the options and warrants would result in approximately $34.9 million in cash proceeds to the Company. This additional issuance of shares of common stock would cause immediate and substantial dilution to our existing stockholders and could cause a significant reduction in the market price of our common stock.

The issuance of shares of our common stock to Cannaworx, Inc. stockholders, and SkinScience Labs stockholders in the proposed mergers will substantially dilute the voting power of our current stockholders.

If the merger with Cannaworx is completed, pre-merger Cannaworx securityholders are expected to own approximately 50% of the combined company, on a fully-diluted basis. If the merger with SkinScience Labs is completed, pre-merger SkinScience Labs securityholders are expected to own approximately 25% of the combined company, on a fully-diluted basis. Accordingly, the issuance of shares of our common stock to Cannaworx and/or SkinScience stockholders in the merger(s) will reduce significantly the relative voting power of each share of common stock held by our current stockholders. Consequently, our stockholders as a group will have significantly less influence over the management and policies of the combined company after the merger(s) than prior to the merger(s). These estimates are subject to adjustment pending the signing of definitive transaction documentation in one or both of the proposed mergers.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Except where noted, all the securities discussed in this Part II, Item 2 were issued in reliance on the exemption under Section 4(a)(2) of the Securities Act.

On various dates in the quarter ended March 31, 2020 the Company issued a total of 115,021 shares of restricted common stock at a fair value of approximately $213,415 to accredited investors and consultants. 66,500 of the shares with a fair value of $127,855 were issued to settle accrued liabilities and 38,521 of the shares with a fair value of $60,560 were issued for debt extension and interest payments and 10,000 shares with a fair value of $25,000 were issued for debt settlement.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

We are providing the following disclosure in lieu of filing a Current Report on Form 8-K relating to: “Item 1.01—Entry into a Material Definitive Agreement,” “Item 2.03—Creation of Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant,” and “Item 3.02—Unregistered Sales of Equity Securities,” of Form 8-K.

Except where noted, all the securities discussed in this Part II, Item 5 were issued in reliance on the exemption under Section 4(a)(2) of the Securities Act.

On April 18, 2020, the Company entered into a promissory note (the “Note”) with North Easton Saving Bank, which provides for a loan in the amount of $377,039 (the “Loan”) pursuant to the Paycheck Protection Program (the “PPP”) under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The Loan has a two-year term and bears interest at a rate of 1.00% per annum (APR 1.014%). Monthly principal and interest payments are deferred for six months after the date of disbursement. The Loan may be prepaid at any time prior to maturity with no prepayment penalties.

Beginning seven months from the date of the Loan the Company is required to make 18 monthly payments of principal and interest. The promissory note evidencing the Loan contains customary events of default relating to, among other things, payment defaults, making materially false and misleading representations to the Small Business Administration or to Lender, or breaching the terms of the Loan documents. The occurrence of an event of default may result in the repayment of all amounts outstanding, collection of all amounts owing from the Company, or filing suit and obtaining judgment against the Company.

Under the terms of the CARES Act, PPP loan recipients can apply for and be granted forgiveness for all or a portion of loan granted under the PPP. Such forgiveness will be determined, subject to limitations, based on the use of loan proceeds for payment of payroll costs and any payments of mortgage interest, rent, and utilities. The Company intends to use the entire Loan amount for qualifying expenses and to apply for forgiveness of the Loan in accordance with the terms of the CARES Act. However, no assurance is provided that forgiveness for any portion of the Loan will be obtained.

On April 29, 2020 the Company signed a binding letter of intent to acquire Cannaworx, Inc. (USA). The planned acquisition is subject to certain closing conditions, including completion of all due diligence and acquisition financing.

From April 1, 2020 through June 27, 2020 the Company issued loans convertible into common stock at $2.50/share for $2.94 million. The loans carry 10% interest rates and one-year terms. To secure these loans, the Company issued warrants exercisable into 1,175,340 common shares (five-year life and a $3.50 exercise price). The Company also issued 30,000 shares of common stock to two lenders for loans issued during the quarter ended March 31,2020. Additionally, the Company issued two loans for $575,000 to its pending merger partner, Cannaworx who agreed to repay the loans directly to the lender, on the Company's behalf. The Cannaworx loans have one-year terms and interest (12% for a $325,000 note and 18% for a $250,000 note) is only payable upon an event of default. During the same period the Company also paid off seven convertible loans totaling $885,707. These loans were issued July 8, 2019, September 11, 2019, October 24, 2019, October 30, 2019, March 5, 2020, March 13, 2020 and March 13, 2020.

From April 1, 2020 through June 27, 2020, the Company also borrowed $377,039 under government programs sponsored for the COVID-19 crisis (principally $367,039 from the Payroll Protection Program or "PPP"). PPP loans have a two- year term and bear interest at 1% per annum. Under the PPP, the Company can be granted forgiveness for all or a portion of these loans based on the Company's spending on payroll, mortgage interest, rent and utilities. Additionally, the Company sold $120,000 of Series AA Convertible Preferred Stock with warrants exercisable into 48,000 common shares (10-year life and a $3.50 exercise price) and issued a $110,000 loan which is convertible into Series AA Convertible Preferred Stock (one year term and 10% interest rate). The Company also issued 314,706 shares of common stock to settle $786,766 of convertible loan principal and 96,041 shares of common stock to settle $240,102 of convertible loan interest and fees. Finally, in this period the Company agreed to pay $100,000 and issued 25,000 shares of common stock to a vendor for services rendered.

On April 6, 2020 the Company entered into a extension of the Standstill and Forbearance Agreements with lenders who hold convertible notes with a total principal of approximately $2.9 million through April 30, 2020. During the second quarter, the Company incurred fees of approximately $275,000 in connection with the extension.

On April 6, 2020, the Company and its Merchant lenders agreed to extend the term of the reduction to $2,500 of its Daily Payment Rate to its Merchant lenders to April 30, 2020. The Company issued 187,500 warrants to the Merchant lenders as compensation for this agreement. The warrants have a three-year life and a $3.50 exercise price. After April 30, 2020 the Company and its lenders agreed to increase the Daily Payment Rate to $7,670.

Item 6. Exhibits

Exhibits

10.1	Paycheck Protection Program Note, dated April 18, 2020, issued to North Easton Savings Bank
10.2	Form of Standstill and Forbearance Agreement entered into in December 2019.
10.3	Form of Amendment to Standstill and Forbearance Agreement entered into in January, March, April, May and June 2020.
3.1	Amended Certificate of Designation of Series AA Convertible Preferred Stock, filed February 14, 2019 (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the United States Securities and Exchange Commission on February 15, 2019).
31.1*	Certification by the Principal Executive Officer of Registrant pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a))
31.2*	Certification by the Principal Financial Officer of Registrant pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a))
32.1**	Certification by the Principal Executive Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
32.2**	Certification by the Principal Financial Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

** In accordance with SEC Release 33-8238, Exhibits 32.1 and 32.2 are furnished and not filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PRESSURE BIOSCIENCES, INC.

Date: June 29, 2020

By: */s/ Richard T. Schumacher*
Richard T. Schumacher
President & Chief Executive Officer
(Principal Executive Officer and Principal Financial Officer)

U.S. Small Business
Administration

NOTE

SBA Loan Name	Pressure Biosciences, Inc.
Date	April 18, 2020
Loan Amount	$367,039.00
Interest Rate	1.00%
Borrower	Pressure Biosciences, Inc.
Operating Company	**N/A**
Lender	North Easton Savings Bank, 20 Eastman Street, South Easton, MA 02375

1. PROMISE TO PAY:

I n return for the Loan, Borrower promises to pay to the order of Lender the amount of Three Hundred Sixty-Seven Thousand Thirty Nine and 00/100 dollars*************** Dollars, interest on the unpaid principal balance, and all other amounts required by this Note.

2. DEFINITIONS;

"Deferral Period" means the period beginning on the date of this Note and ending on October 18, 2020. ***{Six months from date or Note}***

"Loan" means the loan evidenced by this Note.

"Loan Documents" means the documents related to this Loan signed by Borrower.

"Program Rules" means all statutes applicable to the Paycheck Protection Program of the Small Business Act (15 U.S.C. § 636), as amended by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (P.L. 116-136) and all regulations, rules and guidance applicable to the Paycheck Protection Program at any time issued by the United States Department of the Treasury or the SBA.

"SBA" means the Small Business Administration, an Agency of the United States of America.

3. PAYMENT TERMS:

Borrower must make all payments at the place Lender designates. The payment terms for this Note are:

Compliance with Program Rules: This Note and the Loan evidenced hereby is subject to the Program Rules. If the terms of this Note conflict in any way with the Program Rules or fail to include any term required under the Program Rules, this Note shall be deemed automatically amended to eliminate any such conflict and/or to include such term. Promptly following request by Lender, Borrower shall execute and deliver to Lender any documentation deemed necessary by Lender to ensure that this Note and the Loan evidenced hereby comply in all respect with the Program Rules.

Forgiveness. Borrower may apply to Lender for forgiveness of the amount due on the Loan in an amount equal to the sum of the following costs incurred by Borrower during the 8-week period beginning on the date of first disbursement of the Loan:

(a) Payroll costs
(b) Any payment of interest on a covered mortgage obligation (which shall not include any prepayment of or payment of principal on a covered mortgage obligation)
(c) Any payment on a covered rent obligation
(d) Any covered utility payment

The amount of loan forgiveness shall be calculated (and may be reduced) in accordance with the requirements of the Paycheck Protection Program, including the provisions of Section 1106 of the CARES ACT. Not more than 25% of the amount forgiven can be attributable to non-payroll costs. If Borrower has received an advance under the SBA's Economic Injury Disaster Loan Program, the amount of the advance shall be subtracted from the loan forgiveness amount.

Upon application of the Borrower, and provision by Borrower of the documentation required under the Program Rules, Lender will make a determination of the principal and interest amounts to be forgiven.

Maturity: Any remaining balance of this Note that Lender determines cannot be forgiven under the Program Rules shall be due and payable in full on April 18, 2022. ***(2 years from the date of Note}***

Interest: Interest on this Note shall begin to accrue on the date hereof at the interest rate set forth above. The interest rate is fixed and will not change during the term of this Note. Interest shall be computed on an actual /365 simple interest basis; that is by multiplying the interest rate by the outstanding principal balance, multiplying the resulting product by the actual number of days the principal balance is outstanding and dividing the resulting product by 365.

Deferral Period: No payments will be due during the Deferral Period, provided that interest will continue to accrue during the Deferral Period. Such accrued interest shall be paid in 18 consecutive monthly installments along with the principal installments described below.

Payment Terms: Borrower shall repay the principal balance of this Note in 18 consecutive equal monthly installments, with the first such installment due on the day immediately following the expiration of the Deferral Period and the remaining payments due on the same day of each month thereafter. Borrower shall pay all accrued interest on each day that a principal installment is due. Lender will apply each payment first to pay applicable late charges, then to pay interest accrued to the day Lender received the payment, then to interest accrued during the Deferral Period, then to bring principal current and will apply any remaining balance to reduce principal.

Payment Schedule: Lender will provide Borrower with a schedule of payments once the amounts to be forgiven have been determined and the principal balance to be repaid becomes known.

Prepayment: Borrower may prepay this Note at any time without penalty. Borrower may prepay 20 percent or less of the unpaid principal balance of this Note at any time without notice. If Borrower prepays more than 20 percent and the Loan has been sold on the secondary market, Borrower must:

(a) Give Lender prior written notice;
(b) Pay all accrued interest; and
(c) If the prepayment is received less than 21 days from the date Lender received the notice, pay an amount equal to 21 days' interest from the date Lender received the notice, less any interest accrued during the 21 days and paid under clause (b) of this paragraph.

If Borrower does not prepay within 30 days from the date Lender received the notice, Borrower must give Lender a new notice. All prepayments will be applied to principal installments in inverse order of maturity.

Late Charges: If any payment due on this Note is not paid within fifteen days of its due date, Borrower will pay to Lender a late charge equal to the greater of $15.00 and 5% of the late payment. To the extent any late fee otherwise payable under this Note is prohibited or exceeds any limit provided by applicable law, including the Program Rules, such late fee shall be reduced to the maximum amount allowed.

Non-Recourse. Lender and SBA shall have no recourse against any individual shareholder, member or partner of Borrower for non-payment of the Loan, except to the extent that such shareholder, member or partner uses the Loan proceeds for an unauthorized purpose.

Business Day: If any installment of principal and interest is due on a day other than a day on which Lender is open for the conduct of normal banking activities, such installment shall be due on the next day for which Lender is open for the conduct of normal banking activities.

Electronic Signatures; Counterparts. This Note and all documents delivered in connection herewith (including Borrower's application for the Loan) may be executed and/or transmitted electronically or digitally (including, without limitation, via facsimile, electronic mail in .pdf, DocuSign or similar platform) and shall be considered originals and shall have the same legal effect, validity and enforceability as manually-executed paper originals. This Note and all such other documents may be executed in as many counterparts as necessary or convenient, including both paper and electronic or digital counterparts, but all such counterparts are one and the same document. For the avoidance of doubt, the authorization under this paragraph includes, without limitation, use or acceptance by the parties of a manually-exec ted counterpart which has been converted into electronic form (such as scanned into a .pelf file), or an electronically or digitally signed document converted into another format, for transmission, delivery and/or retention. Upon request from Lender, and to the extent required by the Program Rules, Borrower shall execute and deliver manually executed originals of this Note and such other documents.

Other Debt Owed to Lender: No collateral granted to Lender by Borrower to secure other debt owed to Lender by Borrower shall secure this Note, notwithstanding any cross-collateralization provision or similar provision in the documentation applicable to such other debt.

Right of Setoff: To the extent permitted by applicable law, at any time following a default on this Note, Lender may setoff any amounts owed by Lender to Borrower with respect to any account maintained by Borrower with Lender against any amounts owed by Borrower under this Note.

4. DEFAULT:

Borrower is in default under this Note if Borrower does not make a payment when due under this Note, or if Borrower or Operating Company:

A. Fails to do anything required by this Note and other Loan Documents;
B. Defaults on any other loan with Lender;
C. Does not disclose, or anyone acting on their behalf does not disclose, any material fact to Lender or SBA;
D. Makes, or anyone acting on their behalf makes, a materially false or misleading representation to Lender or SBA;
E. Defaults on any loan or agreement with another creditor, if Lender believes the default may materially affect Borrower's ability to pay this Note;
F. Fails to pay any taxes when due;
G. Becomes the subject of a proceeding under any bankruptcy or insolvency law;
H. Has a receiver or liquidator appointed for any part of their business or property;
I. Makes an assignment for the benefit of creditors;
J. Has any adverse change in financial condition or business operation that Lender believes may materially affect Borrower's ability to pay this Note;
K. Reorganizes, merges, consolidates, or otherwise changes ownership or business structure without Lender's prior written consent; or
L. Becomes the subject of a civil or criminal action that Lender believes may materially affect Borrower's ability to pay this Note.

5. LENDER'S RIGHTS IF THERE IS A DEFAULT:

Without notice or demand and without giving up any of its rights, Lender may:

A. Require immediate payment of all amounts owing under this Note;
B. Collect all amounts owing from Borrower; or
C. File suit and obtain judgment.

6. LENDER'S **GENERAL POWERS:**

Without notice and without Borrower's consent, Lender may:

A. Incur expenses to collect amounts due under this Note or to enforce the terms of this Note or any other Loan Document. Among other things, the expenses may include payments for reasonable attorney's fees and costs. If Lender incurs such expenses, it may demand immediate repayment from Borrower or add the expenses to the principal balance;
B. Release anyone obligated to pay this Note; and
C. Take any action necessary collect amounts owing on this Note.

7. WHEN FEDERAL I.AW APPUES:

When SBA is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. Lender or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law.

8. SUCCESSORS AND ASSIGNS:

Under this Note, Borrower and Operating Company include the successors of each, and Lender includes its successors and assigns.

9. GENERAL PROVISIONS:

A. All individuals and entities signing this Note are jointly and severally liable.
B. Borrower waives all suretyship defenses.
C. Borrower must sign all documents necessary at any time to comply with the Loan Documents.
D. Lender may exercise any of its rights separately or together, as many times and in any order it chooses. Lender may delay or forgo enforcing any of its rights without giving up any of them.
E. Borrower may not use an oral statement of Lender or SBA to contradict or alter the written terms of this Note.
F. If any part of this Note is unenforceable, all other parts remain in effect.
G. To the extent allowed by law, Borrower waives all demands and notices in connection with this Note, including presentment, demand, protest, and notice of dishonor.

10. STATE-SPEOFIC PROVISIONS:

Not applicable.

11. BORROWER'S NAME(S) AND SIGNATURE(S):

By signing below, each individual or entity becomes obligated under this Note as Borrower.

By signing below, Borrower additionally certifies to Lender that:

A. Borrower acknowledges that if Borrower defaults on the Loan, SBA may be required to pay Lender under the SBA guarantee, and SBA may then seek recovery on the Loan (to the extent any balance remains after forgiveness of the loan, as described in Paragraph 3 above);

B. Borrower will keep books and records in a manner satisfactory to Lender, furnish financial statements as requested by Lender, and allow Lender and SBA to inspect and audit books, records and papers relating to Borrower's financial or business condition; and

C. Borrower will not, without Lender's consent, change its ownership structure, make any distribution of company assets that would adversely affect its financial condition or transfer (including by pledge) or dispose of any assets, except in the ordinary course of business.

Pressure BioSciences, Inc. (Borrower Name)
Name: Richard T. Schumacher
Title: President

Exhibit 10.2

STANDSTILL AND FORBEARANCE AGREEMENT

THIS STANDSTILL AND FORBEARANCE AGREEMENT (the "**Agreement**") is made and executed as of December xx, 2019, by and among (i)**PRESSURE BIOSCIENCES, INC.**, a corporation incorporated under the laws of the State of Massachusetts (the "**Company**"), and (ii) XXXXXXXXX**,** a corporation incorporated under the laws of the State of XXXXX (the "**Creditor**").

W I T N E S S E T H:

WHEREAS, the Creditor has previously made a loan and has existing obligations outstanding and owed by the Company (together with any and all obligations existing as of the date hereof or following the date hereof, the "**Obligations**"), which obligations are evidenced by, among other things, certain variable rate convertible promissory notes dated XXXXX (the "**Notes**"); and

WHEREAS, the Company is presently engaged in negotiations with certain third parties, pursuant to which the Company may ultimately conclude one or more transactions which, upon the closing thereof, it is anticipated will benefit the Company; and

WHEREAS, the Creditor acknowledges and agrees that the aforementioned transactions, if closed, will benefit the Creditor, and, as such, in consideration of such benefit, the Creditor has agreed to enter into this Agreement; and

WHEREAS, from the date the Company files its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019 with the Securities and Exchange Commission (the "**Filing Date**") through and including the sixtieth (60th) calendar day after the Filing Date (the "**Expiration Date**"), the Creditor has agreed to standstill and forebear from exercising any rights with respect to the Notes or any of the indebtedness or obligations owing by the Company to the Creditor, including, but not limited to the Obligations, whether presently existing or arising in the future, as amended, restated, renewed or supplemented from time to time, except such rights permitted by the Company and consented to in writing by the Company following the Filing Date on a case by case basis (the "**Debt**"). However, for the purposes of clarity, in no case will the 60-day standstill and forbearance period extend beyond January 31, 2020; and

WHEREAS, in exchange for the Creditor's forbearance, the Company has agreed to issue the Creditor shares of the Company's common stock, par value $0.01 per share (the "**Common Stock**").

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES, ACTS, RELEASES AND OTHER GOOD AND VALUABLE CONSIDERATION HEREINAFTER RECITED, THE SUFFICIENCY AND RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO, INTENDING TO BE LEGALLY BOUND, AGREE AS FOLLOWS:

1. Recitals; Definitions. The recitals set forth above are true and correct and are incorporated herein by reference.

2. Share Issuance. Within five (5) business days of the Filing Date, the Company shall issue the Creditor (i) (Cash) or (ii) XXXX shares of the Company's common stock with such securities bearing a Securities Act restrictive legend.

3. Standstill and Forbearance. From the Filing Date through and including the Expiration Date, the Creditor does hereby agree to standstill and forebear from exercising any rights with respect to the Debt, including, but not limited to: (i) any right to payment or distribution by or on behalf of the Company, directly or indirectly, of assets of the Company of any kind or character for or on account of the Debt; (ii) any right to enforce or collect upon the Debt prior to or following an event of default under or pursuant to the Notes or otherwise; and (iii) any and all security interests, liens, charges, encumbrances or other interests that the Creditor may have or obtain at any time in any assets of the Company to secure the Debt (if any, the "**Existing Liens**"),

4. No Enforcement. From the Filing Date through and including the Expiration Date, the Creditor will not demand all or any part of the Debt, by way of payment, prepayment, setoff, lawsuit or otherwise, nor will the Creditor exercise any remedy available with respect to the Notes or with respect to any of the Existing Liens against any assets or property of the Company, nor will the Creditor commence, or cause to commence, prosecute or participate in any administrative, legal or equitable action against the Company.

5. Payment at Discretion of Company. From the Filing Date through and including the Expiration Date, the Company, at its sole discretion, has the right, but not the obligation, to pay to the Creditor all or any part of the Debt by wire transfer of immediately available funds. Upon such written notice, the Creditor will have a period of 48 hours to convert part or all of the Debt into fully paid and non-assessable shares of Common Stock at a fixed conversion price of $2.50 per share.

6. Waiver. The Creditor hereby waives any and all defaults known or unknown with respect to the Company's compliance with any covenant or agreement contained in the Notes or the transaction documents related to the Obligations, the Debt, and, if any, the Existing Liens, from and including November 14, 2019 through and including the Expiration Date (the foregoing, the "**Waiver**"). For the avoidance of doubt, this Waiver includes, but is not limited to, waiving all defaults with respect to any failure by the Company make any payments to the Creditor, waiving all cross-defaults, and waiving all defaults with respect to any failure by the Company to comply with the reporting requirements of the Securities Exchange Act of 1934, as amended.

7. Conversion Rights. The Creditor and the Company agree that the Creditor shall have the right, from the Filing Date through and including the Expiration Date, to convert all or any part of the outstanding and unpaid principal amount and accrued and unpaid interest (subject to a beneficial ownership limitation following conversion of 4.99% of the outstanding shares of Common Stock) of the Notes into fully paid and non-assessable shares of Common Stock at a fixed conversion price of $2.50 per share. If, however, from the Filing Date through and including the Expiration Date, any holder of any convertible promissory note issued by the Company converts such note into shares of Common Stock at a variable rate conversion price, the Creditor shall also have the right to convert the Notes into shares of Common Stock at a variable rate conversion price as governed by the Notes.

8. Restrictions on Transferability of Debt. The Creditor agrees that it shall not transfer, assign, encumber, hypothecate or subordinate, at any time prior to the Expiration Date, the Notes or any right, claim or interest of any kind in or to any of the Debt, either principal or interest or otherwise.

9. Miscellaneous.

(a) Continuing Agreement. This Agreement is a continuing agreement and shall continue in effect and be binding upon the Company and the Creditor. The agreements set forth herein shall remain in full force and effect regardless of whether any party hereto in the future seeks to rescind, amend, terminate, or reform, by litigation or otherwise, its respective agreements with the Company.

(b) Obligations of the Company Not Affected. The provisions of this Agreement are intended solely for the purpose of temporarily defining the rights of the Creditor with respect to the obligations of the Company to the Creditor. Nothing contained in this Agreement shall impair, as between the Creditor and the Company, the obligation of the Company to pay its respective obligations with respect to the Debt as and when the same shall become due and payable (subject, however, to the terms of this Agreement).

(c) Further Assurances. The parties shall execute, acknowledge, deliver, file, notarize, and register all such further agreements, instruments, certificates, financing statements, documents, and assurances, and perform such acts reasonably necessary to effectuate the purposes of this Agreement.

(d) Entire Agreement. This Agreement: (i) is valid, binding and enforceable against the Creditor and Company in accordance with its terms and provisions and no conditions exist as to its legal effectiveness; and (ii) constitutes the entire agreement between the parties with respect to the subject matter hereof. No promises, either expressed or implied, exist between the Creditor and the Company, unless contained herein. This Agreement is the result of negotiations between the Creditor and the Company and has been reviewed (or have had the opportunity to be reviewed) by counsel to all such parties and is the product of all parties.

(e) Amendments. No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement shall in any event be effective unless the same shall be in writing and acknowledged by both parties, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

(f) MANDATORY FORUM SELECTION. THE CREDITOR AND THE COMPANY EACH IRREVOCABLY AGREE THAT ANY DISPUTE ARISING UNDER, RELATING TO, OR IN CONNECTION WITH, DIRECTLY OR INDIRECTLY, THIS AGREEMENT OR RELATED TO ANY MATTER WHICH IS THE SUBJECT OF OR INCIDENTAL TO THIS AGREEMENT (WHETHER OR NOT SUCH CLAIM IS BASED UPON BREACH OF CONTRACT OR TORT) SHALL BE SUBJECT TO THE EXCLUSIVE JURISDICTION AND VENUE OF THE STATE AND/OR FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK. THE CREDITOR AND THE COMPANY HEREBY CONSENT TO THE EXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT HAVING ITS SITUS IN SAID STATE, AND EACH WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS.

(g) Governing Law. This Agreement shall be delivered and accepted in and shall be deemed to be a contract made under and governed by the internal laws of the State of New York is set to be governed, and for all purposes shall be construed in accordance with the laws of such State, without giving effect to the choice of law provisions of such State.

(h) WAIVER OF JURY TRIAL. THE CREDITOR AND THE COMPANY, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, EACH KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES IRREVOCABLY, ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS AGREEMENT, OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH OR THEREWITH OR ARISING FROM ANY LENDING RELATIONSHIP EXISTING IN CONNECTION WITH ANY OF THE FOREGOING, OR ANY COURSE OF CONDUCT OR COURSE OF DEALING IN WHICH THE CREDITOR AND THE COMPANY ARE ADVERSE PARTIES, AND EACH AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

(i) Notices. All notices of request, demand and other communications hereunder shall be addressed to the parties as follows:

If to the Company: Pressure BioSciences, Inc.
14 Norfolk Avenue
South Easton, MA 02375
Attn: Richard T. Schumacher

With a copy to: Lucosky Brookman LLP
101 Wood Avenue South, 5th Floor
Woodbridge, NJ 08830
Attn: Joseph Lucosky, Esq.

If to Creditor:
Attn:
E-Mail:

With a copy to:
Attn:
E-Mail:

unless the address is changed by the party by like notice given to the other parties. Notice shall be in writing and shall be deemed delivered: (i) if mailed by certified mail, return receipt requested, postage prepaid and properly addressed to the address below, then three (3) business days after deposit of same in a regularly maintained U.S. Mail receptacle; or (ii) if mailed by Federal Express, UPS or other nationally recognized overnight courier service, next business morning delivery, then one (1) business day after deposit of same in a regularly maintained receptacle of such overnight courier; or (iii) if hand delivered, then upon hand delivery thereof to the address indicated on or prior to 5:00 p.m., EST, on a business day. Any notice hand delivered after 5:00 p.m., EST, shall be deemed delivered on the following business day. Notwithstanding the foregoing, notice, consents, waivers or other communications referred to in this Agreement may be sent by facsimile, e-mail, or other method of delivery, but shall be deemed to have been delivered only when the sending party has confirmed (by reply e-mail or some other form of written confirmation from the receiving party) that the notice has been received by the other party.

(j) Binding Effect. This Agreement shall become effective upon the Filing Date and shall be binding on the parties hereto and their respective successors and assigns.

(k) Enforceability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by, unenforceable or invalid under any jurisdiction, such provision shall as to such jurisdiction, be severable and be ineffective to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

(l) Counterparts; Electronic Signatures. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement. Receipt of an executed signature page to this Agreement by facsimile or other electronic transmission shall constitute effective delivery thereof.

(m) Costs, Fees and Expenses. Each party agrees that it shall pay its own costs, fees and expenses in connection with the preparation and execution of this Agreement.

(n) Authority. Each party hereby represents and warrants to the others that each party has the requisite power and authority to enter into this Agreement and otherwise to carry out its respective obligations hereunder, and that the execution, delivery and performance by each party of this Agreement have been duly authorized by all necessary action on the part of each party, respectively and as applicable, and that the person executing this Agreement on behalf of each party has been fully authorized to do so in accordance with applicable law and the governing documents of each party.

[signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Standstill and Forbearance Agreement as of the date first written above.

PRESSURE BIOSCIENCES, INC.

By: ______________________________
Name: Richard T. Schumacher
Title: Chief Executive Officer

LENDER

By: ______________________________
Name:
Title:

Exhibit 10.3

AMENDMENT TO
STANDSTILL AND FORBEARANCE AGREEMENT

This **AMENDMENT TO STANDSTILL AND FORBEARANCE AGREEMENT** (this "Amendment"), is made and executed as of XXXXX XX, 2020 by and among (i) **PRESSURE BIOSCIENCES, INC.**, a corporation incorporated under the laws of the State of Massachusetts (the "Company"), and (ii) XXXXXXXXX, a (limited liability corporation) **or** (corporation) incorporated under the laws of the State of XXXXXXX (the "Creditor").

W I T N E S S E T H:

WHEREAS, the Company and the Creditor entered into that Standstill and Forbearance Agreement dated November/December XX, 2019 (the "Standstill Agreement");

WHEREAS, pursuant to the Standstill Agreement, the Creditor agreed to not convert any portion of their convertible notes into shares of Common Stock until the Expiration Date (as defined in the recitals to the Standstill Agreement), and to waive, through the Expiration Date, all of the Company's defaults under their convertible notes including, but not limited to, the late filing of its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019. The Company issued shares of Common Stock with a restrictive legend to the Creditor to the Creditor in connection with the entrance into the Standstill Agreement; and

WHEREAS, the parties desire to amend the Expiration Date, as defined in the recitals to the Standstill Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES, ACTS, RELEASES AND OTHER GOOD AND VALUABLE CONSIDERATION HEREINAFTER RECITED, THE SUFFICIENCY AND RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HERETO, INTENDING TO BE LEGALLY BOUND, AGREE AS FOLLOWS:

1. **Capitalized Terms**. All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in theStandstill Agreement.

2. **Amendment**. The Standstill Agreement is hereby amended to define the Expiration Date as COB XXXXX XX, 2020.

3. **On XXXXXX XX, 2020**, the Company shall issue the Creditor (at Creditors choice) either (i) $XXXXX cash, or (ii) $XXXXX of the Company's common stock at a value of $2.50 per share (XXXX shares), with such securities bearing a restrictive legend.

4. **Counterparts; Electronic Signatures**. This Amendment may be executed in any number of counterparts and by the different parties hereto on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amendment. Receipt of an executed signature page to this Agreement by facsimile or other electronic transmission shall constitute effective delivery thereof.

5. **Continuing Effect of Standstill Agreement**. Except as modified by this Amendment, the Standstill Agreement will continue in full force and effect in accordance with its terms. To the extent of any conflicts between the terms of the Standstill Agreement and the terms hereof, the terms of this Amendment will control.

6. Match of Terms. Should any Creditor executing this "Amendment to Standstill and Forbearance Agreement" be given a term that is better than any term offered XXXXX, the Company agrees to match the term with XXXXX.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first written above.

PRESSURE BIOSCIENCES, INC.

By: ______________________________
Name: Richard T. Schumacher
Title: Chief Executive Officer

XXXXXXXX, (LLC or Inc.)

By: ______________________________
Name:
Title:

Standstill Agreement Extension No. X

EXHIBIT 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard T. Schumacher, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Pressure BioSciences, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: June 29, 2020

/s/ Richard T. Schumacher

Richard T. Schumacher
President and Chief Executive Officer
Principal Financial Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard T. Schumacher, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Pressure BioSciences, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: June 29, 2020

/s/ Richard T. Schumacher

Richard T. Schumacher
Principal Financial Officer

EXHIBIT 32.1

Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

In connection with the Quarterly Report on Form 10-Q of Pressure BioSciences, Inc., a Massachusetts corporation (the "Company") for the period ended March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard T. Schumacher, President and Chief Executive Officer of the Company, do hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) that:

(1) The Report of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 29, 2020

By: */s/ Richard T. Schumacher*
Richard T. Schumacher
President & Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to Pressure BioSciences, Inc. and will be retained by Pressure BioSciences, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Certification
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

In connection with the Quarterly Report on Form 10-Q of Pressure BioSciences, Inc., a Massachusetts corporation (the "Company") for the period ended March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard T. Schumacher, Principal Financial Officer of the Company, do hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) that:

(1) The Report of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 29, 2020

By: */s/ Richard T. Schumacher*
Richard T. Schumacher
President & Chief Executive Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to Pressure BioSciences, Inc. and will be retained by Pressure BioSciences, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.